



## We have reached a net income of R\$ 348 million in 3Q09

**Our CASK decreased 23.5%, while the CASK ex-fuel decreased 10.3%**

**São Paulo, November 12, 2009** – (BOVESPA:TAMM4, NYSE: TAM) We present our results for the third quarter of 2009 (3Q09). The operating and financial information, except when indicated otherwise, are presented based on consolidated number and in Reais, according to the Brazilian accounting principles, BR GAAP, law 11,638. Throughout the document, a few explanations intend to clarify significant differences between the BR GAAP and the accounting principles according to the IFRS (International Financing Reporting Standards – issued by IASB)

### Conference Calls

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November 12, 2009  
11:00 am (Brazil time)  
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Password: 58534500

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## Operational Performance

In the third quarter of 2009 we saw a strong recovery in demand in the domestic market, which grew 26% compared with the same period of 2008. Part of that growth was caused by the return of business passengers, related to the economic recovery. In addition, demand was stimulated by the competitive landscape, especially during the month of September.

Although the international market has shown a reduction in its demand and occupancy rates, compared to the same period of 2008, we are seeing a strong improvement in the sector, pointing out that the basis for comparison is versus the pre-crisis period, when the rate of U.S. dollars was around R\$ 1.60 in July and August 2008, causing the demand for the international market to be very encouraged.

Our revenues linked to foreign currencies amounted to 39% of our gross revenue. We believe that this percentage is important and serves as a natural protection for our operations, since between 40% and 50% of our costs are also linked to foreign currencies. In a scenario of the real appreciation versus the dollar, the impact of this change on the spread of our revenues and costs would be minimal, but for the medium and long term, we expect a strengthening of demand for Brazilians flying abroad.

We continue with our efforts by developing areas responsible for auxiliary revenue streams of the Company. We announced the first partnerships of Multiplus Fidelidade and increase the number of certifications that our Maintenance Center (MRO) has.

## Highlights

### → Financials

- Gross Revenue of R\$ 2.5 billion in 3Q09
- EBIT margin of 4.2% in 3Q09
- Net income of R\$ 348.0 million in 3Q09
- Decrease of 23.5% in the total CASK and 10.3% in the CASK excluding fuel, reflecting the Company's permanent efforts to reduce costs
- Issuance of R\$ 600 million in debentures in July
- Cash availabilities totaled R\$ 1,473 million (including restrict cash)

### → Prizes

- World Travel Awards, as the best airline company in South America
- Trustful Brands, as the airline that Brazilians trust the most, from Seleções Magazine
- The Most Admired Brazilian Airline, from Carta Capital Magazine
- Best Airline company, from Viagem e Turismo
- Top of Mind Airline from Folha

### → Partnerships

- Code-share with Air China announcement
- Integration of loyalty programs with Austrian Airlines
- Extension of agreement with BMI

### → Multiplus Fidelidade

- Ipiranga, Walmart and Livraria Cultura signed as our first partners
- Online catalogue launched
- Selection of the Oracle platform to link the partners loyalty programs

### → MRO

- FAA Certification
- Boeing 767 Certification

### → Operational 3Q09

- 7.7 million passengers transported
- 8% increase in RPK's (versus 3Q08)
- Average Load Factor of 69.7%
- Daily aircraft utilization of 11.6 hours

### → Market Share (quarter average)

- Domestic – 43.7% (October 44.6%)
- International – 88.3% (October 86.8%)

## Subsequent Events

**On October 9, 2009**, commander David Barioni Neto, our CEO at the time, renounced his position by his own decision. Our Vice-President of Finance, Management and IT and Investor Relations Director, Líbano Miranda Barroso, whom since 2004 already participates in the company's executive directory, will accumulate temporarily the position of CEO.

**On October 22, 2009**, we announced that TAM Capital 2 Inc., which is wholly owned by TAM's subsidiary TAM Linhas Aéreas S.A., issued U\$ 300 million in Senior Guaranteed Notes due 2020 (the "Bonds"). Interest on the bonds will be payable semi-annually, with coupons of 9.5% per annum. TAM and its subsidiary, TAM Linhas Aéreas S.A., will provide an irrevocable, irrevocable joint guarantee for TAM Capital 2's obligations under the Bonds. The net proceeds will be applied all TAM Capital 2 obligations, in the context of the aforesaid issue. The funds obtained with the Bonds will be allocated primarily for general corporate purposes.

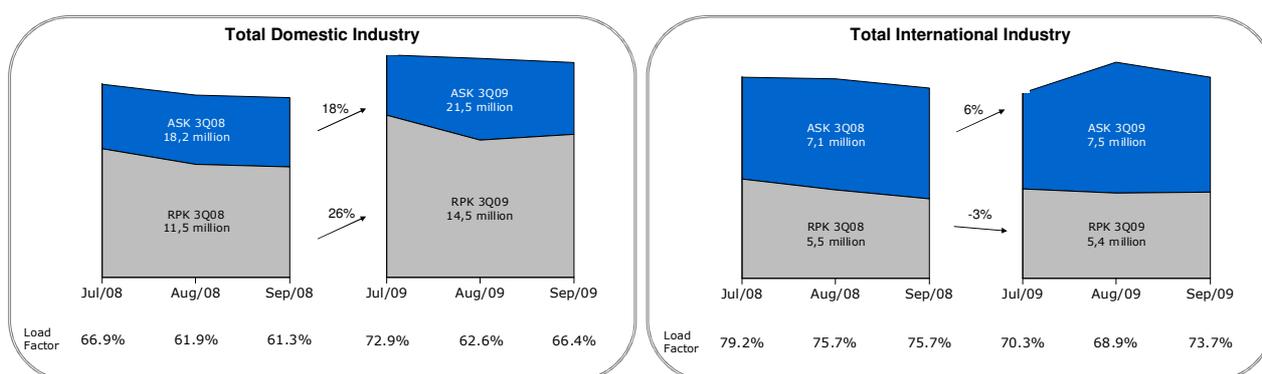
## Main Financial and Operational Indicators

<b>BRGAAP</b> (In reais, except when indicated otherwise)	<b>3Q09</b>	<b>3Q08</b>	<b>3Q09 vs 3Q08</b>	<b>2Q09</b>	<b>3Q09 vs 2Q09</b>	<b>Jan-Sept 2009</b>	<b>Jan-Sept 2008</b>	<b>Variation</b>
Operational Income (millions)	2,419.1	2,896.3	-16.5%	2,298.5	5.2%	7,356.6	7,671.0	-4.1%
Total Operating Expenses (millions)	2,318.0	2,720.4	-14.8%	2,393.7	-3.2%	7,158.0	7,280.1	-1.7%
EBIT (millions)	101.1	175.9	-42.5%	-95.3	N.A.	198.6	390.9	-49.2%
EBIT Margin %	4.2	6.1	-1.9 p.p.	-4.1	8.3 p.p.	2.7	5.1	-2.4 p.p.
EBITDA (millions)	247.8	308.3	-19.6%	55	347.0%	633.6	695.3	-8.9%
EBITDA Margin %	10.2	10.6	-0.4 p.p.	2.4	7.8 p.p.	8.6	9.1	-0.5 p.p.
EBITDAR (millions)	377.1	421.8	-10.6%	191.5	96.9%	1,071.9	1,035.4	3.5%
EBITDAR Margin %	15.6	14.6	1.0 p.p.	8.3	7.3 p.p.	14.6	13.5	1.1 p.p.
Net Income (millions)	348.0	-663.6	N.A.	788.9	-55.9%	1,198.6	-280.5	N.A.
RASK (Domestic + International) (cents)	15.0	20.1	-25.0%	14.6	3.4%	15.3	18.3	-16.3%
Domestic Scheduled RASK (cents)	13.1	18.2	-28.1%	13.2	-0.8%	13.4	17.1	-21.6%
International Scheduled RASK (cents)	10.1	14.9	-32.2%	9.0	12.0%	10.5	12.6	-16.6%
International Scheduled RASK (USD cents)	5.7	7.8	-27.0%	4.6	22.9%	5.9	6.6	-10.2%
Yield (Domestic + International) (cents)	19.7	26.4	-25.2%	20.5	-3.7%	20.9	24.2	-13.3%
Domestic Scheduled Yield (cents)	21.0	28.8	-27.0%	22.6	-7.0%	22.4	26.4	-15.2%
International Scheduled Yield (cents)	13.6	18.6	-26.9%	13.1	3.6%	14.7	16.4	-10.4%
International Scheduled Yield (USD cents)	7.6	9.7	-21.3%	6.7	13.7%	8.3	8.6	-3.5%
Load Factor %	69.7	72.2	-2.5 p.p.	64.4	5.2 p.p.	67.1	71.9	-4.8 p.p.
Domestic Load Factor %	66.6	67.6	-1.0 p.p.	61.7	4.9 p.p.	64.2	69.0	-4.8 p.p.
International Load Factor %	74.1	79.6	-5.5 p.p.	68.4	5.7 p.p.	71.4	76.6	-5.2 p.p.
CASK (cents)	14.4	18.9	-23.5%	15.2	-4.9%	14.9	17.4	-14.1%
CASK excluding fuel (cents)	10.1	11.2	-10.3%	11.2	-10.5%	10.7	10.4	3.4%
CASK USD (cents)	7.7	11.3	-31.7%	7.3	5.5%	7.2	10.3	-30.5%
CASK USD excluding fuel (cents)	5.4	6.7	-19.8%	5.4	-0.7%	5.1	6.1	-16.3%

Obs.: RASK is net of taxes and Yield gross of taxes

## Market

### Industry growth in the domestic and international markets



**Total Domestic Market** – Presented a growth in demand of 26% when comparing 3Q09 to 3Q08 and 18% growth in supply in the same period. Due to these facts, the load factor of the industry recorded an increase of 3.9 percentage points to 67.4% in 3Q09 versus 63.4% in 3Q08.

