Multiplus S.A.

Financial Statements
on December 31, 2014
and Report of Financial Statements

(A free translation of the original report in Portuguese as published in Brazil containing Financial Information prepared in accordance with rules issued by the Securities and Exchange Commission of Brazil (CVM), applicable to the preparation of the Annual Financial Information).

Contents

Report of financial statements

To the Directors and Shareholders
Multiplus S.A.
São Paulo, SP

We have audited the accompanying financial statements of Multiplus S.A ("the Company"), which comprise the balance sheet as of December 31, 2014 and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board - IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Multiplus S.A. as at December 31, 2014, and its financial performance and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board – IASB.

Emphases
We draw attention to the fact that a significant portion of the Company´s transactions are carried out with related party, as described in the note nº 11 to the financial statements. Therefore, this financial statements should be read in this context. Our opinion is not qualified in respect to this matter.

Others matters

Audit of the corresponding figures to the previous year
The corresponding information and figures for the year ended December 31, 2013, presented for comparison purposes, were audited by another independent auditor who issued an unqualified audit opinion dated February 27, 2014.

Statement of value added
We have also audited the statement of value added for the year ended December 31, 2014, which is the responsibility of the Company's management. The presentation of this statement is required by the Brazilian corporate legislation for listed companies, and is considered supplementary information under IFRS. This statement has been submitted to the same audit procedures described above and, based on our opinion, is fairly presented , in all material respects, in relation to the financial statements taken as a whole.

São Paulo, February 24, 2015

KPMG Auditores Independentes
CRC 2SP014428/O-6

Original report in Portuguese signed by
Orlando Octávio de Freitas Júnior
Accountant CRC 1SP178871/O-4

Multiplus S.A.

Balance sheet on December 31,

(Amounts expressed in thousands of Reais)

Assets	**2014**	**2013**	**Liabilities**	**2014**	**2013**
Cash and cash equivalents (Note 7)	373	10,577	Accounts payable	140,150	129,887
Financial assets at fair value through profit or loss (Note 8)	1,185,354	1,253,899	Salaries and payroll taxes	17,398	12,841
Accounts receivable (Note 9)	246,578	150,257	Tax, charges and contributions	2,514	4,243
Taxes recoverable	19,505	8,227	Income tax and social contributions	-	8,309
Advances to suppliers (Note 10)	95,456	6,409	Derivative financial instruments (Note 12)	-	3,870
Others	6,301	12,107	Deferred income (note 17)	1,284,054	1,183,329
			Other accounts payable	10,803	10,547
Total current assets	1,553,567	1,441,476	**Total current liabilities**	1,454,919	1,353,026
Non-Current					
Judicial deposits	28	23			
Deferred tax and social contributions (Note 13)	7,957	5,974			
			Equity		
	7,985	5,997	Sharecapital	107,300	103,493
			Cost of share issue	(23,322)	(23,322)
Investments (Note 14)	-	7,083	Share-based payments (Note 17)	20,770	24,471
Property, plant and equipment	13,660	8,289	Profit reserves	116,412	94,699
Intangibles (Note 14)	100,209	76,064	Carrying value adjustments	(658)	(13,458)
Total non-current assets	121,854	97,433	**Total equity**	220,502	185,883
Total assets	1,675,421	1,538,909	**Total liabilities and equity**	1,675,421	1,538,909

The accompanying notes are an integral part of these financial statements.

Multiplus S.A.

Income statement

Years ended on December 31,

(Amounts expressed in thousands of Reais)

	2014	**2013**
Net revenue (Note 20)	1,819,442	1,650,810
Costs of services and redeemed points (Note 21)	(1,280,761)	(1,218,238)
Gross profit	538,681	432,572
General and selling expenses (Note 21)	(50,968)	(38,550)
General and administrative (Note 21)	(120,181)	(109,099)
Equity share of results of joint ventures (Note 14)	(10,504)	(8,314)
Operating profit	357,028	276,609
Finance income (Note 23)	139,343	92,921
Finance expenses (Note 23)	(1,291)	(4,741)
Derivatives designated as cash flow hedges (Note 23)	(2,113)	(19,502)
Finance results	135,939	68,678
Profit before income tax and social contributions	492,967	345,287
Tax income and social contributions (Note 13)	(167,951)	(113,198)
Profit for the year	325,016	232,089
Earnings per share -R$		
Basic (Note 24)	2.0045	1.4329
Diluted (Note 24)	2.0003	1.4277

The accompanying notes are an integral part of these financial statements.

Multiplus S.A.

Statement of comprehensive income

Years ended on December 31

(Amounts expressed in thousands of Reais)

	2014	2013
Net Income	325,016	232,089
Other comprehensive income		
Cash flow hedges	6,767	47,033
Cash flow hedges - realized	12,627	(10,396)
Deferred income tax and social contributions	(6,594)	(12,457)
	12,800	24,180
Total comprehensive income	337,816	256,269

The accompanying notes are an integral part of these financial statements.

Multiplus S.A.

Statements of changes in equity

Years ended on December 31,

(Amounts expressed in thousands of Reais)

	Share capital	Cost of share issue	Share-based payments	Profit reserves: Legal reserve	Profit reserves: Retained earnings	Profit reserves: Cumulative earnings	Carrying value adjustment	Total
As at December 31, 2013	103,493	(23,322)	24,471	20,698	74,001 -	-	(13,458)	185,883
Profit	-	-	-	-	-	325,016	-	325,016
Other comprehensive income								
Cash flow hedges	-	-	-	-	-	-	6,767	6,767
Cash flow hedges - realized	-	-	-	-	-	-	12,627	12,627
Deferred income tax and social contributions	-	-	-	-	-	-	(6,594)	(6,594)
Total comprehensive income	-	-	-	-	-	325,016	12,800	337,816
Share-based payments	-	-	(3,701)	-	-	-	-	(3,701)
Contributions and distributions	-	-	-	-				
Legal reserve	-	-	-	762	-	(762)	-	-
Dividends and IOC (ii) paid – BDM 02/27/2014, effective on 03/20/2014	-	-	-	-	(74,001)	-	-	(74,001)
Dividends and IOC (ii) paid – BDM 05/08/2014, effective on 05/23/2014	-	-	-	-	-	(70,872)	-	(70,872)
Dividends and IOC paid (ii) – BDM 08/04/2014, effective on 08/20/2014	-	-	-	-	-	(76,050)	-	(76,050)
Dividends and IOC (ii) paid – BDM 11/03/2014, effective on 11/18/2014	-	-	-	-	-	(82,380)	-	(82,380)
Capital increase	3,807	-	-	-	-	-	-	3,807
Constitution of distributable earnings	-	-	-	-	94,952	(94,952)	-	-
Total transactions with owners	3,807	-	(3,701)	762	20,951	(325,016)	-	(303,197)
As at December 31, 2014	107,300	(23,322)	20,770	21,460	94,952	(0)	(658)	220,502
(i) Board of Director Meeting								
(ii) Interest on Capital								
As at December 31, 2012	102,886	(23,322)	19,608	20,577	67,136	-	(37,639)	149,246
Profit	-	-	-	-	-	232,089	-	232,089
Other comprehensive income								
Cash flow hedges	-	-	-	-	-	-	47,033	47,033
Cash flow hedges - realized	-	-	-	-	-	-	(10,396)	(10,396)
Deferred income tax and social contributions	-	-	-	-	-	-	(12,456)	(12,456)
Total comprehensive income	-	-	-	-	-	232,089	24,181	256,270
Contributions and distributions	-	-	-	-			-	-
Dividends and IOC paid – BDM (i) 02/27/2013, effective on 03/18/2013	-	-	-	-	(67,136)	-	-	(67,136)
Share-based payments	-	-	4,863	-	-	-	-	4,863
Allocation of profits								
Legal reserve	-	-	-	121	-	(121)	-	-
Dividends and IOC paid – BDM (i) 05/08/2013, effective on 05/22/2013	-	-	-	-	-	(44,508)	-	(44,508)
Dividends and IOC paid – BDM (i) 08/07/2013, effective on 08/20/2013	-	-	-	-	-	(54,563)	-	(54,563)
Dividends and IOC paid – BDM (i) 11/06/2013, effective on 11/22/2013	-	-	-	-	-	(58,896)	-	(58,896)
Capital increase	607	-	-	-	-	-	-	607
Constitution of distributable earnings					74,001	(74,001)		-
Total transactions with owners	607	-	4,863	121	6,865	(232,089)	-	(219,633)
As at December 30, 2013	103,493	(23,322)	24,471	20,698	74,001	-	(13,458)	185,883

The accompanying notes are an integral part of these financial statements.

