

Gol Intelligent Airlines Inc.  
Form 6-K  
August 14, 2014

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**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

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**FORM 6-K**

**REPORT OF FOREIGN ISSUER**  
**PURSUANT TO RULE 13a-16 OR 15d-16 OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**

**For the month of August, 2014**  
**(Commission File No. 001-32221) ,**

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**GOL LINHAS AÉREAS INTELIGENTES S.A.**  
*(Exact name of registrant as specified in its charter)*

**GOL INTELLIGENT AIRLINES INC.**  
*(Translation of Registrant's name into English)*

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**Praça Comandante Linneu Gomes, Portaria 3, Prédio 24**  
**Jd. Aeroporto**  
**04630-000 São Paulo, São Paulo**  
**Federative Republic of Brazil**  
*(Address of Registrant's principal executive offices)*

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Indicate by check mark whether the registrant files or will file  
annual reports under cover Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark whether the registrant by furnishing the  
information contained in this Form is also thereby furnishing the  
information to the Commission pursuant to Rule 12g3-2(b) under  
the Securities Exchange Act of 1934.

Yes  No

If "Yes" is marked, indicated below the file number assigned to the  
registrant in connection with Rule 12g3-2(b):

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

**Individual and Consolidated Interim Financial Information**

**GOL Linhas Aéreas Inteligentes S.A.**

For the quarter ended June 30, 2014

with Report on Review of Interim Financial Information

**GOL Linhas Aéreas Inteligentes S.A.**

Individual and Consolidated Interim Financial Information

June 30, 2014

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Consolidated Interim Financial Information for the period ended June 30, 2014

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## Performance Report

GOL recorded its first positive second-quarter operating income since 2010, reaching R\$38 million, accompanied by a positive operating margin (EBIT) of 1.6%, R\$73 million or 3.4 percentage points higher than in 2Q13, resulting on the sixth consecutive quarterly improvement in the operating result.

Net revenue reached a highest ever level of R\$2.4 billion on 2Q14, R\$466 million more than in 2Q13. Over the last twelve months, net revenue reached R\$9.8 billion, which also came to a new record. Domestic load factor reached 76.0% in the quarter and 76.4% year to date, also the highest ever figures for the periods. The new load factor level, together with the increase in yield by 17% in 2Q14, pushed up PRASK and RASK by 30% over 2Q13.

These results reflect the Company's efforts to ensure service excellence for all its clients, based on security, simplicity and sympathy.

In line with its strategy of increasing dollar revenue, GOL announced a codeshare agreement with Etihad Airways and Aeromexico, and new routes between Campinas (São Paulo) and Miami (USA), and Guarulhos (São Paulo) and Santiago (Chile), ensuring new destinations and improved connectivity. As a result, GOL recorded a 19% year over year increase in the number of passengers carried in the international market, the highest in the industry, raising its share of this segment by 4.2 percentage points to 30%. As a result, international passenger revenue has been increasing constantly, having passed the R\$1.0 billion level in the last 12 months.

Given the 8% devaluation of the Real against the average Dollar in 2Q13, the 13% increase in the per-liter jet fuel price, and higher inflationary pressure, the Company's costs reached R\$2.3 billion, 20% higher than in 2Q13, which represents an increase of 4 percentage points lower than the revenue growth.

GOL ended 2Q14 with a cash position of R\$2.8 billion, or 29% of net revenue in the last 12 months. Financial leverage (adjusted net debt over LTM revenue) totaled at 4.6x, versus 11.3x at the end of 2Q13. This improvement was chiefly due to higher LTM EBITDAR, which reached R\$1.8 billion, R\$1.1 billion up over 2Q13 LTM EBITDAR.

In order to strengthen its balance sheet, the Company renegotiated its 4th debenture issuance and held a tender offer of US\$187.1 million for the acquisition of its senior notes, maintaining a constant focus on reducing the cost and amortization of debt.

The efforts of the Team of Eagles were further underlined by the results during the 2014 World Cup. It represented months of preparation and planning to provide more than 28 thousand commercial flights, an average of 908 per day, with 486 extra flights. In order to serve passengers with different nationalities, we identified crew members fluent in several languages and allocated them in accordance with the needs of each flight. Of the total 4,500 airport employees, were temporarily relocated 3,000 to provide the best possible support for the operation. GOL was leader in passengers carried in the domestic market – 3.4 million – reaching a period load factor of 81.2% and leading the punctuality rankings, with 96% of flights on time.

The operational success during the World Cup was also recognized by the clients, through the SMS customer satisfaction survey, we received a rating of 8.16 on a scale of 0 to 10, reinforcing the commitment to overcome this rating by the end of the year.

GOL would like to thank its customers for their loyalty, our Team of Eagles for their commitment and investors for their confidence, all of which increasingly reinforces GOL's vision of being the best company to fly with, work for and invest in.

**Paulo Sérgio Kakinoff**

CEO of GOL Linhas Aéreas Inteligentes S.A.





**Highlights of the Subsidiary Smiles' Results in 2Q14**

**25.2%** upturn in the **number of accumulated miles**, excluding GOL, over 2Q13;

Increased redemptions with international partner airlines, totaling **1.2 billion miles, 16.7% of total redemptions;**

**Gross margin of 46.9%**, in line with 1Q14;

**Net income of R\$64.1 million** in 2Q14, with a **net margin of 42.1%**;

Issue of **R\$600.0 million in debentures** at 115% of the CDI rate;

Conclusion of the **capital reduction (R\$8.17 per share)**.

The second quarter of 2014 was marked by the increased accumulation of ex-GOL miles, which reached **8.1 billion, 25.2% more** than in 2Q13. Redemptions with international partner airlines and products also moved up, considering the implementation of a redemption partnership with Aerolíneas Argentinas and the new e-commerce miles redemption platform.

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**Operating and Financial Indicators****Aviation Market - Industry**

|                                      |               |               |         |               |               |         |
|--------------------------------------|---------------|---------------|---------|---------------|---------------|---------|
| <b>RPK Industry - Total</b>          | <b>28,791</b> | <b>27,569</b> | 4.4%    | <b>59,032</b> | <b>55,957</b> | 5.5%    |
| RPK Industry - Domestic              | 21,819        | 20,937        | 4.2%    | 45,039        | 42,266        | 6.6%    |
| RPK Industry - International         | 6,972         | 6,632         | 5.1%    | 13,993        | 13,691        | 2.2%    |
| <b>ASK Industry - Total</b>          | <b>36,154</b> | <b>36,841</b> | -1.9%   | <b>74,170</b> | <b>75,154</b> | -1.3%   |
| ASK Industry - Domestic              | 27,695        | 28,137        | -1.6%   | 56,881        | 56,795        | 0.2%    |
| ASK Industry - International         | 8,459         | 8,704         | -2.8%   | 17,288        | 18,359        | -5.8%   |
| <b>Industry Load Factor - Total</b>  | <b>79.6%</b>  | <b>74.8%</b>  | 4.8 p.p | <b>79.6%</b>  | <b>74.5%</b>  | 5.1 p.p |
| Industry Load Factor - Domestic      | 78.8%         | 74.4%         | 4.4 p.p | 79.2%         | 74.4%         | 4.8 p.p |
| Industry Load Factor - International | 82.4%         | 76.2%         | 6.2 p.p | 80.9%         | 74.6%         | 6.3 p.p |

**Aviation Market – GOL**

|                                 |               |               |          |               |               |          |
|---------------------------------|---------------|---------------|----------|---------------|---------------|----------|
| <b>RPK GOL – Total</b>          | <b>8,734</b>  | <b>8,249</b>  | 5.9%     | <b>18,273</b> | <b>16,540</b> | 10.5%    |
| RPK GOL - Domestic              | 7,759         | 7,499         | 3.5%     | 16,260        | 14,914        | 9.0%     |
| RPK GOL - International         | 975           | 749           | 30.2%    | 2,013         | 1,626         | 23.8%    |
| <b>ASK GOL – Total</b>          | <b>11,618</b> | <b>12,179</b> | -4.6%    | <b>24,147</b> | <b>24,508</b> | -1.5%    |
| ASK GOL – Domestic              | 10,213        | 10,870        | -6.0%    | 21,288        | 21,767        | -2.2%    |
| ASK GOL - International         | 1,405         | 1,309         | 7.4%     | 2,859         | 2,741         | 4.3%     |
| <b>GOL Load Factor - Total</b>  | <b>75.2%</b>  | <b>67.7%</b>  | 7.5 p.p  | <b>75.7%</b>  | <b>67.5%</b>  | 8.2 p.p  |
| GOL Load Factor - Domestic      | 76.0%         | 69.0%         | 7.0 p.p  | 76.4%         | 68.5%         | 7.9 p.p  |
| GOL Load Factor - International | 69.4%         | 57.2%         | 12.2 p.p | 70.4%         | 59.3%         | 11.1 p.p |

|  |        |        |       |         |         |       |
|--|--------|--------|-------|---------|---------|-------|
| Revenue Passengers - Pax on board ('000)     | 9,234  | 8,699  | 6.1%  | 19,062  | 17,270  | 10.4% |
| Aircraft Utilization (Block Hours/Day)       | 11.0   | 11.7   | -5.9% | 11.3    | 11.7    | -3.4% |
| Departures                                   | 75,266 | 78,395 | -4.0% | 154,399 | 156,627 | -1.4% |
| Average Stage Length (km)                    | 903    | 891    | 1.3%  | 906     | 898     | 0.9%  |
| Fuel consumption (mm liters)                 | 363    | 370    | -1.9% | 749     | 745     | 0.6%  |
| Full-time equivalent employees at period end | 16,302 | 16,465 | -1.0% | 16,302  | 16,465  | -1.0% |
| Average Operating Fleet                      | 124    | 119    | 3.9%  | 125     | 121     | 3.4%  |

|   |               |              |              |               |              |              |
|---|---------------|--------------|--------------|---------------|--------------|--------------|
| <b>Net YIELD (R\$ cents)</b>                                    | <b>24.40</b>  | <b>20.88</b> | <b>16.9%</b> | <b>24.16</b>  | <b>21.94</b> | <b>10.1%</b> |
| <b>Net PRASK (R\$ cents)</b>                                    | <b>18.35</b>  | <b>14.14</b> | <b>29.8%</b> | <b>18.29</b>  | <b>14.81</b> | <b>23.5%</b> |
| Net RASK (R\$ cents)  | 20.50         | 15.72        | 30.4%        | 20.19         | 16.31        | 23.8%        |
| CASK (R\$ cents)  | 20.16         | 16.01        | 25.9%        | 19.43         | 16.04        | 21.1%        |
| CASK ex-fuel (R\$ cents)  | 12.35         | 9.30         | 32.8%        | 11.48         | 9.00         | 27.6%        |
| Average Exchange Rate <sup>1</sup>                              | <b>2.2296</b> | 2.0673       | 7.9%         | <b>2.2974</b> | 2.0333       | 13.0%        |
| End of period Exchange Rate <sup>1</sup>                        | 2.2025        | 2.2156       | -0.6%        | 2.2025        | 2.2156       | -0.6%        |
| WTI (avg. per barrel, US\$) <sup>2</sup>                        | 103.06        | 94.14        | 9.5%         | 100.89        | 94.30        | 7.0%         |
| <b>Price per liter Fuel (R\$)</b>                               | <b>2.50</b>   | 2.21         | 13.1%        | <b>2.56</b>   | 2.32         | 10.6%        |
| Gulf Coast Jet Fuel Cost (average per liter, US\$) <sup>3</sup> | 0.76          | 0.74         | 2.7%         | 0.77          | 0.77         | 0.0%         |

1. Source: Brazilian Central Bank; 2. Source: Bloomberg; 3. Fuel expenses/liters consumed.

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### **Aviation Market – Industry**

In 2Q14, domestic aviation industry demand increased by 7% year to date and 4% in a quarter comparison over last year, fueled by the respective 4.8 and 4.4 percentage point increases to 79.2% and 78.8%. Supply remained flat in 6M14 and fell by 1.6% in the quarter.

The number of paying passengers transported in the domestic market increased by 7.8% in 6M14 to 46.2 million, a new period record. The total of paying passengers

transported in the international market stood at 3 million, 2% up over 6M13 and also a record over the period.

### **Domestic Market - GOL**

Domestic supply declined by 2.2% year to date and 6.0% in the quarter, in line with the Company's projections for 2014 of a reduction between -3% and -1%.

Domestic demand increased by 9.0% in 6M14, representing around 50% of the industry growth in the same period. In 2Q14, domestic demand grew by 3.5%.

Domestic load factor reached 76.4% and 76.0% in 6M14 and 2Q14, respectively, the highest level in GOL's history.

GOL carried more paid passengers than any other airline in the domestic market, totaling a record of 19 million in the first half, 10% up on 6M13 and corresponding to 37% of the total industry.

### **International Market - GOL**

International supply increased by 4.3% in the first half and 7.4% in the second quarter, in line with the annual growth guidance of up to 8%. The Company maintains its focus on increasing its international market presence by launching new routes in 2Q14 between São Paulo (Brazil) and Santiago (Chile), and Campinas (Brazil) and Miami (USA).

International demand grew by 24% in 6M14 and 30% in 2Q14, generating respective increases of 11.1 and 12.1 percentage points in the international load factor.

The number of paid passengers transported came to 908,000 year-to-date, 146,000, or 19%, more than in 6M13, outpacing the industry as a whole, which recorded growth of 64,000 paid passengers in the same period. GOL's market share grew by 4.2 percentage points to 30% in the first half.

#### **PRASK and Yield**

Thanks to the Company's strategy of maximizing profitability by raising its load factor to new levels, increasing the attractiveness of its services and having the flexibility to adapt its route network in a dynamic manner, PRASK grew by 30% in 2Q14 over 2Q13, and yield expanded by 17%.

**Debt Amortization Schedule**

GOL's loans and financing amortization profile, excluding interest and financial leasing, underlines the Company's continuing commitment to reducing its short-term financial obligations.

**Debt Amortization Schedule (2Q14)**

**Debt Amortization Schedule (Pro-Forma) <sup>1</sup>**

<sup>1</sup>Considers the following subsequent events: the Smiles S.A. debenture issue and the US\$187.1 million tender offer.

**Operational Fleet and Fleet Plan**

|                                     |           |              |              |               |               |
|-------------------------------------|-----------|--------------|--------------|---------------|---------------|
| <b>Fleet</b>                        | 137       | 140          | 140          |               |               |
| Aircraft Commitments (R\$ million)* | -         | 1,098        | 1,149        | 30,459        | 32,705        |
| Pre-Delivery Payments (R\$ million) | 88        | 240          | 128          | 4,021         | 4,476         |
| <b>Total (R\$ million)</b>          | <b>88</b> | <b>1,338</b> | <b>1,276</b> | <b>34,479</b> | <b>37,181</b> |

\* Considers aircraft list price

|                             |            |            |           |            |           |
|-----------------------------|------------|------------|-----------|------------|-----------|
| <b>Boeing 737-NG Family</b> | <b>146</b> | <b>135</b> | <b>11</b> | <b>147</b> | <b>-1</b> |
| 737-800 NG**                | 110        | 98         | 12        | 111        | -1        |
| 737-700 NG                  | 36         | 37         | -1        | 36         | 0         |
| 737-300 Classic*            | 3          | 9          | -6        | 7          | -4        |
| 767-300/200*                | 1          | 1          | -         | 1          | -         |
| Financial Leasing           | 46         | 46         | -         | 46         | -         |
| Operational Leasing         | 101        | 90         | 11        | 102        | -1        |

\* Non-operational aircraft

\*\*Includes 5 aircraft being returned and 8 sub-leased aircraft



The Company ended the quarter with **an operational fleet of 133 B737-700 NG and B737-800 NG aircraft**, due to the sub-leasing of 8 aircraft to European airlines. The other **5 aircraft** were in the process of being returned to their lessors, giving a total fleet of **146**, as shown in the above table. The average age of the fleet is 7.1 years.

Of the 46 aircraft under finance leases, 40 have a purchase option when their leasing contracts expire. In 2Q14, the Company **took delivery of 3 aircraft** under operating lease contracts, and **returned another 4 under operating lease**, as well as **4 aircraft from Webjet's fleet**. On June 30, 2014, the Company had **130 firm aircraft acquisition orders** with Boeing.

The portion financed through long-term loans with the U.S. Ex-Im Bank corresponds to 85% of the total aircraft cost. Other agents finance acquisitions with similar or higher rates, sometimes reaching 100%. The Company pays for its aircraft acquisitions with its own resources, loans, cash flow from operations, short and long-term credit lines and financing by the supplier.

### **Capex**

GOL invested R\$194 million in 2Q14. For more details on changes in property, plant and equipment, see Note 16 to the financial statements.

### **Financial Guidance – 2014**

|   |                       |      |       |
|---|-----------------------|------|-------|
| Brazilian GDP Growth                        | 1.5%                  | 2.0% | -     |
| Annual Change in RASK                       | Equal to or above 10% |      | 24%   |
| Annual Change in Domestic Supply (ASK)      | -3%                   | -1%  | -2.2% |
| Annual Change in International Supply (ASK) | Until +8%             |      | 4.3%  |

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|                                  |                           |           |             |
|----------------------------------|---------------------------|-----------|-------------|
| Annual Change in CASK ex-fuel    | Equal to or less than 10% |           | 27.5%       |
| Average Exchange Rate (R\$/US\$) | 2.50                      | 2.40      | 2.30        |
| Jet Fuel Price (QAV)*            | 2.85                      | 2.70      | 2.56        |
| <b>Operating Margin (EBIT)</b>   | <b>3%</b>                 | <b>6%</b> | <b>3.7%</b> |

Due to the impact of the adverse macroeconomic scenario, GOL may revise its guidance to incorporate any developments in its operating and financial performance, as well as any changes in interest, FX, GDP and WTI and Brent oil price trends. GOL is maintaining its previously published financial guidance for 2014.

**Audit committee statement**

The Audit Committee of GOL LINHAS AÉREAS INTELIGENTES S.A., in accordance with its bylaws and legal provisions, examined the Interim Financial Information for the period ended June 30, 2014. Based on the examinations performed, considering also the report of the independent auditors - Deloitte Touche Tohmatsu, dated August 13, 2014, 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, August 13, 2014.

Richard F. Lark

Member of the Audit Committee

Antônio Kandir

Member of the Audit Committee

Luiz Kaufmann

Member of the Audit Committee

**Directors' statement on the interim financial information**

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

In accordance with Instrução CVM 480/09, the Directors declare that discussed, reviewed and agreed with the Interim Financial Information for the period ended June 30, 2014.

São Paulo, August 13, 2014.

Paulo Sérgio Kakinoff

Chief Executive Officer

Edmar Prado Lopes Neto

Vice President and Investor Relations Officer

**Directors' statement on the report of the independent auditors**

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

In accordance with Instrução CVM 480/09, the Directors declare that discussed, reviewed and agreed with the Report on Review of Interim Financial Information for the three-month period ended June 30, 2014.

São Paulo, August 13, 2014.

Paulo Sérgio Kakinoff

Chief Executive Officer

Edmar Prado Lopes Neto

Vice President and Investor Relations Officer

**(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

Gol Linhas Aéreas Inteligentes S.A.

São Paulo - SP

**Introduction**

We have reviewed the accompanying individual and consolidated interim financial information of Gol Linhas Aéreas Inteligentes S.A. (“Company”), identified as Company and Consolidated, respectively, contained in the Quarterly Information (ITR) for the quarter ended June 30, 2014, which comprises the balance sheet as at June 30, 2014 and the related statement of operations and statement of comprehensive income (loss) for the quarter and six-month period then ended, and the statement of changes in equity and statement of cash flows for the quarter and six-month period then ended, and a summary of significant accounting practices and other explanatory notes.

Company management is responsible for the preparation of interim individual financial information in accordance with the Technical Pronouncement of the Accounting

Pronouncements Committee (CPC) 21 (R1) – Interim Financial Reporting and the consolidated interim financial information in accordance with CPC 21 (R1) and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of these information in compliance with the rules issued by the Brazilian Securities Commission (“CVM”), applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

**Scope of review**

We conducted our review according to the Brazilian and international review standards

of interim financial information (NBC TR 2410 – Review of Interim Financial

Information Performed by the Independent Auditor of the Entity, and ISRE 2410 -

Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of inquiries, mainly of the people responsible for the financial and accounting matters, and the application of analytical and other review procedures. The scope of a review is significantly narrower than that of an audit conducted in accordance with audit standards and, accordingly, it did not permit us to obtain assurance that we took notice of all significant matters that could have been raised in an audit. Therefore, we did not

express an audit opinion.

### **Conclusion on the interim financial information**

Based on our review, we are not aware of any fact that makes us believe that the individual and consolidated interim financial information included in the Quarterly Information referred above was not

prepared, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of Quarterly Information (ITR), and presented in compliance with the rules issued by the CVM.

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

**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, 2014, 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 individual and consolidated interim financial information taken as a whole.

**Audit and review of the amounts corresponding to prior year and period**

The amounts correspondent to balance sheets for the year ended December 31, 2013 and the statements of operations, of comprehensive income, of changes in shareholders' equity, of cash flows and of value added for the three and six-months period ended June 30, 2013 presented for comparison purposes, were previously audited and reviewed, respectively, by other independent accountants, who issued an unmodified opinion dated March 25, 2014 and review report of quarterly information dated August 12, 2013.

São Paulo, August 12, 2014.



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

**GOL Linhas Aéreas Inteligentes S.A.**

Company Profile / Subscribed Capital

|                 | <b>Number of shares</b> | <b>Current Year<br/>06/30/2014</b> |
|-----------------|-------------------------|------------------------------------|
| Paid-in capital |                         | 143,858,204                        |
| Preferred       |                         | 135,009,316                        |
| <b>Total</b>    |                         | <b>278,867,520</b>                 |
| Treasury        |                         | 2,146,725                          |
| <b>Total</b>    |                         | <b>2,146,725</b>                   |

**Individual Financial Statements / Statement of Financial Position - Assets**

(In thousands of Brazilian Reais)

| <b>Line code</b> | <b>Line item</b>                 | <b>Current Year<br/>06/30/2014</b> | <b>Prior Year<br/>12/31/2013</b> |
|------------------|----------------------------------|------------------------------------|----------------------------------|
| 1                | Total assets                     | <b>2,633,109</b>                   | 2,513,648                        |
| 1.01             | Current assets                   | <b>915,336</b>                     | 363,767                          |
| 1.01.01          | Cash and cash equivalents        | <b>905,047</b>                     | 343,793                          |
| 1.01.02          | Short-term investments           | <b>54</b>                          | 2,524                            |
| 1.01.06          | Recoverable taxes                | <b>10,207</b>                      | 9,991                            |
| 1.01.07          | Prepaid expenses                 | <b>21</b>                          | 438                              |
| 1.01.08          | Other current assets             | <b>7</b>                           | 7,021                            |
| 1.01.08.01       | Noncurrent assets for sale       | <b>7</b>                           | 7                                |
| 1.01.08.01.01    | Restricted cash                  | <b>7</b>                           | 7                                |
| 1.01.08.03       | Others                           | <b>-</b>                           | 7,014                            |
| 1.02             | Noncurrent assets                | <b>1,717,773</b>                   | 2,149,881                        |
| 1.02.01          | Long-term assets                 | <b>165,956</b>                     | 174,900                          |
| 1.02.01.06       | Taxes                            | <b>71,272</b>                      | 84,567                           |
| 1.02.01.06.01    | Deferred taxes                   | <b>19,016</b>                      | 29,569                           |
| 1.02.01.06.02    | Recoverable taxes                | <b>52,256</b>                      | 54,998                           |
| 1.02.01.08       | Related-party transactions       | <b>50,328</b>                      | 49,961                           |
| 1.02.01.08.04    | Other related-party transactions | <b>50,328</b>                      | 49,961                           |
| 1.02.01.09       | Other noncurrent assets          | <b>44,356</b>                      | 40,372                           |
| 1.02.01.09.03    | Deposits                         | <b>23,221</b>                      | 20,170                           |
| 1.02.01.09.04    | Restricted cash                  | <b>21,135</b>                      | 20,202                           |
| 1.02.02          | Investments                      | <b>807,913</b>                     | 1,084,149                        |
| 1.02.03          | Property, plant and equipment    | <b>743,904</b>                     | 890,832                          |

**Individual Financial Statements / Statement of Financial Position - Liabilities**

(In thousands of Brazilian Reais)

| <b>Line code</b> | <b>Line item</b>                            | <b>Current Year</b> | <b>Prior Year</b> |
|------------------|---|---------------------|-------------------|
|                  |   | <b>06/30/2014</b>   | <b>12/31/2013</b> |
| 2                | Total liabilities                           | <b>2,633,109</b>    | 2,513,648         |
| 2.01             | Current liabilities                         | <b>65,679</b>       | 84,710            |
| 2.01.01          | Salaries, wages and benefits                | <b>390</b>          | 1,092             |
| 2.01.01.02       | Salaries, wages and benefits                | <b>390</b>          | 1,092             |
| 2.01.02          | Suppliers                                   | <b>385</b>          | 3,769             |
| 2.01.03          | Taxes payable                               | <b>1,491</b>        | 1,246             |
| 2.01.04          | Short-term debt                             | <b>62,640</b>       | 47,488            |
| 2.01.05          | Other liabilities                           | <b>773</b>          | 31,115            |
| 2.01.05.02       | Other                                       | <b>773</b>          | 31,115            |
| 2.01.05.02.04    | Other liabilities                           | <b>773</b>          | 800               |
| 2.01.05.02.05    | Derivative transactions                     | -                   | 30,315            |
| 2.02             | Noncurrent liabilities                      | <b>2,082,320</b>    | 1,778,012         |
| 2.02.01          | Long-term debt                              | <b>1,948,033</b>    | 1,651,494         |
| 2.02.02          | Other liabilities                           | <b>134,287</b>      | 126,518           |
| 2.02.02.01       | Liabilities with related-party transactions | <b>121,580</b>      | 113,741           |
| 2.02.02.02       | Other                                       | <b>12,707</b>       | 12,777            |
| 2.02.02.02.03    | Taxes payable                               | <b>12,707</b>       | 12,777            |
| 2.03             | Shareholder's equity                        | <b>485,110</b>      | 650,926           |
| 2.03.01          | Capital                                     | <b>2,586,059</b>    | 2,469,623         |
| 2.03.01.01       | Issued capital                              | <b>2,501,653</b>    | 2,501,574         |
| 2.03.01.02       | Cost on issued shares                       | <b>(31,951)</b>     | (31,951)          |
| 2.03.01.03       | Shares to be issue                          | <b>116,357</b>      | -                 |
| 2.03.02          | Capital reserves                            | <b>159,714</b>      | 156,688           |
| 2.03.02.01       | Premium on issue of shares                  | <b>32,387</b>       | 32,387            |
| 2.03.02.02       | Special reserve                             | <b>70,979</b>       | 70,979            |
| 2.03.02.05       | Treasury shares                             | <b>(32,116)</b>     | (32,116)          |
| 2.03.02.07       | Share-based payments                        | <b>88,464</b>       | 85,438            |
| 2.03.05          | Accumulated losses                          | <b>(2,873,726)</b>  | (2,568,353)       |
| 2.03.06          | Equity valuation adjustments                | <b>613,063</b>      | 592,968           |
| 2.03.06.01       | Other comprehensive income                  | <b>(74,839)</b>     | (18,162)          |
| 2.03.06.02       | Change in equity through public offer       | <b>687,902</b>      | 611,130           |