**Total International Market** – In the international market, we observed a decrease in demand of 3% and an increase of 6% on the supply, comparing 3Q09 to 3Q08. These factors led to a reduction in the load factor from 77.0% to 70.9% in 3Q08 and 3Q09, respectively.

## Financial Results – BR GAAP

All the values shown in the tables below are prepared in accordance with Brazilian accounting principles law 11,638 (BR GAAP) and were originally calculated in Brazilian Reais and are stated in millions and cents of Reais. Therefore, (i) the results of the sum and division of some amounts may not correspond to the total amounts shown due to rounding-up procedures; and (ii) the outcome of the percentage variation may diverge from the amounts shown in the tables below.

### Income Statement – In millions of reais

	3Q09	3Q08	3Q09 vs 3Q08	2Q09	3Q09 vs 2Q09	Jan-Sept 2009	Jan-Sept 2008	Variaton
<b>Operational Income</b>	<b>2,511.9</b>	<b>3,006.2</b>	<b>-16.4%</b>	<b>2,394.8</b>	<b>4.9%</b>	<b>7,641.7</b>	<b>7,968.1</b>	<b>-4.1%</b>
Flight Revenue	2,208.6	2,743.6	-19.5%	2,085.1	5.9%	6,741.4	7,280.7	-7.4%
Domestic	1,307.0	1,670.2	-21.7%	1,286.3	1.6%	4,035.8	4,521.1	-10.7%
International	663.5	813.1	-18.4%	583.9	13.6%	2,044.2	2,029.0	0.8%
Cargo	238.1	260.4	-8.6%	214.9	10.8%	661.3	730.6	-9.5%
Other operating sales and/or services revenues	303.4	262.5	15.5%	309.7	-2.0%	900.3	687.5	30.9%
Sales deductions and taxes	(92.8)	(109.9)	-15.5%	(96.3)	-3.6%	(285.1)	(297.2)	-4.1%
<b>Net Operational Income</b>	<b>2,419.1</b>	<b>2,896.3</b>	<b>-16.5%</b>	<b>2,298.5</b>	<b>5.2%</b>	<b>7,356.6</b>	<b>7,671.0</b>	<b>-4.1%</b>
<b>Operational Expenses</b>								
Fuel	(701.3)	(1,103.6)	-36.5%	(619.9)	13.1%	(2,016.3)	(2,937.0)	-31.3%
Selling and marketing expenses	(198.0)	(258.5)	-23.4%	(249.3)	-20.6%	(602.9)	(727.3)	-17.1%
Aircraft, engine and equipment leasings	(129.3)	(113.6)	13.8%	(136.1)	-5.0%	(438.3)	(340.1)	28.9%
Personnel	(485.5)	(448.3)	8.3%	(506.1)	-4.1%	(1,513.1)	(1,268.3)	19.3%
Maintenance and reviews (except personnel)	(139.5)	(110.9)	25.8%	(188.6)	-26.0%	(538.4)	(308.1)	74.7%
Outsourced services	(175.6)	(186.7)	-5.9%	(186.1)	-5.6%	(565.1)	(497.8)	13.5%
Landing, take-off and navigation charges	(142.8)	(101.7)	40.4%	(156.1)	-8.6%	(444.5)	(346.5)	28.3%
Depreciation and amortization	(146.7)	(132.4)	10.8%	(150.7)	-2.7%	(435.0)	(304.4)	42.9%
Aircraft insurance	(15.9)	(11.7)	35.7%	(15.9)	-0.1%	(47.7)	(35.9)	32.8%
Other	(183.5)	(253.0)	-27.5%	(184.9)	-0.8%	(556.7)	(514.6)	8.2%
<b>Total of operational expenses</b>	<b>(2,318.0)</b>	<b>(2,720.4)</b>	<b>-14.8%</b>	<b>(2,393.7)</b>	<b>-3.2%</b>	<b>(7,158.0)</b>	<b>(7,280.1)</b>	<b>-1.7%</b>
<b>EBIT</b>	<b>101.1</b>	<b>175.9</b>	<b>-42.5%</b>	<b>(95.3)</b>	<b>N.A.</b>	<b>198.6</b>	<b>390.9</b>	<b>-49.2%</b>
Financial income (expense)	406.3	(1,158.0)	N.A.	1,284	-68.4%	1,595	(770)	N.A.
<b>Operating Income (loss)</b>	<b>507.4</b>	<b>(982.1)</b>	<b>N.A.</b>	<b>1,188.6</b>	<b>-57.3%</b>	<b>1,793.4</b>	<b>(378.7)</b>	<b>N.A.</b>
Income tax and social contribution	(159.2)	318.6	N.A.	(399.1)	-60.1%	(593.3)	98.0	N.A.
<b>Income (loss) before minority interest</b>	<b>348.2</b>	<b>(663.6)</b>	<b>N.A.</b>	<b>789.5</b>	<b>-55.9%</b>	<b>1,200.1</b>	<b>(280.7)</b>	<b>N.A.</b>
Minority Interest	(0.2)	(0.1)	171.2%	(0.6)	-67.6%	(1.5)	0.2	N.A.
<b>Net Income</b>	<b>348.0</b>	<b>(663.6)</b>	<b>N.A.</b>	<b>788.9</b>	<b>-55.9%</b>	<b>1,198.6</b>	<b>(280.5)</b>	<b>N.A.</b>

**Gross Revenue**

Decrease of 16.4% in 3Q09 compared to 3Q08, reaching R\$ 2,511.9 million, due to:

7.1%, partially offset by an increase in demand of 13.0 %.

**Domestic Revenue**

Decreased 21.7% to R\$ 1,307.0 million due to a reduction in scheduled yield of 27.0%, partially offset by an increase of demand in RPK of 7.7%.

**Cargo Revenue**

Decrease of 8.6%, reaching R\$ 238.1 million mainly due to the impact of the slowdown in the global economy, reducing primarily our shipment volumes, but also impacting prices.

**International Revenue**

Decrease of 18.4% to R\$ 663.5 due to a decrease of yield in reais of 26.9%, impacted by the appreciation of the real against the dollar by

**Other Revenues**

Increase of 15.5% to R\$ 303.4 million due to an increase in sales of the loyalty program points of 8.8%, as well as an increase of 35.0% of expired tickets and others.

**Main Revenue and Expenses – In real cents per ASK**

	3Q09	3Q08	3Q09 vs 3Q08	2Q09	3Q09 vs 2Q09	Jan-Sept 2009	Jan-Sept 2008	Variation
<b>Operational Income</b>	<b>15.62</b>	<b>20.84</b>	<b>-25.0%</b>	<b>15.16</b>	<b>3.0%</b>	<b>15.93</b>	<b>19.02</b>	<b>-16.3%</b>
Flight Revenue	13.74	19.02	-27.8%	13.20	4.1%	14.05	17.38	-19.1%
Domestic	8.13	11.58	-29.8%	8.14	-0.2%	8.41	10.79	-22.1%
International	4.13	5.64	-26.8%	3.70	11.6%	4.26	4.84	-12.0%
Cargo	1.48	1.80	-18.0%	1.36	8.8%	1.38	1.74	-21.0%
Other operating sales and/or services revenues	1.89	1.82	3.7%	1.96	-3.8%	1.88	1.64	14.3%
Sales deductions and taxes	(0.58)	(0.76)	-24.2%	(0.61)	-5.3%	(0.59)	(0.71)	-16.2%
<b>Net Operational Income (RASK)</b>	<b>15.05</b>	<b>20.08</b>	<b>-25.0%</b>	<b>14.55</b>	<b>3.4%</b>	<b>15.33</b>	<b>18.31</b>	<b>-16.3%</b>
<b>Operational Expenses</b>								
Fuel	(4.36)	(7.65)	-43.0%	(3.93)	11.1%	(4.20)	(7.01)	-40.1%
Selling and marketing expenses	(1.23)	(1.79)	-31.3%	(1.58)	-22.0%	(1.26)	(1.74)	-27.6%
Aircraft, engine and equipment leasings	(0.80)	(0.79)	2.1%	(0.86)	-6.7%	(0.91)	(0.81)	12.5%
Personnel	(3.02)	(3.11)	-2.8%	(3.20)	-5.8%	(3.15)	(3.03)	4.2%
Maintenance and reviews (except personnel)	(0.87)	(0.77)	12.9%	(1.19)	-27.3%	(1.12)	(0.74)	52.6%
Outsourced services	(1.09)	(1.29)	-15.6%	(1.18)	-7.3%	(1.18)	(1.19)	-0.9%
Landing, take-off and navigation charges	(0.89)	(0.70)	26.0%	(0.99)	-10.2%	(0.93)	(0.83)	12.0%
Depreciation and amortization	(0.91)	(0.92)	-0.6%	(0.95)	-4.4%	(0.91)	(0.73)	24.8%
Aircraft insurance	(0.10)	(0.08)	21.8%	(0.10)	-1.8%	(0.10)	(0.09)	16.0%
Other	(1.14)	(1.75)	-34.9%	(1.17)	-2.5%	(1.16)	(1.23)	-5.5%
<b>Total of Operational Expenses(CASK)</b>	<b>(14.42)</b>	<b>(18.86)</b>	<b>-23.5%</b>	<b>(15.16)</b>	<b>-4.9%</b>	<b>(14.92)</b>	<b>(17.38)</b>	<b>-14.1%</b>
<b>Spread (RASK - CASK)</b>	<b>0.63</b>	<b>1.22</b>	<b>-48.4%</b>	<b>(0.60)</b>	<b>-204.3%</b>	<b>0.41</b>	<b>0.93</b>	<b>-55.6%</b>

### **Operational Expenses**

Decrease of 14.8% to R\$ 2,318.0 million in 3Q09 compared to 3Q08, due to the fuel expenses, sales and marketing, services provided by third parties and others. CASK decreased 23.5% to R\$ 14.42 cents and CASK excluding fuel expenses decreased 10.3% to R\$ 10.06 cents.