(i) BDM - Board of Directors Meeting

Multiplus S.A.

Statement of cash flow - indirect method

Years ended on December 31,

(Amounts expressed in thousands of Reais)

	2014	**2013**
Cash flows from operating activities		
Profit	325,016	232,089
Adjustments for:		
Provision for profit sharing	11,467	7,882
Deferred income tax and social contributions (Note 13)	(8,577)	(2,420)
Depreciation and amortization (Note 21)	17,436	8,604
Share based payments	(3,701)	4,863
Cost to be incurred	(703)	(3,547)
Cost to be incurred with the closure of JV	(2,213)	-
Provision for impairment of accounts receivable (Note 9)	4,067	(424)
Ineffective portion - hedging transactions (Note 23)	2,113	19,502
Equity share of the result of joint ventures (Note 14)	10,504	8,314
Expense of income tax and social contributions (Note 13)	176,528	115,618
	531,937	390,481
Changes in:		
Financial investments	68,545	(404,029)
Accounts receivable	(100,388)	5,561
Taxes recoverable	(11,278)	(4,447)
Advances to suppliers	(89,047)	14,808
Judicial deposit	(5)	(18)
Derivative financial instruments	13,411	(10,114)
Other accounts receivable	5,806	(10,570)
Accounts payable	10,263	70,063
Salaries and social charges	(6,910)	(5,255)
Tax, charges and contributions	(1,729)	404
Deferred income	100,725	157,377
Other accounts payable	959	4,093
Taxes paid	(184,837)	(119,028)
Net cash from operating activities	337,452	89,326
Cash flows from investing activities		
Capital increase - Prismah	(1,208)	(11,028)
Purchases of property, plant and equipment	(4,635)	(6,517)
Purchases of intangibles (Note 15)	(42,317)	(26,947)
Financial assets held-to-maturity	-	150,426
Net cash used in investing activities	(48,160)	105,934
Cash flows from financing activities		
Capital increase	3,807	607
Dividends paid (Note 18)	(290,810)	(213,811)
Interest on own capital paid (Note 18)	(12,493)	(11,290)
Net cash used in financing activities	(299,496)	(224,494)
Net decrease in cash and cash equivalents	(10,204)	(29,234)
Cash and cash equivalents at 1 January	10,577	39,811
Cash and cash equivalents at 31 december	373	10,577
Variation in cash and cash equivalents	(10,204)	(29,234)

The accompanying notes are an integral part of these financial statements.

Multiplus S.A.

Statement of added value

Years ended on December 31, 2014

(Amounts expressed in thousands of Reais)

	2014	2013
Revenue		
Sales of goods, products and services (Note 20)	2,007,023	1,821,986
Provision for impairment of accounts receivable (Note 9)	(4,067)	(424)
	2,002,956	1,821,562
Inputs acquired from third parties		
Cost of products, goods and services sold (Note 21)	(1,280,761)	(1,218,238)
Materials, energy, outsourced services and others	(98,496)	(86,109)
	(1,379,257)	(1,304,347)
Gross added value	623,699	517,215
Reductions		
Depreciation and amortization (Note 21)	(17,436)	(8,604)
Net added value	606,263	508,611
Value added received in transfer		
Equity share of the results of joint ventures (Note 14)	(10,504)	(8,314)
Finance income (Note 23)	139,343	92,921
Total added value to be distributed	735,102	593,218
Personnel		
Direct remuneration	36,895	34,502
Benefits	774	2,718
Employee Government Severance Fund (FGTS)	2,370	1,902
Taxes, charges and contributions		
Federal	363,710	293,552
Municipal	-	122
Remuneration of third party capital		
Interest	3,404	24,243
Rentals	2,932	4,090
Remuneration of own capital		
Profit retained	95,714	74,122
Dividends	219,759	149,745
Interest on own capital paid	9,544	8,222
Distribution of added value	735,102	593,218

The accompanying notes are an integral part of these financial statements.

Notes to the financial statements year ended December 31, 2014

(Amounts expressed in thousands of Reais, unless otherwise indicated)

1 General information

Multiplus S.A. ("Multiplus" or the "Company") is domiciled in Brazil, with its head office at Ministro Jesuíno Cardoso street 454, 2st floor, São Paulo, SP, and was incorporated on August 6, 2009. Multiplus' main activities are: the development and management of customer loyalty programs, the sale of the right to redeem rewards under customer loyalty programs, the creation of databases of individuals and legal entities, obtaining and processing information related to consumer habits, representation of other Brazilian or foreign companies, and rendering auxiliary services relating to the sale of assets and products, including (but not limited to) their import and export, as well as the acquisition of items and products related, directly and indirectly, to the performance of the above activities.

Multiplus S.A. was listed as a publicly traded company on the BM&FBovespa New Market on February 3, 2010, and made a Public Offering on February 5, 2010. The Company's shares are traded under the symbol MPLU 3.

The main source of the Company's revenue arises from the issue of Multiplus (Loyalty) points for its commercial partners, including TLA, who offer these points to their loyalty program members, for them to redeem rewards. The Company allows its participants to accumulate Multiplus points on their purchases, and redeem these for rewards through the programs operated by the Company's commercial partners.

In addition to the sale of points, the Company provides loyalty program management services to its commercial partners, and Multiplus used to render these services to TLA until February 15, 2013.

The business model adopted by the Company differs from traditional coalition , as it is more flexible and provides benefits through the two existing models: coalition and individual programs, where rather than replacing the partners' programs, the Company connects them to a wider network, and thus does not compete, but rather cooperates with the loyalty programs of its commercial partners, providing them with highly attractive redemption options and allowing the commercial partners to continue their relationships with consumers.

The Company's commercial partners include major companies from different sectors of the economy, such as gas stations, bookshops, credit card companies, banks and hotels, among others. Other than traditional individual loyalty programs, the Company allows the participants in its commercial partners' loyalty programs to decide, through a Multiplus account, whether they will transfer their points to one of the different loyalty programs included in the Multiplus network, or consolidate the accumulated points from different loyalty programs into a single Multiplus account.

1.1 LATAM Airlines Group S.A.

According to the material fact notice of June 22, 2012 issued by TAM, the companies TAM S.A. and LAN Airlines S.A. ("LAN") reported that they had successfully completed the Public Offer for Exchange of Shares for the cancellation of the Registration of TAM S.A as a Public Company, which became effective on the shareholders' agreement on January 25, 2012 between TAM, LAN, TEP Chile S.A. and Holdco I S,A, LAN and TAM thus concluded their merger transaction on June 22, 2012 and created LATAM Airlines Group S.A. ("LATAM").