**Individual Financial Statements / Statements of Operations**

(In thousands of Brazilian Reais)

| Line code  | Line item                                       | Current<br>Quarter<br>04/01/2014<br>to<br>06/30/2014 | Current<br>Year<br>01/01/2014<br>to<br>06/30/2014 | Same<br>Quarter<br>Prior Year<br>04/01/2013<br>to<br>06/30/2013 | Prior Year<br>YTD<br>01/01/2013<br>to<br>06/30/2013 |
|------------|---|--|---|---|---|
| 3.04       | Operating expenses/revenues                     | (178,031)  | (328,441)   | (280,035)   | (356,012)   |
| 3.04.02    | General and administrative expenses             | (2,690)  | (7,503)   | (5,141)   | (9,996)   |
| 3.04.04    | Other operating income                          | 26,700   | 75,073  | 28,916  | 66,708  |
| 3.04.06    | Equity in subsidiaries                          | (202,041)  | (396,011)   | (303,810)   | (412,724)   |
| 3.05       | Result before income taxes and financial result | (178,031)  | (328,441)   | (280,035)   | (356,012)   |
| 3.06       | Financial result                                | 3,865  | 23,086  | (166,746)   | (165,959)   |
| 3.06.01    | Financial income                                | 49,187   | 132,960   | (119,670)   | (82,406)  |
| 3.06.01.01 | Financial income                                | 6,491  | 8,626   | 5,013   | 11,248  |
| 3.06.01.02 | Exchange variation, net                         | 42,696   | 124,334   | (124,683)   | (93,654)  |
| 3.06.02    | Financial expenses                              | (45,322)   | (109,874)   | (47,076)  | (83,553)  |
| 3.07       | Result before income taxes                      | (174,166)  | (305,355)   | (446,781)   | (521,971)   |
| 3.08       | Income taxes                                    | (12)   | (18)  | (2,740)   | (2,840)   |
| 3.08.01    | Current   | -  | -   | (1,885)   | (1,985)   |
| 3.08.02    | Deferred  | (12)   | (18)  | (855)   | (855)   |
| 3.09       | Result from continuing operations, net          | (174,178)  | (305,373)   | (449,521)   | (524,811)   |
| 3.11       | Net loss for the period                         | (174,178)  | (305,373)   | (449,521)   | (524,811)   |

**Individual Statements of Comprehensive Income**

(In thousands of Brazilian Reais)

| <b>Line code</b> | <b>Line item</b>                  | <b>Current<br/>Quarter<br/><br/>04/01/2014 to<br/>06/30/2014</b> | <b>Current<br/>Year<br/><br/>01/01/2014 to<br/>06/30/2014</b> | <b>Same Quarter<br/>Prior Year<br/><br/>04/01/2013<br/><br/>to<br/>06/30/2013</b> | <b>Prior Year<br/><br/>YTD<br/><br/>01/01/2013 to<br/>06/30/2013</b> |
|------------------|-----------------------------------|--|---|---|--|
| 4.01             | Net loss for the period           | (174,178)  | (305,373)   | (449,521)   | (524,811)  |
| 4.02             | Other comprehensive income        | (26,966)   | (56,677)  | 22,308  | 29,296   |
| 4.02.01          | Cash flow hedges                  | (40,857)   | (85,874)  | 33,800  | 44,388   |
| 4.02.02          | Tax effect                        | 13,891   | 29,197  | (11,492)  | (15,092)   |
| 4.03             | Comprehensive loss for the period | (201,144)  | (362,050)   | (427,213)   | (495,515)  |

**Individual Financial Statements / Statements of Cash Flows - Indirect Method**

(In thousands of Brazilian Reais)

| <b>Line code</b> | <b>Line item</b>                                      | <b>Current<br/>Quarter<br/>04/01/2014 to 06/30/2014</b> | <b>Same Qu<br/>Prior<br/>04/01/2013 to 06/30/2013</b> |
|------------------|---|---|---|
| 6.01             | Net cash used in operating activities                 | 23,018  | 231,000   |
| 6.01.01          | Cash flows from operating activities                  | 311,866   | 559,000   |
| 6.01.01.02       | Deferred taxes  | 18  |   |
| 6.01.01.03       | Equity in subsidiaries                                | 396,011   | 412,000   |
| 6.01.01.04       | Share-based payments                                  | 3,026   | 2,000   |
| 6.01.01.05       | Exchange and monetary variations, net                 | (126,056)   | 137,000   |
| 6.01.01.06       | Interest on loans                                     | 88,553  | 25,000  |
| 6.01.01.07       | Interest paid   | (65,538)  | (25,000)  |
| 6.01.01.08       | Income tax paid                                       | -   | (1,000)   |
| 6.01.01.09       | Unrealized results of hedge, net                      | 15,852  | 7,000   |
| 6.01.02          | Changes assets and liabilities                        | 16,525  | 196,000   |
| 6.01.02.02       | Financial applications used for trading               | 2,470   | 173,000   |
| 6.01.02.03       | Deposits  | (3,051)   | (1,000)   |
| 6.01.02.04       | Prepaid expenses and recoverable taxes                | 13,477  | 4,000   |
| 6.01.02.05       | Other assets  | 7,014   | 17,000  |
| 6.01.02.06       | Suppliers   | (3,384)   | 3,000   |
| 6.01.02.07       | Tax obligations                                       | 175   | (2,000)   |
| 6.01.02.08       | Salaries, wages and benefits                          | (702)   |   |
| 6.01.02.10       | Other obligations                                     | 526   |   |
| 6.01.03          | Other   | (305,373)   | (524,000)   |
| 6.01.03.01       | Net loss for the period                               | (305,373)   | (524,000)   |
| 6.02             | Net cash used in investing activities                 | (4,899)   | (307,000)   |
| 6.02.01          | Advance for future capital increase                   | (290,215)   | (224,000)   |
| 6.02.02          | Credit with related parties                           | (367)   |   |
| 6.02.03          | Restricted cash                                       | (933)   | (19,000)  |
| 6.02.04          | Property, plant and equipment acquisition             | -   | (63,000)  |
| 6.02.05          | Capital increase on subsidiary                        | (2,367)   |   |
| 6.02.06          | Gains on investment sale, net                         | 61,362  |   |
| 6.02.07          | Advance for property, plant and equipment acquisition | 146,928   |   |
| 6.02.08          | Dividends received by subsidiary                      | 80,693  |   |



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|         |  |                 |       |
|---------|--|-----------------|-------|
| 6.03    | Net cash generated by financing activities           | <b>543,135</b>  | (81,  |
| 6.03.02 | Loan and lease payment                               | <b>(44,612)</b> |       |
| 6.03.03 | Credit with related parties                          | <b>467,212</b>  | (86,  |
| 6.03.04 | Disposal of treasury shares                          | -               | 3     |
| 6.03.05 | Capital increase                                     | <b>79</b>       | 1     |
| 6.03.07 | Shares to be issued                                  | <b>116,357</b>  |       |
| 6.03.08 | Gains due to change on investment                    | <b>4,099</b>    |       |
| 6.05    | Net increase (decrease) in cash and cash equivalents | <b>561,254</b>  | (157, |
| 6.05.01 | Cash and cash equivalents at beginning of the period | <b>343,793</b>  | 247,  |
| 6.05.02 | Cash and cash equivalents at end of the period       | <b>905,047</b>  | 90    |
| 18      |  |                 |       |

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**Individual Financial Statements / Statements of Changes in Equity - From 01/01/2014 to 06/30/2014**

(In thousands of Brazilian Reais)

| <b>Line code</b> | <b>Line item</b>                       | <b>Capital stock</b> | <b>Capital reserves, options granted and treasury shares</b> | <b>Accumulated losses</b> | <b>Other comprehensive income</b> | <b>Total consolidated equity</b> |
|------------------|--|----------------------|--|---------------------------|-----------------------------------|----------------------------------|
| 5.01             | Opening balance                        | 2,469,623            | 767,818  | (2,568,353)               | (18,162)                          | 650,926                          |
| 5.03             | Adjusted balance                       | 2,469,623            | 767,818  | (2,568,353)               | (18,162)                          | 650,926                          |
| 5.04             | Shareholders' capital transactions     | 116,436              | 76,772   | -                         | -                                 | 193,208                          |
| 5.04.01          | Capital increase                       | 79                   | -  | -                         | -                                 | 79                               |
| 5.04.11          | Shares to be issued                    | 116,357              | -  | -                         | -                                 | 116,357                          |
| 5.04.12          | Gains on change on investment          | -                    | 2,802  | -                         | -                                 | 2,802                            |
| 5.04.13          | Gains on investment sold – G.A. Smiles | -                    | 73,970   | -                         | -                                 | 73,970                           |
| 5.05             | Total comprehensive result             | -                    | 3,026  | (305,373)                 | (56,677)                          | (358,024)                        |
| 5.05.01          | Net loss for the period                | -                    | -  | (305,373)                 | -                                 | (305,373)                        |
| 5.05.02          | Other comprehensive income             | -                    | 3,026  | -                         | (56,677)                          | (53,651)                         |
| 5.05.02.07       | Other comprehensive result, net        | -                    | -  | -                         | (56,677)                          | (56,677)                         |
| 5.05.02.08       | Share-based payments                   | -                    | 3,026  | -                         | -                                 | 3,026                            |
| 5.07             | Closing balance                        | 2,586,059            | 847,616  | (2,873,726)               | (74,839)                          | 485,110                          |

**Individual Financial Statements / Statement of Changes in Equity - From 01/01/2013 to 06/30/2013**

(In thousands of Brazilian Reais)

| <b>Line code</b> | <b>Line item</b>                      | <b>Capital stock</b> | <b>Capital reserves, options granted and treasury stock</b> |
|------------------|---------------------------------------|----------------------|---|
| 5.01             | Opening balance                       | 2,467,738            | 105   |
| 5.03             | Adjusted balance                      | 2,467,738            | 105   |
| 5.04             | Shareholders' capital transactions    | -                    | 617   |
| 5.04.08          | Treasury shares sold                  | -                    | 3   |
| 5.04.09          | Share-based payments                  | -                    | 3   |
| 5.04.10          | Change on equity through public offer | -                    | 611   |
| 5.05             | Total comprehensive income            | 1,885                |   |
| 5.05.01          | Net loss for the period               | -                    |   |
| 5.05.02          | Other comprehensive income            | 1,885                |   |
|                  | Capital increase by exercise of       |                      |   |
| 5.05.02.06       | stock options                         | 1,885                |   |
| 5.05.02.07       | Other comprehensive income, net       | -                    |   |
| 5.07             | Closing balance                       | 2,469,623            | 723   |

**Individual Financial Statements / Statements of Value Added**

(In thousands of Brazilian Reais)

| <b>Line code</b> | <b>Line item</b>                                  | <b>Current YTD</b>              | <b>Prior Year YTD</b>           |
|------------------|---|---------------------------------|---------------------------------|
|                  |   | <b>01/01/2014 to 06/30/2014</b> | <b>01/01/2013 to 06/30/2013</b> |
| 7.01             | Revenues  | <b>74,385</b>                   | 66,70                           |
| 7.01.02          | Other revenue                                     | <b>74,385</b>                   | 66,70                           |
| 7.01.02.02       | Other operational revenue                         | <b>74,385</b>                   | 66,70                           |
| 7.02             | Acquired from third parties                       | <b>(4,049)</b>                  | (6,315)                         |
| 7.02.02          | Materials, energy, third-party services and other | <b>(4,049)</b>                  | (6,315)                         |
| 7.03             | Gross value added                                 | <b>70,336</b>                   | 60,39                           |
| 7.05             | Added value produced                              | <b>70,336</b>                   | 60,39                           |
| 7.06             | Value added received in transfer                  | <b>(387,385)</b>                | (401,476)                       |
| 7.06.01          | Equity in subsidiaries                            | <b>(396,011)</b>                | (412,724)                       |
| 7.06.02          | Finance income                                    | <b>8,626</b>                    | 11,24                           |
| 7.07             | Total wealth for distribution                     | <b>(317,049)</b>                | (341,083)                       |
| 7.08             | Wealth for distribution                           | <b>(317,049)</b>                | (341,083)                       |
| 7.08.01          | Employees   | <b>2,926</b>                    | 3,64                            |
| 7.08.02          | Taxes   | <b>(142)</b>                    | 2,87                            |
| 7.08.03          | Third party capital remuneration                  | <b>(14,460)</b>                 | 177,20                          |
| 7.08.03.03       | Other   | <b>(14,460)</b>                 | 177,20                          |
| 7.08.03.03.01    | Financiers  | <b>(14,460)</b>                 | 177,20                          |
| 7.08.04          | Return on own capital                             | <b>(305,373)</b>                | (524,81)                        |
| 7.08.04.03       | Loss for the period                               | <b>(305,373)</b>                | (524,81)                        |

**Consolidated Financial Statements / Statement of Financial Position - Assets**

(In thousands of Brazilian Reais)

| <b>Line code</b> | <b>Line item</b>                                       | <b>Current Year<br/>06/30/2014</b> | <b>Prior Year<br/>12/31/2013</b> |
|------------------|--|------------------------------------|----------------------------------|
| 1                | Total assets   | <b>10,256,690</b>                  | 10,638,448                       |
| 1.01             | Current assets   | <b>3,357,238</b>                   | 3,565,709                        |
| 1.01.01          | Cash and cash equivalents                              | <b>2,450,393</b>                   | 1,635,647                        |
| 1.01.02          | Short-term investments                                 | <b>143,362</b>                     | 1,244,034                        |
| 1.01.02.01       | Short-term investments at fair value                   | <b>143,362</b>                     | 1,244,034                        |
| 1.01.02.01.03    | Restricted cash  | <b>7</b>                           | 88,417                           |
| 1.01.02.01.04    | Short-term investments                                 | <b>143,355</b>                     | 1,155,617                        |
| 1.01.03          | Trade receivables                                      | <b>466,826</b>                     | 324,821                          |
| 1.01.04          | Inventories  | <b>147,729</b>                     | 117,144                          |
| 1.01.06          | Recoverable taxes                                      | <b>30,936</b>                      | 52,124                           |
| 1.01.07          | Prepaid expenses                                       | <b>79,171</b>                      | 80,655                           |
| 1.01.08          | Other current assets                                   | <b>38,821</b>                      | 111,284                          |
| 1.01.08.03       | Others   | <b>38,821</b>                      | 111,284                          |
| 1.01.08.03.03    | Other credits  | <b>38,821</b>                      | 62,350                           |
| 1.01.08.03.04    | Rights on derivatives transactions                     | <b>-</b>                           | 48,934                           |
| 1.02             | Noncurrent assets                                      | <b>6,899,452</b>                   | 7,072,739                        |
| 1.02.01          | Long-term assets                                       | <b>1,647,733</b>                   | 1,606,390                        |
| 1.02.01.06       | Taxes  | <b>533,095</b>                     | 561,694                          |
| 1.02.01.06.01    | Deferred Taxes   | <b>465,251</b>                     | 488,157                          |
| 1.02.01.06.02    | Recoverable taxes                                      | <b>67,844</b>                      | 73,537                           |
| 1.02.01.07       | Prepaid expenses                                       | <b>22,386</b>                      | 26,526                           |
| 1.02.01.09       | Other noncurrent assets                                | <b>1,092,252</b>                   | 1,018,170                        |
| 1.02.01.09.03    | Restricted cash  | <b>226,539</b>                     | 166,039                          |
| 1.02.01.09.04    | Deposits   | <b>844,295</b>                     | 847,708                          |
| 1.02.01.09.05    | Other credits  | <b>21,418</b>                      | 4,423                            |
| 1.02.02          | Investments  | <b>8,775</b>                       | -                                |
| 1.02.03          | Property, plant and equipment                          | <b>3,517,216</b>                   | 3,772,159                        |
| 1.02.03.01       | Property, plant and equipment in operation             | <b>1,361,784</b>                   | 1,596,462                        |
| 1.02.03.01.01    | Other flight equipment                                 | <b>915,732</b>                     | 987,310                          |
| 1.02.03.01.02    | Advances for property, plant and equipment acquisition | <b>314,331</b>                     | 467,763                          |
| 1.02.03.01.04    | Others   | <b>131,721</b>                     | 141,389                          |
| 1.02.03.02       | Property, plant and equipment under leasing            | <b>2,155,432</b>                   | 2,175,697                        |
| 1.02.03.02.01    | Property, plant and equipment under financial leasing  | <b>2,155,432</b>                   | 2,175,697                        |

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|            |            |                  |           |
|------------|------------|------------------|-----------|
| 1.02.04    | Intangible | <b>1,725,728</b> | 1,694,190 |
| 1.02.04.01 | Intangible | <b>1,165,563</b> | 1,151,888 |
| 1.02.04.02 | Goodwill   | <b>560,165</b>   | 542,302   |

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**Consolidated Financial Statements / Statement of Financial Position - Liabilities**

(In thousands of Brazilian Reais)

| <b>Line code</b> | <b>Line item</b>                         | <b>Current Year</b> | <b>Prior Year</b> |
|------------------|--|---------------------|-------------------|
|                  |  | <b>06/30/2014</b>   | <b>12/31/2013</b> |
| 2                | Total liabilities                        | 10,256,690          | 10,638,448        |
| 2.01             | Current liabilities                      | 3,368,462           | 3,446,791         |
| 2.01.01          | Salaries, wages and benefits             | 256,201             | 233,584           |
| 2.01.01.02       | Salaries, wages and benefits             | 256,201             | 233,584           |
| 2.01.02          | Suppliers                                | 498,760             | 502,919           |
| 2.01.03          | Taxes payable                            | 75,637              | 94,430            |
| 2.01.04          | Short-term debt                          | 531,651             | 440,834           |
| 2.01.05          | Other liabilities                        | 1,849,929           | 1,975,553         |
| 2.01.05.02       | Others                                   | 1,849,929           | 1,975,553         |
| 2.01.05.02.04    | Tax and landing fees                     | 300,127             | 271,334           |
| 2.01.05.02.05    | Advance ticket sales                     | 1,129,699           | 1,219,802         |
| 2.01.05.02.06    | Customer loyalty programs                | 208,650             | 195,935           |
| 2.01.05.02.07    | Advances from customers                  | 43,700              | 167,759           |
| 2.01.05.02.08    | Other liabilities                        | 125,613             | 90,408            |
| 2.01.05.02.09    | Liabilities from derivative transactions | 42,140              | 30,315            |
| 2.01.06          | Provisions                               | 156,284             | 199,471           |
| 2.02             | Noncurrent liabilities                   | 5,795,506           | 5,973,157         |
| 2.02.01          | Long-term debt                           | 4,875,317           | 5,148,551         |
| 2.02.02          | Other liabilities                        | 671,645             | 541,703           |
| 2.02.02.02       | Others                                   | 671,645             | 541,703           |
| 2.02.02.02.03    | Customer loyalty programs                | 496,013             | 456,290           |
| 2.02.02.02.04    | Advances from customers                  | 383                 | 3,645             |
| 2.02.02.02.05    | Tax obligations                          | 62,869              | 61,038            |
| 2.02.02.02.06    | Other liabilities                        | 112,380             | 20,730            |
| 2.02.04          | Provisions                               | 248,544             | 282,903           |
| 2.03             | Consolidated equity                      | 1,092,722           | 1,218,500         |
| 2.03.01          | Capital                                  | 2,472,731           | 2,356,295         |
| 2.03.01.01       | Issued capital                           | 2,501,653           | 2,501,574         |
| 2.03.01.02       | Cost on issued shares                    | (145,279)           | (145,279)         |
| 2.03.01.03       | Shares to be issue                       | 116,357             | -                 |
| 2.03.02          | Capital reserves                         | 159,714             | 156,688           |
| 2.03.02.01       | Premium on issue of shares               | 32,387              | 32,387            |
| 2.03.02.02       | Special reserve                          | 70,979              | 70,979            |

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|            |  |                    |             |
|------------|--|--------------------|-------------|
| 2.03.02.05 | Treasury shares  | <b>(32,116)</b>    | (32,116)    |
| 2.03.02.07 | Share-based payments                                       | <b>88,464</b>      | 85,438      |
| 2.03.05    | Accumulated losses   | <b>(2,760,398)</b> | (2,455,025) |
| 2.03.06    | Equity valuation adjustments                               | <b>613,063</b>     | 592,968     |
| 2.03.06.01 | Equity valuation adjustments                               | <b>(74,839)</b>    | (18,162)    |
| 2.03.06.02 | Gains on capital   | <b>687,902</b>     | 611,130     |
| 2.03.09    | Participation of non-controlling Company's<br>shareholders | <b>607,612</b>     | 567,574     |
| 23         |  |                    |             |

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**Consolidated Financial Statements /Statements of Operations**

(In thousands of Brazilian Reais)

| Line code  | Line item   | Current     | Current     | Same        | Prior Year  |
|------------|---|-------------|-------------|-------------|-------------|
|            |   | Quarter     | Year        | Quarter     | YTD         |
|            |   | 04/01/2014  | 01/01/2014  | 04/01/2013  | 01/01/2013  |
|            |   | to          | to          | to          | to          |
|            |   | 06/30/2014  | 06/30/2014  | 06/30/2013  | 06/30/2013  |
| 3.01       | Sales and services revenue                            | 2,381,289   | 4,874,688   | 1,914,825   | 3,997,501   |
| 3.01.01    | Passenger   | 2,131,409   | 4,415,697   | 1,722,561   | 3,628,668   |
| 3.01.02    | Cargo and other                                       | 249,880     | 458,991     | 192,264     | 368,833     |
| 3.02       | Cost of sales and/or services                         | (1,969,514) | (4,017,722) | (1,719,847) | (3,476,469) |
| 3.03       | Gross profit  | 411,775     | 856,966     | 194,978     | 521,032     |
| 3.04       | Operating expenses                                    | (373,927)   | (674,668)   | (230,056)   | (454,935)   |
| 3.04.01    | Sales expenses  | (225,549)   | (425,400)   | (144,523)   | (306,784)   |
| 3.04.01.01 | Marketing expenses                                    | (225,549)   | (425,400)   | (144,523)   | (306,784)   |
| 3.04.02    | General and administrative expenses                   | (174,117)   | (322,934)   | (108,140)   | (214,853)   |
| 3.04.04    | Other operating income                                | 26,700      | 75,073      | 22,607      | 66,702      |
| 3.04.06    | Equity in subsidiaries                                | (961)       | (1,407)     | -           | -           |
| 3.05       | Income before taxes and financial result              | 37,848      | 182,298     | (35,078)    | 66,097      |
| 3.06       | Financial result                                      | (105,695)   | (299,477)   | (424,979)   | (531,907)   |
| 3.06.01    | Financial income                                      | 118,703     | 278,942     | (210,890)   | (94,323)    |
| 3.06.01.01 | Financial income                                      | 68,312      | 171,064     | 122,795     | 180,208     |
| 3.06.02.02 | Exchange variation, net                               | 50,391      | 107,878     | (333,685)   | (274,531)   |
| 3.06.02    | Financial expenses                                    | (224,398)   | (578,419)   | (214,089)   | (437,584)   |
| 3.07       | Loss before income taxes                              | (67,847)    | (117,179)   | (460,057)   | (465,810)   |
| 3.08       | Tax expenses  | (77,133)    | (123,947)   | 27,103      | (42,434)    |
| 3.08.01    | Current   | (34,799)    | (74,055)    | (10,968)    | (28,372)    |
| 3.08.02    | Deferred  | (42,334)    | (49,892)    | 38,071      | (14,062)    |
| 3.09       | Net loss from continuing operations                   | (144,980)   | (241,126)   | (432,954)   | (508,244)   |
| 3.11       | Net loss for the period                               | (144,980)   | (241,126)   | (432,954)   | (508,244)   |
| 3.11.01    | Attributable to Company' hareholders                  | (174,178)   | (305,373)   | (449,521)   | (524,811)   |
| 3.11.02    | Attributable to non-controlling Company' shareholders | 29,198      | 64,247      | 16,567      | 16,567      |



**Consolidated Statements of Comprehensive Income**

(In thousands of Brazilian Reais)

| <b>Line code</b> | <b>Line item</b>                                      | <b>Current<br/>Quarter<br/>04/01/2014<br/>to<br/>06/30/2014</b> | <b>Current<br/>Year<br/>01/01/2014<br/>to<br/>06/30/2014</b> | <b>Same<br/>Quarter<br/>Prior Year<br/>04/01/2013<br/>to<br/>06/30/2013</b> | <b>Prior Year<br/>YTD<br/>01/01/2013<br/>to<br/>06/30/2013</b> |
|------------------|---|---|--|---|--|
| 4.01             | Net loss for the period                               | (144,980)   | (241,126)  | (432,954)   | (508,244)  |
| 4.02             | Other comprehensive income (loss)                     | (26,966)  | (56,677)   | 22,308  | 29,296   |
| 4.02.01          | Cash flow hedges                                      | (40,857)  | (85,874)   | 33,800  | 44,388   |
| 4.02.02          | Tax effect  | 13,891  | 29,197   | (11,492)  | (15,092)   |
| 4.03             | Comprehensive income for the period                   | (171,946)   | (297,803)  | (410,646)   | (478,948)  |
| 4.03.01          | Attributable to Company' shareholders                 | (201,144)   | (362,050)  | (427,213)   | (495,515)  |
| 4.03.02          | Attributable to non-controlling Company' shareholders | 29,198  | 64,247   | 16,567  | 16,567   |

