

We reached a net income of R\$ 788.9 million in 2Q09

São Paulo, August 14, 2009 – (BOVESPA: TAMM4, NYSE: TAM) We present the results of the 2nd quarter 2009 (2Q09). Operational and financial data, except where otherwise indicated, are presented **based on amounts consolidated in Reais (R\$) and prepared in accordance with Brazilian accounting principles (BR GAAP), law 11,638**. Through the document, there are some summary to assist our investors in understanding the key changes to our financial disclosure as we make our transition to financial statements prepared in accordance with IFRS (as issued by the IASB) from our previous presentation of financial statements prepared in accordance with Brazilian GAAP with a US GAAP reconciliation, as well as to explain a change in our accounting treatment for some of our engine maintenance contracts.

Conference calls

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August 14, 2009
11:00 am (Brazil time)
10:00 am (US EDT)

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Highlights

- 7.1 million passengers transported in 2Q09
- Gross Revenues of R\$ 2.4 billion
- Punctuality index of 93.4% in the quarter, 1.5 p.p. higher than the sector's average
- Integration of our Loyalty program (TAM Fidelidade) with Air Canada's mileage program (Aeroplan)
- Beginning of code-share operations and integration of Loyalty programs with Swiss
- Strengthening operations at Santos Dumont Airport, Rio de Janeiro
- TAM Viagens updates its line of products and services
- MRO – contracts for LAN Group's aircraft maintenance
- We launched the Multiplus Fidelidade
- Airbus Operational Excellence Award for the A320 family

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Operational Performance

Domestic Operations (2Q09 compared to 2Q08)

- We reached **46.2% average market share**.
- **Our capacity (ASK) in the domestic market increased 10.7%** as a result of **the net increase** in our operating fleet of 2 A321, 8 A320 and 5 A319 (in 2Q09 we did not have any F-100 in our operating fleet). In the other hand, the block hours by aircraft reduced from 12.7 hours/day to 11.6 flown hours per day quarter average (total operation).
- **Demand (RPK) decreased 0.5%**.
- **Our domestic load factor decreased to 61.7%**.

International Operations (2Q09 compared to 2Q08)

- We had **86.6% average market share**.
- **Capacity increased 23.4%**, due to the increase of 4 B777, 4 A330 and 1 B767 into our international operating fleet (partially compensated by the phase-out of 4 MD11s from our fleet) making possible the beginning of long haul flights from Rio de Janeiro to Miami and New York and from Sao Paulo to Orlando. In South America, we started daily flights from Buenos Aires to Brasília and from São Paulo to Lima and Bariloche through the increase in the narrow body fleet operating in the region. Also in South America, we increase the capacity operating the B777 to Santiago.
- **Our demand increased 15.1%**.
- **The international load factor decreased 4.9 p.p. to 68.4%**.

Loyalty Program Operations (Fidelidade)

- The program has 6.1 million members, representing a rich database for customer relationship.
- We maintain our strategy to improve the program as a loyalty tool to TAM and our main partners.
- We made redemption more flexible with fewer points, which granted the program a unique position in the market and we are exploring new alternatives, as the option to redeem points in the products and services of TAM Viagens.
- Current agreements: Victoria, of TAP; LAN Pass, of LAN; Miles&More of Lufthansa and Swiss, Mileage Plus of United Airlines.
- Star Alliance – FFP agreements with the current members of the alliance.

Cargo Operations

- We increased our cargo availability, mainly in the international market adding the B777 aircraft models in our fleet.
- The slowdown in the global economic activity impacted negatively our cargo business, decreasing the transported volumes.
- We continue to improve our cargo terminals throughout Brazil to further develop our operations. We are also implementing a new system to manage the operations.

Maintenance Operations (MRO - Maintenance, Repair and Overhaul)

- We are certified to perform the maintenance of all aircraft models of our fleet (apart from engines) besides the A318 and more than 2 thousand aeronautic components and we are in process to obtain the certification to perform services in the Boeing 767 aircraft models.
- Our MRO unit is present in all stations we operate, offering line maintenance services to several customers.
- We implemented new processes and metrics in cost control by task, helping us to minimize expenses and the average time the aircraft is away in the hangar for maintenance.

- European certification to all aircraft of our fleet – the EASA145
- We are making progress with the process to obtain the North American certification (FAR-145), with which we will be able to execute services in the aircraft registered in the USA.
- We created the concept of technological condominium, dividing our area in lots dedicated to the installation of our companies.
- We have also initiated an effort to increase our brand recognition worldwide, to promote the unit increasing visibility with both potential customers and investors.
- We signed contracts for LAN Group's aircraft maintenance

TAM Viagens Operations

- We updated the line of products and services from TAM Viagens, our travel agency, now we offer an even more personalized service to our customers.
- We reformulated TAM Viagens' website that now has a more modern design and new tools, allowing our customers to purchases online: www.tamviagens.com.

Financial Performance

Table 1: Total RASK and Yield Total, Scheduled Domestic and International

| | 2009 | | | 2008 | | | Variation (%) | | |
|---|-------------|-------------|----------------|-------------|-------------|----------------|---------------|-------------|----------------|
| | 1st quarter | 2nd quarter | Accum. To June | 1st quarter | 2nd quarter | Accum. To June | 1st quarter | 2nd quarter | Accum. To June |
| RASK scheduled domestic (cents) ² | 14.21 | 13.21 | 13.71 | 15.37 | 17.66 | 16.53 | -7.6 | -25.2 | -17.0 |
| Domestic Load factor - % | 63.1 | 61.4 | 62.2 | 69.9 | 68.1 | 69.0 | -6.8 p.p. | -6.7 p.p. | -6.7 p.p. |
| Yield Scheduled Domestic (cents of rea | 23.59 | 22.60 | 23.10 | 23.09 | 27.23 | 25.16 | 2.2 | -17.0 | -8.2 |
| RASK scheduled Internacional (cents) ² | 12.48 | 8.99 | 10.72 | 11.39 | 11.48 | 11.44 | 9.5 | -21.7 | -6.2 |
| International Load factor - % | 71.7 | 68.5 | 70.1 | 76.9 | 73.4 | 75.2 | -5.2 p.p. | -4.9 p.p. | -5.0 p.p. |
| Yield Scheduled International (cents of | 17.40 | 13.13 | 15.30 | 14.82 | 15.64 | 15.22 | 17.4 | -16.1 | 0.5 |
| RASK scheduled Internacional (cents oi | 5.39 | 4.61 | 5.49 | 6.51 | 7.21 | 7.18 | -17.3 | -36.1 | -23.5 |
| Yield Scheduled International (cents of | 7.52 | 6.73 | 7.84 | 8.47 | 9.83 | 9.56 | -11.3 | -31.6 | -18.0 |

(1) Includes Revenue PAX, Cargo and others

(2) Net of taxes

(3) Gross of taxes

- **Our total RASK decreased 20.9%**
- **Total CASK decreased by 10.4% in 2Q09 compared to 2Q08, and CASK excluding fuel increased 15.0%.**
- **EBIT and EBITDAR margins of (4.1)% and 8.3 % respectively.**
- **Net income of R\$ 788.9 million, a positive margin of 34.3%.**
- **Our total cash and cash equivalents equaled R\$ 1,057 million.**
- **Return on Equity (ROE) of (64.1)%.**
- **Return on Assets (ROA) of (6.2)%.**

Subsequent Event

Debentures Issuance

On July 24, 2009 our wholly owned subsidiary TAM Linhas Aereas S.A. made its first public issuance, which by restriction will only be directed to qualified investors, in compliance with the Brazilian Securities Commission's Instruction N. 476, from January 16, 2009, consisting of 600 regular bonds, not convertible into shares, in a single series, in cash with a real guarantee, with a unitary par value of R\$1,000,000.00, for a total amount of R\$600,000,000.00, and which it will expire July 24, 2013.

The Bonds are guaranteed by fiduciary assignment of receivables and by an additional surety guarantee, given by us, in favor of the bondholders.

The par value of the Bonds will be amortized in 13 quarterly and consecutive payments, to be made the 24th day of the months of January, April, July and October of each year, with the first payment due on July 24, 2010. The Bonds will pay established remunerative interest, based on the accumulative variation of 126.50% of the Daily Interbank deposit rate, calculated exponentially and cumulatively, pro-rated for the number of business days. The remunerative interest will be paid monthly on the 24th day of the month, beginning August 24, 2009.

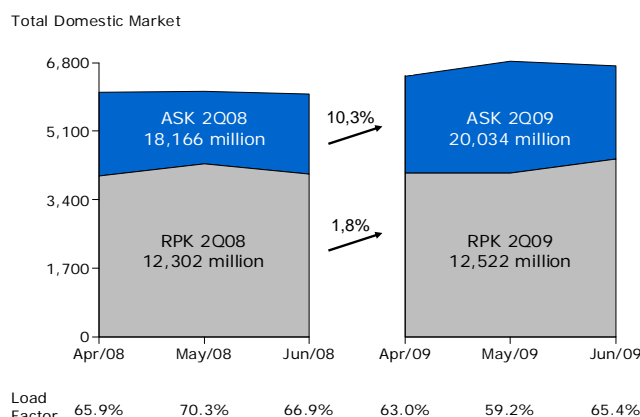
Planner DTVM Ltda. is the fiduciary agent for this Issuance.

BB - Banco de Investimento S.A. was also contracted as the leading coordinator of this Issue, as well as Banco Bradesco S.A. as the designated Issuance bank.

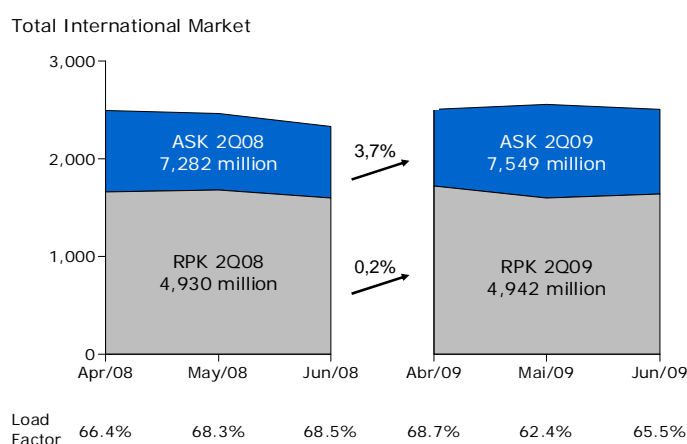
The monies obtained from this Issuance will be used to reinforce TAM Linhas Aereas S.A.'s working capital.

Market

Graph 1: Market growth in domestic and international markets (base 100)



Domestic Market - The domestic market demand increased 10.3% comparing 2Q09 vs. 2Q08 while there was an increase in supply of 1.8% in the same period. As a result, the industry's load factor decreased 5.2 p.p. to 62.5% in 2Q09 compared to 67.7% in 2Q08.



International Market - In the international market, both demand and supply increased by 0.2% and 3.7%, respectively, when comparing 2Q09 vs. 2Q08. These factors led to a decrease in industry load factor from 67.7% to 65.5% in 2Q08 and 2Q09, respectively.

Financial Results - BRGAAP

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 Reals and are stated in millions and cents of Reals. 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 result of percentage variances (from 2Q08 to 2Q09) may be different from the amounts shown in the tables below.