TAM S.A. is the Company's parent, holding 72,74% of the share capital. The merger transaction between TAM and LAN did not alter the terms of the 15year Operating Agreement signed on December 10, 2009 between Multiplus and TLA (Note 11).

1.2 Prismah Fidelidade S.A.

Multiplus and AIMIA Newco UK LLP (“Aimia”) jointly control Prismah Fidelidade S,A, (“Prismah”), which was established in 2012 with the corporate purpose of providing various services and development programs related to loyalty programs / customer relationship and sales chain incentive programs for companies including, but not limited to, customer relationship management, technical consulting and technology consulting, through rewards points or other trading currencies capable of conversion into points of loyalty programs (Note 14).

On December 29, 2014, the shareholders of Prismah, decided to close the activities of the Joint Venture and those terms are being discussed between the parties.

On December 31, 2014 still had obligations to be settled by both shareholders (see note 28 subsequent events).

2 Financial statements approval

These financial statements were approved for issue by the Company's management on February 24, 2015.

3 Basis of preparation and the principal accounting policies

The principal accounting policies applied in preparing these financial statements are described below. These policies have been consistently applied in all the years presented, unless otherwise stated.

3.1 Basis of preparation

The financial statements have been prepared in accordance with the accounting practices adopted in Brazil, including those required by the corporate law, and the Pronouncements, Guidance and Interpretations issued by the Accounting Pronouncements Committee ("CPC") and approved by the Brazilian Securities Commission ("CVM") and are in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The financial statements have been prepared under the historical costs model, and using the fair value measurement model for derivative financial instruments.

The fair value of these assets and liabilities is very close to their book value, for this reason are not disclosed comparative between the fair value and the carrying amount.

3.2 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency") and are presented in Brazilian Reais, which is the Company's functional currency.

3.3 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, bank deposits and short term highly liquid investments, with original maturities of up to three months, with an insignificant risk of change in value (Note 7).

3.4 Financial assets

3.4.1 Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and held to maturity. There are no financial assets classified as available for sale.
The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets upon initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss represent financial assets held for active and frequent trading. Derivatives are also classified as held for trading and are included in the category, unless they have been designated as hedge instruments. Assets in this category are classified as current assets.

Gains or losses arising from changes in the fair value of financial assets measured at fair value through profit or loss are recorded in the "Financial Result" for the period in which they occur, unless the instrument has been contracted in connection with an hedge object. In this case, the variations are recognized in the same account of the hedge object.

(b) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non current assets. The Company's loans and receivables include trade accounts receivables, other receivables and cash and cash equivalents, except for certain short term investments that meet the definition of assets held at fair value through profit or loss.

(c) Held-to-maturity

Financial non-derivative assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Company has manifested the intention and financial capacity to do this.

3.4.2 Recognition and measurement of financial assets

Purchases and sales of financial assets are typically recognized on the trade date.
The financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value though profit or loss. The financial assets are derecognized when the right to receive cash flow from the investment has expired or been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. The financial assets held at fair value through profit or loss are subsequently carried at fair value, Loans and receivables are carried at amortized cost using the effective interest method.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, the Company establishes fair value using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis.

3.4.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amounts are reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

3.5 Impairment of financial assets

Financial assets, except for those designated at fair value through profit or loss, are assessed for indications of impairment at the end of each reporting period. Impairment losses are recognized if, and only if, there is effective evidence of impairment of the financial asset as a result of one or more events that occurred after initial recognition, with a corresponding effect on the estimated future cash flow from this asset.

For certain categories of financial assets, such as accounts receivable, the assets that are considered not to be impaired on the basis of an individual assessment may, subsequently, be assessed as impaired under a collective assessment. Objective evidence of impairment for the receivables portfolio may include the Company's past experience in the collection of payments and the increased number of delayed payments after a certain period of days, as well as observable changes in the national or local economic conditions related to defaults on receivables.

The carrying amounts of the financial assets are reduced directly by the impairment losses, except for accounts receivable, the carrying amounts of which are reduced by the amounts of any provision. Any subsequent recoveries of amounts previously written off are credited to the relevant provision. Any changes in the carrying amounts of the provision are recorded in profit or loss.

3.6 Derivative financial instruments and hedging activity

Derivatives are initially recognized at fair values on the date when a derivative contact is entered into and are subsequently re-measured at their fair values. The method of recognizing the resulting gains or losses depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as hedges of a particular risks associated with a recognized asset or liability, or a highly probable forecast transaction (cash flow hedge) (Note 12).
The Company did not renew the contracts of derivative instruments in 2014, because still there are balances to be carried out, in equity due to hedge accounting.

The Company decided to apply hedge accounting, since the sale of points to financial institutions are based on a contracts that define the price in US Dollars, and the revenue is recognized at the moment when the participants in the loyalty program redeem their points in return for rewards (the "curve of redemption of points" shows that the average period in which points have been redeemed is approximately ten months after billing). This results in a mismatch between the time when the points are billed and recognized as deferred revenue and the time when the points are redeemed and revenue is recognized in the statement of operations. Management believes that applying hedge accounting reduces the mismatch between the timing of the recognition of the effects of the derivative financial instruments in the income statement and the recognition of revenue from the transactions being hedged, Management also expect that an effective hedge relationship will reduce the impact of the derivative instruments recognized within finance income or finance costs in the statement of operations.

The Company deems the cash flow from future sales of points to financial institutions to be highly probable to occur, based on the budget, and thus categorizes the changes in the intrinsic value of derivative instruments contracted to protect this cash flow against exchange rate variations as "cash flow hedges" of these future sales. Derivative financial instruments designated as hedging instruments under hedge accounting are recognized as assets and liabilities in the balance sheet, and are measured at fair value, The effective portions of any changes in the intrinsic value of derivatives that are designated and qualify as cash flow hedges are recognized in other comprehensive income within stockholders' equity. The gain or loss relating to the ineffective portion is recognized immediately in the statement of operations within finance income and finance costs.

The Company documents at the inception of the hedge transaction the relationship between the hedging instruments and hedged items, including the risk management objectives and the strategy for entering into the hedge transactions. The Company also documents, both at the inception of the hedge relationship and on an ongoing basis, the calculations and/or assessments of whether the intrinsic value of the derivative instruments designated as hedging instruments are highly effective in offsetting the changes in cash flow in Reais attributable to changes in the exchange rate between the Brazilian Real and the US Dollar.

Under a cash flow hedge, the Company hedges the changes in future cash flow from sales attributable to changes in the exchange rate, and recognizes any changes in the fair value of the derivative financial instruments. The change in fair value attributable to the effective portion of the hedging relationship is recognized in other comprehensive income within shareholders' equity, and the ineffective portion and the time value, which is not part of the hedging relationship, is recognized directly in the income statement. The effective portion originally recognized in shareholders' equity in other comprehensive income, will only be released or recycled to the statement of operations when the hedged item affects the income statement (which is the moment when the points that were being hedged are redeemed by the participants). However, when a hedged item expires or when a hedging operation no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in stockholders' equity at that time remains in stockholders' equity until the moment at which the forecast transaction is ultimately recognized in income.

The Company uses zero cost collars, swaps and forward contracts as hedging instruments, and their fair value calculations are performed based on methodologies widely accepted by the market, such as the Black & Scholes model for options, and discounted cash flow for swaps and forward contracts, Significant data included in the model included:

- Spot price market
- Exercise price
- Volatility in the price of the object-asset
- Risk-free interest rate
- Length
- Interest rate on foreign currency

The hedging instruments are considered to be effective when the variations in the cash flow of the hedging instruments offsets between 80% and 125% of the changes in the hedged transactions.