### **Fuel**

Decrease of 36.5% to R\$ 701.3 million, mainly by reducing the average cost per gallon in 40.7%, an increase of 6.1% in stage length, partially offset by the effect of the real depreciation against the dollar by 11.9% on the quarter average and by an increase in the volume of fuel consumption of 7.1%. Per ASK decreased by 43.0%.

### **Sales and Marketing**

Decrease of 23.4% to R\$ 198.0 million, representing 8.2% of total net revenues, down 0.7 percentage points, caused by a reduction in revenue, primarily from the international market and cargo, where commercial expenses are higher. Per ASK decreased by 31.3%.

### **Aircraft, engine and equipment leasing**

Increased 13.8% to R\$ 129.3 million mainly due to the real depreciation against the dollar of 11.9% on the quarter average compared to the same period of 2008. Per ASK increased by 2.1%.

### **Personnel Expenses**

Increase of 8.3% to R\$ 485.5 million due to salary increase of 8% in December 2008 and by a 1.2% increase in the number of employees, reaching 24,164 at the end of the quarter. Per ASK decreased by 2.8%.

### **Maintenance and repair (except personnel)**

Increased 25.8% to R\$ 139.5 million, due primarily to an increase of 15 aircraft in our fleet, increasing total flight hours in 5.8% and an 11.9% depreciation of the average rate of the real against the dollar during the quarter, partially offset by the change in our aircraft mix (eliminating the MD11 models from our fleet). Per ASK increased 12.9%.

### **Third party services**

Decreased 5.9% to R\$ 175.6 million, mainly due to the reduction of expenditures on advisory services and IT consulting. Per ASK decreased by 15.6%.

### **Landing, take-off and navigation charges**

Increased 40.4% to R\$ 142.8 million due to an increase in international flights, where expenses are higher than domestic charges, increased aid to navigation, which resulted from an increase of 7.6% in kilometers flown, a 1.4% increase in take-offs and a depreciation of 11.9% of the average rate for the quarter of the real against the dollar. Per ASK increased by 26.0%.

### **Depreciation and Amortization**

Increased 10.8% to R\$ 146.7 million primarily due to an increase of 10 aircraft classified as capital leases. Per ASK decreased by 0.6%.

### **Aircraft insurance**

Increased 35.7% to R\$ 15.9 million mainly due to net increase of our fleet of 15 aircraft, and the effect of the depreciation of 11.9% of the average rate for the quarter of the real against the dollar. Per ASK increased 21.8%.

### **Other**

Decreased 27.5%, reaching R\$ 183.5 million, mainly due to a non recurring reduction in our provisions. Per ASK reduced 34.9%

### **Net financial result**

Net revenue of R\$ 406.3 million, mainly due to the positive impact of exchange rate in relation to 2Q09, which affected our balance sheet.

### **Net income**

Net income of R\$ 348.0 million due to the above, representing a reversal of a negative margin of 22.9% in 3Q08 to a positive margin in 3Q09, representing 14.4% of net revenue.

### **EBIT**

Our EBIT margin was 4.2%, reaching R\$ 101.1 million in 3Q09, representing a decrease of 1.9 percentage points, which was a consequence of the reduction of 16.5% of our net revenue as well as a decrease of 14.8% of our operational costs.

### **EBITDAR**

Our EBITDAR margin was 15.6%, reaching R\$ 377.1 million in 3Q09, representing an increase of 1 percentage point in 3Q09, mainly due to all the factors described above in our revenues and costs.

## Hedge

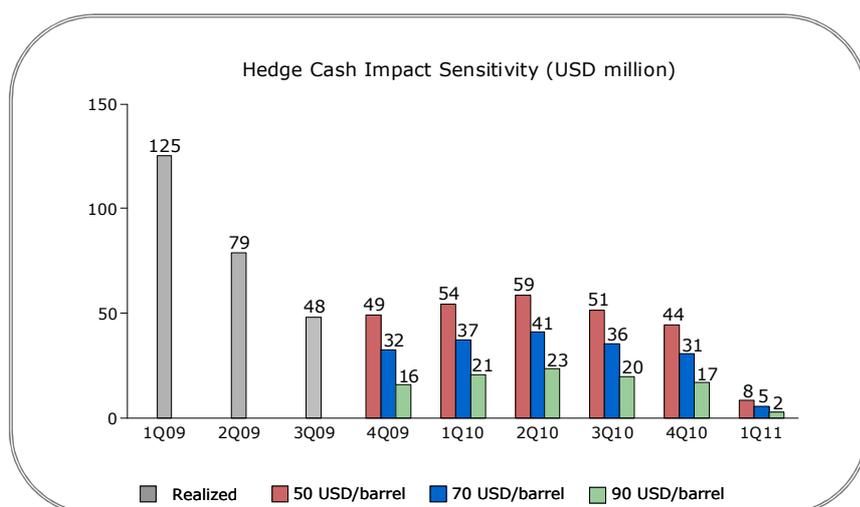
In the first quarter of 2009, we renegotiated our future hedge positions, with the objective of differing the company's cash outflow and to mature our positions in a moment where the WTI is less volatile. Since then, we have not altered our hedge positions.

For the next 12 months from September 30, 2009, the agreements cover 23% of the advance. Currently, the average value for the same transactions in the period is \$ 113 per barrel. At the end of the first quarter of 2009, approximately 65% of the barrels WTI was renegotiated, a reduction of around U.S. \$ 117 million disbursed in the period between January and September 2009.

	Renegotiated position			Original position		
	Volume <sup>1</sup>	Strike <sup>2</sup>	Coverage <sup>3</sup>	Volume <sup>1</sup>	Strike <sup>2</sup>	Coverage <sup>3</sup>
1Q09	1,927	107	52%	2,730	105	73%
2Q09	1,245	113	33%	1,980	112	53%
3Q09	1,145	110	30%	1,580	111	41%
4Q09	830	109	22%			
<b>Total 2009</b>	<b>5,146</b>	<b>109</b>	<b>34%</b>			
1Q10	890	114	23%			
2Q10	955	115	25%			
3Q10	865	114	22%			
4Q10	720	113	19%			
<b>Total 2010</b>	<b>3,429</b>	<b>114</b>	<b>22%</b>			
1Q11	145	107	4%			

The hedge renegotiation avoided a cash outflow of USD 117 million from January to September

1 – Volume in thousands of barrels  
2 – Average Strike (USD/barrel)  
3 – Consumption covered forecast



We can observe in the table above that the largest cash outflow have occurred in the first three quarters of 2009. Assuming an average price of USD 70 for a barrel of WTI, we will have a cash outflow of another USD 32 million in the fourth quarter of 2009. If the price stays at the same level during 2010 and 1Q11, the disbursement will be more than 150 million dollars.

## Summary of Key Accounting Differences

The summary below is intended to clarify our investors in the comprehension of the most significant differences occurred in our financial demonstrations between the BR GAAP and the accounting practices according to the IFRS (issued by IASB)

### A. Summary of Accounting Differences

#### Aircraft Revaluation

Under IFRS, our aircraft are revaluated annually, with intermediate quarterly revisions; we hire independent evaluators to perform the aircraft revaluations. Under the BR GAAP, the aircraft revaluation is not allowed.

#### Revenues from loyalty program points

Under IFRS, we defer the revenue in relation to outstanding (unredeemed) loyalty program points earned by participants in our loyalty program, TAM Fidelidade. This applies to all outstanding loyalty program points,

whether earned by customers flying with us or loyalty program points earned by customers who receive points that we sell to our loyalty program partners. We defer this revenue based on a fair value estimate of outstanding points, after deducting our estimate for loyalty points that will expire unused. We recognize passenger revenues on our income statement at the time that passengers take flights by redeeming their loyalty program points.

Under Brazilian GAAP, with respect to points earned by customers flying with us, we record it as a liability and the related expense for incremental expenses in relation to the redemption of outstanding loyalty points. With respect to revenue from points sold to loyalty program partners, we record it at the time those points were issued to participants.

### **Financial statement differences**

Under BR GAAP, the classification of some items of revenue and expenses is different from the IFRS. The reclassifications, other than those mentioned above can be summarized as follows:

With respect to our income statement:

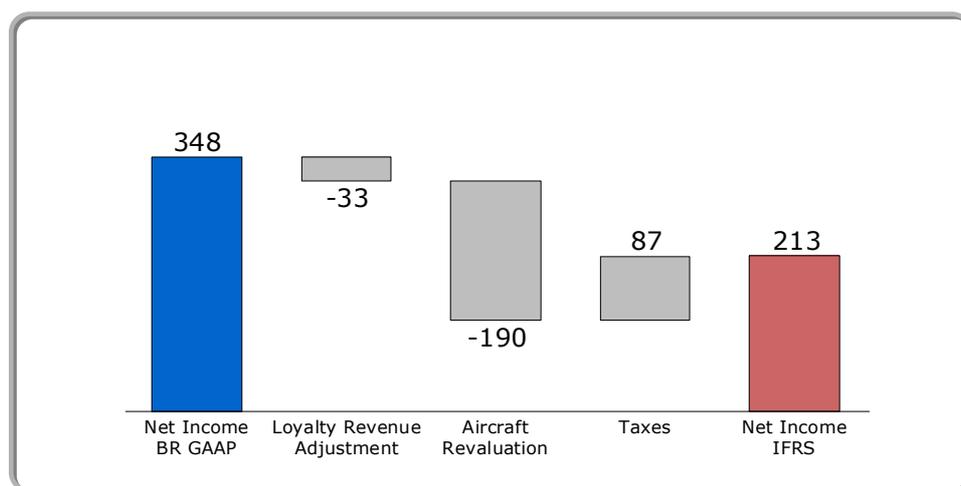
<b><i>Income or expense</i></b>	<b><i>Classification under IFRS</i></b>	<b><i>Classification under Brazilian GAAP</i></b>
Gains (losses) on aircraft revaluation recognized in the income statement	Classified as a separated item	Does not exist
Movements in fair value of fuel derivatives	Classified as a separated item	Financial result

With respect to our balance sheet:

<b><i>Asset or liability</i></b>	<b><i>Classification under IFRS</i></b>	<b><i>Classification under Brazilian GAAP</i></b>
Investment funds	Other financial assets	Cash and cash equivalents
Deferred income taxes	Non-current assets	Classified as a separate line item
Minority interests in entities not owned by us	Classified under "equity"	Classified as a separate line item

In addition, certain amounts relating to accounts receivable and payable, financial liabilities, revenue and operating expenses were presented under Brazilian GAAP on the face of our income statement or balance sheet, as applicable. Under IFRS, we now group these items together in the corresponding IFRS financial statements and then break them out in the notes to those IFRS financial statements.