Table 2: Expenses – Quarter

| BR GAAP | 2nd quarter | | | | | |
|--|-------------------------|----------------|---------------|--------------------|------------------|---------------|
| | In cents of R\$ per ASK | | | In millions of R\$ | | |
| | 2009 | 2008 | Variation (%) | 2009 | 2008 | Variation (%) |
| Operational Income | 15.16 | 19.14 | -20.8 | 2,394.8 | 2,615.1 | -8.4 |
| Flight revenue | 13.20 | 17.48 | -24.5 | 2,085.1 | 2,388.7 | -12.7 |
| Domestic | 8.14 | 11.20 | -27.3 | 1,286.3 | 1,530.3 | -15.9 |
| International | 3.70 | 4.41 | -16.1 | 583.9 | 602.6 | -3.1 |
| Cargo | 1.36 | 1.87 | -27.3 | 214.9 | 255.8 | -16.0 |
| Other operating sales and/or services revenues | 1.96 | 1.66 | 18.1 | 309.7 | 226.4 | 36.8 |
| Sales deductions and taxes | (0.61) | (0.74) | -17.6 | (96.3) | (100.6) | -4.3 |
| Net operational income | 14.55 | 18.40 | -20.9 | 2,298.5 | 2,514.4 | -8.6 |
| Operational expenses | | | | | | |
| Fuel | (3.93) | (7.23) | -45.6 | (619.9) | (988.6) | -37.3 |
| Selling and marketing expenses | (1.58) | (1.66) | -4.8 | (249.3) | (227.0) | 9.8 |
| Aircraft, engines and equipment leasing | (0.86) | (0.74) | 16.2 | (136.1) | (100.9) | 34.9 |
| Personnel | (3.20) | (3.03) | 5.6 | (506.1) | (414.4) | 22.1 |
| Maintenance and reviews (except personnel) | (1.19) | (0.73) | 63.0 | (188.6) | (100.1) | 88.4 |
| Outsourced services | (1.18) | (1.26) | -6.3 | (186.1) | (171.6) | 8.4 |
| Landing and take-off and navigation charges | (0.99) | (0.89) | 11.2 | (156.1) | (121.5) | 28.5 |
| Depreciation and amortization | (0.95) | (0.55) | 72.7 | (150.7) | (75.3) | 100.1 |
| Aircraft insurance | (0.10) | (0.08) | 25.0 | (15.9) | (11.3) | 40.7 |
| Others | (1.53) | (1.14) | 34.2 | (242.0) | (155.5) | 55.6 |
| Total of operational expenses | (15.52) | (17.32) | -10.4 | (2,450.9) | (2,366.3) | 3.6 |
| Gross profit | (0.96) | 1.08 | N.A. | (152.4) | 148.2 | N.A. |
| Financial income (expense) | 8.13 | 2.74 | 196.7 | 1,283.9 | 373.8 | 243.5 |
| Other operating expenses. Net | 0.36 | (0.05) | N.A. | 57.1 | (6.4) | N.A. |
| Operating income (loss) | 7.53 | 3.77 | 99.7 | 1,188.6 | 515.5 | 130.6 |
| Income tax and social contribution | (2.53) | (1.31) | 93.1 | (399.1) | (178.9) | 123.1 |
| Income (loss) before minority interest | 5.00 | 2.46 | 103.3 | 789.5 | 336.7 | 134.5 |
| Minority interest | (0.00) | 0.00 | N.A. | (0.6) | 0.4 | N.A. |
| Net income (loss) for the period | 5.00 | 2.47 | 102.4 | 788.9 | 337.0 | 134.1 |
| EPS (R\$) | | | | 5.24 | 2.24 | 134.1 |
| EPS (USD) | | | | 2.68 | 1.41 | 90.9 |

Gross Revenue – Decreased 8.4% in 2Q09 compared to 2Q08, to R\$ 2,394.8 million, due to:

Domestic revenue - Decreased 15.9%, to R\$ 1,286.3 million due to the reduction in demand of 0.5% (in RPKs) and to the yield decrease of 17%.

International revenue - Decreased 3.1% to R\$ 583.9 due to the reduction of 16% in yield in Reais which was impacted by the depreciation of the Real against the US dollar of 22.6%, partially offset by the increase in demand of 15.1% (in RPKs) .

Cargo revenue - Decreased 16.0%, to R\$ 214.9 million mainly due to the slowdown in the global economic activity, reducing our transported volumes.

Other revenues - Increased 36.8% to R\$ 309.7 million due to the increase in sales of our loyalty program points in 54% to R\$ 156 million.

Operational expenses - Increased by 3.6% to R\$ 2,450.9 million, 8.4% in 2Q09 compared to 2Q08 due to the increase in expenses of depreciation and amortization, maintenance and repairs and other expenses and to the depreciation of the Real in 22.6%. The **CASK** decreased 10.4% to 15.52 Real cents and the **CASK excluding fuel expenses** increased 15.0% to 11.59 Real cents.

Fuel - Decreased 37.3% to R\$ 619.9 million, mainly due to the decrease in the average price per liter of 41.8% and the increase of 7.7% in the average stage length, partially compensated by the 7.8% increase in liters consumed and the depreciation of 22.6% of the Real. Per ASK decreased 45.6%.

Sales and Marketing - Increased 9.8% to R\$ 249.3, representing 10.8% of total net revenues, an increase of 1.8 p.p.. The main reason was the increase in international sales (passenger and cargo) which has higher commercial expenses, partially offset by the incentive expenses reduction in the domestic market. Per ASK decreased 4.8%.

Aircraft and equipment leasing - Increased by 34.9% to R\$ 136.1 million, mostly due to the 22.6% depreciation of the Real against the US dollar partially compensated by the Libor interest rate decrease and by the reduction of one aircraft classified as operational lease. Per ASK increased 16.2%.

Personnel expenses - Increased by 22.1% to R\$ 506.1 million, mainly due to 5.6% increase in headcount from 22,911 to 24,192, related to the incorporation of new aircraft types into our fleet, new international stations and the annual salary increase of 8% since December 2008. Per ASK increased 5.6%.

Maintenance and repairs (except personnel) - Increased 88.4% to R\$ 188.6 million, mainly due to engine maintenance, to the net increase in our fleet in 19 aircraft, to the increase in flown hours of 9.9% and the depreciation of the Real against the US dollar of 22.6%, partially compensated by the change in our fleet mix (eliminating from our fleet the F100 and MD11 models). Per ASK increased 63%.

Third party services - Increased by 8.4% to R\$ 186.1 million due to the increase in consulting services, the increase in our international operations (expenses related to international stations and the international distribution – GDS Global Distribution System)) and by the depreciation of the Real against the US dollar of 22.6%. Per ASK decreased 6.3%.

Landing, take-off and navigation charges - Increased 28.5% to R\$ 156.1 million, due to the increase in international flights, which expenses are higher than the domestic ones, the navigation charges as a consequence of the increase of 11.7% in kilometers flown, the increase of 3.8% in take-offs and the depreciation of the real in 22.6%. Per ASK increased 11.2%.

Depreciation and amortization - Increased 100.1% to R\$ 150.7 million, mainly due to the increase of 20 aircraft classified as financial lease. Per ASK increased 72.7%.

Aircraft insurance - Increased 40.7% to R\$ 15.9 million, mainly due to the net increase of 19 aircraft in our fleet and by the depreciation of the Real against the US dollar of 22.6%, compensated by a reduction of 6% in the number of passengers transported. Per ASK increased 25.0%.

Other operating expenses - Increased by 55.6% to R\$ 242.0 million due to the depreciation of the Real against the US dollar of 22.6%, impacting mainly the expenses related to the international operations. This item is comprised by general provisions, items related to on board services, expenses with passengers, interrupted flights, crew and other expenses. Per ASK increased 34.2%.

Net financial result - Our net financial result presented positive result of R\$ 1,283.9 million, mainly due to the positive impact of the exchange rate compared to the 1Q09 that impacted our balance sheet and the mark to market of our future fuel hedge positions.

Net Income - Our result was a net income of R\$ 788.9 million, as a result of the matters above discussed that represented an increase of 20.9 p.p. in margin, to a positive margin of 34.3%.

Table 3: EBITDAR, EBITDA e EBIT calculation

| | 2009 | | | 2008 | | | Variation (%) | | |
|-------------------------------------|--------------|---------------|----------------|--------------|--------------|----------------|---------------|--------------|----------------|
| | 1st quarter | 2nd quarter | Accum. To June | 1st quarter | 2nd quarter | Accum. To June | 1st quarter | 2nd quarter | Accum. To June |
| Net income before minority interest | 62.4 | 789.5 | 852 | 58.4 | 336.7 | 395 | 7% | 135% | 116% |
| Income tax and social contribution | 35.0 | 399.1 | 434 | 41.7 | 178.9 | 221 | -16% | 123% | 97% |
| Financial result, net | 91.3 | (1,283.9) | -1,193 | (16.0) | (373.8) | -390 | -670% | 244% | 206% |
| EBIT | 188.7 | (95.3) | 93 | 84.2 | 141.8 | 226 | 124% | -167% | -59% |
| Depreciation and amortization | 137.6 | 150.7 | 288 | 96.6 | 75.3 | 172 | 42% | 100% | 68% |
| EBITDA | 326.3 | 55.4 | 382 | 180.8 | 217.1 | 398 | 80% | -74% | -4% |
| Rental - Leasing | 173.0 | 136.1 | 309 | 125.6 | 100.9 | 227 | 38% | 35% | 36% |
| EBITDAR | 499.3 | 191.5 | 691 | 306.4 | 318.1 | 624 | 63% | -40% | 11% |
| Net revenue | 2,639.0 | 2,298.5 | 4,938 | 2,260.3 | 2,514.4 | 4,775 | 17% | -9% | 3% |
| Margins: | | | | | | | | | |
| EBIT | 7.2 | (4.1) | 1.9 | 3.7 | 5.6 | 4.7 | 3.4 p.p. | -9.8 p.p. | -2.8 p.p. |
| EBITDA | 12.4 | 2.4 | 7.7 | 8.0 | 8.6 | 8.3 | 4.4 p.p. | -6.2 p.p. | -0.6 p.p. |
| EBITDAR | 18.9 | 8.3 | 14.0 | 13.6 | 12.6 | 13.1 | 5.4 p.p. | -4.3 p.p. | 0.9 p.p. |

EBIT - EBIT margin was (4.1) %, a reduction of 9.8 p.p., reaching R\$ (95.3) million, it was a consequence of the reduction of 10.4% in CASK and of the 20.9% RASK reduction.

EBITDAR - EBITDAR margin was 8.3 %, reaching R\$ 191.5 million, representing a reduction in the EBITDAR margin of 4.3 p.p. given the facts above mentioned in our revenues and expenses.

Summary of Key Accounting Differences

We are providing the summary below to assist our investors in understanding the key changes to our financial disclosure as we make our transition to financial statements prepared in accordance with IFRS (as issued by the IASB) from our previous presentation of financial statements prepared in accordance with Brazilian GAAP with a US GAAP reconciliation – item “A. Summary of Key Accounting Differences as they relate to us”, as well as to explain a change in our accounting treatment for some of our engine maintenance contracts – item “B. Our new accounting treatment for “power by the hour” maintenance contracts”.

A. Summary of Key Accounting Differences as they relate to us

Classification of flight equipment as financial leases

Under IFRS, finance leases are defined as leases which transfer substantially all risks and rewards to the lessee. While there are no specific rules which define when substantially all risks and rewards have been transferred, under IFRS the following criteria typically indicate that the lessee has assumed substantially all risks and rewards:

- the lease transfers ownership of the property to the lessee by the end of the lease;
- the lease contains a bargain purchase option for a price below market value;
- the lease term covers the majority of the economic life of the leased asset;
- the present value of the minimum lease payments at the beginning of the term of the lease amounts to at least substantially all of the fair value of the leased asset; and
- the leased asset is of a specialized nature, such that only the lessee is able to use that asset without major modifications.

Brazilian GAAP has no specific requirement in relation to defining a “finance lease” or accounting for leases. Under Brazilian GAAP we recognized contracts where the lessee had a bargain purchase option for the applicable asset as a finance lease, and treated all other leases as operating leases

Accounting for sale-leaseback transactions

Under IFRS, a sale-leaseback transaction where the resulting lease is a finance lease is treated as a single transaction pursuant to which any gain or loss for the seller (who becomes the lessee) is deferred and amortized over the term of the lease. Accordingly, under IFRS gains and losses in relation to sale-leaseback transactions are amortized over the lease term. Brazilian GAAP has no specific requirement in relation to accounting for sale-leaseback transactions. Under Brazilian GAAP, we recognized any gains or losses from sale-leaseback transactions on our income statement at the time of the transaction.