The fair value calculations of derivatives use as source data the information disclosed by BM&FBovespa and the Central Bank of Brazil.

The Company has not classified any derivative instruments as having "fair value hedge" or "net investment hedge" relationships.

3.7 Accounts receivable

Accounts receivable are amounts due from customers for sales of points in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets, If not, they are presented as non-current assets.

Accounts receivable are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method, less any provision for impairment. Owing to their short-term nature, the Company initially recognizes accounts receivable at their original sale amounts.

The Company records an allowance for doubtful accounts receivable which are overdue for more than 180 days, except for cases of renegotiations and transactions with related parties. The total provision for losses is equivalent to the difference between the carrying amount and recoverable amount (Note 9).

3.8 Income tax and social contributions - current and deferred

Income tax and social contribution Current and deferred, are calculated based on the rates of 15% plus a surcharge of 10% on taxable income in excess of R $ 240 for income tax and 9% on taxable income for social contribution on net income, and consider the offsetting of tax losses and negative basis of social contribution limited to 30% of taxable income (Note 13).

The income tax and social contribution expenses represent the sum of current and deferred taxes. Income tax and social contributions, current and deferred, are recognized in the statement of income, except to the extent that they relate to items directly recognized in equity or other comprehensive income.

The expenses for current and deferred income tax and social contributions are calculated on the basis of the tax laws enacted at the balance sheet date in the country in which the Company operates and generates taxable income. Management periodically evaluates the positions taken in the tax returns in situations in which the applicable tax regulations are subject to interpretation, It establishes provisions, where appropriate, on the basis of the amounts expected to be paid to the tax authorities.

Income tax and social contributions are presented on a net basis in liabilities when there are amounts payable, or in assets when the amount paid in advance exceeds the total due as at the reporting date.

Deferred income tax and social contributions are recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax and social contribution assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences and/or tax losses can be utilized, considering projections of future income based on internal assumptions and future economic scenarios which may, therefore, be subject to change. Company management revises these projections annually.

Deferred income tax and social contributions are offset and presented on a net basis when there is a legally enforceable right and intention to offset current tax assets against current tax liabilities. In general this is only the case when the deferred tax assets relate to the same legal entity and the same tax authority as the current liability. Accordingly, deferred tax assets and liabilities in different countries are typically shown separately, and not on a net basis.

3.9 Investments

(a) Joint ventures

Jointly controlled entities are all entities over which the Company has joint control with one or more other parties. Investments in jointly controlled entities are accounted for under the equity method. The Company's interest in a joint venture is recognized in the income statement. When the Company's share of the losses of the joint venture equals or exceeds the carrying amount of the investment, including any other receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint venture. (Note 14)

3.10 Propert, plant and equipment

The fixed assets are segregated in groups related to its operational activities. The loyalty industry is significantly impacted by technological development, which requires the management frequently review of recoverable values and estimated useful lives of the assets.

Tangible fixed assets are carried at cost less accumulated depreciation and any impairment. These assets are depreciated to their estimated residual values on a straight line basis over their estimated useful lives. Property, plant and equipment are primarily items of furniture and fixtures, improvement leasehold improvements and computer equipment. The average useful life of assets is five years.

Any gains and losses on disposal of fixed asset items are recognized in income.

3.11 Software and IT projects

Software licenses are capitalized on the basis of the costs incurred to acquire the software and make it ready for use. These costs are amortized over the estimated useful life of three to ten years.

Costs associated with maintaining software are recognized as an expense as they are incurred. Costs of development that are directly attributable to the design and testing of identifiable and unique products are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use
- Management intends to complete the software product and use or sell it
- There is an ability to use or sell the software product
- It can be demonstrated how the software product will generate probable future economic benefits
- Adequate technical, financial and other resources required to complete the development and to use or sell the software product are available
- The expenditure attributable to the software product during its development can be reliably measured

Ongoing costs of software development or maintenance are expensed as incurred.

3.12 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

3.13 Accounts payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due in one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Accounts payable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method. In practice, due to the short-term nature of most trade payables, they are usually recognized at the amount billed.

3.14 Deferred revenue

The Company sold points to its commercial partners and during the billing process these points are valued and then recorded as deferred revenue at current liabilities.

When participants decide to redeem their points for products or services at the wider network, this liability is written off, recognizing the revenue from sales points (income statement).
Simultaneously the costs of the services or products redeemed by the participants are registered as cost of points.

Points sold are measured at their fair value upon initial recognition, against accounts receivable, and are recognized as revenue when Multiplus points are redeemed (Note 17).

3.15 Distribution of dividends and interest on own capital

The distribution of dividends and interest on own capital to the Company's shareholders is estimated quarterly based on the trial balance. The management proposal of dividends to be paid is approved by the Company's shareholders (Note 18 (g)).

3.16 Employee benefits

(a) Profit sharing

The Company recognizes liabilities and expenses for profit sharing, based on its Profit Sharing Program and various operating indicators. The Company recognizes a provision where it is contractually obliged to do so, or there is a past practice that has created a constructive obligation.

(b) Share-based payments

The Company operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) in the Company. The share-based compensation is measured at the fair value of the equity instruments as at the grant date. Details regarding the determination of the fair value of these plans are set out in Note 19.

The fair value of the employee services received in exchange for the grant of the options is recognized as an expense over the vesting period (the period in which the specific conditions must be fulfilled), excluding the impact of any non-market vesting conditions (for example, profitability or sales growth targets). Non-market vesting conditions are included in the assumptions used to define the number of options that are expected to vest.

At each balance sheet date, the Company revises its estimates of the number of options that are expected to vest, recognizing the impact of the revisions of the original estimates, if any, in the income statement, with a corresponding adjustment to equity.

(c) Restricted shares plan

On May, 2014, a new share based plan was created, and also its first grant of restricted shares to certain executives of the Company. This plan is subject to vesting period conditions and also the achievement of a financial index.

These shares will be purchased by the Company from the market and delivered to executives at the time of settlement, so the Company has recognized the expense equivalent to the plan against a capital reserve in shareholders' equity, which will be used for the future purchase of these shares.

3.17 Transaction costs

Transaction costs related to the Company's IPO were recorded in accordance with CPC 08 - "Transaction costs and premiums on the issue of securities", as a deduction from the initial amount of the proceeds, net of the income tax and social contribution effects.

3.18 Share capital

Capital includes common shares which are classified in equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.19 Accruals

The Company recognizes provision when: (i) it has a present legal or constructive obligation as a result of past events, (ii) it is probable that an outflow of resources will be required to settle the obligation, and (iii) the amount can be reliably estimated. Provision is measured at the present value of the expenditure required to settle the obligation, using a pre-tax rate which reflects current market assessments of the time value of money and the specific risks of the obligation. The increase in the obligation as a result of the time effects is recognized as a finance cost. Provision is presented net of the related judicial deposits.

When some or all of the economic benefits required to settle an obligation are expected to be recovered from a third party, an asset is recognized, but only if the reimbursement is certain and its value can be measured reliably.

3.20 Revenue recognition

Invoicing for Multiplus points arising from sales to commercial partners is initially recorded as deferred revenue upon the issue of the points. (Note 3.14). As the Multiplus points are redeemed, these amounts are recognized in the statement of operations as gross revenue. Revenue, therefore, includes the amount of points redeemed and the amount of points expected not to be redeemed (breakage) (Note 20).

3.21 Costs and operating expenses recognition

Multiplus costs are mainly related to points redeemed (including the award points distributed), especially award travel tickets. Operating expenses represent selling, general and administrative expenses, including salaries, payroll charges and benefits, shared services centers, information systems, call centers, legal, marketing and other (Note 21).