**Consolidated Financial Statements / Statements of Cash Flows - Indirect Method**

(In thousands of Brazilian Reais)

| <b>Line code Line item</b>   | <b>Current<br/>Quarter<br/>04/01/2014 to 06/30/2014</b> | <b>Same Quarter<br/>Prior Year<br/>04/01/2013 to 06/30/2013</b> |
|--|---|---|
| 6.01 Net cash provided by operating activities                           | <b>683,166</b>  | (584,835)   |
| 6.01.01 Cash flows from operating activities                             | <b>463,232</b>  | 833,752   |
| 6.01.01.01 Depreciation and amortization                                 | <b>259,561</b>  | 227,155   |
| 6.01.01.02 Allowance for doubtful accounts                               | <b>7,757</b>  | 16,393  |
| 6.01.01.03 Provisions for judicial deposits                              | <b>2,541</b>  | 8,073   |
| 6.01.01.04 Reversion for inventory obsolescence                          | <b>(1)</b>  | (8,289)   |
| 6.01.01.05 Deferred taxes  | <b>49,892</b>   | 14,062  |
| 6.01.01.06 Share-based payments  | <b>4,186</b>  | 3,692   |
| 6.01.01.07 Exchange and monetary variations, net                         | <b>(111,061)</b>  | 328,784   |
| 6.01.01.08 Interest on loans and financial lease                         | <b>148,074</b>  | 105,000   |
| 6.01.01.09 Unrealized hedge results                                      | <b>15,852</b>   | 24,765  |
| 6.01.01.11 Mileage program   | <b>52,438</b>   | 93,983  |
| 6.01.01.12 Write-off property, plant and equipment and intangible assets | <b>40</b>   | 20,120  |
| 6.01.01.14 Result share plan provision                                   | <b>32,546</b>   |   |
| 6.01.01.15 Equity in subsidiary  | <b>1,407</b>  |   |
| 6.01.02 Changes in assets and liabilities                                | <b>461,060</b>  | (893,776)   |
| 6.01.02.01 Accounts receivable   | <b>(149,762)</b>  | (44,105)  |
| 6.01.02.02 Financial applications used for trading                       | <b>1,012,262</b>  | (818,486)   |
| 6.01.02.03 Inventories   | <b>(30,585)</b>   | (1,888)   |
| 6.01.02.04 Deposits  | <b>(34,275)</b>   | (54,439)  |
| 6.01.02.05 Prepaid expenses, insurance and tax recoverable               | <b>36,452</b>   | (18,634)  |
| 6.01.02.06 Other assets  | <b>6,534</b>  | 29,452  |
| 6.01.02.07 Suppliers   | <b>(42,625)</b>   | (96,863)  |
| 6.01.02.08 Advanced ticket sales   | <b>(90,103)</b>   | 122,285   |
| 6.01.02.09 Obligations from derivative operations                        | <b>5,200</b>  | (21,337)  |
| 6.01.02.10 Advances from customers                                       | <b>(127,321)</b>  | 285,725   |
| 6.01.02.11 Salaries, wages and benefits                                  | <b>(9,929)</b>  | 2,194   |
| 6.01.02.12 Taxes and landing fees  | <b>28,793</b>   | (1,299)   |
| 6.01.02.13 Taxes payable   | <b>62,246</b>   | 16,800  |
| 6.01.02.14 Provisions  | <b>(87,995)</b>   | (137,905)   |
| 6.01.02.15 Other liabilities   | <b>125,716</b>  | (5,543)   |
| 6.01.02.16 Interest paid   | <b>(167,065)</b>  | (129,127)   |

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|            |   |                  |           |
|------------|---|------------------|-----------|
| 6.01.02.17 | Income tax paid                                       | <b>(76,483)</b>  | (20,610)  |
| 6.01.03    | Others  | <b>(241,126)</b> | (524,811) |
| 6.01.03.01 | Net loss for the period                               | <b>(241,126)</b> | (524,811) |
| 6.02       | Net cash used in investing activities                 | <b>84,551</b>    | (98,751)  |
| 6.02.03    | Restricted cash                                       | <b>27,910</b>    | 23,023    |
| 6.02.04    | Property, plant and equipment                         | <b>(125,724)</b> | (112,494) |
| 6.02.05    | Intangible  | <b>(24,319)</b>  | (9,282)   |
| 6.02.06    | Investment acquisition                                | <b>(12,500)</b>  |           |
| 6.02.07    | Gains on investment sale, net                         | <b>65,752</b>    |           |
| 6.02.08    | Advance for property, plant and equipment acquisition | <b>153,432</b>   |           |
| 6.03       | Net cash generated by financing activities            | <b>156,609</b>   | 1,085,973 |
| 6.03.01    | Loan funding  | <b>295,719</b>   | 397,600   |
| 6.03.02    | Loan payment  | <b>(73,304)</b>  | (318,175) |
| 6.03.03    | Disposal of treasury shares                           | -                | 3,233     |
| 6.03.04    | Capital increase                                      | <b>1,235</b>     | 1,883     |
| 6.03.06    | Financial leases payment                              | <b>(122,355)</b> | (94,525)  |
| 6.03.07    | Capital increase in subsidiary                        | -                | 1,095,953 |
| 6.03.08    | Dividends paid  | <b>(67,409)</b>  |           |
| 6.03.09    | Shares to be issued                                   | <b>117,249</b>   |           |
| 6.03.10    | Gains due to change on investment                     | <b>5,474</b>     |           |
| 6.04       | Exchange variation on cash and cash equivalents       | <b>(109,580)</b> | (15,848)  |
| 6.05       | Net increase in cash and cash equivalents             | <b>814,746</b>   | 386,539   |
| 6.05.01    | Cash and cash equivalents at beginning of the period  | <b>1,635,647</b> | 775,551   |
| 6.05.02    | Cash and cash equivalents at end of the period        | <b>2,450,393</b> | 1,162,090 |

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**Consolidated Financial Statements / Statements of Changes in Equity - From 01/01/2014 to 06/30/2014**

(In thousands of Brazilian Reais)

| Line code  | Line item                             | Capital<br>Stock | Capital<br>reserves,<br>Options<br>Granted<br>and<br>Treasury<br>Shares | Accumulated<br>Losses | Other<br>Comprehensive<br>Income | Consolidat<br>Equ |
|------------|---------------------------------------|------------------|---|-----------------------|----------------------------------|-------------------|
| 5.01       | Opening balance                       | 2,356,295        | 767,818   | (2,455,025)           | (18,162)                         | 650,9             |
| 5.03       | Adjusted opening balance              | 2,356,295        | 767,818   | (2,455,025)           | (18,162)                         | 650,9             |
| 5.04       | Shareholders' capital transactions    | 116,436          | 79,798  | -                     | -                                | 196,2             |
| 5.04.08    | Capital increase                      | 79               | -   | -                     | -                                | -                 |
| 5.04.11    | Shares to be issue                    | 116,357          | -   | -                     | -                                | 116,3             |
| 5.04.12    | Share-based payments                  | -                | 3,026   | -                     | -                                | 3,0               |
| 5.04.13    | Dividends paid                        | -                | -   | -                     | -                                | -                 |
| 5.04.14    | Gains on investment sold              | -                | 2,802   | -                     | -                                | 2,8               |
| 5.04.15    | Gains on investment sold – G.A Smiles | -                | 73,970  | -                     | -                                | 73,9              |
| 5.05       | Total comprehensive result            | -                | -   | (305,373)             | (56,677)                         | (362,05           |
| 5.05.01    | Net loss for the period               | -                | -   | (305,373)             | -                                | (305,37           |
| 5.05.02    | Other comprehensive result            | -                | -   | -                     | (56,677)                         | (56,67            |
| 5.05.02.08 | Other comprehensive result, net       | -                | -   | -                     | (56,677)                         | (56,67            |
| 5.07       | Closing balance                       | 2,472,731        | 847,616   | (2,760,398)           | (74,839)                         | 485,1             |

**Consolidated Financial Statements / Statement of Changes in Equity - From 01/01/2013 to 12/31/2013**

(In thousands of Brazilian Reais)

| Line code  | Line item   | Capital stock | Capital reserves, Options Granted and Treasury Shares | Accumulated Losses | Other Comprehensive Income | Consolidated Equity |
|------------|---|---------------|---|--------------------|----------------------------|---------------------|
| 5.01       | Opening balance   | 2,354,410     | 105,478   | (1,658,478)        | (68,582)                   | 732,828             |
| 5.03       | Adjusted balance  | 2,354,410     | 105,478   | (1,658,478)        | (68,582)                   | 732,828             |
| 5.04       | Shareholders capital transactions<br>Capital increase by the exercise | 1,885         | 617,628   | -                  | -                          | 619,513             |
| 5.04.08    | of stock options  | 1,885         | 3,351   | -                  | -                          | 5,236               |
| 5.04.09    | Treasury shares sold<br>Change on equity through                      | -             | 3,235   | -                  | -                          | 3,235               |
| 5.04.10    | public offer  | -             | 611,042   | -                  | -                          | 611,042             |
| 5.05       | Total comprehensive income  | -             | -   | (524,811)          | 29,296                     | (495,515)           |
| 5.05.02    | Other comprehensive income  | -             | -   | (524,811)          | 29,296                     | (495,515)           |
| 5.05.02.07 | Net loss for the period   | -             | -   | (524,811)          | -                          | (524,811)           |
| 5.05.02.08 | Other comprehensive income, net                                       | -             | -   | -                  | 29,296                     | 29,296              |
| 5.07       | Closing balance   | 2,356,295     | 723,106   | (2,183,289)        | (39,286)                   | 856,826             |

**Consolidated Financial Statements / Statements of Value Added**

(In thousands of Brazilian Reais)

| <b>Line code</b> | <b>Line item</b>                                | <b>Current YTD<br/>01/01/2014 to<br/>06/30/2014</b> | <b>Prior Year YTD<br/>01/01/2013 to<br/>06/30/2013</b> |
|------------------|---|---|--|
| 7.01             | Revenues  | 5,232,910   | 4,294,921  |
| 7.01.02          | Other revenue                                   | 5,229,487   | 4,301,260  |
| 7.01.02.01       | Passengers, cargo and other                     | 5,154,414   | 4,234,558  |
| 7.01.02.02       | Other operating income                          | 75,073  | 66,702   |
| 7.01.04          | Allowance (reversal) for doubtful accounts      | 3,423   | (6,339)  |
| 7.02             | Acquired from third parties                     | (3,438,764)   | (2,842,579)  |
| 7.02.02          | Material, power, third-party services and other | (1,161,845)   | (890,733)  |
| 7.02.04          | Other   | (2,276,919)   | (1,951,846)  |
| 7.02.04.01       | Suppliers of fuel and lubricants                | (1,941,598)   | (1,748,525)  |
| 7.02.04.02       | Aircraft insurance                              | (9,661)   | (10,240)   |
| 7.02.04.03       | Sales and advertising                           | (325,660)   | (193,081)  |
| 7.03             | Gross value added                               | 1,794,146   | 1,452,342  |
| 7.04             | Retentions                                      | (259,561)   | (227,152)  |
| 7.04.01          | Depreciation, amortization and exhaustion       | (259,561)   | (227,152)  |
| 7.05             | Added value produced                            | 1,534,585   | 1,225,190  |
| 7.06             | Value added received in transfer                | 169,657   | 180,208  |
| 7.06.01          | Equity in subsidiaries                          | (1,407)   | -  |
| 7.06.02          | Finance income                                  | 171,064   | 180,208  |
| 7.07             | Total wealth for distribution                   | 1,704,242   | 1,405,398  |
| 7.08             | Wealth for distribution                         | 1,704,242   | 1,405,398  |
| 7.08.01          | Employees                                       | 631,437   | 599,038  |
| 7.08.02          | Taxes   | 417,395   | 294,065  |
| 7.08.03          | Third-party capital remuneration                | 896,536   | 1,020,539  |
| 7.08.03.03       | Other   | 896,536   | 1,020,539  |
| 7.08.03.03.01    | Financiers                                      | 896,536   | 712,115  |
| 7.08.03.03.02    | Lessors   | -   | 308,424  |
| 7.08.04          | Return on own capital                           | 64,247  | 16,567   |
| 7.08.04.04       | Non-controlling interests                       | 64,247  | 16,567   |
| 7.08.05          | Other   | (305,373)   | (524,811)  |
| 7.08.05.01       | Loss for the period                             | (305,373)   | (524,811)  |



## **GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

### **1. General information**

Gol Linhas Aéreas Inteligentes S.A. (“Company” or “GLAI”) is a publicly-listed company incorporated in accordance with the Brazilian Corporate Laws, organized on March 12, 2004. The Company is engaged in controlling its wholly-owned subsidiary (i) VRG Linhas Aéreas S.A. (“VRG”), and through its subsidiaries or affiliates, essentially exploring: (a) regular and non-regular air transportation services of passengers, cargo and mailbags, domestically or internationally, according to the concessions granted by the competent authorities; (b) complementary activities of air transport service provided in its bylaws; and (ii) Smiles S.A., which mainly operates: (a) the development and management of its own or third party’s customer loyalty program, and (b) sale of redemption rights of awards related to the loyalty program.

Additionally, GLAI is the direct parent Company of the subsidiaries GAC Inc. (“GAC”), Gol Finance (“Finance”), Gol LuxCo S.A. (“Gol LuxCo”), Gol Dominicana Lineas Aereas SAS (“Gol Dominicana”) and indirect parent Company of the subsidiary Webjet Linhas Aéreas S.A. (“Webjet”).

On February 27, 2014, the Company sold to General Atlantic S.A. (G.A.) the total of 3,433,476 shares of Smiles S.A. through the exercise of stock options in accordance with the investment agreement between the companies dated April 5, 2013 in the amount of R\$80,000. As a result of the exercise of the options, the Company decreased its participation in Smiles’ capital, being from 57.3% to 54.5% and remaining as the controlling shareholder. The gain generated by this partial decrease in the investment was recorded in “Gains on change on investment” in equity. This gain is also consists of the reversal of R\$46,216 previously classified in equity as derivatives of equity instruments.

The Company’s shares are traded on the New York Stock Exchange (“NYSE”) and on the São Paulo Stock Exchange (“BOVESPA”). The Company entered into an agreement for adoption of Level 2 Differentiated Corporate Governance Practices with the São Paulo Stock Exchange (“BOVESPA”), and is included in the Special Corporate Governance Stock Index (“IGC”) and the Special Tag Along Stock Index (“ITAG”), which were created to identify companies committed to adopt differentiated corporate governance practices.

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

The interim Financial Information was authorized for issuance at the Board of Directors' meeting held on August 12, 2014. The Company's registered Office is at Pça. Comandante Linneu Gomes, s/n, portaria 3, prédio 24, Jardim Aeroporto, São Paulo, Brazil.

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

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

**2.1. Basis of preparation**

The Consolidated Interim Financial Information was prepared for the six-month period ended on June 30, 2014 in accordance with International Accounting Standards (IAS) n.34 and technical pronouncement CPC 21 (R1) which comprises the interim financial reporting.

IAS 34 requires the use of certain accounting estimates by Company's Management. The consolidated interim financial information was prepared based on historical cost, except for certain financial assets and liabilities, which are measured at fair value.

The Individual Interim Financial Information was prepared in accordance with the technical pronouncement CPC 21 (R1) which comprises the interim financial reporting.

The Individual Interim Financial information measures investments in subsidiaries by the equity method, according to Brazilian legislation. Thus, the individual interim financial information is not in accordance with IFRS, which requires the valuation of these investments on the individual financial statements of the Parent Company at fair value or cost.

This Individual and Consolidated Interim Financial Information do not include all the information and disclosure items required in the consolidated annual financial statements and, therefore, it must be read along with the consolidated financial statements referring to the year ended December 31, 2013 filed on March 25, 2014, which were prepared in accordance with Brazilian accounting practices and IFRS. There were no changes in accounting policies adopted during the period from December 31, 2013 to June 30, 2014.

The shareholder's equity individual and consolidated quarterly financial information do not present differences on its composition, except in respect of the non-controlling interest in Smiles S.A., highlighted in the consolidated equity.

The non-financial information included on this Individual and Consolidated Interim Financial Information, such as sales volume, agreement information, forecasts, insurance, among others, have not been audited.

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**3. Seasonality**

The Company expects that revenues and profits from its flights reach the highest levels during the summer and winter vacation periods, in January and July, respectively, and during the last two weeks of December, during the season holidays. Given the high portion of fixed costs, this seasonality tends to result in fluctuations in our operational quarter-on-quarter income.

**4. Cash and cash equivalents**

|                            | <b>Individual</b> |                   | <b>Consolidated</b> |                   |
|----------------------------|-------------------|-------------------|---------------------|-------------------|
|                            | <b>06/30/2014</b> | <b>12/31/2013</b> | <b>06/30/2014</b>   | <b>12/31/2013</b> |
| Cash and bank deposits (a) | <b>348,521</b>    | 320,276           | <b>1,055,348</b>    | 667,985           |
| Cash equivalents           | <b>556,526</b>    | 23,517            | <b>1,395,045</b>    | 967,662           |
|                            | <b>905,047</b>    | 343,793           | <b>2,450,393</b>    | 1,635,647         |

(a) On January 23, 2014, the Venezuela government announced that the airline companies could request the repatriation of their resources generated by sales in Venezuela through CADIVI ("Comisión de Administración de Divisas") by the official rate of BS 6.30/US\$1.00. This rate experienced a level increase and the rate as of June 30, 2014 was BS 10.60/US\$1.00. The exchange variation control in Venezuela is

determined on a weekly basis by its Federal Reserve (SICAD). Given this increase, the Company recorded a currency depreciation justified by the intention to repatriate its values related to the operations performed in the country from January 2014. The total amount of the cash in Venezuela as of June 30, 2014 is R\$464,043, which the portion accrued as an impairment from the Venezuelan Bolívar related to U.S. Dollar was R\$134,333 with counterpart on "Foreign exchange variation, net" (see Note 28).

The register is subject to future changes due to the doubtful economic scenario on Venezuela, with the possibility of new limitations in the cash flows by CADIVI or sanctions by the government that may difficult the cash repatriation. Accordingly, considering the intention of the Company to perform the repatriation of the amount involved, the recoverable balance of Venezuela's cash as of June 30, 2014 is R\$329,710 recorded as "Cash and bank deposits", which R\$160,189 is related to the operations performed in 2014 and R\$169,521 is related to the operation performed in 2013.

The cash equivalents breakdown was as follows:

|                  | <b>Individual</b> |                   | <b>Consolidated</b> |                   |
|------------------|-------------------|-------------------|---------------------|-------------------|
|                  | <b>06/30/2014</b> | <b>12/31/2013</b> | <b>06/30/2014</b>   | <b>12/31/2013</b> |
| Private bonds    | <b>556,093</b>    | 19,471            | <b>1,152,092</b>    | 537,196           |
| Government bonds | -                 | 271               | <b>6,195</b>        | 65,673            |
| Investment funds | <b>433</b>        | 3,775             | <b>236,758</b>      | 364,793           |
|                  | <b>556,526</b>    | 23,517            | <b>1,395,045</b>    | 967,662           |

As of June 30, 2014, the cash equivalents were represented by private bonds (Bank Deposit Certificates - "CDBs"), and buy-back transactions. The government bonds were represented by LFT and LTN paid at post fixed rates ranging between 95.0% and 102.0% of the Interbank Deposit Certificate Rate ("CDI").

The investment funds classified as cash equivalentes have immediate liquidity and, according to the Company analysis, can be converted to a known amount of cash with insignificant risk of change in its value.

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**5. Short-term investments**

|                  | <b>Individual</b> |                   | <b>Consolidated</b> |                   |
|------------------|-------------------|-------------------|---------------------|-------------------|
|                  | <b>06/30/2014</b> | <b>12/31/2013</b> | <b>06/30/2014</b>   | <b>12/31/2013</b> |
| Private bonds    | -                 | -                 | 7                   | 554,032           |
| Government bonds | -                 | 929               | 20,112              | 88,596            |
| Investment funds | 54                | 1,595             | 123,236             | 512,989           |
|                  | <b>54</b>         | <b>2,524</b>      | <b>143,355</b>      | <b>1,155,617</b>  |

As of June 30, 2014, the private bonds comprise of CDBs with maturity up to 90 days, paid at a weighted average rate of 98.0% of the CDI rate.

Government bonds are represented primarily by government bonds LTN, NTN and LFT paid at a weighted average of 100.5% of CDI rate.

Investment funds are represented primarily by government bonds LTN, NTN, LFT and private credits with first-rate financial institutions (debentures and CDBs), paid at a weighted average 95.0% of CDI rate.

**6. Restricted cash**

|   | Individual    |            | Consolidated   |            |
|---|---------------|------------|----------------|------------|
|   | 06/30/2014    | 12/31/2013 | 06/30/2014     | 12/31/2013 |
| Margin deposits for hedge transactions (a)            | -             | -          | 49,050         | 29,845     |
| Deposits in guarantee of letter of credit - Safra (b) | -             | -          | 40,180         | 75,681     |
| Escrow deposits - Bic Banco (c)                       | 20,690        | 19,917     | 71,150         | 57,923     |
| Escrow deposits - Leasing (d)                         | -             | -          | 57,314         | -          |
| Guarantee deposits of forward transactions (e)        | -             | -          | -              | 88,410     |
| Other deposits  | 452           | 292        | 8,852          | 2,597      |
|   | <b>21,142</b> | 20,209     | <b>226,546</b> | 254,456    |
| Current (f)   | <b>7</b>      | 7          | <b>7</b>       | 88,417     |
| Noncurrent  | <b>21,135</b> | 20,202     | <b>226,539</b> | 166,039    |

(a) Denominated in U.S. Dollar, remunerated by libor rate (average remuneration of 0.5% p.a.).

(b) The guarantee amount is related to Webjet's loan (See Note 18).

(c) The amount of R\$20,690 on the individual Company and which comprises the consolidated balance is related to a contractual guarantee for STJ's PIS and COFINS proceeding, paid to GLAI as detailed in Note 24d) and existing notes guarantees.

(d) Is related to a credit letter of financial leasings of aircraft.

(e) Escrow deposits of forward transactions applied in LTN and LFT (average remuneration of 9.7% p.a.).

(f) As of December 31, 2013, the Company held escrow deposits of forward transactions on the current assets which were fully paid during the six-month period ended June 30, 2014.



**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**7. Trade receivable**

|                                 | <b>Consolidated</b> |                   |
|---------------------------------|---------------------|-------------------|
|                                 | <b>06/30/2014</b>   | <b>12/31/2013</b> |
| <b>Local currency:</b>          |                     |                   |
| Credit card administrators      | <b>162,132</b>      | 74,359            |
| Travel agencies                 | <b>187,146</b>      | 175,723           |
| Installment sales               | <b>43,857</b>       | 45,475            |
| Cargo agencies                  | <b>31,930</b>       | 32,339            |
| Airline partners companies      | <b>60,832</b>       | 20,544            |
| Other (a)                       | <b>37,570</b>       | 21,153            |
|                                 | <b>523,467</b>      | 369,593           |
| <b>Foreign currency:</b>        |                     |                   |
| Credit card administrators      | <b>13,007</b>       | 27,156            |
| Travel agencies                 | <b>12,035</b>       | 11,881            |
| Cargo agencies                  | <b>-</b>            | 1,321             |
|                                 | <b>25,042</b>       | 40,358            |
|                                 | <b>548,509</b>      | 409,951           |
| Allowance for doubtful accounts | <b>(81,678)</b>     | (85,101)          |
|                                 | <b>466,831</b>      | 324,850           |
| Current                         | <b>466,826</b>      | 324,821           |
| Noncurrent (b)                  | <b>5</b>            | 29                |

(a) From the total amount of R\$37,570, R\$16,519 is related to Air France-KLM investment to be received on July, 2015. For further information, see Note 12e.

(b) The portion of noncurrent trade receivables is recorded in “Other receivables” in noncurrent assets and corresponds to installment sales from the Voe Fácil Program, with maturity over 360 days.

The aging list of accounts receivable is as follows:

|                         | <b>Consolidated</b> |                   |
|-------------------------|---------------------|-------------------|
|                         | <b>06/30/2014</b>   | <b>12/31/2013</b> |
| Falling due             | <b>407,332</b>      | 280,271           |
| Overdue until 30 days   | <b>14,737</b>       | 17,778            |
| Overdue 31 to 60 days   | <b>10,440</b>       | 6,864             |
| Overdue 61 to 90 days   | <b>7,278</b>        | 6,196             |
| Overdue 91 to 180 days  | <b>8,727</b>        | 5,830             |
| Overdue 181 to 360 days | <b>16,802</b>       | 12,464            |
| Overdue above 360 days  | <b>83,193</b>       | 80,548            |
|                         | <b>548,509</b>      | 409,951           |

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**7. Trade receivable (Continued)**

The average collection period of installment sales is 7 months and a 5.99% monthly interest is charged on the receivable balance, recognized in financial result. The average collection period of the other receivables is 126 days (122 days as of December 31, 2013).

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

|   | <b>Consolidated</b> |                   |
|---|---------------------|-------------------|
|   | <b>06/30/2014</b>   | <b>12/31/2013</b> |
| <b>Balance at beginning of the period</b> | <b>(85,101)</b>     | <b>(80,712)</b>   |
| Additions                                 | <b>(7,757)</b>      | <b>(32,849)</b>   |
| Unrecoverable amounts                     | <b>6,470</b>        | <b>8,119</b>      |
| Recoveries                                | <b>4,710</b>        | <b>20,341</b>     |
| <b>Balance at the end of the period</b>   | <b>(81,678)</b>     | <b>(85,101)</b>   |

**8. Inventories**

|                                 | <b>Consolidated</b> |                   |
|---------------------------------|---------------------|-------------------|
|                                 | <b>06/30/2014</b>   | <b>12/31/2013</b> |
| Consumables                     | <b>24,520</b>       | <b>19,601</b>     |
| Parts and maintenance materials | <b>117,261</b>      | <b>105,649</b>    |
| Advances to suppliers           | <b>12,562</b>       | <b>286</b>        |

|                            |                 |          |
|----------------------------|-----------------|----------|
| Others                     | <b>5,612</b>    | 3,835    |
| Provision for obsolescence | <b>(12,226)</b> | (12,227) |
|                            | <b>147,729</b>  | 117,144  |

The changes in the allowance for inventory obsolescence are as follows:

|   | <b>Consolidated</b> |                   |
|---|---------------------|-------------------|
|   | <b>06/30/2014</b>   | <b>12/31/2013</b> |
| <b>Balance at the beginning of the period</b> | <b>(12,227)</b>     | (17,591)          |
| Additions                                     | <b>(68)</b>         | (3,702)           |
| Write-off and reversal                        | <b>69</b>           | 9,066             |
| <b>Balance at the end of the period</b>       | <b>(12,226)</b>     | (12,227)          |

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**9. Deferred and recoverable taxes**a) Recoverable taxes

|  | <b>Individual</b> |                   | <b>Consolidated</b> |                   |
|--|-------------------|-------------------|---------------------|-------------------|
|  | <b>06/30/2014</b> | <b>12/31/2013</b> | <b>06/30/2014</b>   | <b>12/31/2013</b> |
| ICMS (1)                                 | -                 | -                 | <b>37,416</b>       | 32,205            |
| Prepaid IRPJ and CSSL (2)                | <b>28,187</b>     | 37,124            | <b>35,472</b>       | 46,389            |
| IRRF (3)                                 | <b>411</b>        | 1,845             | <b>6,230</b>        | 26,505            |
| PIS and COFINS (4)                       | -                 | -                 | <b>2,530</b>        | 2,177             |
| Withholding tax of public institutions   | -                 | -                 | <b>7,568</b>        | 8,693             |
| Value added tax - IVA (5)                | -                 | -                 | <b>5,994</b>        | 6,544             |
| Income tax on imports                    | <b>625</b>        | 591               | <b>2,843</b>        | 2,741             |
| Others                                   | -                 | -                 | <b>727</b>          | 407               |
| <b>Total recoverable taxes - current</b> | <b>29,223</b>     | 39,560            | <b>98,780</b>       | 125,661           |
| Current assets                           | <b>10,207</b>     | 9,991             | <b>30,936</b>       | 52,124            |
| Noncurrent assets                        | <b>19,016</b>     | 29,569            | <b>67,844</b>       | 73,537            |

(1) ICMS: State tax on sales of goods and services.