Built-in overhaul accounting for aircraft engine maintenance

Under IFRS, we apply the “built-in overhaul” method in relation to aircraft engine maintenance. This means that we segregate aircraft expenses into two groups, the first being expenses that should be depreciated over the useful life of an aircraft and the second being expenses that require overhaul at periodic intervals. In our case, under IFRS major maintenance expenditure is capitalized and depreciated over the period to the next scheduled maintenance event. We also applied the built-in overhaul method under Brazilian GAAP. However, the aircraft engines covered by the built-in overhaul method were different because only those engines that were covered by finance leases were subject to accounting under the built-in overhaul method. Under Brazilian GAAP, we expensed engine maintenance as incurred for aircraft engines under operating leases.

Revaluation of aircraft

Under IFRS, we revalue our aircraft annually. Under Brazilian GAAP, we recorded the value of our aircraft on a historical expense basis. We engaged a firm of independent valuation experts to conduct the annual revaluation of our aircraft under IFRS.

Revenue in relation to 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 taking flights 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 taking flights with us, we recorded a liability and related expense for incremental expenses in relation to the redemption of outstanding loyalty points. Under Brazilian GAAP, with respect to revenue from points sold to loyalty program partners, we recorded revenue from points issued to our loyalty program partners at the time those points were issued to participants.

Accounting for pre-delivery payments (PDPs)

Under IFRS, we account for pre-delivery payments, or “PDPs” (which are payments we make to aircraft manufacturers pursuant to agreements where we agree to purchase aircraft from them, with the payments being made before the aircraft are delivered) as non-monetary items, with no exchange differences arising in relation to payments in currencies other than Brazilian *reais*, because we do not have a contractual right for the PDPs to be refunded. We capitalize borrowing expenses in relation to PDPs under IFRS. Under Brazilian GAAP, we recognized PDPs as accounts receivable because based on our prior experience, the aircraft manufacturers refunded PDPs to us. Correspondingly, we recognized exchange differences arising in relation to payments in currencies other than Brazilian *reais* on our income statement.

Expense recognition for stock options issued to employees

Under IFRS, we measure and record the expense of employee services in exchange for stock options based on the grant-date fair value of those awards. This expense is then recognized over the period during which the employee is required to work for us in relation to that award. We estimate the value of the stock options based on the fair value of our preferred shares on the date the grant is made using the “Black-Scholes option pricing model.” Under Brazilian GAAP, the granting of stock options itself did not generate any expense and so the only accounting impact was on the date that the options were exercised, when we increased our capital by the applicable amount based on the exercise price of the options.

Financial statement captions and disclosures

Under IFRS, the presentation of line items on our income statement and on our balance sheet is different to that under Brazilian GAAP. We have included tables below to facilitate understanding of the new presentation

With respect to our income statement:

| Income or expense | Classification under IFRS | Classification under Brazilian GAAP |
|--|--|--|
| Gains and losses arising from the disposal of property, plant and equipment or from investments or impairments of fixed assets | Operating income (expense) | Non-operating income (expense) |
| Movements in the fair value of derivatives relating to the price of oil | The movements are classified as a separate line item | Financial result |
| Gains and losses from minority interests in entities not owned by us | Included as part of "net income (loss)" | Classified as a separate line item |

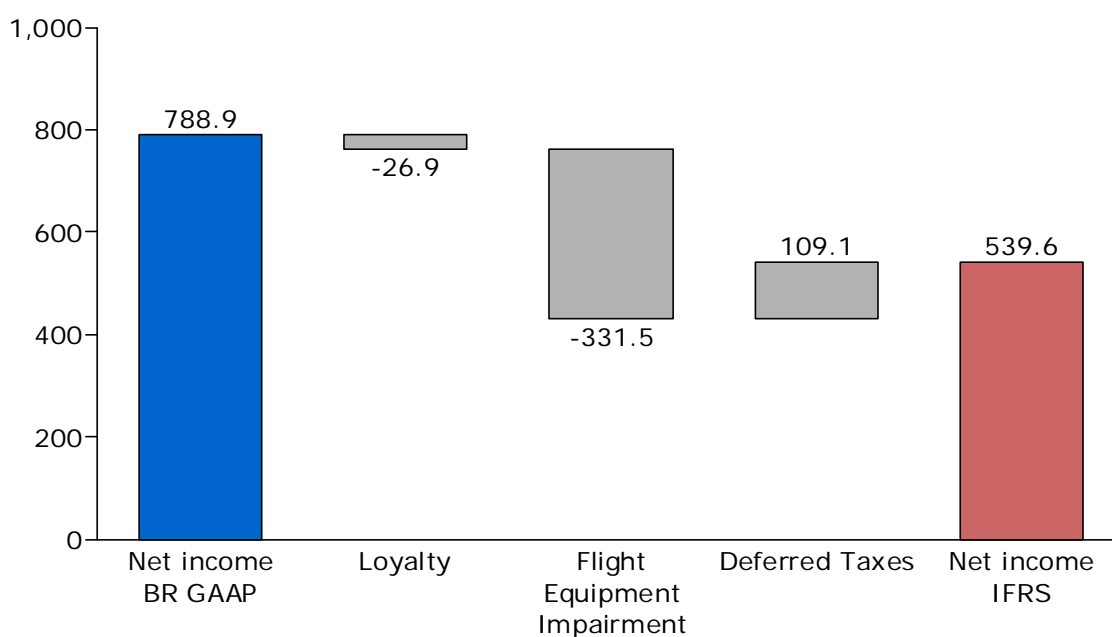
With respect to our balance sheet:

| Asset or liability | Classification under IFRS | Classification under Brazilian GAAP |
|--|----------------------------------|--|
| Our funds | Marketable securities | 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.

Graph 2: Net Income Reconciliation BR GAAP to IFRS – 2Q09

Net income reconciliation - 2Q09
R\$ Million



In the second quarter 2009, the impact of such accounting differences in our net result was negative to the IFRS result in R\$ 249 million.

B. Our new accounting treatment for “power by the hour” maintenance contracts

Approximately a quarter of the aircraft engines in our fleet are covered by “power by the hour” maintenance contracts, pursuant to which we pay maintenance service providers an hourly rate based on the number of hours flown. Previously, we accounted for these maintenance contracts by recording an expense on our income statement at the time that maintenance activities were actually performed by the maintenance providers. We now account for these maintenance contracts by accruing a liability and an expense based on hours flown, and this is reflected in our IFRS financial statements at and for the years ended December 31, 2008 and 2007.

Financial Performance – IFRS

Table 4: Expenses – Quarter

| IFRS | In cents of R\$ per ASK | | | 2nd quarter In millions of R\$ | | |
|--|-------------------------|----------------|---------------|-----------------------------------|------------------|---------------|
| | 2009 | 2008 | Variation (%) | 2009 | 2008 | Variation (%) |
| | | | | | | |
| Operational Income | 14.96 | 18.98 | -21.2 | 2,363.0 | 2,593.9 | -8.9 |
| Flight revenue | 13.20 | 17.48 | -24.5 | 2,085.1 | 2,388.7 | -12.7 |
| Domestic | 8.14 | 11.20 | -27.3 | 1,286.3 | 1,530.3 | -15.9 |
| International | 3.70 | 4.41 | -16.1 | 583.9 | 602.6 | -3.1 |
| Cargo | 1.36 | 1.87 | -27.3 | 214.9 | 255.8 | -16.0 |
| Other operating sales and/or services revenues | 1.76 | 1.50 | 17.3 | 277.8 | 205.2 | 35.4 |
| Sales deductions and taxes | (0.59) | (0.72) | -18.1 | (93.4) | (98.7) | -5.4 |
| Net operational income | 14.37 | 18.26 | -21.3 | 2,269.6 | 2,495.2 | -9.0 |
| Operational expenses | | | | | | |
| Fuel | (3.93) | (7.23) | -45.6 | (619.9) | (988.6) | -37.3 |
| Selling and marketing expenses | (1.57) | (1.64) | -4.3 | (247.3) | (223.5) | 10.6 |
| Aircraft, engines and equipment leasing | (0.86) | (0.74) | 16.2 | (136.1) | (100.9) | 34.9 |
| Personnel | (3.20) | (3.03) | 5.6 | (506.1) | (414.4) | 22.1 |
| Maintenance and repairs (except personnel) | (1.19) | (0.73) | 63.0 | (188.6) | (100.1) | 88.4 |
| Outsourced services | (1.18) | (1.26) | -6.3 | (186.1) | (171.6) | 8.4 |
| Landing and take-off and navigation charges | (0.99) | (0.89) | 11.2 | (156.1) | (121.5) | 28.5 |
| Depreciation and amortization | (1.15) | (0.58) | 98.3 | (181.0) | (79.4) | 128.0 |
| Aircraft insurance | (0.10) | (0.08) | 25.0 | (15.9) | (11.3) | 40.7 |
| Others | (1.17) | (1.18) | -0.8 | (184.8) | (161.9) | 14.1 |
| Total of operational expenses | (15.34) | (17.37) | -11.7 | (2,422.0) | (2,373.1) | 2.1 |
| Operating profit before movements in fair value of fuel derivatives and revaluation of aircraft | (0.96) | 0.89 | N.A. | (152.4) | 122.2 | N.A. |
| Movements in fair value of fuel derivatives | 1.97 | 0.53 | 271.7 | 311.1 | 73.1 | 325.6 |
| Gains/(losses) on revaluation of aircraft recognized in the income statement | (1.91) | (0.88) | 117.0 | (301.2) | (120.7) | 149.5 |
| Operating (loss)/profit | (0.90) | 0.55 | N.A. | (142.5) | 74.5 | N.A. |
| Financial income | 7.76 | 4.48 | 73.2 | 1,224.8 | 611.5 | 100.3 |
| Financial expense | (1.60) | (2.27) | -29.5 | (252.0) | (310.9) | -18.9 |
| Income (loss) before income and social contribution taxes | 5.26 | 2.75 | 91.3 | 830.3 | 375.2 | 121.3 |
| Income tax and social contribution | (1.84) | (0.98) | 87.8 | (290.0) | (134.2) | 116.1 |
| Income (loss) before minority interest | (0.00) | 0.00 | N.A. | (0.6) | 0.4 | N.A. |
| Minority interest | | | | | | |
| Net income (loss) for the period | | | | 539.6 | 241.4 | 123.5 |
| EPS (R\$) | | | | 3.58 | 1.60 | 123.6 |
| EPS (USD) | | | | 1.84 | 1.01 | 82.3 |

Gross Revenue – Decreased 8.9% in 2Q09 compared to 2Q08, to R\$ 2,363.0 million, due to:

Domestic revenue - Decreased 15.9%, to R\$ 1,286.3 million due to the reduction in demand of 0.5% (in RPKs) and to the yield decrease of 17%.

International revenue - Decreased 3.1% to R\$ 583.9 due to the yield in Reais decrease of 16% which was impacted by the depreciation of the Real against the US dollar of 22.6%, partially offset by the increase in demand of 15.1% (in RPKs).

Cargo revenue - Decreased 16%, to R\$ 214.9 million mainly due to the slowdown in the global economic activity, reducing our transported volumes.

Other revenues - increased 35.4% to R\$ 277.8 million due to the increase in sales of our loyalty programs points in 55% to R\$ 124 million.

Operational expenses - Increased by 2.1% to R\$ 2,422.0 million, in 2Q09 compared to 2Q08 due to the increase in expenses of depreciation and amortization, maintenance and repairs, aircraft insurance third party services and the depreciation of the Real in 22.6%. The **CASK** decreased 11.7% to 15.34 Real cents and the **CASK excluding fuel expenses** increased 12.6% to 11.41 Real cents.

Fuel - Decreased 37.3% to R\$ 619.9 million mainly due to the decrease in the average expense per liter of 41.8% and the increase of 7.7% in the average stage length, partially compensated by the 7.8% increase in liters consumed and the 22.6% depreciation of the Real. Per ASK decreased 45.6%.

Sales and Marketing - Increased by 10.6% to R\$ 247.3 million, representing 10.9% of total net revenues, an increase of 1.9 p.p.. The main reason was the increase in international sales (passenger and cargo) which has higher commercial expenses, partially offset by the incentive expenses reduction in the domestic market. Per ASK reduced 4.3%.