## Net Income Reconciliation BR GAAP to IFRS – 3Q09



In 3Q09, the impact on the net income of these differences was negative for the result in IFRS and accounted for R\$ 135 million, mainly due to the revaluation adjustment of aircraft.

## Financial Results – IFRS

### Main Financial and Operational Indicators

IFRS (In Reais, except when indicated otherwise)	3Q09	3Q08	3Q09 vs 3Q08	2Q09	3Q09 vs 2Q09	Jan-Sept 2009	Jan-Sept 2008	Variation
Net Revenue (millions)	2,381.2	2,875.4	-17.2%	2,269.6	4.9%	7,268.6	7,612.8	-4.5%
Total Operating Expenses (millions)	2,320.6	2,704.4	-14.2%	2,422.0	-4.2%	7,225.1	7,268.0	-0.6%
EBIT (millions)	60.6	171.0	-64.5%	-152.4	N.A.	43.5	344.8	-87.4%
EBIT Margin %	2.5	5.9	-3.4 p.p.	-6.7	9.3 p.p.	0.6	4.5	-3.9 p.p.
EBITDA (millions)	218.7	304.1	-28.1%	38	468.4%	550.3	304.1	81.0%
EBITDA Margin %	9.2	10.6	-1.4 p.p.	1.7	7.5 p.p.	7.6	4.0	3.6 p.p.
EBITDAR (millions)	347.9	417.6	-16.7%	174.6	99.3%	988.7	998.0	-0.9%
EBITDAR Margin %	14.6	14.5	0.1 p.p.	7.7	6.9 p.p.	13.6	13.1	0.5 p.p.
Net Income (millions)	213.2	-465.4	N.A.	539.6	-60.5%	769.8	-195.3	N.A.
RASK (Domestic + International) (cents)	14.8	19.9	-25.7%	14.4	3.1%	15.2	18.2	-16.6%
Domestic Scheduled RASK (cents)	13.1	18.2	-28.1%	13.2	-0.8%	13.4	17.1	-21.6%
International Scheduled RASK (cents)	10.1	14.9	-32.2%	9.0	12.0%	10.5	12.6	-16.6%
International Scheduled RASK (USD cents)	5.7	7.8	-27.0%	4.6	22.9%	5.9	6.6	-10.2%
Yield (Domestic + International) (cents)	19.7	26.4	-25.2%	20.5	-3.7%	20.9	24.2	-13.3%
Domestic Scheduled Yield (cents)	21.0	28.8	-27.0%	22.6	-7.0%	22.4	26.4	-15.2%
International Scheduled Yield (cents)	13.6	18.6	-26.9%	13.1	3.6%	14.7	16.4	-10.4%
International Scheduled Yield (USD cents)	7.6	9.7	-21.3%	6.7	13.7%	8.3	8.6	-3.5%
Load Factor %	69.7	72.2	-2.5 p.p.	64.4	5.2 p.p.	67.1	71.9	-4.8 p.p.
Domestic Load Factor %	66.6	67.6	-1.0 p.p.	61.7	4.9 p.p.	64.2	69.0	-4.8 p.p.
International Load Factor %	74.1	79.6	-5.5 p.p.	68.4	5.7 p.p.	71.4	76.6	-5.2 p.p.
CASK (cents)	14.4	18.7	-23.0%	15.3	-5.9%	15.1	17.3	-13.2%
CASK excluding fuel (cents)	10.1	11.1	-9.2%	11.4	-11.7%	10.9	10.3	5.0%
CASK USD (cents)	7.7	11.2	-31.2%	7.4	4.4%	7.2	10.3	-29.7%
CASK USD excluding fuel (cents)	5.4	6.7	-18.9%	5.5	-2.1%	5.2	6.1	-15.0%

Obs.: RASK is net of taxes and Yield gross of taxes

Obs.2: The Adjusted EBIT, EBITDA e EBITDAR values exclude fuel derivative market value movements as well as aircraft revaluations

In the tables below all the values shown are in **conformity with international accounting principles, IFRS** and were originally calculated in real and are stated in millions and cents. Therefore, (i) the results of the sum and division of some figures in the tables may not correspond to the totals shown in the same due to rounding, (ii) the outcome of the percentage changes may diverge demonstrated.

### Income Statement – In millions of Reais

	3Q09	3Q08	3Q09 vs 3Q08	2Q09	3Q09 vs 2Q09	Jan- Sept 2009	Jan-Sept 2008	Variation
<b>Operational Income</b>	<b>2,470.1</b>	<b>2,983.2</b>	<b>-17.2%</b>	<b>2,363.0</b>	<b>4.5%</b>	<b>7,544.6</b>	<b>7,904.1</b>	<b>-4.5%</b>
Flight Revenue	2,208.6	2,743.6	-19.5%	2,085.1	5.9%	6,741.4	7,280.7	-7.4%
Domestic	1,307.0	1,670.2	-21.7%	1,286.3	1.6%	4,035.8	4,521.1	-10.7%
International	663.5	813.1	-18.4%	583.9	13.6%	2,044.2	2,029.0	0.8%
Cargo	238.1	260.4	-8.6%	214.9	10.8%	661.3	730.6	-9.5%
Other operating sales and/or services revenues	261.6	239.6	9.2%	277.8	-5.9%	803.2	623.4	28.8%
Sales deductions and taxes	(89.0)	(107.8)	-17.5%	(93.4)	-4.7%	(276.1)	(291.3)	-5.2%
<b>Net Operational Income</b>	<b>2,381.2</b>	<b>2,875.4</b>	<b>-17.2%</b>	<b>2,269.6</b>	<b>4.9%</b>	<b>7,268.6</b>	<b>7,612.8</b>	<b>-4.5%</b>
<b>Operational Expenses</b>								
Fuel	(701.3)	(1,103.6)	-36.5%	(619.9)	13.1%	(2,016.3)	(2,937.0)	-31.3%
Selling and marketing expenses	(198.0)	(258.5)	-23.4%	(247.3)	-19.9%	(602.9)	(727.3)	-17.1%
Aircraft, engine and equipment leasings	(129.3)	(113.6)	13.8%	(136.1)	-5.0%	(438.3)	(340.1)	28.9%
Personnel	(485.5)	(448.3)	8.3%	(506.1)	-4.1%	(1,513.1)	(1,268.3)	19.3%
Maintenance and reviews (except personnel)	(139.5)	(110.9)	25.8%	(188.6)	-26.0%	(538.4)	(308.1)	74.7%
Outsourced services	(175.6)	(186.7)	-5.9%	(186.1)	-5.6%	(565.1)	(497.8)	13.5%
Landing, take-off and navigation charges	(142.8)	(101.7)	40.4%	(156.1)	-8.6%	(444.5)	(346.5)	28.3%
Depreciation and amortization	(158.1)	(133.1)	18.8%	(181.0)	-12.7%	(506.9)	(313.1)	61.9%
Aircraft insurance	(15.9)	(11.7)	35.7%	(15.9)	-0.1%	(47.7)	(35.9)	32.8%
Other	(174.7)	(236.3)	-26.1%	(184.8)	-5.5%	(551.9)	(493.9)	11.7%
<b>Total of operational expenses</b>	<b>(2,320.6)</b>	<b>(2,704.4)</b>	<b>-14.2%</b>	<b>(2,422.0)</b>	<b>-4.2%</b>	<b>(7,225.1)</b>	<b>(7,268.0)</b>	<b>-0.6%</b>
<b>EBIT</b>	<b>60.7</b>	<b>171.0</b>	<b>-64.5%</b>	<b>(152.39)</b>	<b>N.A.</b>	<b>43.49</b>	<b>344.79</b>	<b>-87.4%</b>
<b>Movements in fair value of fuel derivatives</b>	2.9	(287.1)	N.A.	311.1	-99.1%	251.7	(205.8)	N.A.
Gains (losses) on aircraft revaluation recognized in the income statement	(183.3)	297.9	N.A.	(301.2)	-39.2%	(484.5)	177.2	N.A.
<b>Operating Income (loss)</b>	<b>(119.7)</b>	<b>181.81</b>	<b>N.A.</b>	<b>(142.5)</b>	<b>16.0%</b>	<b>(189.3)</b>	<b>316.1</b>	<b>N.A.</b>
Financial income (expense)	670.5	174.1	285.2%	1,224.8	-45.3%	2,162.5	938.9	130.3%
Other net operating expenses	(271.3)	(1,045.0)	-74.0%	(252.1)	7.6%	(819.4)	(1,502.6)	-45.5%
<b>Income (loss) before income and social contribution taxes</b>	<b>279.6</b>	<b>(689.1)</b>	<b>N.A.</b>	<b>830.3</b>	<b>-66.3%</b>	<b>1,153.7</b>	<b>(247.6)</b>	<b>N.A.</b>
Income tax and social contribution	(66.2)	223.7	N.A.	(290.0)	-77.2%	(382.5)	52.1	N.A.
<b>Income (loss) before minority interest</b>	<b>213.4</b>	<b>(465.4)</b>	<b>N.A.</b>	<b>540.2</b>	<b>-60.5%</b>	<b>771.3</b>	<b>(195.5)</b>	<b>N.A.</b>
Minority Interest	(0.2)	(0.1)	-170.4%	(0.6)	-67.6%	(1.4)	0.2	N.A.
<b>Net Income</b>	<b>213.2</b>	<b>(465.5)</b>	<b>N.A.</b>	<b>539.6</b>	<b>-60.5%</b>	<b>769.8</b>	<b>(195.3)</b>	<b>N.A.</b>

### Gross Revenue

Decrease of 17.2% on the 3Q09 when compared to 3Q08, reaching R\$ 2,470.1 millions, due to:

#### Domestic Revenue

Decrease of 21.7%, reaching R\$ 1,307.0 million due to a scheduled yield decrease of 27.0%, partially offset by an increase of demand in RPKs of 7.7%.