3.22 Finance revenue recognition

Interest revenue is recognized on an accruals basis, taking into consideration the outstanding principal and the effective interest rates up to maturity or up to the year end (Note 23).

3.23 Segment information

Operating segment information is presented in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, responsible for allocating resources and assessing the performance of operating segments, is the Chief Executive Officer. As the cost basis of the Company's operations is essentially fixed, although the CEO assesses performance in each period based on revenue from various levels, Multiplus' performance is assessed as a whole and thus it can be concluded that there is only one operating segment.

3.24 New standards, amendments and interpretations not yet effective

IFRS Standards, amendments and interpretation issued by the IASB but not yet effective have not been applied during the preparation of these financial statements. The Company will adopt these new standards when they become eligible.

The new standards, amendments and interpretations issued by the IASB, but which the Company did not apply, are as follows:

IFRS 9 - "Financial instruments"

IFRS 9 introduces new requirements for classification, and measurement of financial assets and liabilities. The amendment to the IFRS was issued in October 2010, The most significant impact of IFRS 9 related to the classification and measurement of financial liabilities refers to the recognition of changes in fair value of a financial liability (designated at fair value through profit or loss) attributable to changes in the credit risk of that liability, Specifically, under IFRS 9, related to financial liabilities measured at fair value through income, the amount of the changes in the fair value of a financial liability attributable to changes in credit risk of that liability are recognized under "Other comprehensive income" unless the recognition of the effects of changes in credit risk of the liability in "Other comprehensive income" results in or increases the accounting mismatch in profit or loss, The mandatory effective date of IFRS 9 is January 01, 2018.

IFRS 15 – Revenue from Contracts with customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted.

4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the CPCs and IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Estimates and judgments are constantly evaluated and are based on historical experience and other factors, including expectations of future events considered reasonable under the present circumstances. Accounting estimates, by definition, are not equivalent to actual results.

The estimates and assumptions that present a significant risk of causing material adjustments to the book values of assets and liabilities during the coming year, are presented below:

Estimates of points issued but not be used up to the due date (breakage)

The points are sold by Multiplus, but revenue is only recognized when they are redeemed. However, since each point is given a validity period of two years, some expire before they are redeemed. This is known as breakage, and generates revenue free of cost. At the end of each month, the Company makes a provision equivalent to the amount of breakage revenue expected (called the "breakage liability") and gradually recognizes this revenue in the income statement.
The breakage liability is calculated based on the 12-month average of the percentage of points issued and not used by the expiry date, applied on the total billing from sale of points. The gradual recognition of breakage revenue is based on the 12-month average of redemption, the percentage of points earned and redeemed during the period applied to the liability calculated as above and limited to the balance already recorded as a liability.

5 Risk management

5.1 Financial risk management

The Company believes that risk management is key to supporting its growth strategy and allowing financial flexibility. Therefore, the Company has developed its risk management strategy in order to provide an integrated approach to the risks to which it is exposed. Thus Multiplus evaluates not only the impact of financial market trading variables on the results of the business (market risk), but also the risk on counterparty obligations (credit risk), the risk relating to operational activities (operational risk) and that arising from liquidity risk.

The Company is subject to Treasury Policy , which is based on the policy of its parent LATAM SA and approved by the Finance and Audit Committee on 4 December 2013 laying down rules for the management of Cash and Financial Risks , and allowing the Treasury Department undertake hedging transactions previously approved by the committee . Risk management is monitored by the Audit and Finance Committee of the Company together with the Risk Committee of the Company has , among other things :

- Decide on whether or not the the hiring of Hedging , as well as the percentage increase or maintain levels of protection within the limits set out in the Financial Risk Policy , based on strategic issues and monitor the comparison between budgeted and market scenarios .

- Manage and monitor risk exposure .
- Monitor compliance with risk policy .
- Establish limits to all financial institutions authorized to carry out transactions with derivative financial instruments .
- Monitor the performance of derivative financial instruments .

The Risk Committee's decisions, certifying that the hedging transactions were contracted in conformity with market conditions, and informing the Risk Committee of any deviations from the Policy.

Derivatives are used in line with the parent company's policies, taking into account the liquidity, impact on results and cost/benefit analysis of each position taken. Control over the use of derivatives includes ensuring that the derivatives contracted are in line with market rates.

There was not new derivatives contracted in the period.

The Company does not enter into transactions involving financial instruments, including derivative financial instruments, for speculative purposes.

a. Market risks

The Company uses to control its financial investments the risk measure widely known in the world as VaR (Value at Risk). This measure aims to establish a maximum loss allowed on a given confidence interval, based on the statistical distribution of the returns of each asset in its portfolio.

The parameters of the VaR of the funds used are:

Parametric Model;

Time Horizon 21 working days;

Confidence interval of 95%;

Model EWMA volatility with λ (lambda) of 0.95%.

The VaR established for the Company's Investment vary according to the liquidity of financial assets used:

For assets with liquidity within 7 days of the Var is 0.10%;

For assets with liquidity of up to six months, the VaR is 0.40%.

On December 31, 2014 the VaR of investable assets within 7 days and liquidity within 6 months were respectively 0.003% and 0.040%.

b. Interest rate risk

The Company is exposed to exchange rate risk arising from its normal commercial activities, considering that most of the points of sale agreements with financial institutions are quoted in US Dollars. The variations in exchange rates between R$ /US$ may negatively affect the Company's cash flow, future billing and results. The Company is exposed to the risk of a possible decrease in future cash flow due to an increase or reduction in the R$ /US$ exchange rate.

On December 31, 2014 there was not hedge transactions balances outstanding and the Company did not have liabilities in foreign currency.

c. Interest rate risk

The Company's results are affected by changes in interest rates due to the impact of those changes on interest income earned on cash balances and financial investments, and on 2014, generated a financial income of R$ 139,343.

The Company does not have financial instruments to protect the cash flow against variations in interest rates, and maintains most of its cash in investments earning interest based on the CDI (Interbank Certificate of Deposit).

The Company has no liabilities denominated in interest rates, not suffering negative impacts on possible changes in interest rates.

The Company has no liabilities indexed to interest rates, not suffering negative impacts on possible changes in interest rates.

d. Credit risk

Credit risk is managed internally and reviewed by the Audit and Finance Committee. Credit risk arises from cash and cash equivalents, financial instruments, and deposits with banks and other financial institutions, as well as from credit exposure to wholesale and retail customers and financial institutions, including outstanding accounts receivable. Currently the Company's receivables are concentrated on financial institutions. The limits of individual risks per counterparty are determined based on internal or external classifications and the credit limits are monthly monitored.

The credit quality of financial assets that are neither past due or not impaired is assessed with reference to external credit ratings (if available) or historical information regarding counterparty default rates. The ratings are expressed on a notional scale, and each agency has a slightly different way of presenting ratings. The table below unifies the presentation in a scale that is probably the most common.