Aircraft, engine and equipment leasing - Increased by 34.9% to R\$ 136.1 million, mostly due to the 22.6% depreciation of the Real against the US dollar partially compensated by the Libor interest rate decrease and by the reduction of 1 aircraft classified as operational lease. Per ASK increased 16.2%.

Personnel expenses - Increased by 22.1% to R\$ 506.1 million, principally due to the 5.6% increase in headcount from 22,911 to 24,192, to the incorporation of new aircraft types in our fleet, new international stations and the annual salary increase of 8% since December 2008. Per ASK increased 5.6%.

Maintenance and repairs (except personnel) - Increased 88.4% to R\$ 188.6 million, mainly due to the engine maintenance, the net increase in our fleet of 19 aircraft, to the increase in flight hours of 9.9% and the depreciation of the Real against the US dollar of 22.6%, partially compensated by the change in our fleet mix (eliminating from our fleet the F100 and MD11 models). Per ASK increased 63%.

Third party services - Increased by 8.4% to R\$ 186.1 million due to the increase in consulting services, increase in our international operations (expenses related to international stations and the international distribution – GDS (Global Distribution System)) and by the depreciation of the Real against the US dollar of 22.6%. Per ASK decreased 6.3%

Landing, take-off and navigation charges - Increased 28.5% to R\$ 156.1 million, due to the increase in international flights, which expenses are higher than the domestic ones, the navigation charges in consequence of the increase of 11.7% in kilometers flown, the increase of 3.8% in take-offs and the depreciation of the real in 22.6%. Per ASK increased 11.2%.

Depreciation and amortization - Increased 128% to R\$ 181.0, mainly due to the increase of 20 aircraft classified as financial leases and to the results of our assets revaluation. Per ASK increased 98.3%.

Aircraft insurance - Increased 40.7% to R\$ 15.9 million, mainly due to the net increase of 19 aircraft in our fleet compared to 2Q08 and by the depreciation of the Real against the US dollar of 22.6%, compensated by the reduction in the number of passengers transported in 6.0%. Per ASK increased 25%.

Other expenses - Increased by 14.1% to R\$ 184.8 million due to the depreciation of the Real against the US dollar of 22.6%, impacting mainly the expenses related to the international operations. This item is comprised by general provisions, items related to on board services, expenses with passengers, interrupted flights, crew and other expenses. Per ASK decreased 0.8%.

Net financial result – Presented an income of R\$ 1,224.8, mainly due to the positive impact of the exchange rate compared to the 1Q09 that impacted our balance sheet and the mark to market of our future fuel hedge positions.

Net Income - A an income of R\$ 539.6 million, as a result of the matters above discussed that represented an increase of 14.1 p.p. in margin, to a positive record of 23.8%.

Table 5: EBITDAR, EBITDA e EBIT calculation

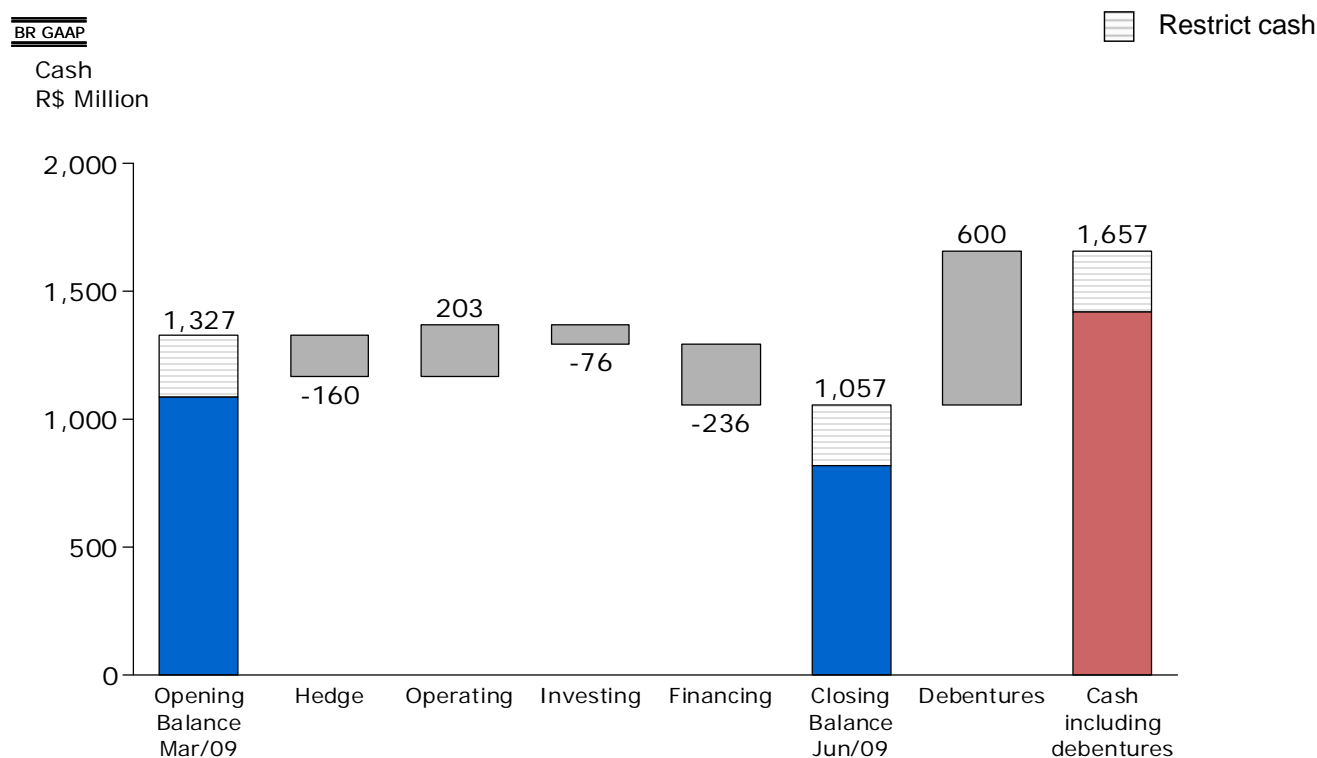
| | 2009 | | | 2008 | | | Variation (%) | | |
|-------------------------------------|--------------|----------------|----------------|--------------|--------------|----------------|-----------------|------------------|------------------|
| | 1st quarter | 2nd quarter | Accum. To June | 1st quarter | 2nd quarter | Accum. To June | 1st quarter | 2nd quarter | Accum. To June |
| Net income before minority interest | 17.7 | 540.2 | 558 | 28.9 | 241.0 | 270 | -39% | 124% | 107% |
| Income tax and social contribution | 26.3 | 290.0 | 316 | 37.4 | 134.2 | 172 | -30% | 116% | 84% |
| Financial result, net | 29.0 | (972.7) | -944 | (12.5) | (300.7) | -313 | -332% | 224% | 201% |
| EBIT | 72.9 | (142.5) | -70 | 53.8 | 74.5 | 128 | 36% | -291% | -154% |
| Depreciation and amortization | 167.8 | 181.0 | 349 | 100.6 | 79.4 | 180 | 67% | 128% | 94% |
| EBITDA | 240.7 | 38.5 | 279 | 154.4 | 153.9 | 308 | 56% | -75% | -9% |
| Rental - Leasing | 173.0 | 136.1 | 309 | 125.6 | 100.9 | 227 | 38% | 35% | 36% |
| EBITDAR | 413.7 | 174.6 | 588 | 280.0 | 254.8 | 535 | 48% | -31% | 10% |
| Net revenue | 2,617.8 | 2,269.6 | 4,887 | 2,242.2 | 2,495.2 | 4,737 | 17% | -9% | 3% |
| Margins: | | | | | | | | | |
| EBIT | 2.8 | (6.3) | (1.4) | 2.4 | 3.0 | 2.7 | 0.4 p.p. | -9.3 p.p. | -4.1 p.p. |
| EBITDA | 9.2 | 1.7 | 5.7 | 6.9 | 6.2 | 6.5 | 2.3 p.p. | -4.5 p.p. | -0.8 p.p. |
| EBITDAR | 15.8 | 7.7 | 12.0 | 12.5 | 10.2 | 11.3 | 3.3 p.p. | -2.5 p.p. | 0.7 p.p. |

EBIT - EBIT margin was (6.3)% to R\$ (142.5), representing a reduction of 9.3 p.p.. It was a consequence of the reduction of 11.7% in CASK and of 21.3% RASK reduction.

EBITDAR - EBITDAR margin was 7.7 % reaching R\$ 174.6 million, representing a reduction in the EBITDAR margin of 2.5 p.p. given the facts above mentioned.

Cash Flow

Graph 3: Cash flow – Quarter



Cash flow from operating activities - Operational activities generated R\$ 43 million in 2Q089, considering the negative impact of the hedge contracts maturation representing of R\$ 160 million.


Cash flow used in investing activities - Cash used in investing activities in 2Q09 represented R\$ 76 million, mainly due to property, plant and equipment acquisition, ground support equipments and intangible assets.

Cash flow from financing activities - Cash used in financing activities in 2Q09 was R\$ 236 million, mainly due to lease payments.

Hedge

With regards to the fuel hedge, we did not change our future positions.

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



The hedge renegotiation avoided a cash outflow of USD 95 million in the first half of the year

1 - Volume in thousand barrels
 2 - Average strike (USD/barrel)
 3 - Projected consumption covered

For the next 12 months following June 30, 2009, the coverage accounts for 25% of the anticipated consumption. The average strike for transactions in the same period is now US\$ 113 per barrel. Approximately 65% of the volume in WTI barrels, as of the end of the first quarter, had been renegotiated, representing a reduction of around US\$ 95 million of expected disbursements in the first half of 2009.

Indebtedness

Our total liability presented in the balance sheet at the end of the 2Q09 was R\$ 6,833.8 million of which 92% was denominated in foreign currency.

Table 6: Breakdown and Maturity of financial debt

| US GAAP | | | | | | | | | R\$ thousand | |
|--------------------------------|----------------|------------------|------------------------------------|----------------|----------------|------------------|-------------|--|---------------------|--|
| | | | | | | | | | 06.30.2009 | |
| Year | Loans | Lease payable | Reorganization of Fokker 100 fleet | Debentures | Bonds | Total | % Total | Leases not included in the balance sheet | Total Debt Adjusted | |
| 2009 | 267,256 | 602,632 | 18,032 | 22,004 | 7,676 | 917,600 | 13% | 215,956 | 1,133,556 | |
| 2010 | 13,291 | 188,332 | 8,757 | 166,667 | 0 | 377,047 | 6% | 411,514 | 788,561 | |
| 2011 | 98,730 | 550,725 | 13,542 | 166,667 | 0 | 829,664 | 12% | 389,664 | 1,219,328 | |
| 2012 | 4,846 | 538,705 | 0 | 166,667 | 0 | 710,218 | 10% | 325,741 | 1,035,959 | |
| 2013 | 943 | 589,656 | 0 | 0 | 0 | 590,599 | 9% | 223,211 | 813,810 | |
| After 2013 | 8,225 | 2,814,924 | 0 | 0 | 585,480 | 3,408,629 | 50% | 249,166 | 3,657,795 | |
| | 393,291 | 5,284,974 | 40,331 | 522,004 | 593,156 | 6,833,756 | 100% | 1,815,252 | 8,649,008 | |
| Foreign currency - denominated | 343,643 | 5,284,974 | 40,331 | 0 | 593,156 | 6,262,104 | 92% | 1,815,252 | 8,077,356 | |
| Local currency - denominated | 49,648 | 0 | 0 | 522,004 | 0 | 571,652 | 8% | 0 | 571,652 | |

Considering also the off balance sheet debt related to operating leases, our debt reaches R\$ 8,649.0 million.