#### International Revenue

Decrease of 18.4% to R\$ 663.5 due to a decrease of yield in reais of 26.9%, impacted by the appreciation of the real against the dollar by

7.1%, partially offset by an increase in demand of 13.0 %.

#### Cargo Revenue

Decrease of 8.6%, reaching R\$ 238.1 million mainly due to the impact of the slowdown in the global economy, reducing our shipment volumes.

#### Other Revenues

Increase of 9.2% to R\$ 261.6 million due to increased sales of the loyalty program points of 8.8%, as well as an increase of 35.0% of expired tickets and others.

### Main Revenue and Expenses – In real cents per ASK

	3Q09	3Q08	3Q09 vs 3Q08	2Q09	3Q09 vs 2Q09	Jan-Sept 2009	Jan-Sept 2008	Variation
<b>Operational Income</b>	<b>15.37</b>	<b>20.68</b>	<b>-25.7%</b>	<b>14.96</b>	<b>2.7%</b>	<b>15.73</b>	<b>18.87</b>	<b>-16.6%</b>
Flight Revenue	13.74	19.02	-27.8%	13.20	4.1%	14.05	17.38	-19.1%
Domestic	8.13	11.58	-29.8%	8.14	-0.2%	8.41	10.79	-22.1%
International	4.13	5.64	-26.8%	3.70	11.6%	4.26	4.84	-12.0%
Cargo	1.48	1.80	-18.0%	1.36	8.8%	1.38	1.74	-21.0%
Other operating sales and/or services revenues	1.63	1.66	-2.0%	1.76	-7.5%	1.67	1.49	12.5%
Sales deductions and taxes	(0.55)	(0.75)	-25.9%	(0.59)	-6.4%	(0.58)	(0.70)	-17.2%
<b>Net Operational Income (RASK)</b>	<b>14.81</b>	<b>19.93</b>	<b>-25.7%</b>	<b>14.37</b>	<b>3.1%</b>	<b>15.15</b>	<b>18.17</b>	<b>-16.6%</b>
<b>Operational Expenses</b>								
Fuel	(4.36)	(7.65)	-43.0%	(3.93)	11.1%	(4.20)	(7.01)	-40.1%
Selling and marketing expenses	(1.23)	(1.79)	-31.3%	(1.57)	-21.4%	(1.26)	(1.74)	-27.6%
Aircraft, engine and equipment leasings	(0.80)	(0.79)	2.1%	(0.86)	-6.7%	(0.91)	(0.81)	12.5%
Personnel	(3.02)	(3.11)	-2.8%	(3.20)	-5.8%	(3.15)	(3.03)	4.2%
Maintenance and reviews (except personnel)	(0.87)	(0.77)	12.9%	(1.19)	-27.3%	(1.12)	(0.74)	52.6%
Outsourced services	(1.09)	(1.29)	-15.6%	(1.18)	-7.3%	(1.18)	(1.19)	-0.9%
Landing, take-off and navigation charges	(0.89)	(0.70)	26.0%	(0.99)	-10.2%	(0.93)	(0.83)	12.0%
Depreciation and amortization	(0.98)	(0.92)	6.6%	(1.15)	-14.2%	(1.06)	(0.75)	41.4%
Aircraft insurance	(0.10)	(0.08)	21.8%	(0.10)	-1.8%	(0.10)	(0.09)	16.0%
Other	(1.09)	(1.64)	-33.7%	(1.17)	-7.2%	(1.15)	(1.18)	-2.4%
<b>Total of Operational Expenses(CASK)</b>	<b>(14.43)</b>	<b>(18.75)</b>	<b>-23.0%</b>	<b>(15.34)</b>	<b>-5.9%</b>	<b>(15.06)</b>	<b>(17.35)</b>	<b>-13.2%</b>
<b>Spread (RASK - CASK)</b>	<b>0.38</b>	<b>1.19</b>	<b>-68.2%</b>	<b>N.A.</b>	<b>-139.1%</b>	<b>0.09</b>	<b>0.82</b>	<b>-89.0%</b>

### Operational Expenses

Reduction of 14.2% to R\$ 2,320.6 million in 3Q09 compared to 3Q08, due to the fuel expenses, sales and marketing services provided by third parties and others. CASK decreased 23.0% to R\$ 14.43 cents and CASK excluding fuel expenses decreased 9.2% to R\$ 10.07 cents.

#### Fuel

Decrease of 36.5% to R\$ 701.3 million, due to the reduction in the average cost per liter of 40.7% and the increase of 6.1% in stage length, offset by the effect of the real depreciation against the dollar by 11.9% and the increase in the volume of fuel consumed of 7.1%. Per ASK decreased by 43.0%.

### Sales and Marketing

Reduction of 23.4% to R\$ 198.0 million, representing 8.3% of total net revenues, down 0.7 percentage points, caused by a reduction in revenue primarily from the international market, as well as cargo, where commercial expenses are higher. Per ASK decreased by 31.3%.

#### Aircraft, engine and equipment leasing

Increased 13.8% to R\$ 129.3 million mainly due to the real depreciation against the dollar of 11.9% on the quarter average compared to the same period of 2008. Per ASK increased by 2.1%.

**Personnel Expenses**

Increase of 8.3% to R\$ 485.5 million due to salary increase of 8% in December 2008 and by 1.2% increase in the number of employees, which reached 24,164. Per ASK decreased by 2.8%.

**Maintenance and repairs (except personnel)**

Increased 25.8% to R\$ 139.5 million, due primarily to an increase in our fleet of 15 aircraft, increasing total flight hours in 5.8% and an 11.9% depreciation of the average rate of the real against the dollar during the quarter, partially offset by the change in mix of aircraft (eliminating the MD11 models from our fleet). Per ASK increased 12.9%.

**Third party services**

Decreased 5.9% to R\$ 175.6 million mainly due to the reduction of expenditure on advisory services and consulting business. Per ASK decreased by 15.6%.

**Landing, take-off and navigation charges**

Increased 40.4% to R\$ 142.8 million due to an increase in international flights, for which expenses are higher than domestic, increased aid to navigation, which resulted from an increase of 7.6% in kilometers flown, by a 1.4% increase in take-offs and depreciation of 11.9% of the average rate for the quarter of the real against the dollar. Per ASK increased by 26.0%.

**Depreciation and Amortization**

Increased 18.8% to R\$ 158.1 million primarily due to an increase of 10 aircraft classified as capital leases. Per ASK decreased by 6.6%.

**Aircraft insurance**

Increased 35.7% to R\$ 15.9 million mainly due to net increase of our fleet of 15 aircraft, and the effect of the depreciation of 11.9% of the average rate for the quarter of the real against the dollar. Per ASK increased 21.8%.

**Other**

Decreased 26.1%, reaching R\$ 174.7 million, mainly due to a non recurring reduction provisions. Per ASK reduced 33.7%

**Movements in fair value of fuel derivatives**

The perceived gain of R\$ 2.9 million generated from the fuel derivative operations are mainly due to a disinclination from the WTI future curve and to the real appreciation against the dollar.

**Gain (loss) on aircraft revaluation**

Loss of R\$ 183.3 million, mainly due to the dollar variation from R\$ 1.91 at the end of 2Q09 to R\$ 1.78 at the end of 3Q09.

**Net financial result**

Net financial revenue of R\$ 399.3 million, mainly due to the positive impact of exchange rate in relation to 2Q09, which affected our balance sheet.

**Net income**

Net income of R\$ 213.17 million due to the above, representing a reversal of a negative margin of 16.2% in 3Q08 to a positive margin in 3Q09, representing 8.9% of net revenue.

**EBIT**

Our EBIT margin was 2.5%, reaching R\$ 60.6 million in 3Q09, due to the 17.2% decrease in our net revenue as well as the 14.2% decrease in our operational costs.

**EBITDAR**

Our EBITDAR margin was 14.6%, reaching R\$ 347.9 million in 3Q09, representing a slight increase of 0.1 percentage point in 3Q09, mainly due to all the factors described above in our revenues and costs.

## Cash Flow

### Hedge

The cash consumed with the maturing of our fuel hedging operations was R\$ 93 million.

### Cash Flow from operational activities

The generated cash from our operational activities was R\$ 97 million, mainly due to the revenue increase when compared to the previous quarter.

### Cash Flow from investment activities

The cash used for investment activities was R\$ 108 million, mostly due to the acquisition of immobilized and intangible assets worth R\$ 82 million and for the pre-payment of aircraft with a net value of R\$ 12 million.

### Cash Flow from financing activities

The cash used for financing activities was R\$ 75 million, mainly due to leasing and debt payments worth R\$ 138 million, partially offset by new funds rising of R\$ 64 million.

### Debentures

In July we issued debentures, representing a net increase in our cash of R\$ 595 million.

### Bonds

Our Bond issuance in October represented a net increase in our cash of R\$ 510 million.