(2) IRPJ: Brazilian federal income tax on taxable income.

CSSL: social contribution on taxable income, created to sponsor social programs and funds.

(3) IRRF: withholding income tax levied on financial income from bank investments.

(4) PIS/COFINS: Contributions to Social Integration Program (PIS) and Contribution for the Financing of Social Security (COFINS).

(5) IVA: Value added tax on sales of goods and services abroad.

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**9. Deferred and recoverable taxes (Continued)**b) Deferred taxes - long term

|   | <b>GLAI</b>       |                   | <b>VRG</b>        |                   | <b>Smiles</b>     |                   | <b>Consolidated</b> |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|-------------------|
|   | <b>06/30/2014</b> | <b>12/31/2013</b> | <b>06/30/2014</b> | <b>12/31/2013</b> | <b>06/30/2014</b> | <b>12/31/2013</b> | <b>06/30/2014</b>   | <b>12/31/2013</b> |
| Tax losses  | <b>39,475</b>     | 39,475            | <b>394,045</b>    | 394,045           | -                 | -                 | <b>433,520</b>      | 433,520           |
| Negative basis of social contribution             | <b>14,211</b>     | 14,211            | <b>141,857</b>    | 141,857           | -                 | -                 | <b>156,068</b>      | 156,068           |
| <b>Temporary differences:</b>                     |                   |                   |                   |                   |                   |                   |                     |                   |
| Mileage program                                   | -                 | -                 | <b>68,973</b>     | 94,540            | -                 | -                 | <b>68,973</b>       | 94,540            |
| Allowance for doubtful accounts and other credits | -                 | -                 | <b>93,466</b>     | 73,200            | <b>157</b>        | 100               | <b>93,623</b>       | 73,300            |
| Provision for losses on VRG's acquisition         | -                 | -                 | <b>143,350</b>    | 143,350           | -                 | -                 | <b>143,350</b>      | 143,350           |

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|  |                |        |                  |           |               |        |                  |           |
|--|----------------|--------|------------------|-----------|---------------|--------|------------------|-----------|
| Provision for legal and tax liabilities                        | <b>1,200</b>   | 1,219  | <b>40,885</b>    | 48,434    | <b>119</b>    | 36     | <b>42,204</b>    | 49,689    |
| Aircraft return  | -              | -      | <b>77,458</b>    | 85,350    | -             | -      | <b>77,458</b>    | 85,350    |
| Derivative transactions not settled                            | -              | -      | <b>51,318</b>    | 15,727    | -             | -      | <b>51,318</b>    | 15,727    |
| Tax benefit due to goodwill incorporation (**)                 | -              | -      | -                | -         | <b>65,647</b> | 72,942 | <b>65,647</b>    | 72,942    |
| Flight rights  | -              | -      | <b>(353,226)</b> | (353,226) | -             | -      | <b>(353,226)</b> | (353,226) |
| Maintenance deposits   | -              | -      | <b>(129,091)</b> | (140,246) | -             | -      | <b>(129,091)</b> | (140,246) |
| Depreciation of engines and parts for aircraft maintenance     | -              | -      | <b>(161,827)</b> | (158,775) | -             | -      | <b>(161,827)</b> | (158,775) |
| Reversal of goodwill amortization on VRG's acquisition         | -              | -      | <b>(127,659)</b> | (127,659) | -             | -      | <b>(127,659)</b> | (127,659) |
| Aircraft leasing   | -              | -      | <b>(21,189)</b>  | 34,764    | -             | -      | <b>(21,189)</b>  | 34,764    |
| Others (*)   | <b>(2,630)</b> | 93     | <b>111,036</b>   | 94,911    | <b>9,614</b>  | 4,230  | <b>126,082</b>   | 108,813   |
| <b>Total deferred tax and social contribution - noncurrent</b> | <b>52,256</b>  | 54,998 | <b>329,396</b>   | 346,272   | <b>75,537</b> | 77,308 | <b>465,251</b>   | 488,157   |

(\*) The portion of taxes on Smiles unrealized profit in the amount of R\$8,062 is registered directly in the consolidated column (R\$9,579 as of June 30, 2013).

(\*\*) Related to the tax benefit from the reverse incorporation of the G.A. Smiles Participações S.A. by the Company's subsidiary Smiles S.A. Under the terms of the current legislation, the goodwill generated by the operation will be a deductible expense on the Income Tax and Social Contribution calculation.





**GOL Linhas Aéreas Inteligentes S.A.**

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**9. Deferred and recoverable taxes (Continued)**b) Deferred taxes - long term (Continued)

The Company and its direct subsidiary VRG and indirect subsidiary Webjet have tax losses and negative basis of social contribution in the calculation of taxable income, to compensate with 30% of annual taxable profits, without time limit for expiration, in the following amounts:

|                                       | <b>Individual (GLAI)</b> |                   | <b>Direct subsidiary (VRG)</b> |                   | <b>Indirect subsidiary (Webjet)</b> |                   |
|---------------------------------------|--------------------------|-------------------|--------------------------------|-------------------|-------------------------------------|-------------------|
|                                       | <b>06/30/2014</b>        | <b>12/31/2013</b> | <b>06/30/2014</b>              | <b>12/31/2013</b> | <b>06/30/2014</b>                   | <b>12/31/2013</b> |
| Tax losses                            | <b>235,907</b>           | 235,907           | <b>3,097,480</b>               | 2,602,369         | <b>735,558</b>                      | 712,849           |
| Negative basis of social contribution | <b>235,907</b>           | 235,907           | <b>3,097,480</b>               | 2,602,369         | <b>735,558</b>                      | 712,849           |

As of June 30, 2014, the tax credits arising from tax loss carryforwards and negative social contribution basis were valued based on the reasonably expected generation of future taxable income of the parent Company and its subsidiaries, subject to legal limitations.

Estimated recovery of deferred tax assets was based on taxable income projections, considering the assumptions above and several financial assumptions, business and internal and external factors considered at the end of the period. Consequently, the estimates may be subject to not materialize in the future, due to the uncertainties inherent in these estimates.

The Company and its subsidiaries hold the total amount of R\$1,383,441, of which R\$80,208 is related to its parent Company GLAI and R\$1,303,233 is related to its subsidiaries VRG and Webjet.

The forecasts of the parent Company GLAI and the indirect subsidiary Webjet did not present sufficient taxable profits to be realized over the next 10 years and, as a result, a provision was recorded for unrealizable loss tax credits of R\$26,522 for GLAI and R\$250,090 for Webjet. For the subsidiary VRG such forecasts indicate sufficient taxable profits for such to be realized in the next 10 years. However, due to tax losses presented during the recent years, the Administration conducted a sensitivity analysis on the forecast results, and considering significant changes in the macroeconomic scenario, registered the deferred tax assets on tax losses based on the lowest value obtained in this analysis. As a result, the Company and its subsidiaries did not recognized of R\$517,241 in its subsidiary VRG.

The Company's management considers that the deferred assets recognized as of June 30, 2014 arising from temporary differences will be realized when the provisions are settled and the related future events are resolved.

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

**9. Deferred and recoverable taxes (Continued)**b) Deferred taxes - long term (Continued)

|   | <b>Individual</b>      |                   |                        |                   |
|---|------------------------|-------------------|------------------------|-------------------|
|   | <b>Three-month</b>     |                   | <b>Six-month</b>       |                   |
|   | <b>period ended on</b> |                   | <b>period ended on</b> |                   |
|   | <b>06/30/2014</b>      | <b>06/30/2013</b> | <b>06/30/2014</b>      | <b>06/30/2013</b> |
| Loss before income tax and social contribution          | <b>(174,166)</b>       | (446,781)         | <b>(305,355)</b>       | (521,971)         |
| Combined tax rate                                       | <b>34%</b>             | 34%               | <b>34%</b>             | 34%               |
| Income tax credits at the combined tax rate             | <b>59,217</b>          | 151,905           | <b>103,821</b>         | 177,470           |
| <b>Adjustments to calculate the effective tax rate:</b> |                        |                   |                        |                   |
| Equity in subsidiaries                                  | <b>(68,694)</b>        | (103,295)         | <b>(134,644)</b>       | (140,326)         |
| Income from subsidiaries                                | <b>(4,659)</b>         | (3,259)           | <b>(4,226)</b>         | (2,267)           |
| Income tax on permanent differences and others          | -                      | (3,032)           | -                      | (3,576)           |
| Nontaxable revenues (nondeductible expenses), net       | <b>(205)</b>           | (51)              | <b>(6,334)</b>         | (103)             |
| Exchange differences on foreign investments             | <b>15,299</b>          | (45,008)          | <b>44,090</b>          | (34,038)          |
| Benefit on tax losses and temporary differences         | <b>(970)</b>           | -                 | <b>(2,725)</b>         | -                 |
| not constituted   |                        |                   |                        |                   |
| Expense from income tax and social contribution         | <b>(12)</b>            | (2,740)           | <b>(18)</b>            | (2,840)           |
| Current income tax and social contribution              | -                      | (1,885)           | -                      | (1,985)           |
| Deferred income tax and social contribution             | <b>(12)</b>            | (855)             | <b>(18)</b>            | (855)             |
|   | <b>(12)</b>            | (2,740)           | <b>(18)</b>            | (2,840)           |

|   |                        |                   |                        |                   |
|---|------------------------|-------------------|------------------------|-------------------|
| Effective rate  | -                      | -                 | -                      | -                 |
|   | <b>Consolidated</b>    |                   |                        |                   |
|   | <b>Three-month</b>     |                   | <b>Six-month</b>       |                   |
|   | <b>period ended on</b> |                   | <b>period ended on</b> |                   |
|   | <b>06/30/2014</b>      | <b>06/30/2013</b> | <b>06/30/2014</b>      | <b>06/30/2013</b> |
| Loss before income tax and social contribution          | (67,847)               | (460,057)         | (117,179)              | (465,810)         |
| Combined tax rate                                       | 34%                    | 34%               | 34%                    | 34%               |
| Income tax credits at the combined tax rate             | 23,069                 | 156,419           | 39,841                 | 158,375           |
| <b>Adjustments to calculate the effective tax rate:</b> |                        |                   |                        |                   |
| Equity in subsidiaries                                  | (327)                  | -                 | (478)                  | -                 |
| Income from subsidiaries                                | (4,998)                | (3,089)           | (4,815)                | (2,268)           |
| Income tax on permanent differences and others          | 171                    | (3,623)           | (100)                  | (4,343)           |
| Nontaxable revenues (nondeductible expenses), net       | (30,927)               | (20,060)          | (58,004)               | (27,501)          |
| Exchange differences on foreign investments             | 20,104                 | (44,945)          | 61,208                 | (25,244)          |
| Benefit on tax losses and temporary differences         | (84,224)               | (57,599)          | (161,599)              | (141,453)         |
| not constituted   |                        |                   |                        |                   |
| Expense from income tax and social contribution         | (77,133)               | 27,103            | (123,947)              | (42,434)          |
| Current income tax and social contribution              | (34,799)               | (10,968)          | (74,055)               | (28,372)          |
| Deferred income tax and social contribution             | (42,334)               | 38,071            | (49,892)               | (14,062)          |
|   | (77,133)               | 27,103            | (123,947)              | (42,434)          |
| Effective rate  | -                      | -                 | -                      | -                 |

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**10. Prepaid expenses**

|  | <b>Individual</b> |                   | <b>Consolidated</b> |                   |
|--|-------------------|-------------------|---------------------|-------------------|
|  | <b>06/30/2014</b> | <b>12/31/2013</b> | <b>06/30/2014</b>   | <b>12/31/2013</b> |
| Deferred losses from sale-leaseback transactions (a) | -                 | -                 | <b>30,763</b>       | 35,449            |
| Prepaid hedge  | -                 | -                 | -                   | 1,532             |
| Prepaid lease  | -                 | -                 | <b>29,692</b>       | 27,238            |
| Prepaid insurance                                    | <b>21</b>         | 438               | <b>7,726</b>        | 16,970            |
| Prepaid commissions                                  | -                 | -                 | <b>14,203</b>       | 18,509            |
| Others (b)   | -                 | -                 | <b>19,173</b>       | 7,483             |
|  | <b>21</b>         | 438               | <b>101,557</b>      | 107,181           |
| Current  | <b>21</b>         | 438               | <b>79,171</b>       | 80,655            |
| Noncurrent   | -                 | -                 | <b>22,386</b>       | 26,526            |

(a) During the years 2007, 2008, and 2009, the Company recorded losses from sale-leaseback transactions performed by its subsidiary GAC Inc. related to 9 aircraft in the amount of R\$89,337. These losses were deferred and are being amortized proportionally to the payments of the respective lease contracts during the contractual term of 120 months. Further information related to the sale-leaseback transactions is described in Note 30b.

(b) Includes the amount of R\$13,191 related to the agreement with Confederação Brasileira de Futebol ("CBF") signed in 2013, for the sponsorship and transportation of the Brazilian soccer team and other participating teams in the Brazilian cup and championship, with maturity in the year 2017.

**11. Deposits**

|  | <b>Individual</b> |                   | <b>Consolidated</b> |                   |
|--|-------------------|-------------------|---------------------|-------------------|
|  | <b>06/30/2014</b> | <b>06/30/2013</b> | <b>06/30/2014</b>   | <b>06/30/2013</b> |
| Escrow deposits (a)                                    | <b>23,221</b>     | 20,170            | <b>232,091</b>      | 217,540           |
| Maintenance deposits (b)                               | -                 | -                 | <b>379,711</b>      | 412,488           |
| Depósitos em garantia de contratos de arrendamento (c) | -                 | -                 | <b>232,493</b>      | 217,680           |
|  | <b>23,221</b>     | 20,170            | <b>844,295</b>      | 847,708           |

a) *Escrow deposits*

*Parent Company*

Represent guarantees in legal proceedings related to labor claims, deposited in escrow until the conclusion of the related claims.

**11. Deposits (Continued)**

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

a) *Escrow deposits* (Continued)

*Consolidated*

Deposits and blocked escrows represent guarantees of lawsuits related to tax, civil and labor claims deposited in escrow until the resolution of the related claims. Part of the blocked amount in escrow is related to civil and labor claims arising on the succession orders on claims against Varig S.A. and proceedings filed by employees that are not related to the Company or any related party (third-party claims). As the Company is not correctly classified as the defendant of these lawsuits, whenever such blockages occur, the exclusion of such is requested in order to release the resources. As of June 30, 2014 the blocked amounts regarding the Varig' succession and the third-party lawsuits are R\$82,520 and R\$62,792 respectively (R\$75,498 and R\$65,450 as of December 31, 2013, respectively).

b) *Maintenance deposits*

The Company and its subsidiaries VRG and Webjet made deposits in U.S. Dollars for maintenance of aircraft and engines that will be used in future events as set forth in some leasing contracts.



The maintenance deposits do not exempt the Company and its subsidiaries, as lessee, neither from the contractual obligations relating to the maintenance of the aircraft nor from the risk associated with maintenance activities. The Company and its subsidiaries hold the right to select any of the maintenance service providers or to perform such services internally.

c) *Deposits in guarantee for lease agreements*

As required by the lease agreements, the Company and its subsidiaries hold guarantee deposits in U.S. Dollars on behalf of the leasing companies, whose full refund occurs upon the contract expiration date.

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**12. Transactions with related parties**a) Loan agreements - Noncurrent assets and liabilities*Parent Company*

The Company maintains loan agreements, assets and liabilities, with its subsidiary VRG without interest, maturity or guarantees prescribed, as set forth below:

|                  | <b>Asset</b>      |                   | <b>Liability</b>  |                   |
|------------------|-------------------|-------------------|-------------------|-------------------|
|                  | <b>06/30/2014</b> | <b>12/31/2013</b> | <b>06/30/2014</b> | <b>12/31/2013</b> |
| GLAI with VRG    | <b>50,328</b>     | 49,961            | -                 | -                 |
| GAC with VRG (a) | -                 | -                 | <b>121,580</b>    | 113,741           |
|                  | <b>50,328</b>     | 49,961            | <b>121,580</b>    | 113,741           |

(a) The values that the Company maintains with GAC and Finance, subsidiaries abroad, are subject to exchange rate variations on U.S. Dollars.

Additionally, the Parent Company holds loans between: Finance (asset) with Gol LuxCo (liability) and Gol LuxCo (asset) with GAC (liability) in the amount of R\$496,610. These transactions are eliminated by the Company, since the entities are offshore and are considered an extension of the Company's operations.

During the six-month period ended June 30, 2014, VRG transferred to LuxCo assumed the debt of the Senior Bond maturing in 2023, previously owned by VRG, as described in Note 18. As counterpart, besides the receiving of the financial resources in the amount of R\$379,381, LuxCo signed with VRG a liability agreement in the amount of R\$14,612, which corresponds to the remaining amount of the obligation.

b) Transportation services and consulting

All the agreements related to transportation and consulting services are held by the Company' subsidiary VRG. The related parties for these services are:

- i. Breda Transportes e Serviços S.A. for passenger and luggage transportation services between airports, and transportation of employees, expiring on May 31, 2015, renewable every 12 months for additional equal terms through an amendment instrument signed by the parties, annually adjusted based on the IGP-M fluctuation (General Market Price Index from Getulio Vargas Foundation).
- ii. União Transporte de Encomendas e Comércio de Veículos Ltda., expiring on December 29, 2015 for the operation of the Gollog franchise in Passos/MG.
- iii. Vaud Participações S.A. to provide executive administration and management services, expiring on October 01, 2014.

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**12. Transactions with related parties** (Continued)

b) Transportation services and consulting (Continued)

During the six-month period ended on June 30, 2014, the subsidiary VRG recognized the total expenses related to these services of R\$3,255 (R\$3,114 as of June 30, 2013).

c) Contracts account opening UATP (“Universal Air Transportation Plan”) to grant credit limit

In September 2011, the subsidiary VRG entered into agreements with related parties Pássaro Azul Taxi Aéreo Ltda. and Viação Piracicabana Ltda., both with no expiration date, with the purpose of the issuance of credits in the amounts of R\$20 and R\$40, respectively, to be used in the UATP (Universal Air Transportation Plan) system. The UATP account (virtual card) is accepted as a payment method on the purchase of airline tickets and related services, seeking to simplify the billing and facilitate the payment between participating companies.

d) Financing contract for engine maintenance

The subsidiary VRG has a line of funding for maintenance of engines services, which disbursement occurs through the issuance of Guaranteed Notes. As of June 30, 2014, VRG holds three series of Guaranteed Notes for maintenance of engines, issued on September 27, 2012, March 11, 2013 and February 14, 2014, maturing in 2 years. During the six-month period ended June 30, 2014 the spending on engine maintenance conducted by Delta Air Lines was R\$17,403 (R\$41,170 as of June 30, 2013).

e) Financing contract for engine maintenance

On February 19th 2014, the Company signed an exclusive strategic partnership for long-term business cooperation with Airfrance-KLM with the purpose of the sales activities improvements and codeshare expansion and mileage programs benefits between the companies for the customers in the Brazilian and European market. The agreement provides the incentive investment in the Company in the amount of R\$112,152, which payment is divided in three installments: the first installments in the amount of R\$74,506 was received during the six-month period ended June 30, 2014, the second and the third installments, both in the amount of R\$16,519, will be received in June 2015 and 2016, respectively. The agreement will mature within 5 years and the installments will be amortized monthly. On June 30th, 2014, the company has deferred revenue in the amount of R\$22,340 and R\$82,245 recorded as "Other Liabilities" in the current and non-current liability, respectively.

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**12. Transactions with related parties** (Continued)

f) Trade payables - current liabilities

As of June 30, 2014, balances payable to related companies amounting to R\$3,202 (R\$1,008 as of December 31, 2013) are included in the balance of accounts payables and substantially refers to the payment to Breda Transportes e Serviços S.A. for passenger transportation services.

g) Key management personnel payments

|                       | <b>Consolidated</b>    |                   |                        |                   |
|-----------------------|------------------------|-------------------|------------------------|-------------------|
|                       | <b>Three-month</b>     |                   | <b>Six-month</b>       |                   |
|                       | <b>period ended on</b> |                   | <b>period ended on</b> |                   |
|                       | <b>06/30/2014</b>      | <b>06/30/2013</b> | <b>06/30/2014</b>      | <b>06/30/2013</b> |
| Salaries and benefits | <b>9,981</b>           | 1,883             | <b>15,741</b>          | 4,724             |
| Related taxes         | <b>849</b>             | 341               | <b>2,173</b>           | 788               |
| Share-based payments  | <b>904</b>             | 542               | <b>1,979</b>           | 1,516             |
|                       | <b>11,734</b>          | 2,766             | <b>19,893</b>          | 7,028             |

As of June 30, 2014, the Company did not offer postemployment benefits, and there are no severance benefits or other long-term benefits for the Management or other employees.

### 13. Share-based payments

The Company holds two share-based payment plans offered to its management personnel: the Stock Option Plan and the Restricted Shares Plan. Both these plans are offered in order to stimulate and promote the alignment of the goals of the Company, management and employees, mitigate the risks in value created for the Company resulting from the loss of their executives and strengthen the commitment and productivity of these executives to long-term results.

#### GLAI

##### a) *The Stock Option Plan*

The movement of existing stock options during the period ended June 30, 2014 is as follows:

|  | <b>Total of stock<br/>options</b> | <b>Weighted<br/>average<br/>exercise price</b> |
|--|-----------------------------------|--|
| Options outstanding as of December 31, 2013                | 3,463,462                         | 20.66  |
| Options exercised  | <b>(6,194)</b>                    | <b>12.81</b>                                   |
| Options cancelled and adjustments in estimated lost rights | <b>(113,457)</b>                  | <b>27.83</b>                                   |
| <b>Options outstanding as of June 30, 2014</b>             | <b>3,343,811</b>                  | <b>20.72</b>                                   |
| Number of options exercisable as of December 31, 2013      | 2,609,906                         | 24.39  |
| <b>Number of options exercisable as of June 30, 2014</b>   | <b>2,841,695</b>                  | <b>21.76</b>                                   |

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**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**13. Share-based payments (Continued)**

GLAI (Continued)

a) *The Stock Option Plan* (Continued)

The range of exercise prices and the average maturity of outstanding options, as well as the average exercise price for exercisable options as of June 30, 2014 are summarized below:

| Range of exercise prices | Outstanding options |  |  | Exercisable options    |                     |                        |
|--------------------------|---------------------|--|--|------------------------|---------------------|------------------------|
|                          | Outstanding options | Average remaining maturity<br>(in years) |  | Average exercise price | Options exercisable | Average exercise price |
| 33.06                    | 4,965               | 2  |  | 33.06                  | 4,965               | 33.06                  |
| 47.30                    | 13,220              | 3  |  | 47.30                  | 13,220              | 47.30                  |
| 65.85                    | 14,962              | 4  |  | 65.85                  | 14,962              | 65.85                  |
| 45.46                    | 41,749              | 5  |  | 45.46                  | 41,749              | 45.46                  |
| 10.52                    | 20,414              | 6  |  | 10.52                  | 20,414              | 10.52                  |



|                    |                  |             |              |                  |              |
|--------------------|------------------|-------------|--------------|------------------|--------------|
| 20.65              | 1,097,811        | 7           | 20.65        | 1,097,811        | 20.65        |
| 27.83              | 1,011,614        | 8           | 27.83        | 1,011,614        | 27.83        |
| 12.81              | 545,299          | 9           | 12.81        | 438,512          | 12.81        |
| 12.76              | 593,777          | 9           | 12.76        | 198,448          | 12.76        |
| <b>10.52-65.85</b> | <b>3,343,811</b> | <b>7,92</b> | <b>20.72</b> | <b>2,841,695</b> | <b>21.76</b> |

b) *Restricted shares*

The Restricted Shares Plan was approved on the Extraordinary General Meeting held on October 19, 2012, and the first grants were approved at the Board of Directors' meeting on November 13, 2012. The transfer of the restricted shares will occur after 3 years from the grant date, with an acquisition condition that the beneficiary maintains its employment relationship up to the end of this period.

The fair value of the restricted shares granted was estimated on the grant date using the Black-Scholes pricing model, and the assumptions are listed below:

| <b>Restricted shares</b>     |  |                                     |   |   |                                     |
|------------------------------|--|-------------------------------------|---|---|-------------------------------------|
| <b>Year of<br/>the share</b> | <b>Date of the<br/>Board<br/>Meeting</b> | <b>Total<br/>shares<br/>granted</b> | <b>Fair value of<br/>the share at<br/>grant date<br/>(in Reais)</b> | <b>Estimate<br/>volatility of<br/>share price</b> | <b>Risk-free rate<br/>of return</b> |
| 2012                         | 11/13/2012                               | 589,304                             | 9.70  | 52.25%  | 9.0%                                |
| 2013                         | 05/13/2013                               | 712,632                             | 12.76   | 46.91%  | 7.5%                                |

Until June 30, 2014 there were no restricted shares transferred to the plan's participants.

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**13. Share-based payments** (Continued)

Smiles

On February 22, 2013, the Smiles' Board of Directors, during the Extraordinary General Meeting, approved the grant of a stock options plan, which consists of an additional payment to the Company's management and executives. On August 08, 2013, the Company's Board of Directors approved the grant of 1,058,043 shares related to the stock option plan, of which 260,020 shares were granted to employees of its affiliate VRG.

On February 4, 2014, the Smiles S.A.' Board of Directors approved the issue of 1,150,000 (one million, one hundred and fifty thousand) new stock options at a price of R\$31.28 per share, under the terms of the Stock Options Plan previously established for its management and participants which feature under the terms of the plan. Until June 30, 2014, there was no grant approval of these shares to its beneficiaries.

The fair value of stock options was estimated on the grant date using the Black-Scholes option pricing model. The expected volatility of Smiles shares is based on the historical volatility of 252 working days of the Bovespa index. The other assumptions utilized in the Black-Scholes option pricing model are as follows:

| Year of the share | Date of the Board Meeting | Total shares granted | Stock Options Plan                      |   | Estimate volatility of share price | Expected dividend | Risk-free rate of return | Length of the option (in years) |
|-------------------|---------------------------|----------------------|---|---|------------------------------------|-------------------|--------------------------|---------------------------------|
|                   |                           |                      | Exercise price of the option (In Reais) | The fair value of the option at grant date (In Reais) |                                    |                   |                          |                                 |
| 2013              | 08/08/2013                | 1,058,043            | 21.70                                   | 4.13 (a)  | 36.35%                             | 6.96%             | 7.40%                    | 10                              |
| 2014              | 02/04/2014                | 1,150,000            | 31.28                                   | 4.90 (b)  | 33.25%                             | 10.67%            | 9.90%                    | 10                              |

(a) The fair value calculated for the 2013 plan was R\$4.84, R\$4.20, R\$3.73 and R\$3.73 for the respective periods of vesting of 2013, 2014, 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\$5.17 for the respective periods of vesting from 2014 to 2018.