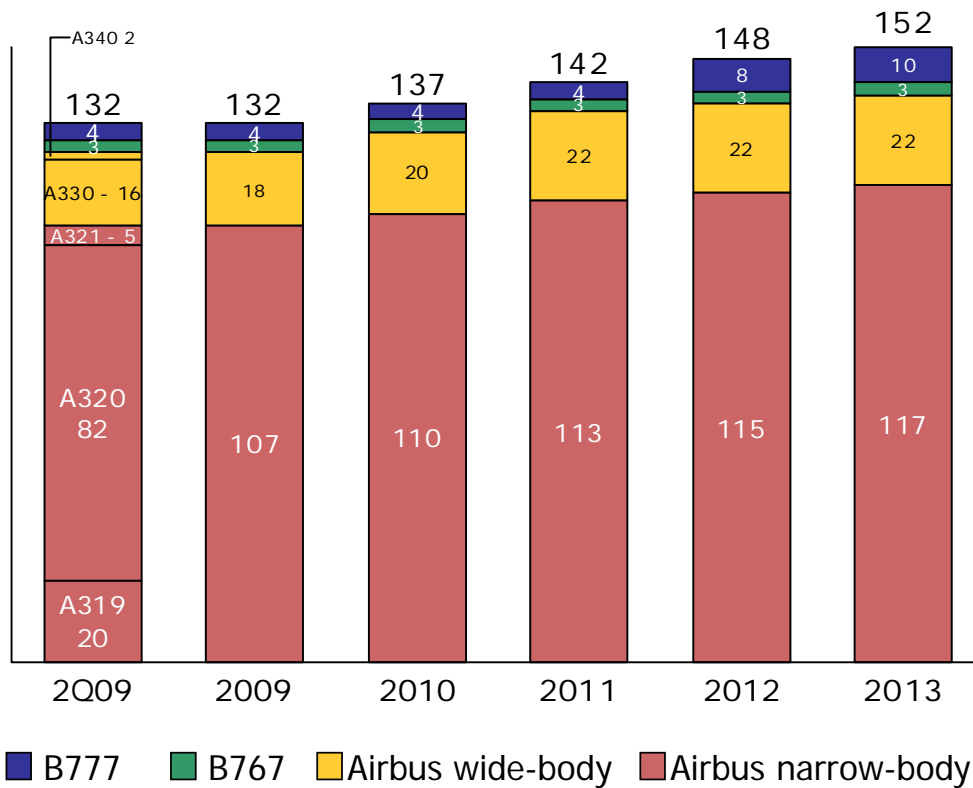
Estimates

We are confident regarding the domestic market recovery, and we decided to revise our demand guidance for 2009. We are increasing the guidance to a range between 7 and 10%, remembering until July it grew 6.6%. Aiming to preserve the cash outflow in this challenging year, we took the decision to postpone the launch of the new international flight, once there are several initial costs related to a new destination.

| | | Guidance 2009 | Realized Jan-Jul |
|---------------|--|---------------|------------------|
| Market | ● Domestic market demand growth (in RPK terms) | 7%-10% | 6.6% |
| | ● Maintain leadership | | |
| TAM | ➔ Domestic Market | --- | 47.1% |
| | ➔ International market | --- | 86.4% |
| | ● ASK growth of | | |
| | ➔ Domestic Market | 8% | 10.6% |
| | ➔ Domestic Market | 20% | 22.6% |
| | ● Average load factor at approximately | 67% | 66.9% |
| | ● One new international destination or frequency in 2009 | 1 | --- |

Graph 4: Fleet projection at year end

Total Fleet
(End of Period)



We already have a pre financing commitment for the aircraft to be received this year. The average age of our fleet is 5.8 years. Currently we already have 132 aircraft incorporated, the same amount we will end the year.

Table 7: Type of Leases – 2Q09

| Model | Capacity | Total | | Type of Leases | | | |
|--------------------------|-----------------|-------------|------------|----------------|-----------|-------------|-----------|
| | | | | Financial | | Operational | |
| | | 2nd quarter | | | | | |
| | | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| B777 | 365 seats | 4 | - | 4 | - | - | - |
| MD-11 | 289 seats | - | 3 | - | - | - | 3 |
| A340 | 267 seats | 2 | 2 | 2 | 2 | - | - |
| A330 | 212 / 213 seats | 16 | 12 | 14 | 10 | 2 | 2 |
| B767 | 205 seats | 3 | 2 | 3 | 2 | - | - |
| Total Wide Body | | 25 | 19 | 23 | 14 | 2 | 5 |
| A321 | 220 seats | 5 | 3 | 5 | 3 | - | - |
| A320 | 156 / 174 seats | 82 | 74 | 27 | 20 | 55 | 54 |
| A319 | 144 seats | 20 | 15 | 11 | 9 | 9 | 6 |
| F-100 | 108 seats | - | 2 | - | - | - | 2 |
| Total Narrow Body | | 107 | 94 | 43 | 32 | 64 | 62 |
| Total | | 132 | 113 | 66 | 46 | 66 | 67 |

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.

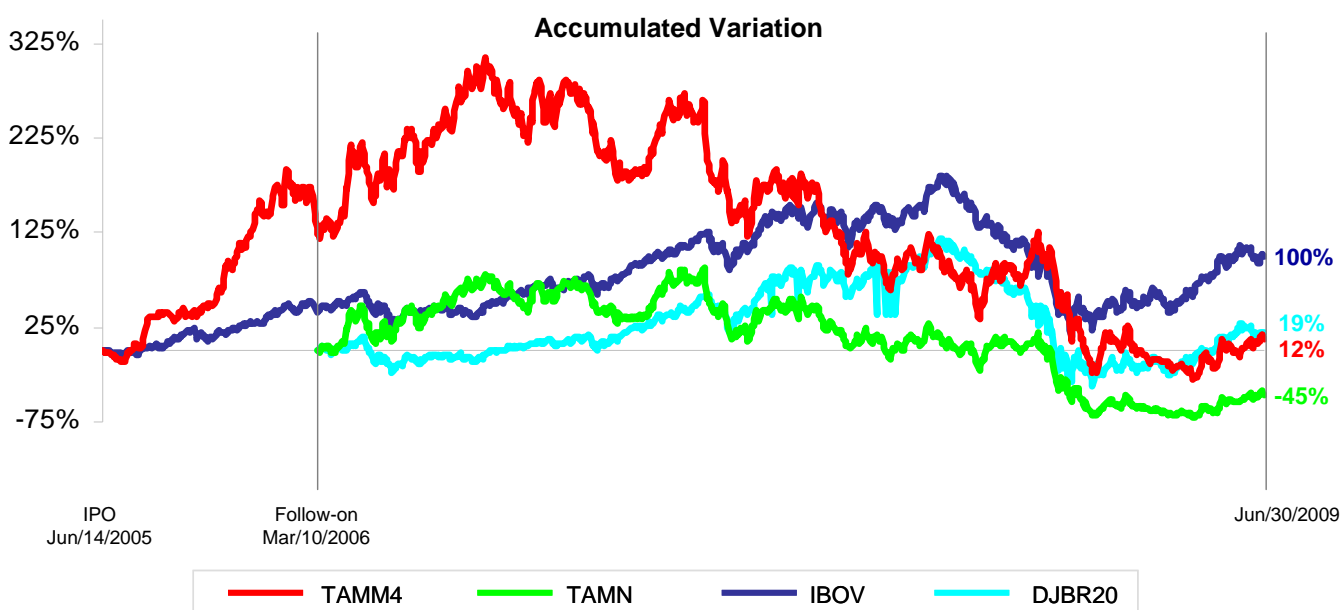
Stock Market

Table 8: Shareholders' position in June 30, 2009

| Shareholders | Ordinary Shares | (%) | Preferential Shares | (%) | TOTAL | (%) |
|---|-------------------|----------------|---------------------|----------------|--------------------|----------------|
| Controlling Shareholders | 44,883,754 | 89.42% | 24,768,755 | 24.67% | 69,652,509 | 46.25% |
| 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% |
| Other | 5,311,295 | 10.58% | 75,621,343 | 75.33% | 80,932,638 | 53.75% |
| 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% |
| Total | 50,195,049 | 100.00% | 100,390,098 | 100.00% | 150,585,147 | 100.00% |

In June 30, 2009, our market value was R\$ 3.0 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\$ 17.5 million and USD 7.3 million, in BOVESPA and NYSE respectively in 2Q09.

Graph 5: Stock Performance



Tables

Table 9: Operating data

| | 2009 | | 2008 | | Variation (%) | |
|--|-------------|-----------|-------------|-----------|---------------|-----------|
| | | Accum. To | | Accum. To | | Accum. To |
| | 2nd quarter | June | 2nd quarter | June | 2nd quarter | June |
| Total | | | | | | |
| Passengers transported (thousand) | 7,086 | 14,411 | 7,539 | 15,091 | -6.0 | -4.5 |
| RPK (million) | 10,179 | 20,984 | 9,624 | 19,727 | 5.8 | 6.4 |
| ASK (million) | 15,793 | 31,897 | 13,665 | 27,464 | 15.6 | 16.1 |
| Load factor - % | 64.4 | 65.8 | 70.4 | 71.8 | -6.0 p.p. | -6.0 p.p. |
| Break-even load factor (BELF) - % | 68.7 | 64.8 | 66.3 | 68.5 | 2.4 p.p. | -3.7 p.p. |
| Average tariff | 264 | 285 | 283 | 269 | -6.7 | 5.8 |
| Flight hours | 137,467 | 278,607 | 125,140 | 251,466 | 9.9 | 10.8 |
| Kilometers flown by aircraft (million) | 82,982 | 168,227 | 74,271 | 149,718 | 11.7 | 12.4 |
| Liters of fuel (million) | 535,653 | 1,086,364 | 497,114 | 997,894 | 7.8 | 8.9 |
| Aircraft utilization (hours per day) | 11.6 | 11.8 | 12.7 | 25.3 | -8.3 | -53.3 |
| Aircraft utilization by track (hours per day) ¹ | 12.2 | 12.4 | 13.6 | 13.6 | -10.1 | -8.9 |
| Landings | 69,616 | 141,357 | 67,091 | 134,631 | 3.8 | 5.0 |
| Stage Length | 1,192 | 1,190 | 1,107 | 1,112 | 7.7 | 7.0 |
| Total number of employees | 24,192 | 24,192 | 22,911 | 22,911 | 5.6 | 5.6 |
| - TAM Linhas Aéreas | 23,460 | 23,460 | 22,053 | 22,053 | 6.4 | 6.4 |
| - TAM Mercosur (TAM Airlines) | 437 | 437 | 635 | 635 | -31.2 | -31.2 |
| - TAM Fidelidade (TAM Viagens) | 295 | 295 | 223 | 223 | 32.3 | 32.3 |
| WTI-NY end (NYMEX) (in US\$/Barrel) | 70.6 | 70.6 | 140 | 140 | -49.6 | -49.6 |
| End of period exchange rate | 1.9516 | 1.9516 | 1.5919 | 1.5919 | 22.6 | 22.6 |
| Domestic Market | | | | | | |
| Paid passengers transported (thousand) | 5,988 | 12,190 | 6,449 | 12,835 | -7.1 | -5.0 |
| RPK domestic (million) | 5,743 | 11,975 | 5,771 | 11,734 | -0.5 | 2.0 |
| RPK scheduled domestic (million) | 5,609 | 11,465 | 5,527 | 11,049 | 1.5 | 3.8 |
| ASK domestic (million) | 9,311 | 19,024 | 8,413 | 16,818 | 10.7 p.p. | 13.1 p.p. |
| ASK scheduled domestic (million) | 9,139 | 18,418 | 8,121 | 16,023 | 12.5 | 14.9 |
| Domestic Load factor - % | 61.7 | 62.9 | 68.6 | 69.8 | -6.9 p.p. | -6.8 p.p. |
| Market Share - % | 46.2 | 47.9 | 48.3 | 49.2 | -2.1 p.p. | -1.3 p.p. |
| International Market² | | | | | | |
| Paid passengers transported (thousand) | 1,098 | 2,220 | 1,091 | 2,256 | 0.7 | -1.6 |
| RPK international (million) | 4,435 | 9,009 | 3,853 | 7,993 | 15.1 | 12.7 |
| RPK scheduled international (million) | 4,424 | 8,993 | 3,847 | 7,968 | 15.0 | 12.9 |
| ASK international (million) | 6,482 | 12,873 | 5,252 | 10,646 | 23.4 | 20.9 |
| ASK scheduled international (million) | 6,455 | 12,826 | 5,240 | 10,601 | 23.2 | 21.0 |
| International Load factor - % | 68.4 | 70.0 | 73.4 | 75.1 | -4.9 p.p. | -5.1 p.p. |
| Market Share - % ³ | 86.6 | 86.0 | 74.0 | 70.6 | 12.6 p.p. | 15.4 p.p. |

¹ Does not include aircraft in maintenance or reserve.