## Indebtedness

Our total liability presented in the balance sheet at the end of the 3Q09 was R\$ 6,796.1 million, of which 83% was denominated in foreign currency

### Breakdown and Maturity of financial debt

IFRS (in thousands of reais)

As of September 30 2009

	Lease Payable	Loans	Debentures	Bonds	Total	% Total	Leases not included in the Balance Sheet	Total Debt Adjusted
Less than one year	714.6	304.5	221.8	56.3	1,297.3	16%	386.9	1,684.2
Between one and two years	1,241.4	133.1	702.6	78.7	2,155.7	27%	692.7	2,848.4
Between three and five years	1,285.3	2.8	184.6	78.7	1,551.4	19%	383.0	1,934.3
More than Five years	2,428.0	8.6	-	651.5	3,088.1	38%	194.1	3,282.1
Total	5,669.3	448.9	1,109.1	865.1	8,092.4	100%	1,656.6	9,749.0
Discount effect	(955.4)	(17.9)	(8.3)	(314.7)	(1,296.3)	-16%	-	(1,296.3)
Accounting value	4,714.0	431.0	1,100.8	550.4	6,796.1	84%	1,656.6	8,452.7
In Foreign Currency	99%	90%	0%	100%	83%		100%	86%
In Local Currency	1%	10%	100%	0%	17%		0%	14%

Considering also the debt related to operating leases which is not in our balance sheet, our debt reaches R\$ 8,452.7 million, of which 85% is foreign currency-denominated.

## Estimates

As commented before, we are observing a strong demand recovery since the end of the third quarter of 2009. The domestic market already presents and even higher growth than our revised estimates (we believed growth would be between 1% and 5%). We emphasize that during the second quarter we announced that, in order to avoid severe cash outflow, we decided to do not start the new international route, since there are several set-up costs related to launching new international destination.

		Estimates 2009	Realized Jan-Oct
<b>Market</b>	• Domestic market demand growth (RPK)	7%-10%	13.5%
	• We have maintained leadership in both domestic and international markets		
<b>TAM</b>	→ Domestic	---	46.1%
	→ International	---	86.8%
	• ASK growth		
	→ Domestic	8%	9.7%
	→ International	20%	21.9%
	• Aproximate Load Factor	67%	67.9%
	• New frequency or destination in 2009	1	---

We are budgeting for the year of 2010 and we will release our guidance once we have it approved by the Board:

### Types of Leases – 3Q09

Models	Capacity	Total		Leasing Types			
				Financial		Operating	
		2009	2008	2009	2008	2009	2008
<b>B777</b>	365 seats	4	1	4	1	0	0
<b>MD-11</b>	289 seats	0	2	0	0	0	2
<b>A340</b>	267 seats	2	2	2	2	0	0
<b>A330</b>	212 / 213 seats	16	12	14	10	2	2
<b>B767</b>	205 seats	3	3	3	3	0	0
<b>Wide Body</b>		<b>25</b>	<b>20</b>	<b>23</b>	<b>16</b>	<b>2</b>	<b>4</b>
<b>A321</b>	220 seats	5	3	5	3	0	0
<b>A320</b>	156 / 174 seats	82	78	27	26	55	52
<b>A319</b>	144 seats	21	17	11	11	10	6
<b>Narrow Body</b>		<b>108</b>	<b>98</b>	<b>43</b>	<b>40</b>	<b>65</b>	<b>58</b>
<b>Total</b>		<b>133</b>	<b>118</b>	<b>66</b>	<b>56</b>	<b>67</b>	<b>62</b>

The classification presented according to the type of lease contract is required given accounting rules. Contractually, we have only 4 aircraft as financial lease – the B777 models.

## Fleet Plan at the end of the Period

All financing for our aircraft arriving in 2010 is negotiated. Our average fleet age is 6 years. Currently, we have 133 aircraft in our fleet. However, we will end 2009 with 132 aircraft according to our fleet plan presented below.

Aircraft	2009	2010	2011	2012	2013
<b>Total Airbus narrow-body</b> (A319, A320, A321)	<b>107</b>	<b>110</b>	<b>113</b>	<b>115</b>	<b>117</b>
<b>Total Airbus wide-body</b> (A330, A340)	<b>18</b>	<b>20</b>	<b>22</b>	<b>22</b>	<b>22</b>
B767	3	3	3	3	3
B777	4	4	4	8	10
<b>Total Boeing wide-body</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>11</b>	<b>13</b>
<b>Total Fleet</b>	<b>132</b>	<b>137</b>	<b>142</b>	<b>148</b>	<b>152</b>

## Stock Market

### Shareholders' position as of September 30, 2009

Shareholders	Ordinary		Preferential		Total	
	Shares	(%)	Shares	(%)		(%)
<b>Controlling Shareholders</b>	<b>44,883,754</b>	<b>89.42%</b>	<b>24,768,755</b>	<b>24.67%</b>	<b>69,652,509</b>	<b>46.25%</b>
TAM – Empreendimentos e Participações S.A	44,804,238	89.26%	24,768,755	24.67%	69,572,993	46.20%
Agropecuária Nova Fronteira Ltda.	79,516	0.16%	0	0.00%	79,516	0.05%
<b>Other</b>	<b>5,311,295</b>	<b>10.58%</b>	<b>75,621,343</b>	<b>75.33%</b>	<b>80,932,638</b>	<b>53.75%</b>
Amaro Aviation Part SA	5,295,149	10.55%	0	0.00%	5,295,149	3.52%
Treasury stocks	0	0.00%	402,311	0.40%	402,311	0.27%
Minority Shareholders	16,146	0.03%	75,219,032	74.93%	75,235,178	49.96%
<b>Total</b>	<b>50,195,049</b>	<b>100.00%</b>	<b>100,390,098</b>	<b>100.00%</b>	<b>150,585,147</b>	<b>100.00%</b>

In September 30, 2009, our market value was R\$ 3.5 billion. Our free float is 53.75%, the average daily trade of our share in BOVESPA and NYSE was about 2.2% of the total free float and the daily trade volume around R\$ 24.1 million and USD 9.2 million, in BOVESPA and NYSE respectively in 3Q09

## Tables

### Operating data

	3Q09	3Q08	3Q09 vs 3Q08	2Q09	3Q09 vs 2Q09	Jan-Sep 2009	Jan Sep 2008	Variation
<b>Total</b>								
Trasnsported Passangers (thousands)	7,672	7,669	0.0%	7,086	8.3%	22,086	22,759	-3.0%
RPK (millions)	11,201	10,409	7.6%	10,179	10.0%	32,189	30,136	6.8%
ASK (millions)	16,076	14,427	11.4%	15,793	1.8%	47,973	41,891	14.5%
Load factor - %	69.7	72.2	-2.5 p,p,	64.4	5.2 p,p,	67.1	71.9	-4.8 p,p,
Break-even Load Factor - %	66.3	67.8	-1.5 p,p,	68.7	-2.4 p,p,	65.3	68.3	-3.0 p,p,
Average tariff	257	324	-20.7%	264	-2.7%	275	288	-4.3%
Flight hours	140,730	133,071	5.8%	137,467	2.4%	419,328	384,537	9.0%
Kilometers flown by aircraft (thousands)	84,310	78,325	7.6%	82,982	1.6%	252,536	228,043	10.7%
Liters of fuel (thousands)	551,260	514,755	7.1%	535,653	2.9%	1,637,624	1,512,648	8.3%
Aircraft utilization (hours per day)	11.6	12.6	-8.1%	11.6	-0.3%	11.6	12.6	-7.8%
Aircraft utilization by track (hours per day)	12.1	13.1	-7.7%	12.2	-1.3%	12.2	13.7	-10.9%
Landings	70,854	69,853	1.4%	69,616	1.8%	212,213	204,484	3.8%
Stage Length	1,190	1,121	6.1%	1,192	-0.2%	1,190	1,115	6.7%
Total number of employees	24,164	23,871	1.2%	24,192	-0.1%	24,164	23,871	1.2%
- TAM Linhas Aéreas	23,398	23,185	0.9%	23,460	-0.3%	23,398	23,185	0.9%
- TAM Mercosur (TAM Airlines)	447	443	0.9%	437	2.3%	447	443	0.9%
- TAM Fidelidade (TAM Viagens)	319	243	31.3%	295	8.1%	319	243	31.3%
WTI end (NYMEX) (at US\$/Barril)	70.6	100.6	-29.8%	69.9	1.0%	70.6	100.6	-29.8%
WTI average (NYMEX) (at US\$/Barril)	68.2	118.7	-42.5%	59.8	14.1%	57.2	113.6	-49.6%
End of period Exchange rate	1.7781	1.9143	-7.1%	1.9516	-8.9%	1.7781	1.9143	-7.1%
Average Exchange rate	1.8659	1.6678	11.9%	2.07	-9.9%	2.084	1.6868	23.5%
<b>Domestic Market</b>								
Trasnsported Passangers (thousands)	6,517	6,490	0.4%	5,988	8.8%	18,708	19,325	-3.2%
RPK domestic (millions)	6,323	6,041	4.7%	5,743	10.1%	18,298	17,776	2.9%
RPK domestic scheduled (millions)	6,074	5,637	7.7%	5,609	8.3%	17,539	16,687	5.1%
ASK domestic (millions)	9,491	8,939	6.2%	9,311	1.9%	28,516	25,757	10.7%
ASK domestic scheduled (millions)	9,190	8,482	8.3%	9,139	0.6%	27,608	24,505	12.7%
Domestic Load Factor %	66.6	67.6	-1.0 p,p,	61.7	4.9 p,p,	64.2	69.0	-4.8 p,p,
Market share - %	43.7	52.6	-8.9 p,p,	46.2	-2.5 p,p,	46.4	50.3	-3.9 p,p,
<b>International Market</b>								
Trasnsported Passangers (thousands)	1,155	1,179	-2.0%	1,098	5.2%	3,378	3,435	-1.6%
RPK international (millions)	4,878	4,368	11.7%	4,435	10.0%	13,891	12,361	12.4%
RPK international scheduled (millions)	4,857	4,297	13.0%	4,424	9.8%	13,855	12,265	13.0%
ASK international (millions)	6,585	5,488	20.0%	6,482	1.6%	19,458	16,134	20.6%
ASK international scheduled (millions)	6,553	5,379	21.8%	6,455	1.5%	19,380	15,979	21.3%
International Load Factor %	74.1	79.6	-5.5 p,p,	68.4	5.7 p,p,	71.4	76.6	-5.2 p,p,
Market share - %	88.3	75.8	12.5 p,p,	86.6	1.7 p,p,	86.8	72.4	14.4 p,p,