For the six-month period ended June 30, 2014, the Company recorded in shareholders' equity a result from share-based payments in the amount of R\$3,026 related to Company's shareholders and R\$1,087 related to its non-controlling shareholders (R\$3,351 related to Company's shareholders and R\$341 related to its non-controlling shareholders for the six-month period ended June 30, 2013) for the plans presented above, being the corresponding entry in the income statement result classified as personnel costs.

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**14. Investments**

Due to the changes in Law 6,404/76 introduced by Law 11,638/07, investments in foreign subsidiaries, GAC, Finance and Gol LuxCo were considered as an extension of the controller GLAI and consolidated on a line by line basis, only the subsidiaries Smiles, VRG and Gol Dominicana were considered as an investment.

On February 21, 2014, the subsidiary Smiles S.A., after the CADE's approval, closure the acquisition process of 25% of its affiliate Netpoint Fidelidade S.A. (for further information, see Note 1). Therefore, a consolidated investment balance was generated by this transaction. The change in investments during the six-month period ended June 30, 2014 is as follows:

|   | Gol        | Individual      |       |
|---|------------|-----------------|-------|
|   | Dominicana | VRG             | Sm    |
| <b><u>Relevant information of the Company's subsidiaries as of June 30, 2014:</u></b> |            |                 |       |
| Total number of shares  |            | - 3,225,248,156 | 122,1 |
| Capital   | 4,008      | 2,807,381       | 1,1   |
| Interest  | 100.0%     | 100.0%          |       |
| Total shareholder's equity  | 882        | 72,035          | 1,3   |
| Unrealized gains (a)  | -          | -               |       |
| Adjusted shareholder's equity (b)   | 882        | 72,035          | 7     |

|  |            |               |          |
|--|------------|---------------|----------|
| Net (loss) income for the period               | (1,734)    | (475,401)     | 1        |
| Net (loss) income for the period attributable  | (1,734)    | (475,401)     | 8        |
| to Company's shareholders                      |            |               |          |
| <b>Changes on investments:</b>                 |            |               |          |
| Balance as of December 31, 2013                | 263        | 341,000       | 7        |
| Equity in subsidiaries                         | (1,734)    | (475,401)     | 8        |
| Exchange variation from foreign subsidiaries   | (29)       | -             |          |
| Unrealized hedge losses                        | -          | (56,677)      |          |
| Investment losses (c)                          | -          | -             | (3       |
| Gains due to change on investment              | -          | -             |          |
| Capital increase                               | 2,367      | -             |          |
| Share-based payments                           | -          | -             |          |
| Dividends received                             | -          | -             | (8       |
| Fair value of the acquired investment          | -          | -             |          |
| Advance for future capital increase            | 15         | 290,200       |          |
| Amortization losses, net of sale leaseback (d) | -          | (904)         |          |
| <b>Balance as of June 30, 2014</b>             | <b>882</b> | <b>98,218</b> | <b>7</b> |

(a) Refers to transactions related to revenue for redeeming miles for flight tickets for Smiles Program participants that, for consolidated financial statements purposes, only take place when the participants of the program are effectively transported by VRG.

(b) The adjusted equity corresponds to the percentage of the equity less unrealized gains.

(c) Is related to the investment cost due to G.A., as described in Note 1.

(d) The subsidiary GAC has a net balance of deferred losses and gains on sale leaseback, whose deferral is subject to the payment of contractual installments made by its subsidiary VRG. Accordingly, as of June 30, 2014, the net balance to be deferred is essentially part of the net investment of the Parent Company in VRG. The net balance to be deferred as of June 30, 2014 was R\$26,184 (R\$27,088 as of December 31, 2013). For further details, see Note 30b.

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**14. Investments** (Continued)

Impacts on participation change on capital - Smiles S.A.

On February 27, 2014, General Atlantic exercised the total stock options in respect of Smiles S.A. previously issued for G.A.'s benefit. As a result of the exercise of the stock options, the Company decreased its participation on Smiles' capital, being from 57.3% to 54.5%, as described in Note 1. The amounts related to this transaction are presented below:

|   |                  |
|---|------------------|
| Shares sold                               | <b>3,433,476</b> |
| Investment per share                      | <b>11.052</b>    |
| Sell price                                | <b>80,000</b>    |
| Investment costs offset                   | <b>(37,949)</b>  |
| Exercise of stock options - G.A.          | <b>46,216</b>    |
| Income tax on capital gains (*)           | <b>(14,297)</b>  |
| Total gains from the change on investment | <b>73,970</b>    |

(\*) Related to 25% of withholding taxes and 9% of social contribution.

**15. Losses per share**

Although there are differences between common and preferred shares in terms of voting rights and priority in case of liquidation, the Company's preferred shares are not entitled to receive any fixed dividends. Rather, preferred shareholders are entitled to receive dividends per share in the same amount of the dividends per share paid to common shareholders. Therefore, the Company understands that, substantially, there is no difference between preferred shares and common shares, and, accordingly, basic and diluted earnings or losses per share are calculated equally for both shares.

Consequently, basic earnings or loss per share are computed by dividing income or losses by the weighted average number of all classes of shares outstanding during the period. Diluted earnings or loss per share are computed including stock options granted to key management and employees using the treasury stock method when the effect is dilutive. The antidilutive effect of all potential shares is disregarded in calculating diluted earnings or loss per share.

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**15. Losses per share** (Continued)

|  | <b>Individual and Consolidated</b> |                   |                        |                   |
|--|------------------------------------|-------------------|------------------------|-------------------|
|  | <b>Three-month</b>                 |                   | <b>Six-month</b>       |                   |
|  | <b>period ended on</b>             |                   | <b>period ended on</b> |                   |
|  | <b>06/30/2014</b>                  | <b>06/30/2013</b> | <b>06/30/2014</b>      | <b>06/30/2013</b> |
| <b>Numerator</b>   |                                    |                   |                        |                   |
| Net loss for the year attributable to Company'   |                                    |                   |                        |                   |
| shareholders   | <b>(174,178)</b>                   | (449,521)         | <b>(305,373)</b>       | (524,811)         |
| Diluted securities effect - Smiles (a)   | <b>(333)</b>                       | -                 | <b>(333)</b>           | -                 |
|  | <b>(174,511)</b>                   | (449,521)         | <b>(305,706)</b>       | (524,811)         |
| <b>Denominator</b>   |                                    |                   |                        |                   |
| Weighted average number of outstanding shares  |                                    |                   |                        |                   |
| (In thousands)   | <b>278,986</b>                     | 276,437           | <b>277,844</b>         | 276,437           |
| Adjusted weighted average number of outstanding shares and diluted presumed conversions (In thousands) | <b>278,986</b>                     | 276,437           | <b>277,844</b>         | 276,437           |



|                               |                |         |                |         |
|-------------------------------|----------------|---------|----------------|---------|
| <b>Basic loss per share</b>   | <b>(0.624)</b> | (1.626) | <b>(1.099)</b> | (1.626) |
| <b>Diluted loss per share</b> | <b>(0.626)</b> | (1.626) | <b>(1.100)</b> | (1.626) |

(a) Smiles holds a Stock Options Plan for its employees. These equity instruments have a dilutive effect on earnings per share of this subsidiary, impacting, therefore, the loss considered on the basis calculation of Company's diluted result per share, in accordance with CPC 41.

Diluted earnings (losses) per share are calculated by the weighted average number of outstanding shares, in order to assume the conversion of all potential dilutive shares.

Diluted earnings or loss per share are calculated based on considering the instruments that may have a potential dilutive effect in the future, such as share-based payment transactions, described in Note 13. However, due to the losses reported for the period ended on June 30, 2014, these instruments issued have anti-dilutive effect and, therefore, are not considered in the total number of outstanding shares.

## 16. Property, plant and equipment

### Parent Company

The balance corresponds to advances for acquisition of aircraft, related to prepayments made based on the contracts with Boeing Company to acquire 21 aircraft 737-800 Next Generation (30 aircraft as of December 31, 2013) and 109 aircraft 737-MAX (109 aircraft as of December 31, 2013) in the amount of R\$316,604 (R\$463,532 as of December 31, 2013) and the right to the residual value of aircraft in the amount of R\$427,300 (R\$427,300 as of December 31, 2013), both held by the subsidiary GAC.

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**16. Property, plant and equipment** (Continued)Consolidated

|  |  | 06/30/2014 |                             | 12/31/2013    |               |
|--|--|------------|-----------------------------|---------------|---------------|
|  | Weighted<br>annual<br>depreciation<br>rate | Cost       | Accumulated<br>depreciation | Net<br>amount | Net<br>amount |
| <b>Flight equipment</b>                            |  |            |                             |               |               |
| Aircraft under finance leases                      | 4%   | 3,114,391  | (958,959)                   | 2,155,432     | 2,175,697     |
| Sets of replacement parts<br>and<br>spares engines | 4%   | 1,070,905  | (338,894)                   | 732,011       | 710,337       |
| Aircraft<br>reconfigurations/overhauling           | 30%  | 893,798    | (687,829)                   | 205,969       | 287,038       |
| Aircraft and safety equipment                      | 20%  | 2,044      | (1,150)                     | 894           | 956           |
| Tools  | 10%  | 28,217     | (13,748)                    | 14,469        | 15,327        |
|  |  | 5,109,355  | (2,000,580)                 | 3,108,775     | 3,189,355     |
| Impairment losses (*)                              | -  | (37,611)   | -                           | (37,611)      | (26,348)      |
|  |  | 5,071,744  | (2,000,580)                 | 3,071,164     | 3,163,007     |
| <b>Property, plant and<br/>equipment in use</b>    |  |            |                             |               |               |

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|                                   |     |                  |                    |                  |           |
|-----------------------------------|-----|------------------|--------------------|------------------|-----------|
| Vehicles                          | 20% | <b>9,436</b>     | <b>(7,906)</b>     | <b>1,530</b>     | 1,946     |
| Machinery and equipment           | 10% | <b>48,362</b>    | <b>(22,145)</b>    | <b>26,217</b>    | 28,237    |
| Furniture and fixtures            | 10% | <b>19,826</b>    | <b>(12,765)</b>    | <b>7,061</b>     | 7,738     |
| Computers and peripherals         | 20% | <b>32,697</b>    | <b>(23,516)</b>    | <b>9,181</b>     | 9,661     |
| Communication equipment           | 10% | <b>2,412</b>     | <b>(1,326)</b>     | <b>1,086</b>     | 1,110     |
| Facilities                        | 10% | <b>4,235</b>     | <b>(3,364)</b>     | <b>871</b>       | 1,026     |
| Maintenance center - Confins      | 10% | <b>105,971</b>   | <b>(41,615)</b>    | <b>64,356</b>    | 69,759    |
| Leasehold improvements            | 20% | <b>51,786</b>    | <b>(39,706)</b>    | <b>12,080</b>    | 13,242    |
| Construction in progress          | -   | <b>9,339</b>     | <b>-</b>           | <b>9,339</b>     | 8,670     |
|                                   |     | <b>284,064</b>   | <b>(152,343)</b>   | <b>131,721</b>   | 141,389   |
|                                   |     | <b>5,355,808</b> | <b>(2,152,923)</b> | <b>3,202,885</b> | 3,304,396 |
| Advances for aircraft acquisition | -   | <b>314,331</b>   | <b>-</b>           | <b>314,331</b>   | 467,763   |
|                                   |     | <b>5,670,139</b> | <b>(2,152,923)</b> | <b>3,517,216</b> | 3,772,159 |

(\*) Refers to provisions recorded by the Company in order to present its assets according to the potential of monetary benefit generation.

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**16. Property, plant and equipment** (Continued)Consolidated (Continued)

Changes in property, plant and equipment balances are as follows:

|                                | <b>Property, plant<br/>and equipment<br/>under finance<br/>lease</b> | <b>Other flight<br/>equipment (a)</b> | <b>Advances for<br/>acquisition of<br/>property, plant<br/>and equipment</b> | <b>Others</b>  | <b>Total</b>     |
|--------------------------------|--|---------------------------------------|--|----------------|------------------|
| <b>As of December 31, 2012</b> | 2,224,036  | 1,008,972                             | 481,289  | 171,502        | 3,885,799        |
| Additions                      | 106,101  | 318,707                               | 411,584  | 6,570          | 842,962          |
| Disposals                      | -  | (8,223)                               | (425,110)  | (3,056)        | (436,389)        |
| Depreciation                   | (154,440)  | (332,146)                             | -  | (33,627)       | (520,213)        |
| <b>As of December 31, 2013</b> | 2,175,697  | 987,310                               | 467,763  | 141,389        | 3,772,159        |
| Additions                      | <b>59,289</b>  | <b>74,296</b>                         | <b>228,595</b>   | <b>4,134</b>   | <b>366,314</b>   |
| Disposals                      | -  | -                                     | (382,027)  | (36)           | (382,063)        |
| Depreciation                   | (79,554)   | (145,874)                             | -  | (13,766)       | (239,194)        |
| <b>As of June 30, 2014</b>     | <b>2,155,432</b>   | <b>915,732</b>                        | <b>314,331</b>   | <b>131,721</b> | <b>3,517,216</b> |

(a) Additions primarily represent: (i) total estimated costs to be incurred relating to the reconfiguration of the aircraft when returned and, (ii) capitalized costs related to major engine overhaul.

**17. Intangible assets**

|  | <b>Goodwill</b> | <b>Trademark</b> | <b>Airport<br/>operating<br/>licenses</b> | <b>Software</b> | <b>Total</b>     |
|--|-----------------|------------------|---|-----------------|------------------|
| <b>Balance as of December 31, 2012</b> | 542,302         | 6,348            | 1,038,900                                 | 112,381         | 1,699,931        |
| Additions                              | -               | -                | -   | 51,035          | 51,035           |
| Disposals                              | -               | (6,348)          | -   | (9,675)         | (16,023)         |
| Amortizations                          | -               | -                | -   | (40,753)        | (40,753)         |
| <b>Balance as of December 31, 2013</b> | 542,302         | -                | 1,038,900                                 | 112,988         | 1,694,190        |
| Additions (a)                          | <b>17,863</b>   | -                | -   | <b>34,046</b>   | <b>51,909</b>    |
| Disposals                              | -               | -                | -   | (4)             | (4)              |
| Amortizations                          | -               | -                | -   | (20,367)        | (20,367)         |
| <b>Balance as of June 30, 2014</b>     | <b>560,165</b>  | -                | <b>1,038,900</b>                          | <b>126,663</b>  | <b>1,725,728</b> |

(a) Refers to the goodwill generated by the difference between the equity and portion paid of Netpoints attributable to Smiles.

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**18. Short and long-term debt**

|                                    | Maturity<br>of<br>the<br>Contract | Effective<br>Rate (p.a.) | Individual    |            | Consolidated   |            |
|------------------------------------|-----------------------------------|--------------------------|---------------|------------|----------------|------------|
|                                    |                                   |                          | 06/30/2014    | 12/31/2013 | 06/30/2014     | 12/31/2013 |
| <b>Short-term debt</b>             |                                   |                          |               |            |                |            |
| <u>Local currency:</u>             |                                   |                          |               |            |                |            |
| BNDES - Direct                     | Jul, 2017                         | 6,15%                    | -             | -          | <b>3,105</b>   | 3,088      |
| BDMG                               | -                                 | -                        | -             | -          | -              | 5,203      |
| Safra (a)                          | Dec, 2015                         | 11,28%                   | -             | -          | <b>66,140</b>  | 32,299     |
| Interest                           | -                                 | -                        | -             | -          | <b>27,570</b>  | 19,689     |
|                                    |                                   |                          | -             | -          | <b>96,815</b>  | 60,279     |
| <u>Foreign currency (in US\$):</u> |                                   |                          |               |            |                |            |
| J.P. Morgan                        | Feb, 2016                         | 0,93%                    | -             | -          | <b>55,067</b>  | 51,524     |
| FINIMP                             | Mar, 2015                         | 4,09%                    | -             | -          | <b>52,600</b>  | 5,838      |
| Engine Facility (Cacib)            | Jun, 2021                         | 2,52%                    | -             | -          | <b>11,781</b>  | -          |
| Interest                           | -                                 | -                        | <b>62,640</b> | 47,488     | <b>58,928</b>  | 63,360     |
|                                    |                                   |                          | <b>62,640</b> | 47,488     | <b>178,376</b> | 120,722    |
|                                    |                                   |                          | <b>62,640</b> | 47,488     | <b>275,191</b> | 181,001    |
| Financial lease                    | Jul, 2025                         | 5,11%                    | -             | -          | <b>256,460</b> | 259,833    |
| <b>Total short-term debt</b>       |                                   |                          | <b>62,640</b> | 47,488     | <b>531,651</b> | 440,834    |
| <b>Long-term debt</b>              |                                   |                          |               |            |                |            |
| <u>Local currency:</u>             |                                   |                          |               |            |                |            |

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|                                    |           |        |                  |           |                  |           |
|------------------------------------|-----------|--------|------------------|-----------|------------------|-----------|
| Debentures IV                      | Sep, 2018 | 12,77% | -                | -         | <b>589,057</b>   | 597,741   |
| Debentures V                       | Jun, 2017 | 12,56% | -                | -         | <b>488,750</b>   | 495,726   |
| Safra (a)                          | Dec, 2015 | 11,28% | -                | -         | <b>32,221</b>    | 65,555    |
| BDMG                               | Mar, 2018 | 10,88% | -                | -         | -                | 15,704    |
| BNDES - Direct                     | Jul, 2017 | 6,15%  | -                | -         | <b>6,452</b>     | 8,001     |
|                                    |           |        | -                | -         | <b>1,116,480</b> | 1,182,727 |
| <u>Foreign currency (in US\$):</u> |           |        |                  |           |                  |           |
| J.P. Morgan                        | Feb, 2016 | 0,93%  | -                | -         | <b>32,273</b>    | 1,540     |
| Engine Facility (Cacib)            | Jun, 2021 | 2,52%  | -                | -         | <b>137,023</b>   | -         |
| Senior Bond I                      | Apr, 2017 | 7,63%  | <b>462,525</b>   | 491,946   | <b>462,525</b>   | 491,946   |
| Senior Bond II                     | Jul, 2020 | 9,65%  | <b>649,120</b>   | 691,028   | <b>649,120</b>   | 691,028   |
| Senior Bond III (b)                | Feb, 2023 | 11,30% | <b>395,888</b>   | -         | <b>384,760</b>   | 426,489   |
| Perpetual Bond                     | -         | 8,75%  | <b>440,500</b>   | 468,520   | <b>394,248</b>   | 419,326   |
|                                    |           |        | <b>1,948,033</b> | 1,651,494 | <b>2,059,949</b> | 2,030,329 |
|                                    |           |        | <b>1,948,033</b> | 1,651,494 | <b>3,176,429</b> | 3,213,056 |
| Financial lease                    | Jul, 2025 | 5,11%  | -                | -         | <b>1,698,888</b> | 1,935,495 |
| <b>Total long-term debt</b>        |           |        | <b>1,948,033</b> | 1,651,494 | <b>4,875,317</b> | 5,148,551 |
|                                    |           |        | <b>2,010,673</b> | 1,698,982 | <b>5,406,968</b> | 5,589,385 |

(a) The total amount of the Safra loan as of June 30, 2014 was R\$98,361, and held a deposit in guarantee in the amount of R\$40,180 as shown in Note 6.

(b) The Senior Bond issued on February 07, 2013 with maturity in 2023 was transferred from VRG to LuxCo along with the financial applications acquired on the date of issuance.

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**18. Short and long-term debt** (Continued)

The maturities of long-term debt as of June 30, 2014 are as follows:

Individual

|                                    | <b>2017</b>    | <b>After<br/>2018</b> | <b>Without<br/>maturity date</b> | <b>Total</b>     |
|------------------------------------|----------------|-----------------------|----------------------------------|------------------|
| <u>Foreign Currency (in US\$):</u> |                |                       |                                  |                  |
| Senior Bond I                      | 462,525        | -                     | -                                | 462,525          |
| Senior Bond II                     | -              | 649,120               | -                                | 649,120          |
| Senior Bond III                    | -              | 395,888               | -                                | 395,888          |
| Perpetual Bond                     | -              | -                     | 440,500                          | 440,500          |
| <b>Total</b>                       | <b>462,525</b> | <b>1,045,008</b>      | <b>440,500</b>                   | <b>1,948,033</b> |

Consolidated

**After  
Without  
maturity  
date**



|                                    | 2015           | 2016           | 2017           | 2018           | 2018             | Total                    |
|------------------------------------|----------------|----------------|----------------|----------------|------------------|--------------------------|
| <u>Local currency:</u>             |                |                |                |                |                  |                          |
| BNDES - Direct                     | 1,548          | 3,097          | 1,807          | -              | -                | - 6,452                  |
| Safra                              | 32,221         | -              | -              | -              | -                | - 32,221                 |
| Debentures                         | 144,452        | 294,452        | 294,451        | 344,452        | -                | - 1,077,807              |
|                                    | 178,221        | 297,549        | 296,258        | 344,452        | -                | - 1,116,480              |
| <u>Foreign currency (in US\$):</u> |                |                |                |                |                  |                          |
| J.P. Morgan                        | 22,423         | 9,850          | -              | -              | -                | - 32,273                 |
| Engine Facility (Cacib)            | 5,890          | 11,781         | 11,781         | 11,781         | 95,790           | - 137,023                |
| Senior Bond I                      | -              | -              | 462,525        | -              | -                | - 462,525                |
| Senior Bond II                     | -              | -              | -              | -              | 649,120          | - 649,120                |
| Senior Bond III                    | -              | -              | -              | -              | 384,760          | - 384,760                |
| Perpetual Bond                     | -              | -              | -              | -              | -                | 394,248 394,248          |
|                                    | 28,313         | 21,631         | 474,306        | 11,781         | 1,129,670        | 394,248 2,059,949        |
| <b>Total</b>                       | <b>206,534</b> | <b>319,180</b> | <b>770,564</b> | <b>356,233</b> | <b>1,129,670</b> | <b>394,248 3,176,429</b> |

The fair values of Senior and Perpetual Bonds as of June 30, 2014 are as follows:

|                  | Individual |            | Consolidated |            |
|------------------|------------|------------|--------------|------------|
|                  | Book       | Market (b) | Book         | Market (b) |
| Senior Bonds (a) | 1,507,533  | 1,598,934  | 1,496,405    | 1,598,934  |
| Perpetual Bond   | 440,500    | 377,870    | 394,248      | 338,193    |

(a) Senior and Perpetual Bonds' market prices are equal since the market price does not consider the issuance costs.

(b) Senior and Perpetual Bonds' market prices are obtained through market quotations (level 1).

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**18. Short and long-term debt** (Continued)

a) Covenants

Long-term financing (excluding perpetual bonds and financing of aircraft) in the total amount of R\$2,782,181, as of June 30, 2014, hold clauses and contractual restrictions, including but not limited to those that require the Company to maintain the liquidity requirements defined and the cover of expenses with interest. The Company has restrictive covenants in its financing agreements with the following financial institutions: Bradesco and Banco do Brasil (Debentures IV e V), with quarterly measurements. The costs for the deeds addition were R\$17,310.

On the Meeting of the Holders of Debentures IV and V held on June 20, 2014, was resolved: (i) the extension of the term and changes on the amortization amounts of Debenture IV; (ii) change the remuneration of the Debentures IV and V to 128% of the CDI (from 118% and 120% of the CDI, respectively); and (iii) change the restrictive contractual clauses relative to financial indicators and limits for the Debentures IV and V Issues.

As of June 30, 2014, the funding by the debentures IV and V have the following restrictive clauses: (i) net debt/EBITDAR below 5.69, and (ii) coverage of debt (CID) of at least 1.53. Based on the measurements, the following indexes were obtained: (i) net debt/EBITDA of 2.65; and (ii) coverage of debt

(CID) of 2.11. Accordingly, as of June 30, 2014, the Company was in compliance with the limits established on the agreement. The next measurement will be on December 31, 2014, based on the same date.

b) New loans raised on the three-month period ended June 30, 2014

*Import Financing (Finimp)*

On April 03, 2014, the Company, through its subsidiary VRG, obtained a loan part of a credit line for import financing (Finimp) in the amount of R\$18,616 (US\$8,156 as the loan date) with Banco Safra, with maturity of 360 days on March 30, 2015 and interest rate of 3.01% p.a., being (Finimp) for purchase of spare parts and aircraft equipment. In guarantee for this loan is one promissory note in the total amount of the loan.

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**18. Short and long-term debt** (Continued)

*Engine financing (Engine Facility)*

On June 30, 2014, the Company, through its subsidiary VRG, contracted a financing in the amount of US\$68 million with Credit Agricole Corporate and Investment Bank (“Cacib”), with guarantee of twelve proprietary spare CFM56-7B engines, and with the possibility of the financing increase of an additional US\$100 million (equivalent to R\$220 million at reporting date) for future proprietary engine deliveries. The financing is over 7 years, with quarterly amortization of the principal and interest as of September 2014 at a cost of 3 months Libor index plus 2.25% p.a. The operation aims the maintenance of the high liquidity in order to reduce the cost of the Company’s debts.

c) Financial leases

The future payments of financial leasing contracts indexed to U.S. Dollar are detailed below:

| <b>Consolidated</b> |                   |
|---------------------|-------------------|
| <b>06/30/2014</b>   | <b>12/31/2013</b> |

|   |                  |           |
|---|------------------|-----------|
| 2014                                    | <b>169,198</b>   | 356,642   |
| 2015                                    | <b>340,462</b>   | 362,099   |
| 2016                                    | <b>330,996</b>   | 352,050   |
| 2017                                    | <b>306,328</b>   | 325,813   |
| 2018                                    | <b>301,088</b>   | 320,240   |
| Beyond 2018                             | <b>820,532</b>   | 862,149   |
| Total minimum lease payments            | <b>2,268,604</b> | 2,578,993 |
| Less total interest                     | <b>(313,256)</b> | (383,665) |
| Present value of minimum lease payments | <b>1,955,348</b> | 2,195,328 |
| Less current portion                    | <b>(256,460)</b> | (259,833) |
| Noncurrent portion                      | <b>1,698,888</b> | 1,935,495 |

The discount rate used to calculate the present value of the minimum lease payments was 5.11% as of June 30, 2014 (5.20% as of December 31, 2013). There are no significant differences between the present value of minimum lease payments and the fair value of these financial liabilities.

The Company extended the maturity date of the financing for some of its aircraft leased for 15 years using the SOAR framework (mechanism for extending financing amortization and repayment), which enables the performance of calculated withdrawals to be settled at the end of the lease agreement. As of June 30, 2014, the withdrawals made for the repayment at maturity date of the lease agreements amount to R\$126,415 (R\$123,879 as of December 31, 2013) and are recorded in long-term debt.