² International market includes the TAM Mercosur statistics, and this data is not included in the ANAC numbers.

³ Does not include TAM Mercosur figures.

Table 10: Revenue per type of service – BRGAAP

| | 2009 | | | 2008 | | | Variation (%) | | |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|---------------|---------------|----------------|
| | 1st quarter | 2nd quarter | Accum. To June | 1st quarter | 2nd quarter | Accum. To June | 1st quarter | 2nd quarter | Accum. To June |
| Domestic Revenue - Pax | | | | | | | | | |
| Scheduled - PAX | 1,381,308 | 1,267,376 | 2,648,684 | 1,275,013 | 1,504,724 | 2,779,737 | 8.3% | -15.8% | -4.7% |
| Charter - PAX | 61,171 | 18,950 | 80,121 | 45,544 | 25,623 | 71,167 | 34.3% | -26.0% | 12.6% |
| Total | 1,442,479 | 1,286,326 | 2,728,805 | 1,320,557 | 1,530,347 | 2,850,904 | 9.2% | -15.9% | -4.3% |
| International Revenue - Pax | | | | | | | | | |
| Scheduled - PAX | 795,149 | 580,798 | 1,375,947 | 610,902 | 601,769 | 1,212,671 | 30.2% | -3.5% | 13.5% |
| Charter - PAX | 1,710 | 3,096 | 4,807 | 2,405 | 814 | 3,219 | -28.9% | 280.4% | 49.3% |
| Total | 796,859 | 583,895 | 1,380,754 | 613,307 | 602,583 | 1,215,890 | 29.9% | -3.1% | 13.6% |
| Cargo revenue | | | | | | | | | |
| Domestic cargo | 97,908 | 110,024 | 207,932 | 94,038 | 117,724 | 211,762 | 4.1% | -6.5% | -1.8% |
| International cargo | 110,481 | 104,868 | 215,350 | 120,398 | 138,060 | 258,458 | -8.2% | -24.0% | -16.7% |
| Total | 208,389 | 214,893 | 423,282 | 214,436 | 255,784 | 470,220 | -2.8% | -16.0% | -10.0% |
| Other Operating Revenue | | | | | | | | | |
| Loyalty program | 208,346 | 156,007 | 364,353 | 90,062 | 101,400 | 191,462 | 131.3% | 53.9% | 90.3% |
| Expired tickets and other | 64,179 | 133,670 | 197,849 | 96,511 | 113,958 | 210,469 | -33.5% | 17.3% | -6.0% |
| Agency of trip and tourism | 14,728 | 19,988 | 34,716 | 12,039 | 10,994 | 23,033 | 22.3% | 81.8% | 50.7% |
| Total | 287,253 | 309,665 | 596,918 | 198,612 | 226,352 | 424,964 | 44.6% | 36.8% | 40.5% |
| Gross Revenue | 2,734,981 | 2,394,778 | 5,129,759 | 2,346,912 | 2,615,066 | 4,961,978 | 16.5% | -8.4% | 3.4% |

Table 11: Revenue per type of service – IFRS

| | 2009 | | | 2008 | | | Variation (%) | | |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|---------------|---------------|----------------|
| | 1st quarter | 2nd quarter | Accum. To June | 1st quarter | 2nd quarter | Accum. To June | 1st quarter | 2nd quarter | Accum. To June |
| Domestic Revenue - Pax | | | | | | | | | |
| Scheduled - PAX | 1,381,308 | 1,267,376 | 2,648,684 | 1,275,013 | 1,504,724 | 2,779,737 | 8.3% | -15.8% | -4.7% |
| Charter - PAX | 61,171 | 18,950 | 80,121 | 45,544 | 25,623 | 71,167 | 34.3% | -26.0% | 12.6% |
| Total | 1,442,479 | 1,286,326 | 2,728,805 | 1,320,557 | 1,530,347 | 2,850,904 | 9.2% | -15.9% | -4.3% |
| International Revenue Pax | | | | | | | | | |
| Scheduled - PAX | 795,149 | 580,798 | 1,375,947 | 610,902 | 601,769 | 1,212,671 | 30.2% | -3.5% | 13.5% |
| Charter - PAX | 1,710 | 3,096 | 4,807 | 2,405 | 814 | 3,219 | -28.9% | 280.4% | 49.3% |
| Total | 796,859 | 583,895 | 1,380,754 | 613,307 | 602,583 | 1,215,890 | 29.9% | -3.1% | 13.6% |
| Cargo revenue | | | | | | | | | |
| Domestic cargo | 97,908 | 110,024 | 207,932 | 94,038 | 117,724 | 211,762 | 4.1% | -6.5% | -1.8% |
| International cargo | 110,481 | 104,868 | 215,350 | 120,398 | 138,060 | 258,458 | -8.2% | -24.0% | -16.7% |
| Total | 208,389 | 214,893 | 423,282 | 214,436 | 255,784 | 470,220 | -2.8% | -16.0% | -10.0% |
| Other Operating Revenue | | | | | | | | | |
| Loyalty program | 184,913 | 124,183 | 309,096 | 70,112 | 80,251 | 150,363 | 163.7% | 54.7% | 105.6% |
| Expired tickets and other | 64,179 | 133,670 | 197,849 | 96,511 | 113,958 | 210,469 | -33.5% | 17.3% | -6.0% |
| Agency of trip and tourism | 14,728 | 19,988 | 34,716 | 12,039 | 10,994 | 23,033 | 22.3% | 81.8% | 50.7% |
| Total | 263,819 | 277,841 | 541,661 | 178,662 | 205,203 | 383,865 | 47.7% | 35.4% | 41.1% |
| Gross Revenue | 2,711,547 | 2,362,954 | 5,074,502 | 2,326,962 | 2,593,917 | 4,920,879 | 16.5% | -8.9% | 3.1% |

Table 12: Expenses – Accumulated (in R\$ million) – BRGAAP

| BR GAAP | In millions of R\$ | | | | | | Variation Acum (%) |
|--|--------------------|------------------|-------------------|------------------|------------------|-------------------|-----------------------|
| | 2009 | | | 2008 | | | |
| | 1st quarter | 2nd quarter | Accum. To June | 1st quarter | 2nd quarter | Accum. To June | |
| Operational Income | 2,735.0 | 2,394.8 | 5,129.8 | 2,346.9 | 2,615.1 | 4,962.0 | 3.4 |
| Flight revenue | 2,447.7 | 2,085.1 | 4,532.8 | 2,148.3 | 2,388.7 | 4,537.0 | -0.1 |
| Domestic | 1,442.5 | 1,286.3 | 2,728.8 | 1,320.6 | 1,530.3 | 2,850.9 | -4.3 |
| International | 796.9 | 583.9 | 1,380.8 | 613.3 | 602.6 | 1,215.9 | 13.6 |
| Cargo | 208.4 | 214.9 | 423.3 | 214.4 | 255.8 | 470.2 | -10.0 |
| Other operating sales and/or services revenues | 287.3 | 309.7 | 596.9 | 198.6 | 226.4 | 425.0 | 40.4 |
| Sales deductions and taxes | (96.0) | (96.3) | (192.3) | (86.7) | (100.6) | (187.3) | 2.7 |
| Net operational income | 2,639.0 | 2,298.5 | 4,937.5 | 2,260.3 | 2,514.4 | 4,774.7 | 3.4 |
| Operational expenses | | | | | | | |
| Fuel | (695.1) | (619.9) | (1,315.0) | (844.8) | (988.6) | (1,833.4) | -28.3 |
| Selling and marketing expenses | (155.6) | (249.3) | (404.9) | (241.7) | (227.0) | (468.8) | -13.6 |
| Aircraft, engines and equipment leasing | (173.0) | (136.1) | (309.1) | (125.6) | (100.9) | (226.6) | 36.4 |
| Personnel | (521.4) | (506.1) | (1,027.5) | (405.6) | (414.4) | (820.0) | 25.3 |
| Maintenance and reviews (except personnel) | (210.3) | (188.6) | (398.9) | (97.1) | (100.1) | (197.2) | 102.3 |
| Outsourced services | (203.4) | (186.1) | (389.5) | (139.5) | (171.6) | (311.1) | 25.2 |
| Landing and take-off and navigation charges | (145.6) | (156.1) | (301.8) | (123.3) | (121.5) | (244.8) | 23.3 |
| Depreciation and amortization | (137.6) | (150.7) | (288.3) | (96.6) | (75.3) | (172.0) | 67.6 |
| Aircraft insurance | (15.9) | (15.9) | (31.8) | (12.9) | (11.3) | (24.2) | 31.4 |
| Others | (155.2) | (242.0) | (397.2) | (101.2) | (155.5) | (256.6) | 54.8 |
| Total of operational expenses | (2,413.1) | (2,450.9) | (4,864.0) | (2,188.4) | (2,366.3) | (4,554.6) | 6.8 |
| Gross profit | 225.9 | (152.4) | 73.5 | 71.9 | 148.2 | 220.1 | -66.6 |
| Financial income (expense) | (91.3) | 1,283.9 | 1,192.6 | 16.0 | 373.8 | 389.8 | 206.0 |
| Other operating expenses. Net | (37.2) | 57.1 | 20.0 | 12.3 | (6.4) | 5.9 | 239.0 |
| Operating income (loss) | 97.4 | 1,188.6 | 1,286.0 | 100.2 | 515.5 | 615.7 | 108.9 |
| Income tax and social contribution | (35.0) | (399.1) | (434.1) | (41.7) | (178.9) | (220.6) | 96.8 |
| Income (loss) before minority interest | 62.4 | 789.5 | 851.9 | 58.4 | 336.7 | 395.1 | 115.6 |
| Minority interest | (0.6) | (0.6) | (1.3) | (0.1) | 0.4 | 0.2 | N.A. |
| Reversal of interest on equity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | N.A. |
| Net income (loss) for the period | 61.8 | 788.9 | 850.7 | 58.3 | 337.0 | 395.4 | 115.1 |
| EPS (R\$) | 0.41 | 5.24 | 5.65 | 0.39 | 2.24 | 2.63 | -7.3 |
| EPS (USD) | 0.18 | 2.68 | 2.89 | 0.22 | 1.41 | 1.65 | -7.3 |