## Revenue per type of service – BR GAAP

BR GAAP (Thousands)	3Q09	3Q08	3Q09 vs 3Q08	2Q09	3Q09 vs 2Q09	Jan-Sept 2009	Jan-Sept 2008	Variation
<b>Domestic revenue</b>								
Scheduled Pax	1,276,639	1,623,836	-21.4%	1,267,376	0.7%	3,925,324	4,403,573	-10.9%
Charter Pax	30,386	46,325	-34.4%	18,950	60.3%	110,506	117,492	-5.9%
<b>Total</b>	<b>1,307,025</b>	<b>1,670,161</b>	<b>-21.7%</b>	<b>1,286,326</b>	<b>1.6%</b>	<b>4,035,830</b>	<b>4,521,065</b>	<b>-10.7%</b>
<b>International revenue</b>								
Scheduled Pax	660,414	799,396	-17.4%	580,798	13.7%	2,036,361	2,012,066	1.2%
Charter Pax	3,075	13,675	-77.5%	3,096	-0.7%	7,882	16,895	-53.3%
<b>Total</b>	<b>663,489</b>	<b>813,071</b>	<b>-18.4%</b>	<b>583,895</b>	<b>13.6%</b>	<b>2,044,243</b>	<b>2,028,961</b>	<b>0.8%</b>
<b>Cargo revenue</b>								
Domestic cargo	113,693	125,504	-9.4%	110,024	3.3%	321,626	337,266	-4.6%
International Cargo	124,364	134,900	-7.8%	104,868	18.6%	339,714	393,358	-13.6%
<b>Total</b>	<b>238,057</b>	<b>260,404</b>	<b>-8.6%</b>	<b>214,893</b>	<b>10.8%</b>	<b>661,340</b>	<b>730,624</b>	<b>-9.5%</b>
<b>Other operating revenue</b>								
Loyalty Program	157,976	145,164	8.8%	156,007	1.3%	522,330	336,624	55.2%
Expired tickets and other	133,240	98,680	35.0%	133,670	-0.3%	331,177	309,151	7.1%
Agency of trip and tourism	12,138	18,688	-35.0%	19,988	-39.3%	46,764	41,721	12.1%
<b>Total</b>	<b>303,354</b>	<b>262,532</b>	<b>15.5%</b>	<b>309,665</b>	<b>-2.0%</b>	<b>900,271</b>	<b>687,496</b>	<b>30.9%</b>
<b>Gross Revenue</b>	<b>2,511,925</b>	<b>3,006,168</b>	<b>-16.4%</b>	<b>2,394,778</b>	<b>4.9%</b>	<b>7,641,684</b>	<b>7,968,146</b>	<b>-4.1%</b>

## Revenue per type of service – IFRS

IFRS (Thousands)	3Q09	3Q08	3Q09 vs 3Q08	2Q09	3Q09 vs 2Q09	Jan-Sept 2009	Jan-Sept 2008	Variation
<b>Domestic revenue</b>								
Scheduled Pax	1,276,639	1,623,836	-21.4%	1,267,376	0.7%	3,925,324	4,403,573	-10.9%
Charter Pax	30,386	46,325	-34.4%	18,950	60.3%	110,506	117,492	-5.9%
<b>Total</b>	<b>1,307,025</b>	<b>1,670,161</b>	<b>-21.7%</b>	<b>1,286,326</b>	<b>1.6%</b>	<b>4,035,830</b>	<b>4,521,065</b>	<b>-10.7%</b>
<b>International revenue</b>								
Scheduled Pax	660,414	799,396	-17.4%	580,798	13.7%	2,036,361	2,012,066	1.2%
Charter Pax	3,075	13,675	-77.5%	3,096	-0.7%	7,882	16,895	-53.3%
<b>Total</b>	<b>663,489</b>	<b>813,071</b>	<b>-18.4%</b>	<b>583,895</b>	<b>13.6%</b>	<b>2,044,243</b>	<b>2,028,961</b>	<b>0.8%</b>
<b>Cargo revenue</b>								
Domestic cargo	113,693	125,504	-9.4%	110,024	3.3%	321,626	337,266	-4.6%
International Cargo	124,364	134,900	-7.8%	104,868	18.6%	339,714	393,358	-13.6%
<b>Total</b>	<b>238,057</b>	<b>260,404</b>	<b>-8.6%</b>	<b>214,893</b>	<b>10.8%</b>	<b>661,340</b>	<b>730,624</b>	<b>-9.5%</b>
<b>Other operating revenue</b>								
Loyalty Program	116,196	122,187	-4.9%	124,183	-6.4%	425,292	272,549	56.0%
Expired tickets and other	133,240	98,680	35.0%	133,670	-0.3%	331,177	309,151	7.1%
Agency of trip and tourism	12,138	18,688	-35.0%	19,988	-39.3%	46,764	41,721	12.1%
<b>Total</b>	<b>261,574</b>	<b>239,557</b>	<b>9.2%</b>	<b>277,841</b>	<b>-5.9%</b>	<b>803,233</b>	<b>623,421</b>	<b>28.8%</b>
<b>Gross Revenue</b>	<b>2,470,145</b>	<b>2,983,193</b>	<b>-17.2%</b>	<b>2,362,954</b>	<b>4.5%</b>	<b>7,544,646</b>	<b>7,904,071</b>	<b>-4.5%</b>

## Condensed Balance Sheet – BR GAAP (thousand)

	09/30/09	06/30/09		09/30/09	06/30/09
Total assets	12,752,213	12,411,051	Total liabilities and stockholders' equity	12,752,213	12,411,051
Current assets	2,999,580	2,556,516	Current liabilities	3,377,322	3,237,048
Cash and bank balances	1,232,701	817,379	Loans and financing	292,965	267,256
Cash and cash equivalents	1,046,134	671,899	Debentures	218,989	22,004
Marketable securities	186,567	145,480	Suppliers	308,641	336,782
Receivables	1,138,120	1,106,138	Taxes, charges and contributions	146,878	179,283
Trade accounts receivable	1,138,120	1,106,138	Dividends payable	599	599
Sundry credits	0	0	Other	2,409,250	2,431,124
Inventories	247,404	253,608	Leases	561,565	602,632
Inventories	215,049	209,636	Salaries and social charges	376,900	337,691
Assets held for sale	32,355	43,972	Advance ticket sales	918,695	929,673
Other	381,355	379,391	TAM loyalty program	51,267	46,515
Taxes recoverable	124,353	140,641	Income tax and social contribution payable	250	479
Deferred income tax and social contribution	76,899	63,342	Reorganization of Fokker 100 fleet	16,948	18,032
Prepaid expenses	108,342	90,846	Senior notes	16,938	7,676
Aircraft insurance	11,146	27,281	Derivative financial instruments	279,231	307,141
Other receivables	60,615	57,281	Deferred gain on sale-leaseback	32,085	32,085
Long-term assets	9,752,633	9,854,535	Deferred income tax and social contribution	37,182	33,597
Long-term receivables	1,349,715	1,440,973	Other	118,189	115,603
Sundry receivables	239,863	240,371	Long-term liabilities	7,640,427	7,784,550
Marketable Securities	239,863	240,371	Long-term liabilities	7,640,427	7,784,550
Related parties	0	0	Loans and financing	138,030	126,035
Others	1,109,852	1,200,602	Debentures	881,774	500,000
Deposits in guarantee	83,854	72,571	Provisions	1,060,544	1,028,138
Deferred income tax and social contribution	533,154	616,773	Provision for contingencies	1,060,544	1,028,138
Advances for aircraft maintenance	403,572	418,611	Other	5,560,079	6,130,377
Others receivables	89,272	92,647	Obligations under finance leases	4,152,389	4,682,342
Permanent assets	8,402,918	8,413,562	Deferred income tax and social contribution	476,924	390,402
Investments	0	70	Reorganization of Fokker 100 fleet	16,328	22,299
Subsidiaries – Goodwill	0	0	Senior Notes	533,430	585,480
Other	0	70	Derivative financial instruments	57,514	122,590
Property, plant and equipment	8,201,212	8,240,714	Deferred gain on sale-leaseback	91,292	99,312
Property, plant and equipment	7,716,765	7,797,228	Deferred income	11,099	11,099
Advances to aircraft manufacturers	484,447	443,486	Other	221,103	216,853
Intangible assets	201,706	172,778	Minority interest	3,288	3,242
			Stockholders' equity	1,731,176	1,386,211
			Paid-up capital	675,497	675,497
			Capital reserves	97,629	96,135
			Capital reserves	74,946	74,946
			Stock option plan	34,053	32,559
			Treasury stocks	-11,370	-11,370
			Revaluation reserve	134,446	136,762
			Own assets	0	0
			Subsidiary/associated companies	134,446	136,762
			Expansion reserves	0	0
			Legal	0	0
			Cumulative translation adjustments	-14,694	-11,773
			Cumulative translation adjustments	-14,694	-11,773
			Retained earnings	838,298	489,590