## 19. Salaries, wages and benefits

|                           | Individual |            | Consolidated   |            |
|---------------------------|------------|------------|----------------|------------|
|                           | 06/30/2014 | 12/31/2013 | 06/30/2014     | 12/31/2013 |
| Salaries                  | -          | -          | <b>171.653</b> | 135,027    |
| INSS and FGTS recoverable | <b>378</b> | 1,088      | <b>46,406</b>  | 45,630     |
| Profit sharing plan       | -          | -          | <b>33.608</b>  | 51,650     |
| Others                    | <b>12</b>  | 4          | <b>4.534</b>   | 1,277      |
|                           | <b>390</b> | 1,092      | <b>256,201</b> | 233,584    |

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**20. Taxes payable**

|                      | <b>Individual</b> |                   | <b>Consolidated</b> |                   |
|----------------------|-------------------|-------------------|---------------------|-------------------|
|                      | <b>06/30/2014</b> | <b>12/31/2013</b> | <b>06/30/2014</b>   | <b>12/31/2013</b> |
| PIS and COFINS       | -                 | -                 | <b>27,694</b>       | 37,926            |
| REFIS                | <b>13,874</b>     | 13,872            | <b>32,412</b>       | 32,490            |
| IRRF on Payroll      | <b>13</b>         | 1                 | <b>16,016</b>       | 23,175            |
| ICMS                 | -                 | -                 | <b>33,856</b>       | 32,440            |
| Tax on import        | -                 | -                 | <b>3,467</b>        | 3,467             |
| CIDE                 | <b>186</b>        | 84                | <b>2,767</b>        | 2,686             |
| IOF                  | <b>61</b>         | 62                | <b>61</b>           | 62                |
| IRPJ and CSLL to pay | -                 | -                 | <b>12,783</b>       | 15,838            |
| Others               | <b>64</b>         | 4                 | <b>9,450</b>        | 7,384             |
|                      | <b>14,198</b>     | 14,023            | <b>138,506</b>      | 151,468           |
| Current              | <b>1,491</b>      | 1,246             | <b>75,637</b>       | 94,430            |
| Noncurrent           | <b>12,707</b>     | 12,777            | <b>62,869</b>       | 61,038            |

Adoption of the Law nº 12.973/2014 (Provisional Measure 627/2013)

On November, 2013 the provisional measure n. 627 was issued establishing that non-taxation over the profit and dividends calculated based on results from January 01, 2008 to December 31, 2013 by the Companies taxable based on actual profits, presumed or arbitrate, paid until the date of the provisional measure publication, in higher values that the ones calculated by the current accounting policies on December 31, 2007 since the Company has already paid the profit or dividends the anticipated adoption by 2014.

On May, 2014, the provisional measure was converted to Law n. 12,973, resulting in significant changes to the previously established, along with dividends, return on own capital and investments measurement through equity. A change from provisional measure n. 627 to Law n. 12,973, was the unconditional non-taxation for the profits and dividends calculated based on the results from January 01, 2008 to December 31, 2013.

In order to ensure tax neutrality established in Law n. 11,941, from 2009, since dividend payments occurred until the date of the law's publication, the Company and its subsidiary Smiles S.A.'s managements chose the early adoption of the Law through DCTF related to May, 2014. Thus, it will be guaranteed the usage of the equity measured in accordance with the Law no. 6404 from 1976, for purposes of calculating the limits as per laws related to the tax effects of interest on capital.

The Company analyzed the potential effects on the Law n. 12,973 adoption and concluded that there are no significant effects on its interim financial information as of June 30, 2014 and December 31, 2013 on GLAI and Smiles. On VRG and Webjet, the Company will analyse the impacts of the adoption of the Law and the related effects will be registered starting as from January 01, 2015.

## **GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

### **21. Advance ticket sales**

As of June 30, 2014, the balance of transport to perform classified in current liabilities was R\$1,129,699 (R\$1,219,802 as of December 31, 2013) and is represented by 5,324,146 coupons tickets sold and not yet used (5,951,486 as of December 31, 2013) with an average use of 119 days (111 days as of December 31, 2013).

### **22. Mileage program**

As of June 30, 2014, the balance of Smiles deferred revenue is R\$208,650 (R\$195,935 as of December 31, 2013) and R\$469,013 (R\$456,290 as of December 31, 2013) classified in the current and noncurrent liabilities, respectively and the number of outstanding miles as of June 30, 2014 amounted to 40,853,705,083.

### **23. Advances from customers**

The Company performs advance miles sales and recorded such under "Advances from Customers". As of June 30, 2014, the outstanding balance related to these anticipated sales is as follows:



|                            | <b>Consolidated</b> |                   |
|----------------------------|---------------------|-------------------|
|                            | <b>06/30/2014</b>   | <b>12/31/2013</b> |
| Financial institutions (a) | <b>42,860</b>       | 169,649           |
| Others                     | <b>1,223</b>        | 1,755             |
|                            | <b>44,083</b>       | 171,404           |
| Current                    | <b>43,700</b>       | 167,759           |
| Noncurrent                 | <b>383</b>          | 3,645             |

(a) A portion of the amount in the current liabilities of R\$41,563 (R\$166,004 and R\$3,645 as of December 31, 2013) is related to the miles sales agreement in the approximately total amount of R\$400,000 signed on April 08, 2014 along with the financial institutions Bradesco S.A., Banco do Brasil S.A. and Santander S.A.

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**24. Provisions**

|                                  | <b>Insurance<br/>Provision</b> | <b>Provision<br/>for<br/>anticipated<br/>return of<br/>Webjet's<br/>aircraft (a)</b> | <b>Provision<br/>for aircraft<br/>and engine<br/>return of<br/>VRG and<br/>Webjet (b)</b> | <b>Lawsuits<br/>(c)</b> | <b>Total</b>   |
|----------------------------------|--------------------------------|--|---|-------------------------|----------------|
| Balance on December 31, 2013     | 17,519                         | 12,381   | 334,909   | 117,565                 | 482,374        |
| Additional provisions recognized | 789                            | -  | 11,995  | 2,541                   | 15,325         |
| Utilized provisions              | (11,264)                       | (8,844)  | (52,773)  | (25,147)                | (98,028)       |
| Foreign exchange                 | (274)                          | (462)  | 6,795   | (902)                   | 5,157          |
| <b>Balance on June 30, 2014</b>  | <b>6,770</b>                   | <b>3,075</b>   | <b>300,926</b>  | <b>94,057</b>           | <b>404,828</b> |
| As of December 31, 2013          |                                |  |   |                         |                |
| Current                          | 17,519                         | 12,381   | 169,571   | -                       | 199,471        |
| Noncurrent                       | -                              | -  | 165,338   | 117,565                 | 282,903        |
|                                  | 17,519                         | 12,381   | 334,909   | 117,565                 | 482,374        |
| <b>As of June 30, 2014</b>       |                                |  |   |                         |                |
| Current                          | <b>6,770</b>                   | <b>3,075</b>   | <b>146,439</b>  | -                       | <b>156,284</b> |
| Noncurrent                       | -                              | -  | <b>154,487</b>  | <b>94,057</b>           | <b>248,544</b> |
|                                  | <b>6,770</b>                   | <b>3,075</b>   | <b>300,926</b>  | <b>94,057</b>           | <b>404,828</b> |

a) Provision for anticipated return of aircraft

In 2011, according to the strategic planning of Webjet, a provision for the anticipated return of aircraft was recorded. This provision was calculated based on the expected return of 18 aircraft Boeing 737-300 with operating leases contracts, as part of the Company's fleet renewal. During the six-month period ended June 30, 2014 the Company completed 5 aircraft return with the following prefixes: PR-WJV, PR-WJB, PR-WJD, PR-WJF e PR-WJH.

b) Return of aircraft and engines

The returns provisions consider the costs that meet the contractual conditions for the return of engines maintained under operating leases, as well as the costs to reconfigure the aircraft without purchase option, as prescribed in the returns conditions of the lease contracts, and which is capitalized in fixed assets (aircraft reconfigurations/overhauling), as described in Note 16.

c) Lawsuits

As of June 30, 2014 the Company and its subsidiaries are parties to 27,057 (7,429 labor and 19,628 civil) lawsuits and administrative proceedings. The lawsuits and administrative proceedings are classified into Operation (those arising from the Company's normal course of operations), and Succession (those arising from the succession of former Varig S.A. obligations). Under this classification, the number of proceedings is as follows:

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**24. Provisions** (Continued)c) Lawsuits (Continued)

|                   | <b>Operation</b> | <b>Succession</b> | <b>Total</b>  |
|-------------------|------------------|-------------------|---------------|
| Civil lawsuits    | 16,464           | 447               | <b>16,911</b> |
| Civil proceedings | 2,707            | 10                | <b>2,717</b>  |
| Labor lawsuits    | 3,910            | 3,297             | <b>7,207</b>  |
| Labor proceedings | 220              | 2                 | <b>222</b>    |
|                   | <b>23,301</b>    | <b>3,756</b>      | <b>27,057</b> |

The civil lawsuits are primarily related to compensation claims generally related to flight delays and cancellations, baggage loss and damage. The labor claims primarily consist of discussions related to overtime, hazard pay, and wage differences.

The provisions related to civil and labor suits, whose likelihood of loss is assessed as probable are as follows:

|       | <b>06/30/2014</b> | <b>12/31/2013</b> |
|-------|-------------------|-------------------|
| Civil | <b>50,053</b>     | 66,294            |
| Labor | <b>44,004</b>     | 51,271            |

**94,057**

117,565

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.

There are other civil and labor lawsuits assessed by management and its legal counsel as possible risks, in the estimated amount as of June 30, 2014 of R\$20,839 for civil claims and R\$2,990 for labor claims (R\$13,226 and R\$3,929 as of December 31, 2013 respectively), for which no provisions are recognized.

The tax lawsuits below were evaluated by the Company's management and its legal consultants as being relevant and with probable risk as of June 30, 2014:

- GLAI is discussing the non-incidence of taxation of PIS and COFINS on revenues generated by the interest on capital in the amount of R\$37,750, related to the years from 2006 to 2008, paid by its subsidiary GTA Transportes Aéreos S.A., succeeded by VRG on September 25, 2008. According to the opinion of the Company's legal counsel and based on the jurisprudence occurred in recent events, the Company classified this case as possible loss, without a provision registered for the related amount. Additionally, the Company maintains a letter of credit with Bic Banco with a partial guarantee on the lawsuit value of R\$20,690 as disclosed in Note 6.

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**24. Provisions** (Continued)

c) Lawsuits (Continued)

- Tax on Services (ISS), the amount of R\$15,532 arising from assessment notices issued by the Prefeitura do Município de São Paulo against the Company, in the period from January, 2007 to December, 2010 regarding a possible ISS taxation on partners agreements. The classification of the possible risk stems from the matters under discussion and are interpretative, and involves discussions of factual and evidential materials, and has no final positioning of the Superior Courts.
- Customs Penalty in the amount of R\$33,044 relating to assessment notices issued against the Company for alleged breach of customs rules regarding procedures for temporary import of aircraft. The classification of possible risk is a result of the absence of a final positioning of the Superior Courts.
- BSSF goodwill (BSSF Air Holdings), in the amount of R\$42,514 related to Infraction notices due to the deductibility of the goodwill allocated to future profitability. The classification of possible risk is a result of the absence of a final positioning of the Superior Courts.
- VRG's goodwill in the amount of R\$16,670 resulted from summons of violation related to the deductibility of the goodwill classified as future payment. The classification of probable risk arises from the absence of a final opinion from the Superior Courts.

There are other lawsuits considered by the Company's management and its legal counsel as possible risk, in the estimated amount of R\$20,178 which added to the lawsuits mentioned above, amount to R\$165,688 as of June 30, 2014.

The Company and its subsidiaries are challenging in the court the ICMS levied on aircraft and engines imported under aircraft lease transactions without purchase options in transactions carried out with lessors' registered in foreign countries. The Company and its subsidiaries' management understand that these transactions represent simple leases in view of the contractual obligation to return the assets that are the subject matter of the contract.

Management believes that there is no evidence of goods circulation and so, there are no legal events to generate the ICMS taxation. Based on the legal counsel opinion and supported by similar lawsuits with favorable decisions to taxpayers by the Superior Court of Justice (STJ) and Supreme Federal Court (STF) in the second quarter of 2007, the Company understands that the likelihood of loss is remote, and thus did not recognize provisions for these amounts. As of June 30, 2014 the estimated aggregated amount of the ongoing lawsuits related to the non-levy of ICMS tax on said imports is R\$239,232 (R\$229,450 as of December 31, 2013) adjusted for inflation, not including late payment charges.

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**25. Shareholders' equity**a) Issued capital

As of June 30, 2014, the Company's capital is represented by 278,867,520 shares, of which 143,858,204 are common shares and 135,009,316 are preferred shares. The Fundo de Investimento em Participações Volluto is the Company's controlling fund, which is equally controlled by Constantino de Oliveira Júnior, Henrique Constantino, Joaquim Constantino Neto, and Ricardo Constantino.

Shares are held as follows:

|   | <b>06/30/2014</b> |                  |               | <b>12/31/2013</b> |                  |              |
|---|-------------------|------------------|---------------|-------------------|------------------|--------------|
|   | <b>Common</b>     | <b>Preferred</b> | <b>Total</b>  | <b>Common</b>     | <b>Preferred</b> | <b>Total</b> |
| Fundo Volluto<br>Wellington<br>Management | <b>100.00%</b>    | <b>21.84%</b>    | <b>62.16%</b> | 100.00%           | 22.30%           | 62.38%       |
| Company                                   | -                 | <b>10.49%</b>    | <b>5.08%</b>  | -                 | 10.49%           | 5.08%        |
| Delta Airlines, Inc.                      | -                 | <b>6.15%</b>     | <b>2.98%</b>  | -                 | 6.15%            | 2.98%        |
| Fidelity<br>Investments                   | -                 | <b>5.21%</b>     | <b>2.52%</b>  | -                 | 5.21%            | 2.52%        |
| Treasury shares                           | -                 | <b>1.59%</b>     | <b>0.77%</b>  | -                 | 1.59%            | 0.77%        |



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|            |                |                |                |         |         |         |
|------------|----------------|----------------|----------------|---------|---------|---------|
| Other      | -              | <b>1.50%</b>   | <b>0.73%</b>   | -       | 1.51%   | 0.73%   |
| Free float | -              | <b>53.22%</b>  | <b>25.76%</b>  | -       | 52.75%  | 25.54%  |
|            | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | 100.00% | 100.00% | 100.00% |

The authorized share capital, as of June 30, 2014, was R\$4.0 billion. Within the authorized limit, the Company can, once approved by the Board of Directors, increase its capital regardless of any amendment to its bylaws, by issuing shares, without necessarily maintaining the proportion between the different types of shares. Under the law terms, in case of capital increase, the Board of Directors will define the issuance conditions, including pricing and payment terms.

On the Board of Director's General Meeting held on May 28, 2014, it was approved the capital increase limited to R\$185,757, being the amount of R\$116,357 proceeding from Air France - KLM S.A. investment ("Air France KLM"), to be subscribed of 4,246,620 preferred shares of the Company, registered as of June 30, 2014 as "Shares to be issued", as Note 34e.

The Company shares as of June 30, 2014 are quoted on the São Paulo Stock Exchange - BM&FBOVESPA in the amount of R\$12.02 per share and US\$5.48 per share on the New York Stock Exchange - NYSE (R\$10.48 and US\$4.57 on December 31, 2013). The book value per share as of June 30, 2014 is R\$1.74 (R\$2.33 as of December 31, 2013).

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**25. Shareholders' equity**(Continued)

b) Retained earnings

*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.

c) Dividends

The Company's bylaws provide for a mandatory minimum dividend to be paid to common and preferred shareholders, in the aggregate of at least 25% of annual adjusted profit after reserves in accordance with the Corporate Law (6,404/76). The Brazilian Corporate Law, permits the payment of cash dividends only from retained earnings, and certain reserves recognized in the Company's statutory accounting records.

d) Treasury shares

As of June 30, 2014, the Company holds 2,146,725 treasury shares, totaling R\$32,116, with a market value of R\$25,803 (R\$32,116 in shares with market value of R\$22,499 as of December 31, 2013).

e) Share-based payments

As of June 30, 2014, the balance of share-based payments reserve was R\$88,464 (R\$85,438 as of December 31, 2013). The Company recorded a share-based payment expense amounting to R\$3,026 related to the Company's controlling shareholders and R\$529 related to its non-controlling shareholders in the period ended June 30, 2014, with a corresponding expense classified as personnel costs under the statement of profit or loss (R\$6,183 related to the Company's controlling shareholders and R\$905 related to its non-controlling shareholders as of December 31, 2013).

f) Other comprehensive income

The fair value measurement of financial instruments designated as cash flow hedges is recognized as "Other Comprehensive Income", net of tax effects. The balance as of June 30, 2014 corresponds to a net loss of R\$74,839 (net loss of R\$18,162 as of December 31, 2013) as per Note 31.

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**26. Sales revenue**

The net sales revenue has the following composition:

|                          | <b>Consolidated</b>    |                   |                        |                   |
|--------------------------|------------------------|-------------------|------------------------|-------------------|
|                          | <b>Three-month</b>     |                   | <b>Six-month</b>       |                   |
|                          | <b>period ended on</b> |                   | <b>period ended on</b> |                   |
|                          | <b>06/30/2014</b>      | <b>06/30/2013</b> | <b>06/30/2014</b>      | <b>06/30/2013</b> |
| Passenger transportation | <b>2,243,799</b>       | 1,782,365         | <b>4,604,380</b>       | 3,752,998         |
| Cargo                    | <b>83,631</b>          | 83,386            | <b>160,951</b>         | 155,146           |
| Other revenue            | <b>202,542</b>         | 161,971           | <b>389,083</b>         | 326,414           |
| <b>Gross revenue</b>     | <b>2,529,972</b>       | 2,027,722         | <b>5,154,414</b>       | 4,234,558         |
| Related taxes            | <b>(148,683)</b>       | (112,897)         | <b>(279,726)</b>       | (237,057)         |
| <b>Net revenue</b>       | <b>2,381,289</b>       | 1,914,825         | <b>4,874,688</b>       | 3,997,501         |

The revenues are net of federal, state and municipal taxes, which are paid and transferred to the appropriate government entities.

Revenue by geographical segment is as follows:

|                    | Consolidated     |              |                  |              |                  |              |                  |              |
|--------------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|
|                    | Three-month      |              |                  |              | Six-month        |              |                  |              |
|                    | 06/30/2014       |              | 06/30/2013       |              | 06/30/2014       |              | 06/30/2013       |              |
|                    | Total            | %            | Total            | %            | Total            | %            | Total            | %            |
| Domestic           | 2,065,921        | 86.8         | 1,768,321        | 92.3         | 4,285,132        | 87.9         | 3,645,826        | 91.2         |
| International      | 315,368          | 13.2         | 146,504          | 7.7          | 589,556          | 12.1         | 351,675          | 8.8          |
| <b>Net revenue</b> | <b>2,381,289</b> | <b>100.0</b> | <b>1,914,825</b> | <b>100.0</b> | <b>4,874,688</b> | <b>100.0</b> | <b>3,997,501</b> | <b>100.0</b> |

## 27. Costs of services, administrative and selling expenses

|                                 | Individual  |       |            |       |            |       |            |       |
|---------------------------------|-------------|-------|------------|-------|------------|-------|------------|-------|
|                                 | Three-month |       |            |       | Six-month  |       |            |       |
|                                 | 06/30/2014  |       | 06/30/2013 |       | 06/30/2014 |       | 06/30/2013 |       |
|                                 | Total       | %     | Total      | %     | Total      | %     | Total      | %     |
| Personnel (a)                   | (721)       | (3.0) | (1,653)    | (7.0) | (2,945)    | (4.4) | (3,780)    | (6.7) |
| Services rendered               | (1,281)     | (5.3) | (967)      | (4.1) | (3,870)    | (5.7) | (1,224)    | (2.2) |
| Sale-leaseback transactions (b) | 26,272      | 109.4 | 24,229     | 101.9 | 75,073     | 111.1 | 62,021     | 109.4 |
| Other operating expenses        | (260)       | (1.1) | 2,166      | 9.2   | (688)      | (1.0) | (305)      | (0.5) |
| (revenue), net                  | 24,010      | 100.0 | 23,775     | 100.0 | 67,570     | 100.0 | 56,712     | 100.0 |

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**27. Costs of services, administrative and selling expenses (Continued)**

|                                   | <b>Consolidated</b>                |                 |                       |                  |              |          |
|-----------------------------------|------------------------------------|-----------------|-----------------------|------------------|--------------|----------|
|                                   | <b>Three-month period ended on</b> |                 |                       |                  |              |          |
|                                   | <b>06/30/2014</b>                  |                 |                       |                  |              |          |
|                                   | <b>Cost of</b>                     | <b>Selling</b>  | <b>Administrative</b> | <b>Other</b>     | <b>Total</b> | <b>%</b> |
|                                   | <b>services</b>                    | <b>expenses</b> | <b>expenses</b>       | <b>operating</b> |              |          |
|                                   |                                    |                 |                       | <b>income</b>    |              |          |
| Personnel (a)                     | (268,190)                          | (15,887)        | (43,052)              | -                | (327,129)    | 14.0     |
| Fuel and lubricants               | (908,042)                          | -               | -                     | -                | (908,042)    | 38.8     |
| Aircraft rental                   | (213,033)                          | -               | -                     | -                | (213,033)    | 9.1      |
| Aircraft insurance                | (4,776)                            | -               | -                     | -                | (4,776)      | 0.2      |
| Maintenance materials and repairs | (152,402)                          | -               | (2)                   | -                | (152,404)    | 6.5      |
| Traffic services                  | (83,528)                           | (40,816)        | (77,682)              | -                | (202,026)    | 8.6      |
| Sales and marketing               | -                                  | (160,662)       | (342)                 | -                | (161,004)    | 6.9      |
| Tax and landing fees              | (142,344)                          | -               | -                     | -                | (142,344)    | 6.1      |
| Depreciation and amortization     | (108,915)                          | -               | (15,394)              | -                | (124,309)    | 5.3      |
| Sale-leaseback transactions (b)   | -                                  | -               | -                     | 26,272           | 26,272       | (1.2)    |
| Other, net                        | (88,284)                           | (8,184)         | (37,645)              | 428              | (133,685)    | 5.7      |
|                                   | (1,969,514)                        | (225,549)       | (174,117)             | 26,700           | (2,342,480)  | 100.0    |

**Consolidated**  
**Three-month period ended on**  
**06/30/2013**

|                                   | <b>Cost of<br/>services</b> | <b>Selling<br/>expenses</b> | <b>Administrative<br/>expenses</b> | <b>Other<br/>operating<br/>income</b> | <b>Total</b> | <b>%</b> |
|-----------------------------------|-----------------------------|-----------------------------|------------------------------------|---------------------------------------|--------------|----------|
| Personnel (a)                     | (251,836)                   | (25,149)                    | (58,184)                           | -                                     | (335,169)    | 17.2     |
| Fuel and lubricants               | (817,530)                   | -                           | -                                  | -                                     | (817,530)    | 41.9     |
| Aircraft rental                   | (153,983)                   | -                           | -                                  | -                                     | (153,983)    | 7.9      |
| Aircraft insurance                | (5,116)                     | -                           | -                                  | -                                     | (5,116)      | 0.3      |
| Maintenance materials and repairs | (81,559)                    | -                           | -                                  | -                                     | (81,559)     | 4.2      |
| Traffic services                  | (86,296)                    | (11,026)                    | (44,337)                           | -                                     | (141,659)    | 7.3      |
| Sales and marketing               | -                           | (109,297)                   | -                                  | -                                     | (109,297)    | 5.6      |
| Tax and landing fees              | (134,797)                   | -                           | -                                  | -                                     | (134,797)    | 6.9      |
| Depreciation and amortization     | (116,140)                   | -                           | (87)                               | -                                     | (116,227)    | 6.0      |
| Sale-leaseback transactions (b)   | -                           | -                           | -                                  | 26,573                                | 26,573       | (1.4)    |
| Other, net                        | (72,590)                    | 949                         | (5,532)                            | (3,966)                               | (81,139)     | 4.1      |
|                                   | (1,719,847)                 | (144,523)                   | (108,140)                          | 22,607                                | (1,949,903)  | 100.0    |

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**27. Costs of services, administrative and selling expenses (Continued)**

|                                   | <b>Consolidated</b>              |                 |                       |                  |              |          |
|-----------------------------------|----------------------------------|-----------------|-----------------------|------------------|--------------|----------|
|                                   | <b>Six-month period ended on</b> |                 |                       |                  |              |          |
|                                   | <b>06/30/2014</b>                |                 |                       |                  |              |          |
|                                   | <b>Cost of</b>                   | <b>Selling</b>  | <b>Administrative</b> | <b>Other</b>     | <b>Total</b> | <b>%</b> |
|                                   | <b>services</b>                  | <b>expenses</b> | <b>expenses</b>       | <b>operating</b> |              |          |
|                                   |                                  |                 |                       | <b>income</b>    |              |          |
| Personnel (a)                     | (559,686)                        | (23,379)        | (91,363)              | -                | (674,428)    | 14.4     |
| Fuel and lubricants               | (1,919,364)                      | -               | -                     | -                | (1,919,364)  | 40.9     |
| Aircraft rent                     | (425,995)                        | -               | -                     | -                | (425,995)    | 9.1      |
| Aircraft insurance                | (9,661)                          | -               | -                     | -                | (9,661)      | 0.1      |
| Maintenance materials and repairs | (227,933)                        | -               | (2)                   | -                | (227,935)    | 4.9      |
| Traffic services                  | (175,915)                        | (64,563)        | (127,391)             | -                | (367,869)    | 7.8      |
| Sales and marketing               | -                                | (321,895)       | (342)                 | -                | (322,237)    | 6.9      |
| Tax and landing fees              | (293,812)                        | -               | -                     | -                | (293,812)    | 6.3      |
| Depreciation and amortization     | (229,227)                        | -               | (30,334)              | -                | (259,561)    | 5.5      |
| Sale-leaseback transactions (b)   | -                                | -               | -                     | 75,073           | 75,073       | (1.6)    |
| Other, net                        | (176,129)                        | (15,563)        | (73,502)              | -                | (265,194)    | 5.7      |
|                                   | (4,017,722)                      | (425,400)       | (322,934)             | 75,073           | (4,690,983)  | 100.0    |

**Consolidated**  
**Six-month period ended on**  
**06/30/2013**



|                                   | <b>Cost of<br/>services</b> | <b>Selling<br/>expenses</b> | <b>Administrative<br/>expenses</b> | <b>Other<br/>operating<br/>income</b> | <b>Total</b> | <b>%</b> |
|-----------------------------------|-----------------------------|-----------------------------|------------------------------------|---------------------------------------|--------------|----------|
| Personnel (a)                     | (486,956)                   | (41,214)                    | (93,898)                           | -                                     | (622,068)    | 15.8     |
| Fuel and lubricants               | (1,724,905)                 | -                           | -                                  | -                                     | (1,724,905)  | 43.9     |
| Aircraft rent                     | (308,424)                   | -                           | -                                  | -                                     | (308,424)    | 7.8      |
| Aircraft insurance                | (10,240)                    | -                           | -                                  | -                                     | (10,240)     | 0.3      |
| Maintenance materials and repairs | (174,641)                   | -                           | -                                  | -                                     | (174,641)    | 4.4      |
| Traffic services                  | (131,866)                   | (59,684)                    | (85,668)                           | -                                     | (277,218)    | 7.1      |
| Sales and marketing               | -                           | (199,420)                   | -                                  | -                                     | (199,420)    | 5.1      |
| Tax and landing fees              | (268,641)                   | -                           | -                                  | -                                     | (268,641)    | 6.8      |
| Depreciation and amortization     | (210,277)                   | -                           | (16,875)                           | -                                     | (227,152)    | 5.8      |
| Sale-leaseback transactions (b)   | -                           | -                           | -                                  | 62,021                                | 62,021       | (1.6)    |
| Other, net                        | (160,519)                   | (6,466)                     | (18,412)                           | 4,681                                 | (180,716)    | 4.6      |
|                                   | (3,476,469)                 | (306,784)                   | (214,853)                          | 66,702                                | (3,931,404)  | 100.0    |

(a) The Company recognizes the cost of the Audit Committee and Board of Directors on "personnel"

(b) The amount of R\$75,073 (R\$62,021 as of June 30, 2013) comprises the gains fully recognized and deferred losses from sale-leaseback transactions. During the period ended June 30, 2014, the Company held sale-leaseback transactions related to 9 aircraft (8 aircraft as of June 30, 2013).