Table 13: Expenses – Accumulated (per ASK) – BRGAAP

| BR GAAP | In cents of R\$ per ASK | | | | | | Variation Acum (%) |
|--|-------------------------|----------------|-------------------|----------------|----------------|-------------------|-----------------------|
| | 2009 | | | 2008 | | | |
| | 1st quarter | 2nd quarter | Accum. To June | 1st quarter | 2nd quarter | Accum. To June | |
| Operational Income | 16.98 | 15.16 | 16.08 | 17.01 | 19.14 | 18.07 | -11.0 |
| Flight revenue | 15.20 | 13.20 | 14.21 | 15.57 | 17.48 | 16.52 | -14.0 |
| Domestic | 8.96 | 8.14 | 8.56 | 9.57 | 11.20 | 10.38 | -17.5 |
| International | 4.95 | 3.70 | 4.33 | 4.44 | 4.41 | 4.43 | -2.3 |
| Cargo | 1.29 | 1.36 | 1.33 | 1.55 | 1.87 | 1.71 | -22.2 |
| Other operating sales and/or services revenues | 1.78 | 1.96 | 1.87 | 1.44 | 1.66 | 1.55 | 20.6 |
| Sales deductions and taxes | (0.60) | (0.61) | (0.60) | (0.63) | (0.74) | (0.68) | -11.8 |
| Net operational income | 16.39 | 14.55 | 15.48 | 16.38 | 18.40 | 17.39 | -11.0 |
| Operational expenses | | | | | | | |
| Fuel | (4.32) | (3.93) | (4.12) | (6.12) | (7.23) | (6.68) | -38.3 |
| Selling and marketing expenses | (0.97) | (1.58) | (1.27) | (1.75) | (1.66) | (1.71) | -25.7 |
| Aircraft, engines and equipment leasing | (1.07) | (0.86) | (0.97) | (0.91) | (0.74) | (0.82) | 18.3 |
| Personnel | (3.24) | (3.20) | (3.22) | (2.94) | (3.03) | (2.99) | 7.7 |
| Maintenance and reviews (except personnel) | (1.31) | (1.19) | (1.25) | (0.70) | (0.73) | (0.72) | 73.6 |
| Outsourced services | (1.26) | (1.18) | (1.22) | (1.01) | (1.26) | (1.13) | 8.0 |
| Landing and take-off and navigation charges | (0.90) | (0.99) | (0.95) | (0.89) | (0.89) | (0.89) | 6.7 |
| Depreciation and amortization | (0.85) | (0.95) | (0.90) | (0.70) | (0.55) | (0.63) | 42.9 |
| Aircraft insurance | (0.10) | (0.10) | (0.10) | (0.09) | (0.08) | (0.09) | 11.1 |
| Others | (0.96) | (1.53) | (1.25) | (0.73) | (1.14) | (0.93) | 34.4 |
| Total of operational expenses | (14.98) | (15.52) | (15.25) | (15.86) | (17.32) | (16.58) | -8.0 |
| Gross profit | 1.40 | -0.96 | 0.23 | 0.52 | 1.08 | 0.80 | -71.3 |
| | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| Financial income (expense) | (0.57) | 8.13 | 3.74 | 0.12 | 2.74 | 1.42 | 163.4 |
| Other operating expenses. Net | (0.23) | 0.36 | 0.06 | 0.09 | (0.05) | 0.02 | 200.0 |
| Operating income (loss) | 0.60 | 7.53 | 4.03 | 0.73 | 3.77 | 2.24 | 79.9 |
| Income tax and social contribution | (0.22) | (2.53) | (1.36) | (0.30) | (1.31) | (0.80) | 70.0 |
| Income (loss) before minority interest | 0.39 | 5.00 | 2.67 | 0.42 | 2.46 | 1.44 | 85.4 |
| Minority interest | (0.00) | (0.00) | (0.00) | (0.00) | 0.00 | 0.00 | N.A. |
| Reversal of interest on equity | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | N.A. |
| | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| Net income (loss) for the period | 0.38 | 5.00 | 2.67 | 0.42 | 2.47 | 1.44 | 85.4 |

Table 14: Expenses – Accumulated (in R\$ million) – IFRS

| IFRS | In millions of R\$ | | | | | | Variation Accum (%) |
|--|--------------------|------------------|-------------------|------------------|------------------|-------------------|------------------------|
| | 2009 | | | 2008 | | | |
| | 1st quarter | 2nd quarter | Accum. To June | 1st quarter | 2nd quarter | Accum. To June | |
| Operational Income | 2,711.5 | 2,363.0 | 5,074.5 | 2,327.0 | 2,593.9 | 4,920.9 | 3.1 |
| Flight revenue | 2,447.7 | 2,085.1 | 4,532.8 | 2,148.3 | 2,388.7 | 4,537.0 | -0.1 |
| Domestic | 1,442.5 | 1,286.3 | 2,728.8 | 1,320.6 | 1,530.3 | 2,850.9 | -4.3 |
| International | 796.9 | 583.9 | 1,380.8 | 613.3 | 602.6 | 1,215.9 | 13.6 |
| Cargo | 208.4 | 214.9 | 423.3 | 214.4 | 255.8 | 470.2 | -10.0 |
| Other operating sales and/or services revenues | 263.8 | 277.8 | 541.7 | 178.7 | 205.2 | 383.9 | 41.1 |
| Sales deductions and taxes | (93.8) | (93.4) | (187.1) | (84.8) | (98.7) | (183.5) | 2.0 |
| Net operational income | 2,617.8 | 2,269.6 | 4,887.4 | 2,242.2 | 2,495.2 | 4,737.4 | 3.2 |
| Operational expenses | | | | | | | |
| Fuel | (695.1) | (619.9) | (1,315.0) | (844.8) | (988.6) | (1,833.4) | -28.3 |
| Selling and marketing expenses | (157.6) | (247.3) | (404.9) | (241.2) | (223.5) | (464.7) | -12.9 |
| Aircraft, engines and equipment leasing | (173.0) | (136.1) | (309.1) | (125.6) | (100.9) | (226.6) | 36.4 |
| Personnel | (521.4) | (506.1) | (1,027.5) | (405.6) | (414.4) | (820.0) | 25.3 |
| Maintenance and repairs (except personnel) | (210.3) | (188.6) | (398.9) | (97.1) | (100.1) | (197.2) | 102.3 |
| Outsourced services | (203.4) | (186.1) | (389.5) | (139.5) | (171.6) | (311.1) | 25.2 |
| Landing and take-off and navigation charges | (145.6) | (156.1) | (301.8) | (123.3) | (121.5) | (244.8) | 23.3 |
| Depreciation and amortization | (167.8) | (181.0) | (348.8) | (100.6) | (79.4) | (180.0) | 93.8 |
| Aircraft insurance | (15.9) | (15.9) | (31.8) | (12.9) | (11.3) | (24.2) | 31.4 |
| Others | (192.3) | (184.8) | (377.2) | (101.2) | (161.9) | (263.0) | 43.4 |
| Total of operational expenses | (2,482.5) | (2,422.0) | (4,904.5) | (2,191.9) | (2,373.1) | (4,564.9) | 7.4 |
| Operating profit before movements in fair value of fuel derivatives and revaluation of aircraft | 135.25 | (152.39) | (17.14) | 50.29 | 122.16 | 172.45 | N.A. |
| Movements in fair value of fuel derivatives | (62.35) | 311.14 | 248.79 | 3.51 | 73.08 | 76.59 | 224.8 |
| Gains/(losses) on revaluation of aircraft recognized in the income statement | - | (301.24) | (301.24) | - | (120.71) | (120.71) | 149.5 |
| Operating (loss)/profit | 72.90 | (142.49) | (69.59) | 53.79 | 74.53 | 128.33 | N.A. |
| Financial income | 262.07 | 1,224.78 | 1,486.85 | 151.72 | 611.53 | 763.25 | 94.8 |
| Financial expense | (291.03) | (252.05) | (543.08) | (139.22) | (310.86) | (450.07) | 20.7 |
| Income (loss) before income and social contribution taxes | 43.94 | 830.25 | 874.19 | 66.30 | 375.20 | 441.50 | 98.0 |
| Income tax and social contribution | (26.27) | (290.02) | (316.29) | (37.43) | (134.19) | (171.62) | 84.3 |
| Income (loss) before minority interest | 17.67 | 540.24 | 557.90 | 28.86 | 241.01 | 269.87 | 106.7 |
| Minority interest | (0.63) | (0.62) | (1.25) | (0.13) | 0.38 | 0.25 | N.A. |
| Net income (loss) for the period | 17.04 | 539.62 | 556.65 | 28.74 | 241.38 | 270.12 | 106.1 |
| Earnings per share (R\$) | 0.11 | 3.58 | 3.70 | 0.19 | 1.60 | 1.79 | -10.6 |
| Earnings per ADS (USD) | 0.05 | 1.84 | 1.89 | 0.11 | 0.82 | 1.13 | -27.1 |

Table 15: Expenses – Accumulated (per ASK) – BRGAAP

| IFRS | In cents of R\$ per ASK | | | | | | Variation Acum (%) |
|--|-------------------------|----------------|-------------------|----------------|----------------|-------------------|-----------------------|
| | 2009 | | | 2008 | | | |
| | 1st quarter | 2nd quarter | Accum. To June | 1st quarter | 2nd quarter | Accum. To June | |
| Operational Income | 16.84 | 14.96 | 15.91 | 16.86 | 18.98 | 17.92 | -11.2 |
| Flight revenue | 15.20 | 13.20 | 14.21 | 15.57 | 17.48 | 16.52 | -14.0 |
| Domestic | 8.96 | 8.14 | 8.56 | 9.57 | 11.20 | 10.38 | -17.5 |
| International | 4.95 | 3.70 | 4.33 | 4.44 | 4.41 | 4.43 | -2.3 |
| Cargo | 1.29 | 1.36 | 1.33 | 1.55 | 1.87 | 1.71 | -22.2 |
| Other operating sales and/or services revenues | 1.64 | 1.76 | 1.70 | 1.29 | 1.50 | 1.40 | 21.4 |
| Sales deductions and taxes | (0.58) | (0.59) | (0.59) | (0.61) | (0.72) | (0.67) | -11.9 |
| Net operational income | 16.26 | 14.37 | 15.32 | 16.25 | 18.26 | 17.25 | -11.2 |
| Operational expenses | | | | | | | |
| Fuel | (4.32) | (3.93) | (4.12) | (6.12) | (7.23) | (6.68) | -38.3 |
| Selling and marketing expenses | (0.98) | (1.57) | (1.27) | (1.75) | (1.64) | (1.69) | -24.9 |
| Aircraft, engines and equipment leasing | (1.07) | (0.86) | (0.97) | (0.91) | (0.74) | (0.82) | 18.3 |
| Personnel | (3.24) | (3.20) | (3.22) | (2.94) | (3.03) | (2.99) | 7.7 |
| Maintenance and repairs (except personnel) | (1.31) | (1.19) | (1.25) | (0.70) | (0.73) | (0.72) | 73.6 |
| Outsourced services | (1.26) | (1.18) | (1.22) | (1.01) | (1.26) | (1.13) | 8.0 |
| Landing and take-off and navigation charges | (0.90) | (0.99) | (0.95) | (0.89) | (0.89) | (0.89) | 6.7 |
| Depreciation and amortization | (1.04) | (1.15) | (1.09) | (0.73) | (0.58) | (0.66) | 65.2 |
| Aircraft insurance | (0.10) | (0.10) | (0.10) | (0.09) | (0.08) | (0.09) | 11.1 |
| Others | (1.19) | (1.17) | (1.18) | (0.73) | (1.18) | (0.96) | 22.9 |
| Total of operational expenses | (15.42) | (15.34) | (15.38) | (15.88) | (17.37) | (16.62) | -7.5 |
| Operating profit before movements in fair value of fuel derivatives and revaluation of aircraft | 0.84 | (0.96) | (0.05) | 0.36 | 0.89 | 0.63 | N.A. |
| Movements in fair value of fuel derivatives | (0.39) | 1.97 | 0.78 | 0.03 | 0.53 | 0.28 | 178.6 |
| Gains/(losses) on revaluation of aircraft recognized in the income statement | - | (1.91) | (0.94) | - | (0.88) | (0.44) | 113.6 |
| Operating (loss)/profit | 0.45 | (0.90) | (0.22) | 0.39 | 0.55 | 0.47 | N.A. |
| Financial income | 1.63 | 7.76 | 4.66 | 1.10 | 4.48 | 2.78 | 67.6 |
| Financial expense | (1.81) | (1.60) | (1.70) | (1.01) | (2.27) | (1.64) | 3.7 |
| Income (loss) before income and social contribution taxes | 0.27 | 5.26 | 2.74 | 0.48 | 2.75 | 1.61 | 70.2 |
| Income tax and social contribution | (0.16) | (1.84) | (0.99) | (0.27) | (0.98) | (0.62) | 59.7 |
| Income (loss) before minority interest | 0.11 | 3.42 | 1.75 | 0.21 | 1.76 | 0.98 | 78.6 |
| Minority interest | (0.00) | (0.00) | (0.00) | (0.00) | 0.00 | 0.00 | N.A. |
| Net income (loss) for the period | 0.11 | 3.42 | 1.75 | 0.21 | 1.77 | 0.98 | 78.6 |