Por rating:

Exposure	**Participation in equity - %**
AAA	44.53
AA	23.35
A	3.85
BBB	0.44
BB	0.04
B	0.02
Brazilian Credit Guarantee Fund (FGC)	1.83
No classification	0.74
Government Bonds	25.19

Participation by activity class:

Exposure (Risk)	**Participation in equity - %**
Fixed Rate	0.18
SELIC	9.29
Interbank Certificate of Deposit (CDI)	71.28
Cash	17.86
National Consumer Price Index (IPCA)	0.09
Due	1.78

By title:

Exposure (MTM)	**Participation in equity - %**
Government Bonds	25.17
Corporate bonds	72.40
Brazilian Receivables Funds (FIDC)	2.43

Product participation:

Product (Market Value)	**Participation in equity - %**
Cash	0.05
Repo with goverment bonds as collateral	14.18
Repo with debentures as collateral	4.73
Treasury Bills (LTN)	0.76
Treasury Financial Bills (LFT)	10.29
Financial Bills	40.71
Bank Certificate of Deposit (CDB)	9.99
Time deposit with special guarantee (DPGE)	1.84
Debenture	13.56
Brazilian Receivables Funds (FIDC)	2.43
Promissory Notes	1.46

e. Liquidity risk

The operation of the Company, which is selling points of loyalty to their partners before being reedemed by the participant, has positive character in terms of cash flow, minimizing its liquidity risk.
The Company splits its investments into two portfolios, aiming to seize the medium temporal space between the selling points to partners and redemption of points by the participants. The table below lists the medium term liquidity of each of these portfolios .All the exceptions must be approved by the Audit Committee and the Finance Company .

Portfolio	**Liquidity**	**2014**
Portfolio 1	Until 7 days	618,127
Portfolio 2	Until 6 months	567,227
Total		1,185,354

The warily liquidity risk management involves: (i) maintaining sufficient cash and short-term investments to meet its financial commitments, (ii) check availability of funding through an adequate amount of credit facilities and (iii) ensure ability to close out market positions .

The Company is highly dependent on the TLA and financial institutions , which together represent almost all of its sources of revenue. Any material reduction in selling points for them could have a material adverse effect on the Company.

More details about the informations of the credit risk with customers is disclosed in Note 9.

5.2 Commercial risk management

a. Risks related to the redemption of points

The main operating cost of the Company is the acquisition of points from alliance partners and products, particularly airline tickets, for use as rewards for program participants. A certain portion of the Company's revenue arises from points which expire without being redeemed by the participants (known as breakage). The recognition of the breakage portion of revenue is based on historical trends, and a decrease in breakage is expected as the Company expands its network of commercial partners. The Company expects to be able to neutralize this breakage reduction through its policy of pricing points sold to the commercial partners. Should the points not be properly priced, or should the volume of redemptions exceed the Company's expectations, profitability may be affected.

b. Risks related to competition

The market for loyalty programs in Brazil is still in the development phase. As the operating market of the Company develops and competition increases, competitors may capture a certain portion of the Company's current or future business with its commercial partners or participants, including the rewards acquired.

The factors that avoid the increase of this risk are: (i) Exclusivity clauses: the agreements signed between Multiplus and the coalition partners contain an exclusivity clause of approximately two years, the most important of which is the Operating Agreement with TLA, whose validity is 15 years starting in 2010, (ii) Current competition: the Company is already competing with airline company loyalty programs and individual programs from players in several other segments, especially in terms of its relationships with financial institutions, and (iii) positive effect on the market: the emergence of other loyalty program networks could help publicize and increase understanding of the loyalty-building concept by potential members, favoring the growth of the market as a whole.

The Company's success depends largely on its ability to attract and retain business partners who offer products and services at prices compatible with the level of expenditure of the participants in the loyalty program.

5.3 Operational risk management

a. Technological risk

Multiplus uses state-of-the-art technology in its IT systems and infrastructure, keeping these assets updated and seeking to minimize exposure to the risks caused by obsolete technology. For this purpose, it also continuously invests in the renewal and upgrading of its IT systems, including hardware, software, processes and people.

b. Fraud risk

The fraud risk associated with a loyalty partnership business model should never be underestimated, given that Multiplus interacts with thousands of people and countless commercial establishments on a daily basis. In order to reduce this risk, the organization adopts a strict policy governing the responsibilities and access rights of employees and partners. Separation of responsibilities, audit trails and the cross-checking of information in its systems and business processes help to mitigate the risk of fraud.

c. Process risk

The complex nature of Multiplus' technological operations means that the impact of both system and process related changes represents a major risk for the business, and accordingly these changes must be very well planned and executed.

Accordingly, the Company has rigorous change management controls including environments for production, homologation, and integration systems that are separated and replicated among each other. The Company also employs rigorous testing, as well as comprehensive systems and documentation acceptance processes.

d. Financial investments

These mainly represent financial investments by the Company in wholly-owned investment funds under the discretionary management of third parties. The custody and management of these investments change according to each fund and in the case of restricted funds, independently of the funds' managers. Additionally, the funds have independent audits and are regulated by CVM.

Portfolio dynamics - the fund managers can alter the portfolio composition at any time, at their discretion, within the limits of each fund's policy. The sensitivity analysis assumes that the portfolio composition existing as at December 31, 2014 will remain constant, but this is not necessarily the case and may lead to inappropriate conclusions.

Risk control - the regulations establish limits of the funds allocated by type of asset and type of issuer assets, and define the permitted operations and the use or not of derivatives for hedging purposes of the spot positions. The company along with independent consultant monthly assesses the portfolio of funds where the shareholder is to ensure you are in compliance with the rules of its policy of Treasury

Restrictions imposed by the regulations - exclusive funds expressly prohibit leverage in its regulations. In addition to the market risk limit described above, there are additional limits for investments in classes of assets of greater volatility.

e. Financial instruments

The balances of accounts payable and accounts receivable are presented at fair value and are not exposed to any variable of determining risk.

5.4 Fair value estimate

The Company discloses the fair value of financial instruments according to their levels of the following fair value measurement hierarchy:

Level 1- quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3 - inputs for the asset or liability that are not based on observable market data. This category was not applicable to the Company as at December 31, 2014.

The following table presents the Company's financial instruments that are measured at fair value:

	December 31, 2014		
	Level 1	**Level 2**	**Total**
Financial assets at fair value through profit or loss			
Investment Fund	585,775	-	585,774
Exclusive Investment Fund	560,917	-	560,917
Bank Certificate of Deposits	-	38,662	38,662
	1,146,692	38,662	1,185,354

	December 31, 2013		
	Nível 1	**Nível 2**	**Total**
Financial assets at fair value through profit or loss			
Restricted investment funds	1,248,434	-	1,248,434
Bank Certificate of Deposit (CDB)	-	5,465	5,465
	1,248,434	5,465	1,253,899
Derivate financial liability			
Foreign Exchange derivates - *Collar*	-	3,870	3,870
	-	3,870	3,870

The average earnings for the year of 11.60% p.a. (December 31, 2013 – 9.33% p.a.), includes Brazilian government securities, corporate securities and committed operations.

The fair value of financial instruments traded in active markets is based on the quoted market prices as at the balance sheet date. A market is considered active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1 and comprise restrict investment funds and CDB. Each exclusive investment fund has a clear investment policy, with limits as to the risk concentration of the related investments.

The financial instruments recognized at fair value were determined as follows:

(a) Brazilian Government securities-highly liquid Brazilian government securities that have price quotations that correspond to transactions in an active market.

(b) Corporate securities - Corresponds, typically, to debt securities for which the fair value has been determined based upon actual transactions observed in regulated markets (when available) or upon cash flow discounted using interest rates when actual transactions are not available.

(c) Certificates of deposit and other bank deposits - Fair value has been estimated by discounting the estimated cash flow using market interest rates as inputs.

(d) Derivative financial instruments not traded on an exchange (over-the-counter). The Company estimates its fair value using the technique Black-Scholes model. This model is widely accepted in the market and reflect the contractual terms of the derivatives. The model do not contain a high level of subjectivity, since the methodologies used in the models do not require significant judgment, and all inputs to the model are readily observable on actively quoted markets.