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**28. Financial result**

|   | <b>Individual</b>      |                        |                        |                        |
|---|------------------------|------------------------|------------------------|------------------------|
|   | <b>Three-month</b>     |                        | <b>Six-month</b>       |                        |
|   | <b>period ended on</b> | <b>period ended on</b> | <b>period ended on</b> | <b>period ended on</b> |
|   | <b>06/30/2014</b>      | <b>06/30/2013</b>      | <b>06/30/2014</b>      | <b>06/30/2013</b>      |
| <b>Financial income</b>                                 |                        |                        |                        |                        |
| Income from short-term investments and investment funds | <b>2,006</b>           | 668                    | <b>3,468</b>           | 2,676                  |
| Monetary variation                                      | <b>552</b>             | 520                    | <b>1,225</b>           | 977                    |
| Other   | <b>3,933</b>           | 3,825                  | <b>3,933</b>           | 7,595                  |
|   | <b>6,491</b>           | 5,013                  | <b>8,626</b>           | 11,248                 |
| <b>Financial expenses</b>                               |                        |                        |                        |                        |
| Losses (gains) from derivatives                         | <b>49</b>              | (7,677)                | <b>(15,852)</b>        | (7,677)                |
| Interest on short and long-term debt                    | <b>(44,737)</b>        | (38,721)               | <b>(92,437)</b>        | (74,350)               |
| Bank interest and expenses                              | <b>(155)</b>           | (120)                  | <b>(689)</b>           | (585)                  |
| Other   | <b>(479)</b>           | (558)                  | <b>(896)</b>           | (941)                  |
|   | <b>(45,322)</b>        | (47,076)               | <b>(109,874)</b>       | (83,553)               |
| <b>Foreign exchange variation, net (*)</b>              | <b>42,696</b>          | (124,683)              | <b>124,334</b>         | (93,654)               |
| <b>Total</b>  | <b>3,865</b>           | (166,746)              | <b>23,086</b>          | (165,959)              |

**Consolidated**  
**Three-month**                      **Six-month**

|   | period ended on  |            | period ended on  |            |
|---|------------------|------------|------------------|------------|
|   | 06/30/2014       | 06/30/2013 | 06/30/2014       | 06/30/2013 |
| <b>Financial income</b>                                 |                  |            |                  |            |
| Income from derivatives                                 | <b>34,996</b>    | 105,213    | <b>89,755</b>    | 149,900    |
| Income from short-term investments and investment funds | <b>25,359</b>    | 13,801     | <b>67,530</b>    | 20,881     |
| Monetary variation                                      | <b>1,919</b>     | 3,509      | <b>4,485</b>     | 6,020      |
| Other   | <b>6,038</b>     | 272        | <b>9,294</b>     | 3,407      |
|   | <b>68,312</b>    | 122,795    | <b>171,064</b>   | 180,208    |
| <b>Financial expenses</b>                               |                  |            |                  |            |
| Losses from derivatives                                 | <b>(71,781)</b>  | (65,821)   | <b>(260,926)</b> | (136,576)  |
| Interest on short and long-term debt                    | <b>(132,899)</b> | (129,963)  | <b>(276,004)</b> | (250,793)  |
| Bank interest and expenses                              | <b>(5,739)</b>   | (3,767)    | <b>(11,362)</b>  | (30,305)   |
| Monetary variation                                      | <b>(1,134)</b>   | (909)      | <b>(2,110)</b>   | (1,760)    |
| Other   | <b>(12,845)</b>  | (13,629)   | <b>(28,017)</b>  | (18,150)   |
|   | <b>(224,398)</b> | (214,089)  | <b>(578,419)</b> | (437,584)  |
| <b>Foreign exchange variation, net (*)</b>              | <b>50,391</b>    | (333,685)  | <b>107,878</b>   | (274,531)  |
| <b>Total</b>  | <b>(105,695)</b> | (424,979)  | <b>(299,477)</b> | (531,907)  |

(\*) From the net amount of R\$107,878 (consolidated) for the six-month period ended on June 30, 2014, portion of R\$134,333 is related to the cash loss of the Bolívar Venezuelano, as described in Note 4a.

## **GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

### **29. Operating segment**

Operating segments are defined as business activities from which it may earn revenues and incur expenses, which operating results are regularly reviewed by the relevant decision makers to evaluate performance and allocate resources to the segments.

As of January 01, 2013, as a result of the Smiles Program as an independent entity, the Company presents two operating segments: the flight transportation segment and the customer's loyalty program segment.

The flight transportation segment offers regular transportation of passenger and cargo, and the customer's loyalty program segment consists on the granting of credit reward miles to participants who can use them to redeem rewards, mainly airline tickets.

The accounting policies of the operating segments are the same as those applied to the consolidated financial statements. Additionally, the Company has distinct natures between the two reportable segments, which prevents any form of cost allocation, so there is no common costs and revenues between operating segments.

The information below presents the summarized financial position related to reportable segments for the six-month period ended June 30, 2014.

a) Assets and liabilities of the operational segment:

06/30/2014

|   | Flight<br>transportation | Smiles<br>loyalty<br>program | Combined<br>information | Eliminations<br>and<br>adjustments<br>to align<br>accounting<br>policies | Total<br>consolidated |
|---|--------------------------|------------------------------|-------------------------|--|-----------------------|
| <u>Assets</u>   |                          |                              |                         |  |                       |
| Current   | 2,846,790                | 978,528                      | 3,825,318               | (468,080)  | <b>3,357,238</b>      |
| Noncurrent  | 7,483,663                | 1,002,530                    | 8,486,193               | (1,586,741)  | <b>6,899,452</b>      |
| <b>Total assets</b>   | <b>10,330,453</b>        | <b>1,981,058</b>             | <b>12,311,511</b>       | <b>(2,054,821)</b>   | <b>10,256,690</b>     |
| <u>Liabilities</u>  |                          |                              |                         |  |                       |
| Current   | 4,403,916                | 276,322                      | 4,680,238               | (1,311,776)  | <b>3,368,462</b>      |
| Noncurrent  | 5,441,427                | 372,665                      | 5,814,092               | (18,586)   | <b>5,795,506</b>      |
| Shareholder's<br>equity                                       | 485,110                  | 1,332,071                    | 1,817,181               | (724,459)  | <b>1,092,722</b>      |
| <b>Total liabilities<br/>and<br/>shareholder's<br/>equity</b> | <b>10,330,453</b>        | <b>1,981,058</b>             | <b>12,311,511</b>       | <b>(2,054,821)</b>   | <b>10,256,690</b>     |

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**29. Operating segment (Continued)**a) Assets and liabilities of the operational segment: (Continued)

|                              |                   |                  | 12/31/2013        |                    |                   |
|------------------------------|-------------------|------------------|-------------------|--------------------|-------------------|
|                              | Flight            | Smiles           |                   | Eliminations       |                   |
|                              | transportation    | loyalty          | Combined          | and                | Total             |
|                              |                   | program          | information       | adjustments        | consolidated      |
|                              |                   |                  |                   | to align           |                   |
|                              |                   |                  |                   | accounting         |                   |
|                              |                   |                  |                   | policies           |                   |
| <u>Assets</u>                |                   |                  |                   |                    |                   |
| Current                      | 2,827,332         | 834,116          | 3,992,847         | (427,138)          | 3,565,709         |
| Noncurrent                   | 7,483,071         | 1,110,034        | 8,837,137         | (1,764,398)        | 7,072,739         |
| <b>Total assets</b>          | <b>10,310,403</b> | <b>1,944,150</b> | <b>12,829,984</b> | <b>(2,191,536)</b> | <b>10,638,448</b> |
| <u>Liabilities</u>           |                   |                  |                   |                    |                   |
| Current                      | 4,422,851         | 344,120          | 3,845,423         | (398,632)          | 3,446,791         |
| Noncurrent                   | 5,456,160         | 270,974          | 7,004,578         | (1,031,421)        | 5,973,157         |
| Shareholder's equity         | 431,392           | 1,329,056        | 1,979,983         | (761,483)          | 1,218,500         |
| <b>Total liabilities and</b> |                   |                  |                   |                    |                   |
| <b>shareholder's equity</b>  | <b>10,310,403</b> | <b>1,944,150</b> | <b>12,829,984</b> | <b>(2,191,536)</b> | <b>10,638,448</b> |

b) Income and expenses of the operational segment:

|  |                  |                | 06/30/2014       |                 |                    |
|--|------------------|----------------|------------------|-----------------|--------------------|
|  | Fligh            | Smiles         | Combined         | Eliminations    | Total              |
|  | Transpor-tation  | loyalty        | information      | and             | consolidated       |
|  |                  | Program        |                  | adjustments     |                    |
|  |                  |                |                  | to align        |                    |
|  |                  |                |                  | accounting      |                    |
|  |                  |                |                  | policies        |                    |
| <b>Net revenue</b>   |                  |                |                  |                 |                    |
| Passenger  | 4,332,418        | -              | 4,332,418        | 83,279          | <b>4,415,697</b>   |
| Cargo and other  | 422,588          | -              | 422,588          | (9,281)         | <b>413,307</b>     |
| Miles redeemed revenue   | -                | 340,374        | 340,374          | (294,690)       | <b>45,684</b>      |
| Costs  | (4,062,355)      | (180,643)      | (4,242,998)      | 225,276         | <b>(4,017,722)</b> |
| <b>Net income</b>  | <b>692,651</b>   | <b>159,731</b> | <b>852,382</b>   | <b>4,584</b>    | <b>856,966</b>     |
| Equity in subsidiaries   | 81,124           | (1,407)        | 79,717           | (81,124)        | <b>(1,407)</b>     |
| <b>Operating income (expenses)</b>                             |                  |                |                  |                 |                    |
| Sales and marketing  | (395,757)        | (26,976)       | (422,733)        | (2,667)         | <b>(425,400)</b>   |
| Administrative expenses  | (310,772)        | (14,688)       | (325,460)        | 2,526           | <b>(322,934)</b>   |
| Other operating revenue, net                                   | 75,073           | -              | 75,073           | -               | <b>75,073</b>      |
| <b>Finance result</b>  |                  |                |                  |                 |                    |
| Financial income   | 148,363          | 100,049        | 248,412          | (77,348)        | <b>171,064</b>     |
| Financial expense  | (655,317)        | (450)          | (655,767)        | 77,348          | <b>(578,419)</b>   |
| Exchange rate changes, net                                     | 107,251          | 627            | 107,878          | -               | <b>107,878</b>     |
| <b>Loss (income) before income tax and social contribution</b> | <b>(257,384)</b> | <b>216,886</b> | <b>(40,498)</b>  | <b>(76,681)</b> | <b>(117,179)</b>   |
| Current and deferred income tax                                | (47,964)         | (74,463)       | (122,427)        | (1,520)         | <b>(123,947)</b>   |
| and social contribution  |                  |                |                  |                 |                    |
| <b>Total loss (income), net</b>                                | <b>(305,348)</b> | <b>142,423</b> | <b>(162,925)</b> | <b>(78,201)</b> | <b>(241,126)</b>   |

|  |   |   |   |   |                  |
|--|---|---|---|---|------------------|
| Attributable to Company'<br>shareholders | - | - | - | - | <b>(305,373)</b> |
| Attributable to<br>non-controlling       | - | - | - | - | <b>64,247</b>    |

Company' shareholders  
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**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**29. Operating segment** (Continued)b) Income and expenses of the operational segment: (Continued)

|  |                          |                              | 06/30/2013              |  |                       |
|--|--------------------------|------------------------------|-------------------------|--|-----------------------|
|  | Fligh<br>Transpor-tation | Smiles<br>loyalty<br>Program | Combined<br>information | Eliminations<br>and<br>adjustments<br>to align<br>accounting<br>policies | Total<br>consolidated |
| <b>Net revenue</b>                     |                          |                              |                         |  |                       |
| Passenger                              | 3,550,182                | -                            | 3,550,182               | 78,486   | 3,628,668             |
| Cargo and other                        | 415,577                  | -                            | 415,577                 | (83,493)   | 332,084               |
| Miles redeemed<br>revenue              | -                        | 229,877                      | 229,877                 | (193,128)  | 36,749                |
| Costs                                  | (3,467,736)              | (110,359)                    | (3,578,095)             | 101,626  | (3,476,469)           |
| <b>Net income</b>                      | <b>498,023</b>           | <b>119,518</b>               | <b>617,541</b>          | <b>(96,509)</b>  | <b>521,032</b>        |
| <b>Operating income<br/>(expenses)</b> |                          |                              |                         |  |                       |
| Sales and marketing                    | (342,067)                | (21,490)                     | (363,557)               | 56,773   | (306,784)             |
| Administrative<br>expenses             | (223,809)                | (12,902)                     | (236,711)               | 21,858   | (214,853)             |

|  |                  |                |                  |                 |                  |
|--|------------------|----------------|------------------|-----------------|------------------|
| Other operating revenue, net                                   | 66,707           | -              | 66,707           | (5)             | 66,702           |
| <b>Finance result</b>  |                  |                |                  |                 |                  |
| Financial income   | 177,599          | 33,972         | 211,571          | (31,363)        | 180,208          |
| Financial expense  | (468,731)        | (216)          | (468,947)        | 31,363          | (437,584)        |
| Exchange rate changes, net                                     | (274,531)        | -              | (274,531)        | -               | (274,531)        |
| <b>Loss (income) before income tax and social contribution</b> | <b>(566,809)</b> | <b>118,882</b> | <b>(447,927)</b> | <b>(17,883)</b> | <b>(465,810)</b> |
| Current and deferred income tax and social contribution        | (7,835)          | (40,743)       | (48,578)         | 6,144           | (42,434)         |
| <b>Total loss (income), net</b>                                | <b>(574,644)</b> | <b>78,139</b>  | <b>(496,505)</b> | <b>(11,739)</b> | <b>(508,244)</b> |
| Attributable to non-controlling Company' shareholders          | -                | -              | -                | -               | (524,811)        |
| Attributable to Company' shareholders                          | -                | -              | -                | -               | 16,567           |

In the individual interim financial information - ITR of the subsidiary Smiles S.A., which represents the segment Smiles Loyalty Program and in the information provided to the relevant decision makers, the revenue recognition occurs upon redemption of the miles by the participants. Under this perspective, this measurement is appropriate given that this is when the revenue recognition cycle is complete. At this point, Smiles has transferred to its suppliers the obligation to provide services or deliver products to its customers.

## **GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

### **29. Operating segment (Continued)**

However, from a consolidated perspective, the revenue recognition cycle related to miles exchanged for flight tickets is only complete when the passengers are effectively transported. Therefore, for purposes of reconciliation with the consolidated assets, liabilities and results, as well as for purposes of equity method of accounting and for consolidation purposes, the Company performed, besides eliminations entries, consolidating adjustments to adjust the accounting practices related to Smiles' revenues. In this case, under the perspective of the consolidated financial statements, the miles that were used to redeem airline tickets are only recognized as revenue when passengers are transported, in accordance with accounting practices and policies adopted by the Company.

### **30. Commitments**

As of June 30, 2014 the Company holds 130 firm orders for aircraft acquisitions with Boeing. These aircraft acquisition commitments include estimates for contractual price increases during the construction phase. The approximate amount of firm orders, not including the contractual discounts, is R\$32,704,865 (corresponding to US\$14,848,974 at the reporting date) and are segregated according to the following years:

|             | <b>06/30/2014</b> | <b>12/31/2013</b> |
|-------------|-------------------|-------------------|
| 2014        | -                 | 1,764,882         |
| 2015        | <b>1,097,700</b>  | 1,167,524         |
| 2016        | <b>1,148,522</b>  | 1,221,579         |
| 2017        | <b>1,768,451</b>  | 1,880,941         |
| 2018        | <b>1,207,917</b>  | 1,284,752         |
| Beyond 2018 | <b>27,482,275</b> | 29,230,410        |
|             | <b>32,704,865</b> | 36,550,088        |

As of June 30, 2014, from the total orders mentioned above, the Company holds commitments in the amount of R\$4,476,474 (corresponding to US\$2,032,451 at the reporting date) related to advances for aircraft acquisition, to be disbursed in accordance with the following schedule:

|             | <b>06/30/2014</b> | <b>12/31/2013</b> |
|-------------|-------------------|-------------------|
| 2014        | <b>87,657</b>     | 163,368           |
| 2015        | <b>240,420</b>    | 255,714           |
| 2016        | <b>127,875</b>    | 136,009           |
| 2017        | <b>222,139</b>    | 236,269           |
| 2018        | <b>539,907</b>    | 574,250           |
| Beyond 2018 | <b>3,258,476</b>  | 3,465,745         |
|             | <b>4,476,474</b>  | 4,831,355         |

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**30. Commitments** (Continued)

The installment financed by long-term debt with aircraft guarantee through the U.S. Ex-Im Bank corresponds approximately to 85% of the aircraft total cost. Other establishments finance the acquisitions with equal or higher percentages, reaching up to 100%.

The Company performs payments related to aircraft acquisition through its own funds, short and long-term debt, cash provided by operating activities, short and medium-term line of credit and supplier financing.

The Company leases its entire aircraft fleet through a combination of operational and financial leases. As of June 30, 2014, the total fleet leased was comprised of 147 aircraft, excluding 3 aircraft from Webjet's fleet, of which 101 were under operating leases and 46 were recorded as financial leases. The Company holds 40 aircraft under financial leasing with purchase option. During the six-month period ended June 30, 2014, the Company received 9 aircraft under operating lease contracts and effected the return of 4 aircraft operating lease.

a) Operating leases

The future payments of non-cancelable operating lease contracts are denominated in U.S. Dollars, and are as follows:

|                                     | <b>06/30/2014</b> | <b>12/31/2013</b> |
|-------------------------------------|-------------------|-------------------|
| 2014                                | <b>351,002</b>    | 693,125           |
| 2015                                | <b>605,787</b>    | 581,153           |
| 2016                                | <b>535,173</b>    | 508,828           |
| 2017                                | <b>481,083</b>    | 456,990           |
| 2018                                | <b>420,816</b>    | 397,103           |
| Beyond 2018                         | <b>1,657,464</b>  | 1,456,846         |
| <b>Total minimum lease payments</b> | <b>4,051,325</b>  | 4,094,045         |

b) Sale-leaseback transactions

During the period ended June 30, 2014, the Company recorded the amount of R\$2,356 and R\$2,228, as "Other payables" in current and noncurrent liabilities, respectively (R\$5,247 and R\$3,118 as of December 31, 2013), related to the gains from sale-leaseback transactions performed by its subsidiary GAC Inc. in 2006 of 8 aircraft 737-800 Next Generation. These gains were deferred and are being amortized proportionally to the payments of the operational lease agreements, of which 1 aircraft have the agreement maturity of 91 months, 5 aircraft have contract term of 96 months and 2 aircraft have contract term of 120 months.

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**30. Commitments** (Continued)

b) Sale-leaseback transactions (Continued)

On the same date, the Company held the amount of R\$8,377 and R\$22,386 as “Prepaid expenses” in current and noncurrent assets, respectively (R\$8,923 and R\$26,526 as of December 31, 2013), related to the losses on sale-leaseback transactions performed by its subsidiary GAC Inc. of 9 aircraft. During the years 2007, 2008 and 2009 these losses were deferred, and are being amortized proportionally to the payments of the operational lease agreements over the contract term of 120 months.

Additionally, during the period ended on June 30, 2014, the Company recorded a gain of R\$75,073 resulting from 9 aircraft received during the period (8 aircraft received during the six-month period ended on June 30, 2013) that were used as sale-leaseback transactions and resulted in operating leases. Given that the gains and losses from sale-leaseback transactions will not be offset against future lease payments and were negotiated at fair value, such gain was recognized directly in profit or loss.

**31. Financial instruments**

The Company and its subsidiaries have financial asset and financial liability transactions, which consist in part of derivative financial instruments.

The financial derivative instruments are used to hedge against the inherent risks related to the Company operations. The Company and its subsidiaries consider as most relevant risks: fuel price, exchange rate and interest rate. These risks can be mitigated by using exchange swap derivatives, futures and options contracts based on oil, U.S. Dollar and interest markets. The contracts may be held by means of exclusive investment funds, as described in the Risk Management Policy of the Company.

Management follows a documented guideline when managing its financial instruments, set out in its Risk Management Policy, which is periodically revised by the Risk Committee (CPR), and approved by the Board of Directors. The Committee sets the guidelines and limits, monitors controls, including the mathematical models adopted for a continuous monitoring of exposures and possible financial effects and also prevents the execution of speculative financial instruments transactions.

The gains or losses on these transactions and the application of risk management controls are part of the Committee's monitoring and have been satisfactory when considering the objectives proposed.



**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**31. Financial instruments (Continued)**

The fair values of financial assets and liabilities of the Company and its subsidiaries are established through information available in the market and according to valuation methodologies.

Most of the derivative financial instruments are engaged with the purpose of hedging against fuel and exchange rates risks based on scenarios with low probability of occurrence, and thus have lower costs compared to other instruments with higher probability of occurrence. Consequently, despite the high correlation between the hedged item and the derivative financial instruments contracted, can presents ineffective positions for hedge accounting purposes upon settlement, which are presented in the tables below.

The description of the consolidated account balances and the categories of financial instruments included in the balance sheet as of June 30, 2014 and December 31, 2013 is as follows:

|                | Measured at fair value |            | Measured at        |            |
|----------------|------------------------|------------|--------------------|------------|
|                | through profit or loss |            | amortized cost (a) |            |
|                | 06/30/2014             | 12/31/2013 | 06/30/2014         | 12/31/2013 |
| <b>Assets:</b> |                        |            |                    |            |

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|                                   |                  |           |                  |           |
|-----------------------------------|------------------|-----------|------------------|-----------|
| Cash and cash equivalents         | <b>2,450,393</b> | 1,635,647 | -                | -         |
| Short-term investments (c)        | <b>143,355</b>   | 1,155,617 | -                | -         |
| Restricted cash                   | <b>226,546</b>   | 254,456   | -                | -         |
| Derivatives operations assets (b) | -                | 48,934    | -                | -         |
| Accounts receivable               | -                | -         | <b>466,826</b>   | 324,821   |
| Deposits (d)                      | -                | -         | <b>612,204</b>   | 630,168   |
| Other credits                     | -                | -         | <b>60,239</b>    | 66,773    |
| Prepayment of hedge premium       | -                | -         | -                | 1,532     |
| <b>Liabilities:</b>               |                  |           |                  |           |
| Loans and financing               | -                | -         | <b>5,406,940</b> | 5,589,385 |
| Suppliers                         | -                | -         | <b>498,760</b>   | 502,919   |
| Derivatives obligations (b)       | <b>42,140</b>    | 30,315    | -                | -         |

(a) The fair values are approximately the book values, according to the short term maturity period of these assets and liabilities, except the amounts related to Perpetual Bonds and Senior Notes, as disclosed on Note 18;

(b) The Company registered as of June 30, 2014 the amount net of R\$74,839, net of tax effects (R\$18,162 as of December 31, 2013) in equity as an equity valuation resulting from these assets and liabilities, as explained in Note 25f;

(c) The Company manages its investments as held for trading to pay its operational expenses;

(d) Excludes the escrow deposits, as mentioned in Note 11.

On June 30, 2014 the Company had no financial assets available for sale.

### Risks

The operating activities expose the Company and its subsidiaries to the following financial risks: market (especially currency risk, interest rate risk, and fuel price risk), credit and liquidity risks. These risks are originated by, essentially, leasing agreements of aircraft purchase.

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**31. Financial instruments** (Continued)

Risks (Continued)

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

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

The Company and its subsidiaries do not usually contract hedging instruments for its total exposure, and thus they are subject to the portion of risks resulting from market fluctuations. The portion of exposure to be hedged is determined and reviewed at least yearly in compliance with the strategies determined in the Risk Policies Committees. The relevant information on the main risks affecting the Company's and its subsidiaries' operation is as follows:

a) *Fuel price risk*

As of June 30, 2014, fuel expenses accounted for 41% of the costs and operating expenses of the Company and its subsidiaries. The aircraft fuel price fluctuates both in the short and in the long term, in line

with crude oil and oil byproduct price fluctuations.

To mitigate the risk of fuel price, the Company and its subsidiaries contract derivative financial instruments referenced mainly to crude oil and, eventually, to their derivatives, also contracted, directly with the local supplier, are future fuel deliveries to aircraft at predetermined prices.

As of June 30, 2014, there are no open transactions of derivatives instruments of fuel price variation hedge.

b) *Exchange rate risk*

The exchange rate risk derives from the possibility of unfavorable fluctuation of foreign currencies to which the Company's liabilities or cash flows are exposed. The exposure of the Company's and its subsidiaries' assets and liabilities to the foreign currency risk mainly derives from foreign currency-denominated leases and financing.

The Company's and its subsidiaries' revenues are mainly denominated in Brazilian Reais, except for a small portion in U.S. Dollar, Argentinean pesos, Bolivian bolivianos, Chilean peso, Colombian peso, Paraguay Guarani, Uruguayan peso, Venezuela bolivar etc.

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**31. Financial instruments** (Continued)

Risks (Continued)

b) *Exchange rate risk* (Continued)

The Company's and its subsidiaries' revenues are mainly denominated in Brazilian Reais, except for a small portion in U.S. Dollar, Argentinean pesos, Bolivian bolivianos, Chilean peso, Colombian peso, Paraguay Guarani, Uruguayan peso, Venezuela bolivar etc.

To mitigate the risk of exchange rate, the Company and its subsidiaries hold derivative financial instruments that are referenced to the U.S. Dollar.