Balance Sheet

Table 16: Condensed Balance Sheet – BRGAAP

| | 06/30/09 | 03/31/09 | | 06/30/09 | 03/31/09 |
|---|-------------------|-------------------|---|-------------------|-------------------|
| Total assets | 12,411,051 | 13,079,346 | Total liabilities and stockholders' equity | 12,411,051 | 13,079,346 |
| Current assets | 2,556,516 | 3,097,956 | Current liabilities | 3,237,048 | 3,572,136 |
| Cash and bank balances | 817,379 | 1,084,959 | Loans and financing | 267,256 | 305,691 |
| Cash and cash equivalents | 671,899 | 840,427 | Debentures | 22,004 | 9,330 |
| Marketable securities | 145,480 | 244,532 | Suppliers | 336,782 | 400,674 |
| Receivables | | | Taxes, charges and contributions | 179,283 | 169,454 |
| Trade accounts receivable | 1,106,138 | 1,380,028 | Dividends payable | 599 | 599 |
| Sundry credits | 0 | 0 | Other | 2,431,124 | 2,686,388 |
| Inventories | 253,608 | 250,044 | Leases | 602,632 | 705,429 |
| Other | 379,391 | 382,925 | Salaries and social charges | 337,691 | 313,505 |
| Taxes recoverable | 140,641 | 134,627 | Advance ticket sales | 929,673 | 784,289 |
| Deferred income tax and social contribution | 63,342 | 60,629 | TAM loyalty program | 46,515 | 44,494 |
| Prepaid expenses | 90,846 | 87,125 | Income tax and social contribution payable | 479 | 588 |
| Aircraft insurance | 27,281 | 42,603 | Reorganization of Fokker 100 fleet | 18,032 | 20,656 |
| Other receivables | 57,281 | 57,941 | Senior notes | 7,676 | 22,055 |
| Long-term assets | 9,854,535 | 9,981,390 | Derivative financial instruments | 307,141 | 566,200 |
| Long-term receivables | 1,440,973 | 1,575,494 | Deferred gain on sale-leaseback | 32,085 | 32,085 |
| Sundry receivables | 240,371 | 242,272 | Deferred income tax and social contribution | 33,597 | 4,953 |
| Marketable Securities | 240,371 | 242,272 | Other | 115,603 | 192,134 |
| Others | 1,200,602 | 1,333,222 | Long-term liabilities | 7,784,550 | 8,896,220 |
| Deposits in guarantee | 72,571 | 91,411 | Loans and financing | 126,035 | 174,310 |
| Deferred income tax and social contribution | 616,773 | 693,520 | Debentures | 500,000 | 500,000 |
| Advances for aircraft maintenance | 418,611 | 450,552 | Provisions | 1,028,138 | 988,043 |
| Others receivables | 92,647 | 97,739 | Provision for contingencies | 1,028,138 | 988,043 |
| Permanent assets | 8,413,562 | 8,405,896 | Other | 6,130,377 | 7,233,867 |
| Investments | 70 | 70 | Obligations under finance leases | 4,682,342 | 5,721,044 |
| Subsidiaries – Goodwill | 0 | 0 | Deferred income tax and social contribution | 390,402 | 95,966 |
| Other | 70 | 70 | Reorganization of Fokker 100 fleet | 22,299 | 31,648 |
| Property, plant and equipment | 8,240,714 | 8,253,618 | Senior Notes | 585,480 | 694,560 |
| Property, plant and equipment | 7,797,228 | 7,820,676 | Derivative financial instruments | 122,590 | 335,107 |
| Advances to aircraft manufacturers | 443,486 | 432,942 | Deferred gain on sale-leaseback | 99,312 | 107,334 |
| Intangible assets | 172,778 | 152,208 | Other | 227,952 | 248,208 |
| | | | Minority interest | 3,242 | 4,733 |
| | | | Stockholders' equity | 1,386,211 | 606,257 |
| | | | Paid-up capital | 675,497 | 675,497 |
| | | | Capital reserves | 96,135 | 92,463 |
| | | | Capital reserves | 74,946 | 74,946 |
| | | | Stock option plan | 32,559 | 28,887 |
| | | | Treasury stocks | (11,370) | (11,370) |
| | | | Revaluation reserve | 136,762 | 137,552 |
| | | | Subsidiary/associated companies | 136,762 | 137,552 |
| | | | Cumulative translation adjustments | (11,773) | 834 |
| | | | Cumulative translation adjustments | (11,773) | 834 |
| | | | Retained earnings | 489,590 | (300,089) |

Table 17: Condensed Balance Sheet – IFRS

| Assets | June 30, 2009 | March 31, 2009 | Liabilities | June 30, 2009 | March 31, 2009 |
|---|--------------------------|---------------------------|--|--------------------------|---------------------------|
| | (unaudited) | (unaudited) | | (unaudited) | (unaudited) |
| Non-current assets | | | Non-current liabilities | | |
| Property, plant and equipment | 8,233,132 | 9,492,239 | Financial liabilities | 5,893,857 | 7,089,914 |
| Pre-delivery payments | 443,486 | 432,942 | Derivative financial instruments | 122,590 | 335,107 |
| Intangible assets | 172,778 | 152,208 | Deferred income | 380,794 | 372,904 |
| Deferred income tax and social contribution | 276,553 | 246,056 | Provisions | 1,028,138 | 988,043 |
| Other non-financial assets | 828,686 | 881,974 | Other non-current liabilities | 239,152 | 268,757 |
| | <u>9,954,635</u> | <u>11,205,419</u> | | <u>7,664,531</u> | <u>9,054,725</u> |
| Current assets | | | Current liabilities | | |
| Trade and other receivables | 1,333,620 | 1,616,827 | Trade and other payables | 854,355 | 884,232 |
| Inventories | 209,636 | 193,447 | Deferred income | 1,243,240 | 1,081,944 |
| Non-current assets held for sale | 43,972 | 56,597 | Current income tax liabilities | 479 | 588 |
| Income taxes recoverable | 136,155 | 134,627 | Financial liabilities | 899,565 | 1,042,502 |
| Cash and cash equivalents | 493,138 | 616,127 | Derivative financial instruments | 307,141 | 566,200 |
| Other financial assets | 324,241 | 468,832 | Other current liabilities | 133,644 | 212,792 |
| | <u>2,540,762</u> | <u>3,086,457</u> | | <u>3,438,424</u> | <u>3,788,258</u> |
| | | | Total liabilities | <u>11,102,955</u> | <u>12,842,983</u> |
| | | | Equity | | |
| | | | Capital and reserves attributable to equity holders of TAM S.A | | |
| | | | Share capital | 675,497 | 675,497 |
| | | | Revaluation reserve | 604,580 | 1,222,898 |
| | | | Other reserves | 84,362 | 93,297 |
| | | | Retained earnings (accumulated deficit) | 24,761 | (547,532) |
| | | | | <u>1,389,200</u> | <u>1,444,160</u> |
| | | | Minority interest | 3,242 | 4,733 |
| | | | Total equity | <u>1,392,442</u> | <u>1,448,893</u> |
| Total assets | <u><u>12,495,397</u></u> | <u><u>14,291,876</u></u> | Total liabilities and equity | <u><u>12,495,397</u></u> | <u><u>14,291,876</u></u> |

Table 18: Consolidated statement of cash flow under BRGAAP:

| | 2Q09 | 2Q08 |
|---|------------------|------------------|
| Net cash generated by operating activities | 143,709 | 65,965 |
| Cash generated by operating activities | (112,604) | 267,380 |
| Net income for the quarter / semester | 788,889 | 337,045 |
| Deferred income tax and social contribution | 400,169 | 159,386 |
| Depreciation and amortization | 150,573 | 75,337 |
| Residual value of property, plant and equipment sold | 6,695 | 14,687 |
| Derivative financial instruments | (471,576) | (38,119) |
| Foreign exchange rate variations and net interest | (1,006,962) | (309,263) |
| Provisions for contingencies | 25,837 | 24,662 |
| Minority interest | 619 | (372) |
| Other | (6,848) | 4,017 |
| (Increase) decrease in assets and liabilities | 256,313 | (201,415) |
| Marketable securities | 94,349 | (115,457) |
| Accounts receivable | 272,800 | (74,119) |
| Inventories | (3,429) | (7,647) |
| Recoverable taxes | (1,528) | (7,106) |
| Prepaid expenses | (3,965) | (8,674) |
| Judicial deposits | (4,158) | (2,829) |
| Advances for aircraft maintenance | (40,703) | (33,652) |
| Other receivable | (21,895) | 26,920 |
| Suppliers | (63,893) | 6,940 |
| Salaries and social charges | 24,186 | (3,526) |
| Advance ticket sales | 145,384 | 76,937 |
| Taxes and tariffs payable | 9,830 | 3,818 |
| Empresas controladas | 0 | 0 |
| Interest paid | (77,333) | (62,984) |
| Tax paid | (3,163) | 0 |
| Insurance | 15,322 | 10,899 |
| Other payables | (85,491) | (10,935) |
| Other | 0 | 0 |
| Net cash generated by investing activities | (76,093) | (134,023) |
| Advances to aircraft manufactures | (6,794) | (79,436) |
| Deposits in guarantee | 5,086 | (4,043) |
| Acquisition of property, plant and equipment | (45,823) | (39,061) |
| Purchase of intangible assets | (35,170) | (11,483) |
| Marketable securities | 6,608 | |
| Net cash generated by financing activities | (236,144) | (264,736) |
| Loans and financing | (93,556) | (172,375) |
| Leases | (142,588) | (14,432) |
| Debentures | 0 | (4,791) |
| Dividends paid | 0 | (72,017) |
| Treasury stock | 0 | (1,121) |
| Increase (decrease) in cash and cash equivalents | (168,528) | (332,794) |
| Cash and cash equivalents at the beginning of the quarter | 840,427 | 1,274,143 |
| Cash and cash equivalents at the end of the quarter | 671,899 | 941,349 |

Table 19: Consolidated statement of cash flow under IFRS:

| | Quarter ended | |
|---|-----------------------|-----------------------|
| | June 30, 2009 | June 30, 2008 |
| Cash flows from operating activities (Note 14) | 268,419 | 391,751 |
| Tax paid | (3,164) | |
| Interest paid | (77,333) | (61,755) |
| Net cash generated from operating activities | <u>187,922</u> | <u>329,996</u> |
| Cash flows from investing activities | | |
| Investment (redemption) of collateral | 6,608 | |
| Proceeds from sale property, plant and equipment (PPE) | 1,326 | 386 |
| Purchases of property, plant and equipment (PPE) | (45,823) | (39,061) |
| Purchases of intangible assets | (35,169) | (11,483) |
| Deposits in guarantee | | |
| Reimbursement | 8,002 | 10,540 |
| Deposits made | (2,916) | (14,583) |
| Pre-delivery payments | | |
| Reimbursement | 14,133 | 9,220 |
| Payments | (20,928) | (88,656) |
| Net cash used in investing activities | <u>(74,767)</u> | <u>(133,637)</u> |
| Cash flows from financing activities | | |
| Purchase of treasury shares | | (1,121) |
| Dividends paid to the Company's stockholders | | (72,017) |
| Short and long-term borrowings | | |
| Issuance | | 26,457 |
| Repayment | (93,556) | (198,833) |
| Capital element of finance leases | (142,588) | (14,432) |
| Repayments of debentures | | (4,791) |
| Net cash provided by (used in) from financing activities | <u>(236,144)</u> | <u>(264,737)</u> |
| Net increase in cash and cash equivalents | (122,989) | (68,378) |
| Cash and cash equivalents at beginning of period | <u>616,127</u> | <u>234,283</u> |
| Cash and cash equivalents at end of period | <u><u>493,138</u></u> | <u><u>165,905</u></u> |
| Supplementary information on cash flows | | |
| Non cash investing and financing activities – acquisition of aircrafts under finance lease | | <u><u>78,244</u></u> |

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 kilometre.

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.

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About Us: (www.tam.com.br)

We have been the domestic market leader since July of 2003, and closed July 2009 with 43.2% 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 86.7% in June. 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.