The factors that influence the prices of options are: the price of the asset, exercise price, volatility in the price of the object-asset, risk free interest rate, term length and interest rates on foreign currencies. These calculations use source data disclosed by BM&FBovespa and the Central Bank of Brazil.

5.5 Capital management

The objective of capital management is to ensure that the Company continues as a going concern, and at the same time provides the maximum return to its stakeholders.

Management monitors capital on the basis of the gearing ratio measured by net debt (defined as total liabilities less deferred income) as a percentage of total capital. Total capital is defined as equity per the balance sheet, plus net debt.

The Company is not subject to any externally imposed capital requirements.

The gearing ratio is as follows:

	December 31, 2014	**December 31, 2013**
Total liability	1,449,448	1,353,026
(-) Deferred income	(1,284,113)	(1,183,420)
Net debt (1)	165,335	169,606
Total equity	220,501	185,883
Total capital (2)	385,836	355,489
Leverage ratio - (1)/(2)	42.9%	47.7%

6 Financial instruments by category

	December 31, 2014	December 31, 2013
Loans and receivable		
Cash and cash equivalentes	373	10,577
Accounts receivable	246,578	150,257
	246,951	160,834
Financial assets at fair value through profit or loss	1,185,354	1,253,899
	1,185,354	1,253,899
Liabilities measured at amortized cost		
Accounts payable	140,150	129,887
	140,150	129,887
Derivative financial instruments	-	3,870
	-	3,870

7 Cash and cash equivalents

	December 31, 2014	December 31, 2013
Cash and bank deposits	373	10,577
	373	10,577

8 Financial Assets

The Company's portfolio investments are concentrated in investment funds, which are groups of investments constituted with the aim of promoting the application of the collective resources of its participants, governed by a regulation, the General Assembly and its Main Board decisions, the Company classifies its funds 3 types and values are recorded net of liabilities and expenses of the fund.

	December 31, 2014	December 31, 2013
Investment funds	585,775	-
Restricted Investment funds (i)	-	1,248,434
Exclusive Investment funds (ii)	560,917	-
Bank Certificate of Deposit (CDB) (iii)	38,662	5,465
	1,185,354	1,253,899

(i) Restricted fund: investment in shares of investment funds intended for investors and constituted or not to receive a certain number of investors which together have a familiar corporate or group bonding applications belonging to the same economic group, or in writing, determine that condition.

(ii) Exclusive investment funds: investment fund quotas of investment funds intended for qualified investors and formed to receive a single shareholder applications

(iii) During the year ended on December 31,2014 the Company has R$5,455 invested in bank certificates of deposit as collateral for guarantee contract on the administrative office rental.

The Company's exposure to interest rate risk, credit risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 4.

9 Accounts receivable

	December 31, 2014	December 31, 2013
Accounts receivable		
Others	216,100	131,240
Related parties	34,704	19,176
(-)Provision for impairment	(4,226)	(159)
	246,578	150,257

In the last quarter of 2014, the Company recorded a provision for loan losses of R $ 4,226, related to receivables from Argentina, due to changes in the legislation of that country as remittances abroad.

All accounts receivable are denominated in Brazilian Reais. The breakdown of the balances by maturity is presented as follows:

	December 31, 2014	**December 31, 2013**
Not yet due	237,835	144,600
Overdue		
Up to 60 days	4,934	4,655
From 61 to 90 days	827	613
From 91 to 180 days	2,216	61
From 181 to 360 days	3,277	333
More 360 days	1,715	154
	250,804	150,416

The maximum exposure to credit risk as at December 31, 2014 represents the book value of each type of receivable disclosed above.

It should be highlighted that provision for impairment on December 31, 2014 is adequate to cover possible losses from non-payment of outstanding receivables, as shown below:

December 31, 2013	159
Increase	4,226
Recoveries	(159)
December 31, 2014	4,226

10 Advances to suppliers

	December 31, 2014	**31 de dezembro de 2013**
Advances to suppliers		
Third parties	-	6,409
Related parties	95,456	-
	95,456	6,409

11 Related parties

The balances and transactions with related parties is mainly to the contracts between the Company and TLA, as summarized below:

(a) Operating contract

Signed on December 10, 2009, this contract established the terms and conditions that regulate the relationship between the Company and TLA, regarding:

The continuity of the enjoyment, by TLA's customers participating in the Program, of the benefits by means of the use of points granted

Redemption of points by the Program's members through the Multiplus network. The agreement also established the conditions for the purchase and sale of points, the purchase and sale of airline tickets, the use of TAM Loyalty Program's client database, the management of the TAM Loyalty Program and the related remuneration

The transfer by TLA to the Company of the management, administration and operation of the TAM Loyalty Program that was incorporated by TLA on September 16, 2013. It is the reason for the Company have not receive for this service on 2014. TLA payed the amount of R$ 2,295 refers to this service in the period ended September 30, 2013.

(b) Shared services contracts

Signed on December 10, 2009, this contract established the terms, conditions and remuneration to be paid by the Company to TLA for the use of administrative services (accounting, financial and legal). In the year ended on December, 31 2014, the Company paid R$ 3,135 (December 31, 2013 - R$4,105) to TLA for administrative services.

(c) Commitments for the purchase and sale of air tickets

On December 04, 2013, the Board of Directors approved the anticipated acquisition of air tickets by TAM limited to R$500 million, approved by the Financial and Related Parties Comitee. This anticipated acquisition can only be used for purchase of air tickets redeemed by participants according to conditions established the Operating Contract.

The methodology used to obtain the rate for the operation was defined as the arithmetic average of the three best quotes that TAM obtained in similar financial market operations. And from September 2014, the methodology was improved, which considered the duration of TAM receivables portfolio. The advance rate came to be defined then as the highest rate among the best quote that TAM obtained in the financial market for similar transactions and the opportunity cost of MPLU plus a spread the risk of the operation.

During the year ended December 31, 2014, the Company made advance payments for purchase of air tickets of TLA, totaling R$ 646 million, with interest rate market. The nominal value of advances on December 31, 2014 is R$ 95.4 million.

11.1 Balances

	TAM S.A.	Prismah	TLA	TAM Viagens	Total
As at December 31, 2014					
Current Asset					
Accounts receivable	-	24	34,538	142	34,704
Advance Payments to purchase ora ir tickets	-	-	95,456	-	95,456
	-	24	129,994	142	130,160
Current liabilities					
Accounts payable (i)	-	124	96,088	520	96,732
Deferred revenue(ii)	-	-	75,640	7,996	89,793
	-	124	171,728	8,516	186,524

	TAM S.A.	Prismah	TLA	TAM Viagens	Total
As at December 31, 2013					
Current Asset					
Accounts payable	78	341	18,542	215	19,176
	78	341	18,542	215	19,176
Current liabilities					
Accounts payable (i)	-	-	80,516	-	80,516
Deferred revenue(ii)	-	-	95,010	-	95,010
	-	-	175,526	-	175,526

(i) Refers to airline tickets that Multiplus purchases monthly from TLA.

(ii) The balance of deferred income, arising from the sale of Multiplus points to TLA and TAM Viagens.