## Condensed Balance Sheet – IFRS (thousand)

Assets	September 30, 2009 (unaudited)	December 31, 2008	Liabilities	September 30, 2009 (unaudited)	December 31, 2008
Non-current assets			Non-current liabilities		
Property, plant and equipment	7,716,681	9,326,171	Financial liabilities	5,705,623	7,178,873
Pre-delivery payments	484,447	426,224	Derivative financial instruments	57,514	107,057
Intangible assets	201,706	152,092	Deferred income	393,665	369,210
Deferred income tax and social contribution	275,023	259,984	Provisions	1,060,544	947,800
Other non-financial assets	816,561	706,878	Other non-current liabilities	237,431	282,993
	<u>9,494,418</u>	<u>10,871,349</u>		<u>7,454,777</u>	<u>8,885,933</u>
Current assets			Current liabilities		
Trade and other receivables	1,374,164	1,404,464	Trade and other payables	833,018	967,553
Inventories	215,049	169,422	Deferred income	1,253,153	1,105,719
Non-current assets held for sale	32,355	62,134	Current income tax liabilities	250	83,429
Income taxes recoverable	124,351	120,712	Financial liabilities	1,090,457	910,153
Cash and cash equivalents	446,964	671,785	Derivative financial instruments	279,231	1,021,928
Other financial assets	785,737	1,242,271	Other current liabilities	135,136	149,091
	<u>2,978,620</u>	<u>3,670,788</u>		<u>3,591,245</u>	<u>4,237,873</u>
	<u>12,473,038</u>	<u>14,542,137</u>	Total liabilities	<u>11,046,022</u>	<u>13,123,806</u>
			<b>Equity</b>		
			Capital and reserves attributable to equity holders of TAM S.A		
			Share capital	675,497	675,497
			Revaluation reserve	436,606	1,244,465
			Other reserves	83,645	92,092
			Retained earnings (accumulated deficit)	227,980	(597,957)
				<u>1,423,728</u>	<u>1,414,097</u>
			Minority interest	3,288	4,234
			Total equity	<u>1,427,016</u>	<u>1,418,331</u>
Total assets	<u>12,473,038</u>	<u>14,542,137</u>	Total liabilities and equity	<u>12,473,038</u>	<u>14,542,137</u>

## Cash Flow – BR GAAP (thousand)

	07/01/09 to 09/30/09	01/01/09 to 09/30/09	07/01/08 to 09/30/08	01/01/08 to 09/30/08
Net cash generated by operating activities	(37,145)	(132,834)	(238,661)	(254,230)
Cash generated by operating activities	318,864	248,160	438,425	999,393
Net income for the quarter/period	347,954	1,198,644	(663,641)	(280,549)
Deferred income tax and social contribution	159,212	593,299	(318,568)	(97,960)
Depreciation and amortization	146,701	434,980	132,439	304,390
Net book value of property, plant and equipment sold	3,091	(20,167)	686	18,020
Foreign exchange rate variations and net interest	(426,684)	(1,407,413)	985,934	692,673
Provisions for contingencies	26,686	82,835	(3,697)	62,140
Minority interest	201	1,451	74	(175)
Other provisions	154,689	156,771	19,123	28,866
Fair value movements of derivative financial instruments	(92,986)	(792,240)	286,075	271,988
(Increase) decrease in assets and liabilities	(356,009)	(380,994)	(677,086)	(1,253,623)
Marketable securities	(43,050)	246,785	(511,738)	(702,244)
Accounts receivable	(33,848)	12,071	(92,815)	(254,705)
Inventories	(5,413)	(45,627)	(22,809)	(43,205)
Non-current assets held for sale	2,861	25,323	4,302	8,604
Recoverable taxes	16,288	845	(41,991)	(33,012)
Prepaid expenses	(17,496)	(17,755)	2,104	51,178
Contingency provision net of judicial deposits	(12,878)	(27,341)	23,268	(12,636)
Advances for aircraft maintenance	(23,694)	(85,734)	(43,335)	(159,015)
Other receivables	(1,428)	67,475	74,060	49,168
Suppliers	(28,141)	(177,454)	(22,337)	(59,617)
Salaries and social charges	39,209	58,949	37,699	69,544
Advance ticket sales	(10,978)	98,915	29,002	38,201
Taxes and tariffs payable	(32,405)	(16,030)	(29,841)	16,277
Insurance	16,135	47,548	11,891	36,111
Other payables	(132,732)	(219,830)	8,684	7,525
Tax paid	(803)	(86,967)	(37,259)	(58,443)
Interest paid	(87,636)	(262,167)	(65,971)	(207,354)
Other	0	0	0	0
Net cash generated by investing activities	(108,462)	(288,477)	103,376	(151,734)
Marketable securities	2,471	(115,672)	0	0
Sale of property, plant and equipment	1,463	32,050	978	6,184
Acquisition of property, plant and equipment	(53,651)	(136,532)	(30,229)	(187,123)
Increase in intangible assets	(28,225)	(69,920)	(12,904)	(29,974)
Pre delivery payments made (returned net)	(11,979)	(8,779)	130,000	11,770
Deposits in guarantee	(18,541)	10,376	15,531	47,409
Net cash generated by financing activities	519,842	110,932	(280,172)	(797,872)
Purchase of own shares	0	0	(5,465)	(11,362)
Dividends paid	0	0	0	(72,017)
Loans and financing	43,012	(82,499)	(133,807)	(486,173)
Leases	(117,765)	(401,164)	(140,900)	(223,529)
Debentures issued	594,595	594,595	0	(4,791)
Exchange variation in cash and cash equivalents	0	0	0	0
Increase (decrease) in cash and cash equivalents	374,235	(310,379)	(415,457)	(1,203,836)
Cash and cash equivalents at the beginning of the quarter/period	671,899	1,356,513	941,349	1,729,728
Cash and cash equivalents at the end of the quarter/period	1,046,134	1,046,134	525,892	525,892

## Cash Flow – IFRS (thousand)

	Quarter ended		Nine months period ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
<b>Cash flows from operating activities</b>				
Cash generated from (used in) operations	(369,112)	380,704	301,859	1,015,448
Tax paid	(803)	(37,259)	(86,967)	(58,443)
Interest paid	(87,636)	(65,971)	(262,167)	(207,354)
<b>Net cash generated from (used in) operating activities</b>	<b>(457,551)</b>	<b>277,474</b>	<b>(47,275)</b>	<b>749,651</b>
<b>Cash flows from investing activities</b>				
Investment (redemption) of collateral	2,471		(115,672)	
Proceeds from sale property, plant and equipment	1,463	978	32,050	6,184
Purchases of property, plant and equipment	(53,651)	(30,229)	(136,532)	(187,123)
Purchases of intangible assets	(28,225)	(12,904)	(69,920)	(29,974)
Deposits in guarantee				
Reimbursement	2,488	69,364	37,767	122,165
Deposits made	(21,029)	(53,833)	(27,391)	(74,756)
Pre-delivery payments				
Reimbursement	24,562	156,629	67,500	190,107
Payments	(36,541)	(26,629)	(76,279)	(178,337)
<b>Net cash from (used in) investing activities</b>	<b>(108,462)</b>	<b>103,376</b>	<b>(288,477)</b>	<b>(151,734)</b>
<b>Cash flows from financing activities</b>				
Purchase of treasury shares		(5,465)		(11,362)
Dividends paid to the Company's stockholders				(72,017)
Short and long-term borrowings				
Issuance	63,572	71,470	63,572	97,928
Repayment	(20,560)	(205,277)	(146,072)	(584,101)
Repayment of finance leases	(117,765)	(140,900)	(401,164)	(223,529)
Debentures				
Issuances	594,595		594,595	
Repayments				(4,791)
<b>Net cash increase (used in) from financing activities</b>	<b>519,842</b>	<b>(280,172)</b>	<b>110,931</b>	<b>(797,872)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(46,171)</b>	<b>100,678</b>	<b>(224,821)</b>	<b>(199,955)</b>
Cash and cash equivalents at beginning of period	493,135	165,905	671,785	466,538
Cash and cash equivalents at end of period	446,964	266,583	446,964	266,583
<b>Supplementary information on cash flows</b>				
<b>Non cash investing and financing activities – acquisition of aircrafts under finance lease</b>		264,557	181,201	458,659

## Glossary

**Paid Passengers transported** - Total number of passengers who actually paid and flew on all our flights

**RPK** - Revenue passenger kilometre, or transported passenger-kilometre, corresponding to the product of multiplying the number of paying passengers transported by the number of kilometres flown by such passengers

**ASK** - Represents our capacity, multiplying the aircraft seating by the number of kilometre flown by the seats

**Average tariff** - Represents the results of the total passenger revenue divided by total paid passengers transported

**Yield** - Average amount paid per passenger to fly one kilometer

**RASK** - Revenue per ASK, or quotient of dividing total operating revenue by the number of seats available per kilometre; the result is presented in centavos or reais per seat-kilometre

**CASK** - Operational Expense per ASK, or quotient of dividing total operational expense by the number of seats available per kilometre; the result is presented in centavos or reais per seat-kilometre

**Load factor** - Percentage of aircraft occupied on flights, calculated by the quotient between RPK and ASK

**Break-even Load factor (BELF)** - is the load factor that equalize passenger revenues and operating expenses

**Market Share** - Company's share in the total market demand (measured in RPK)

**Capacity Share** - Company's share in the total market offer (measured in ASK)

**Flight Hour** - Represents the flight time of aircraft calculated from the time of departure to engine shutdown

**Number of flight legs** - The number of operational cycles realized by our aircraft which comprises take-off, flight and landing.

## Investor Relations Contacts

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**About Us:** ([www.tam.com.br](http://www.tam.com.br))

We have been the domestic market leader since July of 2003, and closed October 2009 with 44.6% of market share. We fly to 42 destinations in Brazil. Through business agreements signed with regional companies, we reach 79 different destinations in Brazil. Our market share among Brazilian companies that operate international flights stood at 86.8% in October. Operations abroad include our flights to 18 destinations in the United States, Europe and South America: New York , Miami and Orlando (USA), Paris (France), London (England), Milan (Italy), Frankfurt (Germany), Madrid (Spain), Buenos Aires and Bariloche (Argentina), Cochabamba and Santa Cruz de la Sierra (Bolivia), Santiago (Chile), Asuncion and Ciudad del Este (Paraguay), Montevideo (Uruguay), Caracas (Venezuela) and Lima (Peru). We have code-share agreements that make possible the sharing of seats on flights with international airlines, enabling passengers to travel to 64 other destinations in the U.S., Europe and South America. We was the first Brazilian airline company to launch a loyalty program. Currently, the program has over 6.1 million subscribers and has awarded more than 8.3 million tickets.

***Forward-looking statement:***

This notice may contain estimates for future events. These estimates merely reflect the expectations of the company's management and involve risks and uncertainties. The Company is not responsible for investment, operations or decisions taken based on information contained herein. These estimates are subject to changes without prior notice.