The currency exposure of the Company on June 30, 2014 and December 31, 2013 is shown below:

|                                 | <b>Individual</b> |                   | <b>Consolidated</b> |                   |
|---------------------------------|-------------------|-------------------|---------------------|-------------------|
|                                 | <b>06/30/2014</b> | <b>12/31/2013</b> | <b>06/30/2014</b>   | <b>12/31/2013</b> |
| <b>Assets:</b>                  |                   |                   |                     |                   |
| Cash and short-term investments | <b>862,332</b>    | 319,565           | <b>1,536,202</b>    | 1,061,746         |
| Trade receivables               | -                 | -                 | <b>24,703</b>       | 39,924            |

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|  |                   |            |                   |            |
|--|-------------------|------------|-------------------|------------|
| Deposits   | -                 | -          | <b>612,203</b>    | 630,168    |
| Hedge premium  | -                 | -          | -                 | 1,532      |
| Prepaid expenses with leases                           | -                 | -          | <b>29,692</b>     | 27,238     |
| Result from hedge operations                           | -                 | -          | -                 | 48,934     |
| Others   | -                 | -          | <b>18,244</b>     | 5,968      |
| <b>Total assets</b>                                    | <b>862,332</b>    | 319,565    | <b>2,221,044</b>  | 1,815,510  |
| <b>Liabilities:</b>                                    |                   |            |                   |            |
| Foreign suppliers                                      | -                 | -          | <b>63,151</b>     | 30,629     |
| Short and long-term debt                               | <b>2,010,673</b>  | 1,698,982  | <b>2,238,325</b>  | 2,151,051  |
| Finance leases payable                                 | -                 | -          | <b>1,955,348</b>  | 2,195,328  |
| Other leases payable                                   | -                 | -          | <b>60,001</b>     | 45,140     |
| Provision for aircraft return                          | -                 | -          | <b>304,001</b>    | 347,290    |
| Contingency provision                                  | -                 | -          | <b>880</b>        | 27,267     |
| Related parties  | <b>121,580</b>    | 113,741    | -                 | -          |
| <b>Total liabilities</b>                               | <b>2,132,253</b>  | 1,812,723  | <b>4,621,706</b>  | 4,796,705  |
| Exchange exposure in R\$                               | <b>1,269,921</b>  | 1,493,158  | <b>2,400,662</b>  | 2,981,195  |
| <b>Obligations not registered in the balance sheet</b> |                   |            |                   |            |
| Future obligations resulting from operating leases     | -                 | -          | <b>4,051,325</b>  | 4,094,045  |
| Future obligations resulting from firm aircraft orders | <b>32,704,865</b> | 36,550,088 | <b>32,704,865</b> | 36,550,088 |
| <b>Total</b>   | <b>32,704,865</b> | 36,550,088 | <b>36,756,190</b> | 40,644,133 |
| Total exchange exposure R\$                            | <b>33,974,786</b> | 38,043,246 | <b>39,156,852</b> | 43,625,328 |
| Total exchange exposure US\$                           | <b>15,425,556</b> | 16,239,753 | <b>17,778,366</b> | 18,622,611 |
| Exchange rate (R\$/US\$)                               | <b>2.2025</b>     | 2.3426     | <b>2.2025</b>     | 2.3426     |

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**31. Financial instruments** (Continued)

Risks (Continued)

c) *Interest rate risk*

The Company and its subsidiaries are exposed to fluctuations in domestic and foreign interest rates, substantially the CDI and Libor, respectively. The highest exposure is related to lease transactions, of which the installments to be paid are indexed to the Libor after date that the aircraft are delivered. Another relevant exposure is the local investments and debts indexed to the CDI rate.

To mitigate the interest rate risk the Company and its subsidiaries hold swap instruments.

d) *Credit risk*

The credit risk is inherent in the Company's and its subsidiaries' operating and financing activities, mainly represented by trade receivables, cash and cash equivalents, including bank deposits.

The trade receivable credit risk consists of amounts falling due from the largest credit card companies, with credit risk better than or equal to those of the Company and its subsidiaries, and receivables from travel agencies, installment sales, and government sales, with a small portion exposed to risks from individuals or other entities.

As defined in the Risk Management Policy, the Company and its subsidiaries are required to evaluate the counterparty risks in financial instruments and diversify the exposure. Financial instruments are contracted with counterparties rated at least as investment grade by S&P and Moody's. The financial instruments are mostly contracted on commodities and futures exchanges (BM&FBOVESPA and NYMEX), which substantially mitigate the credit risk, derivative transactions contracted on the OTC market (OTC) have counterparts with a minimum rating of "investment grade". The Company's and its subsidiaries' Risk Management Policy establishes a maximum limit of 20% per counterparty for short-term investments.

e) *Liquidity risk*

Liquidity risk takes on two distinct forms: market 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.



**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**31. Financial instruments** (Continued)

Risks (Continued)

e) *Liquidity risk* (Continued)

As a way of managing the liquidity risk, the Company and its subsidiaries invest its funds in liquid assets (governmental bonds, CDBs, and investment funds with daily liquidity), and the Cash Management Policy establishes that the Company's and its subsidiaries' weighted average debt maturity should be higher than the weighted average maturity of the investment portfolio. As of June 30, 2014, the weighted average maturity of the Company's and its subsidiaries' financial assets was 18 days and of financial debt, excluding perpetual bonds, was 4.3 years.

f) *Capital management*

The table below shows the financial leverage rate as of June 30, 2014 and December 31, 2013:

**Consolidated**

|                               | <b>06/30/2014</b>  | <b>12/31/2013</b> |
|-------------------------------|--------------------|-------------------|
| Shareholder's equity (b)      | <b>485,110</b>     | 650,926           |
| Cash and cash equivalents     | <b>(2,450,393)</b> | (1,635,647)       |
| Restricted cash               | <b>(226,546)</b>   | (254,456)         |
| Short-term investments        | <b>(143,355)</b>   | (1,155,617)       |
| Short- and long-term debts    | <b>5,406,968</b>   | 5,589,385         |
| Net debt (a)                  | <b>2,586,674</b>   | 2,543,665         |
| <b>Leverage ratio (a)/(b)</b> | <b>533%</b>        | 391%              |

The Company and its subsidiaries remain committed to maintaining high liquidity and an amortization profile without pressure on the short-term refinancing.

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**31. Financial instruments** (Continued)Derivative financial instruments

The derivative financial instruments were recognized in the following balance sheet line items:

| <b>Movement of assets and liabilities</b>                  | <b>Fuel</b> | <b>Foreign<br/>currency</b> | <b>Interest<br/>rate</b> | <b>Derivatives<br/>of equity<br/>instruments</b> | <b>Total</b>     |
|--|-------------|-----------------------------|--------------------------|--|------------------|
| Asset (liability) as of December 31, 2013                  | 22,873      | -                           | 34,874                   | (30,315)   | 27,432           |
| Fair value variations:                                     |             |                             |                          |  |                  |
| Gains (losses), net recognized in results                  | 8,730       | (90,214)                    | -                        | (15,901)   | <b>(97,385)</b>  |
| Gains (losses) recognized in other<br>comprehensive income | (1,133)     | -                           | (165,100)                | -  | <b>(166,233)</b> |
| Payments (cash receipts) during the<br>period              | (30,470)    | 89,855                      | 84,194                   | -  | <b>143,579</b>   |
| Exercise of stock options by General<br>Atlantic           | -           | -                           | -                        | 46,216   | <b>46,216</b>    |
| <b>Asset (liability) as of June 30, 2014 (*)</b>           | <b>-</b>    | <b>(359)</b>                | <b>(46,032)</b>          | <b>-</b>   | <b>(46,391)</b>  |

| <b>Movement of other comprehensive results</b> | <b>Fuel</b>  | <b>Foreign currency</b> | <b>Interest rate</b> | <b>Derivatives of equity instruments</b> | <b>Total</b>     |
|--|--------------|-------------------------|----------------------|--|------------------|
| Balance as of December 31, 2013                | 2,739        | -                       | (20,901)             | -  | (18,162)         |
| Fair value adjustments during the period       | (1,133)      | -                       | (165,100)            | -  | (166,233)        |
| Reversal, net to profit or loss (b)            | (219)        | -                       | 80,578               | -  | 80,359           |
| Tax effect                                     | 460          | -                       | 28,737               | -  | 29,197           |
| <b>Balance as of June 30, 2014</b>             | <b>1,847</b> | <b>-</b>                | <b>(76,686)</b>      | <b>-</b>                                 | <b>(74,839)</b>  |
| <b>Effects on result (a+b)</b>                 | <b>8,949</b> | <b>(90,214)</b>         | <b>(80,578)</b>      | <b>(15,901)</b>                          | <b>(177,744)</b> |
| <b>Operational income</b>                      | <b>-</b>     | <b>-</b>                | <b>(6,573)</b>       | <b>-</b>                                 | <b>(6,573)</b>   |
| <b>Financial income (expense)</b>              | <b>8,949</b> | <b>(90,214)</b>         | <b>(74,005)</b>      | <b>(15,901)</b>                          | <b>(171,171)</b> |

(\*) Classified as "Rights with derivative operations" if the amount results in an asset or "Obligation with derivative operations" if the amount results in a liability. Includes R\$4,251 of assets related to hedges held in an exclusive fund.

The Company and its subsidiaries adopt hedge accounting. The derivatives contracted to hedge interest rate risk and fuel price risk are classified as "cash flow hedge", according to the parameters described in the Brazilian accounting standard CPC 38.

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**31. Financial instruments** (Continued)

Classification of derivatives financial instruments

i. *Cash flow hedges*

The Company and its subsidiaries use cash flow hedges to hedge against future revenue or expense fluctuations resulting from changes in the exchange rates, interest rates or fuel price, and accounts for actual fluctuations of the fair value of derivative financial instruments in shareholders' equity until the hedged revenue or expense is recognized.

The Company and its subsidiaries estimates the effectiveness based on statistical correlation methods and the ratio between gains and losses on the financial instruments used as hedge, and the cost and expense fluctuation of the hedged items. The instruments are considered as effective when the fluctuation in the value of derivatives offsets between 80 % to 125% the impact of the price fluctuation on the cost or expense of the hedged item.

The balance of the actual fluctuations in the fair values of the derivatives designated as cash flow hedges is transferred from shareholders' equity to profit or loss for the period in which the hedged costs or expenses impacts profit or loss. Gains or losses on effective cash flow hedges are recorded in balancing accounts of the hedged expenses, by reducing or increasing the operating cost, and the ineffective gains or losses are recognized as financial income or financial expenses for the period.

ii. *Derivative financial instruments not designated as hedge*

The Company and its subsidiaries hold derivative financial instruments that are not formally designated for hedge accounting. This occurs when transactions are in the short term and the control and disclosure complexity.

iii. *Derivative equity instruments*

In April 2013, the Company entered into an investment agreement with General Atlantic Service Company LLC. ("G.A.") that established the grant by the Company of an option to purchase its Smiles shares enabling the secondary acquisition by G.A. (or other person designated by it), of Smiles S.A. shares held by the Company. These stock options were exercised on February 27, 2014 and, during the period ended June 30, 2014, the Company registered a loss in derivative instruments on the financial result in the amount of R\$15,901 related to the derivative market pricing. As of June 30, 2014, the Company performed a reversal of this derivative obligation to the equity in the amount of R\$46,216 as described on Note 1.

**31. Financial instruments** (Continued)

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

Hedge activities

a) *Fuel hedge*

Due to the low liquidity of jet fuel derivatives traded in commodities exchanges, the Company and its subsidiaries contracts crude oil derivatives (WTI, Brent) and its byproducts (Heating Oil) to hedge against fluctuations in jet fuel prices. Historically, oil prices are highly correlated with aircraft fuel prices.

As of June 30, 2014, the Company and its subsidiaries does not have contracts designated as “cash flow hedge accounting” of fuel.

The gains and losses from the derivative contracts for the period ended June 30, 2014 and December 31, 2013 are summarized below:

| <b><u>Closing balance on:</u></b>     | <b>06/30/2014</b> | <b>12/31/2013</b> |
|---------------------------------------|-------------------|-------------------|
| Fair value at end of the period (R\$) | -                 | 22,294            |

Gains with hedge effectiveness recognized in

shareholders' equity, net of taxes (R\$) **1,847** 2,740

|   | <b>Three-month period ended on</b> |                   | <b>Six-month period ended on</b> |                   |
|---|------------------------------------|-------------------|----------------------------------|-------------------|
| <b>Period ended on:</b>                             | <b>06/30/2014</b>                  | <b>06/30/2013</b> | <b>06/30/2014</b>                | <b>06/30/2013</b> |
| Hedge result recognized in operating costs (R\$)    | -                                  | (3,815)           | -                                | (3,777)           |
| Hedge result recognized in financial expenses (R\$) | <b>9,145</b>                       | (17,134)          | <b>8,040</b>                     | (12,475)          |
| Total earnings (losses)                             | <b>9,145</b>                       | (20,949)          | <b>8,040</b>                     | (16,252)          |

As of June 30, 2014, the Company and its subsidiaries does not hold contracts not designated as cash flow hedge accounting.

|                                      | <b>Three-month period ended on</b> |                   | <b>Six-month period ended on</b> |                   |
|--------------------------------------|------------------------------------|-------------------|----------------------------------|-------------------|
| <b>Closing balance on:</b>           | <b>06/30/2014</b>                  | <b>06/30/2013</b> | <b>06/30/2014</b>                | <b>06/30/2013</b> |
| Gains recognized in financial income |                                    |                   |                                  |                   |
| (R\$)                                | <b>1,458</b>                       | -                 | <b>908</b>                       | -                 |



**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**31. Financial instruments** (Continued)Hedge activities (Continued)b) *Foreign exchange hedge*

As of June 30, 2014, the Company and its subsidiaries have future derivative contracts for the U.S. Dollar for foreign exchange cash flow protection, not designated as hedge accounting. The losses and gains of the derivatives, for the period ended on June 30, 2014 and the year ended December 31, 2013, are presented below:

|   |                   |                   |                                 |                                  |
|---|-------------------|-------------------|---------------------------------|----------------------------------|
|   | <b>06/30/2014</b> | <b>12/31/2013</b> |                                 |                                  |
| Fair value at the end of period (R\$)               | <b>(359)</b>      | -                 |                                 |                                  |
| Volume hedged for future periods (US\$)             | <b>262,250</b>    | 319,000           |                                 |                                  |
|   |                   |                   | <b>Three-month period ended</b> | <b>Six-month period ended on</b> |
|   |                   |                   | <b>on</b>                       |                                  |
| <b>Period ended on:</b>                             | <b>06/30/2014</b> | <b>06/30/2014</b> | <b>06/30/2014</b>               | <b>06/30/2014</b>                |
| Losses (gains) recognized in financial result (R\$) | <b>(29,251)</b>   | 49,062            | <b>(90,214)</b>                 | 21,373                           |

|                                  | 3Q14    | 4Q14    | 1Q15 | Total 12M |
|----------------------------------|---------|---------|------|-----------|
| Percentage of cash flow exposure | 100%    | 38%     | -    | 16%       |
| Notional amount (US\$)           | 102,500 | 159,750 | -    | 262,250   |
| Future rate agreed (R\$)         | 2.4849  | 2.3923  | -    | 2.4285    |
| Total in Brazilian Reais         | 254,702 | 382,170 | -    | 636,874   |

c) *Interest rate hedges*

As of June 30, 2014, the Company and its subsidiaries have swap derivatives designated as cash flow hedge for Libor interest rate. The summary of interest rate derivatives designated as Libor cash flow hedges is shown below:

| <b>Closing balance at:</b>   | 06/30/2014                      | 12/31/2013                    |                   |                   |
|--|---------------------------------|-------------------------------|-------------------|-------------------|
| Fair value at the end of the period (R\$)                              | (46,032)                        | 34,873                        |                   |                   |
| Nominal value at the end of the period (US\$)                          | 688,500                         | 1,319,250                     |                   |                   |
| Hedge losses recognized in shareholders' equity,<br>net of taxes (R\$) | (76,686)                        | (20,901)                      |                   |                   |
|  | <b>Three-month period ended</b> | <b>Six-month period ended</b> |                   |                   |
|  | <b>on</b>                       | <b>on</b>                     |                   |                   |
| <b>Period ended on:</b>  | <b>06/30/2014</b>               | <b>06/30/2013</b>             | <b>06/30/2014</b> | <b>06/30/2013</b> |
| Losses recognized in financial expenses (R\$)                          | (18,186)                        | (2,029)                       | (74,005)          | (6,677)           |
| Losses recognized in financial income (R\$)                            | (3,286)                         | -                             | (6,573)           | -                 |
| Total losses   | (21,472)                        | (2,029)                       | (80,578)          | (6,677)           |

As of June 30, 2014 the Company and its subsidiaries did not hold positions in Libor interest derivative agreements not designated for hedge accounting.

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**31. Financial instruments** (Continued)

Sensitivity analysis of derivative financial instruments

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.

The tables below show the sensitivity analysis for market risks and financial instruments considered relevant by management, open position as of June 30, 2014 and based on the scenarios described above.

The probable scenario of the Company is the maintaining of the market rates.

In the tables, positive values are displayed as asset exposures (assets greater than liabilities) and negative values are exposed liabilities (liabilities greater than assets).

Parent Company

l) *Foreign exchange risk*

As of June 30, 2014, the Company has a currency exposure of R\$1,269,921 (see Note 31b). On this date, the exchange rate adopted was R\$2.2025/US\$, corresponding to the closing rate of the month published by Banco Central do Brasil as a likely scenario, and the impacts analyzed from the variation of 25% and 50% over the current rate are shown below:

| <b>Instrument</b> | <b>Risk</b>         | <b>Exposed<br/>Values</b> | <b>Probable<br/>Scenario</b> | <b>Possible<br/>Adverse</b> | <b>Remote<br/>Adverse</b> |
|-------------------|---------------------|---------------------------|------------------------------|-----------------------------|---------------------------|
|                   |                     |                           |                              | <b>Scenario</b>             | <b>Scenario</b>           |
|                   |                     |                           |                              | <b>+ 25%</b>                | <b>+ 50%</b>              |
| Liabilities, net  | Dollar Appreciation | <b>(1,269,921)*</b>       | -                            | (317,480)*                  | (634,961)*                |
|                   | Dollar              |                           | <b>2.2025</b>                | <b>2.7531</b>               | <b>3.3038</b>             |

\* Negative amounts correspond to net losses in case of exchange variation.

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**31. Financial instruments** (Continued)

Consolidated

I) *Fuel risk factor*

As of June 30, 2014, the Company does not hold derivative contracts for oil.

II) *Foreign exchange risk factor*

As of June 30, 2014, the Company holds Dollar derivative contracts with a notional value of US\$262,250 with maturity until January, 2015, and a net exchange exposure liability of R\$2,400,662 (see Note 31b). At the current date, the Company adopted the closing exchange rate of R\$2.2025/US\$ as a likely scenario, and the impact of the change of 25% and 50% over the current rate, is shown below:

| <b>Exposed</b> | <b>-50%</b> | <b>-25%</b> | <b>+ 25%</b> | <b>+50%</b> |
|----------------|-------------|-------------|--------------|-------------|
|----------------|-------------|-------------|--------------|-------------|

| <b>Instruments</b> | <b>amount</b>       | R\$1.1013/USD  | R\$1.6519/USD  | R\$2.7531/USD     | R\$3.3038/USD     |
|--------------------|---------------------|----------------|----------------|-------------------|-------------------|
| Liabilities, net   | (2,400,662)         | 1,200,331      | 600,165        | (600,165)         | (1,200,331)       |
| Derivative         | (30,843)            | (248,664)      | (124,358)      | 127,815           | 266,291           |
|                    | <b>(2,431,505)*</b> | <b>951,667</b> | <b>475,807</b> | <b>(472,350)*</b> | <b>(934,040)*</b> |

\* Negative values correspond to net losses expected in the case of U.S. Dollar appreciation.

### III) *Interest risk factor*

As of June 30, 2014, the Company holds financial investments and financial liabilities indexed to several rates, and Libor interest.

In the sensitivity analysis of non-derivative financial instruments it was considered the impacts on yearly interest of the exposed values as of June 30, 2014 (see Note 19), arising from fluctuations in interest rates according to the scenarios presented below:

| <b>Instruments</b>              | <b>Risk</b>                   | <b>Exposed<br/>amount</b> | <b>Probable<br/>Scenario<br/>Scenario</b> | <b>Possible<br/>Adverse<br/>Scenario<br/>25%</b> | <b>Adverse<br/>Scenario<br/>Remote<br/>50%</b> |
|---------------------------------|-------------------------------|---------------------------|---|--|--|
| Financial investments -         |                               |                           |   |  |  |
| Short and Long-term debt<br>(a) | Increase in the<br>CDI rate   | <b>(101,546)</b>          | -   | <b>(12,075)</b>                                  | <b>(24,150)</b>                                |
| Derivative                      | Decrease in the<br>Libor rate | <b>(46,034)</b>           | -   | <b>(87,607)</b>                                  | <b>(175,327)</b>                               |

(a) Refers to the sum of the values invested and raised in the market and indexed to CDI, the negative amounts means more debt than application.

**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**31. Financial instruments** (Continued)

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 and its subsidiaries must classify its instruments in Levels 1 to 3, based on observable fair value levels:

- a) Level 1: Fair value measurements are calculated based on quoted prices (without adjustment) in active market or identical liabilities;
  
- b) Level 2: Fair value measurements are calculated based on other variables besides quoted prices included in Level 1, that are observable for the asset or liability directly (such as prices) or indirectly (derived from prices); and

c) Level 3: Fair value measurements are calculated based on valuation methods that include the asset or liability but that are not based on observable market variables (unobservable inputs).

The following table shows a summary of the Company's and its subsidiaries' financial instruments measured at fair value, including their related classifications of the valuation method, as of June 30, 2014 and December 31, 2013:

| Financial instrument                     | 06/30/2014               |  | 12/31/2013               |  |
|--|--------------------------|--|--------------------------|--|
|  | Book value<br>06/30/2014 | Other<br>significant<br>observable<br>factors (level<br>2) | Book value<br>12/31/2013 | Other<br>significant<br>observable<br>factors (level<br>2) |
| Cash equivalents                         | 2,450,393                | 2,450,393  | 1,635,647                | 1,635,647  |
| Short-term investments                   | 143,355                  | 143,355  | 1,155,617                | 1,180,828  |
| Restricted cash                          | 226,546                  | 226,546  | 254,456                  | 254,456  |
| Liabilities from derivative transactions | 42,140                   | 42,140   | 30,315                   | 30,315   |
| Rights on derivative transactions        | -                        | -  | 48,934                   | 48,934   |

### 32. Non-cash transactions

#### Parent Company:

On February 27, 2014, the Company sold a portion of its investment on Smiles S.A. to General Atlantic. As a result, the amount of R\$46,216 related to the equity derivative previously registered on "Liabilities from derivative transactions" was reversed to equity as part of gain of the transaction. This operation did not affect the Company's cash during the period.



**GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

**32. Non-cash transactions** (Continued)

Consolidated:

As of June 30, 2014, the Company increased its property, plant and equipment in the amount of R\$11,995, related to an increase of the provision for aircraft return.

As of June 30, 2014, the Company recorded the amount of R\$12,500 related to the affiliate Company obligation due to the acquisition of Netpoints S.A. with counterpart in "Investments". This transaction did not affect its cash position during the period ended June 30, 2014.

As of June 30, 2014, the Company acquired software licenses ("Siebel") in the amount of R\$12,774. This transaction did not affect its cash position during the period ended June 30, 2014.

**33. Insurance**

As of June 30, 2014, the insurance coverage by nature, considering the aircraft fleet, and related to the maximum reimbursable amounts indicated in U.S. Dollars, is as follows:

| <b>Aeronautical Type</b>               | <b>In Reais</b>   | <b>In U.S. Dollars</b> |
|--|-------------------|------------------------|
| Guarantee - hull/war                   | <b>11,865,664</b> | <b>5,388,829</b>       |
| Civil liability per event/aircraft (*) | <b>1,651,425</b>  | <b>750,000</b>         |
| Inventories (*)                        | <b>308,266</b>    | <b>140,000</b>         |

(\*) Values per incident and annual aggregate.

Pursuant to Law 10,744, of October 9, 2003, the Brazilian government assumed the commitment to complement any civil liability expenses related to third parties caused by war or terrorist events, in Brazil or abroad, which VRG may be required to pay, for amounts exceeding the limit of the insurance policies effective beginning September 10, 2001, limited to the amount in Brazilian Reais equivalent to one billion U.S. Dollars.

The scope the review from the Company's independent auditors does not include the review of the effectiveness of the insurance coverage, which was determined by the Company and is considered sufficient to cover possible losses.

## **GOL Linhas Aéreas Inteligentes S.A.**

Notes to the consolidated interim financial information (Continued)

June 30, 2014

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

### **34. Subsequent events**

- a) On July 03, 2014, it was approved the capital subscription on Smiles of R\$1,956 related to the issuance of 97,375 from the exercise of stock options.
- b) On July 15, 2014 it was approved the first debentures issuance of 60,000 debentures non-convertible with main value of R\$600,000, under the terms of Instruction CVM 476 from 2009. The debentures will be paid at 115% of CDI rate, with monthly amortization in 12 consecutive installments, maturing as of August 04, 2014 with possibility of anticipated maturity and redemption. The funds obtained from the issuance will be exclusively utilized by the Company to the payment of its shareholders, of the amount of the decrease on capital.
- c) On July 16, 2014, it was concluded the process of decrease of Smiles' capital during the Extraordinary Shareholder's Meeting in the amount of R\$1,000,000, without reducing the number of shares, with the consequent amendment of the 5th Article of the Bylaws. The restitution to its shareholders will occur upon: (i) delivery of its own resources arising from the Company's cash; and (ii) debt contract with financial institutions, in the amount of R\$600,000.
- d) On July 29, 2014, the Company closed the offer for the acquisition by Gol Luxco any and all of its outstanding Senior Notes due 2023 and interest rates of 10.750% ("Senior Notes 2023"), and the offer for the acquisition by Gol Finance any and all Senior Notes due 2017 and interest rates of 7.50% ("Senior Notes 2017"). The company was informed that, until the closing date, the amount of US\$98,909 from the Senior

Notes 2023, or around 54.95% of the Senior Notes 2023, and the amount of US\$88,162 from the Senior Notes 2017, or around 41.98% from the Senior Notes 2017, were duly offered for the acquisition according to the offer for the acquisition.

e) On August 12, 2014, it was approved during the Management General Meeting, the Company's capital increase by issuance of 4,248,286 preferred shares, of which 4,246,620 preferred shares proceeding from AirFrance-KLM's investment on the Company in the amount of R\$116,357.

f) On August 12, 2014, it was approved the issue of 653,130 stock options and 804,073 restricted shares to grant to the beneficiaries of the Stock Options Plan and the Restricted Shares Plan of the Company, both issues related to the year 2014.