11.2 Transactions

The transactions with related parties which affected the income statement are as follows:

	Prismah	TLA	TAM Viagens	Total
On December 31, 2014				
Gross revenue from redeemed points (i)	-	144,700	1,084	145,784
Breakage revenue	-	77,848	341	78,189
Cost of redeemed points (iii)	-	(1,152,329)	(3,651)	(1,155,980)
General and administrative expenses (iv)	(1,512)	(2,826)	(7)	(4,345)
Finance Income (v)	-	12,333	-	12,333

	Prismah	TLA	TAM Viagens	Total
On December 31, 2013				
Gross revenue from redeemed points (i)	-	161,080	664	161,744
Breakage revenue	-	78,570	344	78,914
Others revenues (ii)	-	2,295	-	2,295
Cost of redeemed points (iii)	-	(1,132,972)	(864)	(1,133,836)
General and administrative expenses (iv)	(733)	(5,525)	(72)	(6,330)
Finance income (v)	-	26,466	-	26,466

(i) Amounts related to the sale of Multiplus points to TLA and TAM Viagens, accrued during the period.

(ii) Refers to the remuneration for the management, administration and operation of the TAM Loyalty Program, as set out in the Operating Contract.

(iii) Gross amount related to the purchase of airline tickets and TAM Viagens prize packs to be awarded to participants, since the income statement is presented at cost net of PIS and COFINS.

(iv) Refers to the remuneration paid to TLA for shared services, as set out in the Shared Services Contract.

(v) Amount related to advanced purchases of TLA airline tickets.

11.3 Key management compensation

Key managementy personnel include the members of the Board of Directors, the President and the statutory directors. Remuneration paid or payable for their services is shown below:

	2014	2013
Current benefits		
Board of Directors' fees	975	515
Salaries, profit sharing and bonuses	3,553	3,812
Defined contribution pension plan	76	98
Tax and social contributions	744	237
	5,348	4,662
Share-based payments	858	1,487
	6,206	6,149

There were no other long-term benefits and post-employment for people in key management on December 31, 2014.

12 Derivative financial instruments

The allocation of fair value by counterparty credit rating as at December 31, 2014 and December 31, 2013 was presented as follows:

Counterparties with external credit ratings (Standard & Poor's, Moody's or Fitch)	**Negotiation local**	**December 31,2014**	**December, 31,2013**
AA+, AA ou AA-*	*Over-the-counter*	-	(1,821)
BBB ou -BBB*	*Over-the-counter*	-	(2,049)
Current liabilities		-	(3,870)
Carrying value adjustments			
Hedge accounting		(13)	(6,780)
Hedge accounting - realized		(984)	(13,612)
Income tax and social contributions - deferred		339	6,934
Equity		(658)	(13,458)

(*) The ratings are expressed on a national scale, and each agency has a slightly different way to present ratings. The table above unifies the presentation into what we believe is a scale that is probably the most common

The total fair value of a hedging derivative is classified as a non-current asset or liability if the remaining period to maturity of the hedged item is more than 12 months, and as a current asset or liability if it is less than 12 months.

Gains and losses resulting from changes in the fair value of the options are segregated between intrinsic value and time value. The intrinsic value corresponds to the effective portion of the cash flow hedge, and is initially recorded in shareholders' equity and transferred to income at the same time when the hedge transaction is recorded in income, i.e. when the protected transaction is fulfilled and considering the redemption speed of the points that are the object of the hedge. The time value corresponds to the ineffective portion of the cash flow hedge and it is recorded in a specific account in the Company's financial results.

The Company monitors any significant concentration of financial instruments on a single counterparty. Internal policies require the reporting of any excessive concentrations to the Financial Risk Committee. In March 2014 all contracts of derivative financial instruments of the Company were liquidated

13 Tax Assets

a. Recoverable Taxes

	2014	2013
PIS – Witholding Social Program	11,937	6,762
COFINS – Witholding Social Security Funding Program	2,592	1,465
IRRF - Withholding income tax	4,976	-
	19,505	8,227

b. Income tax and socialcontribution expenses

Deferred income tax and social contribution assets and liabilities are offset when there is a legal right to offset tax credits against tax debts and provided that they refer to the same tax authority.

The movements in deferred income tax and social contribution assets and liabilities during the year ended December 31, 2014, without taking into consideration the offsetting of balances within the same tax jurisdiction, were as follow:

	2013	**Charged (Credited) the DRE)**	**Charged (credited) to equity**	**2014**
Temporary differences				
Provision for derivative losses/gains	2,034	4,899	(6,594)	399
Others	3,940	3,678	-	7,618
Income tax and social contributions deferred tax	5,974	8,577	(6,594)	7,957
Expected to be realized within 12 months	5,974			7,957
Forecasted realization than 12 months				

	2012	**Debitado (creditado) a DRE**	**Debitado (creditado) no patrimônio líquido**	**2013**
Temporary differences				
Provision for derivative losses/gains	10,581	6,269	(14,816)	2,034
Others	5,430	(3,849)	2,359	3,940
Income tax and social contributions deferred tax	16,011	2,420	(12,457)	5,974
Expected to be realized within 12 months	15,459			5,974
Forecasted realization than 12 months	552			

c. Expenses with income tax and social contribution

	2014	2013
Current	(176,528)	(115,618)
Deferred	8,577	2,420
	(167,951)	(113,198)

The tax on the Company's pre-tax profit differs from the theoretical amount that would arise using the tax rate applicable to Multiplus as follows:

	2014	2013
Profit before tax	492,967	345,287
Tax calculated at Brazilian standard tax rates applicable to profits - %	34	34
Income tax and social contributions	(167,609)	(117,397)
Non deductible expenses	(695)	(1,017)
Equity share in results of joint ventures	(3,571)	(2,827)
Share based payments	(784)	(1,653)
Tax credits on interest on own capital paid	2,529	3,839
Cultural financing incentives	(4,211)	2,377
Adjustments (*)	(1,648)	3,544
Others	(539)	(2,483)
Tax expenses - income tax and social contributions	(176,528)	(115,618)
Effective rate - %	35.8	33.5

(*) Adjustment of the tax benefit of technological innovation,(“Lei do Bem”), for the years 2011/2012.

14 Investments - joint ventures

a. Movement of investments

	Amount of capital
As at December 31, 2013	7,083
Equity equivalence results Balance	(10,504)
Capital increase	1,208
Recognition of costs of provision to be incurred on closure of JV (i)	2,213
As at December 31, 2014	-

(i) December 31, 2014 the Company made accrual, proportional to its share of the cost estimated to be incurred due to the negative balance of the net assets of its investee (see Note 28).

b. Information on joint ventures

	December 31, 2014	**December 31, 2013**
Share capital	37,615	35,200
Number of shares - total common	37,615,194	35,200,194
Held common	18,807,597	17,600,097
Ownership - %	50.0	50.0
Carrying value adjustment	-	7,083
Items of investee		
Current assets	1,448	16,362
Non-current assets	-	3,470
Current liabilities	(5,773)	5,665
Loss of the period	(21,008)	(16,628)
Equity share in results of joint ventures	(10,504)	(8,314)
Items of investee		
Financial income	1,589	2,442
Loss for the period	(22,597)	(19,070)

15 Intangible

The assets generated internally summed up the software and new products developed by the Company, and other assets are primarily software licenses acquired by the Company of its suppliers.

	Internally generated	Other intangible assets	Total
As at December 31, 2012	24,071	32,894	56,965
Additions	17,413	9,533	26,496
Amortization	(3,224)	(4,623)	(7,847)
As at December 31, 2013	38,260	37,804	76,064
Cost	43,395	51,995	95,390
Accumulated amortization	(5,135)	(14,191)	(19,326)
As at December 31, 2013	38,260	37,804	76,064
Additions	6,701	35,616	42,317
Transfers (i)	(8,313)	4,962	(3,351)
Amortization	(5,083)	(9,738)	(14,821)
As at December 31, 2014	31,565	68,644	100,209
Cost	41,783	92,573	134,356
Accumulated amortization	(10,219)	(23,929)	(34,147)
As at December 31, 2014	31,565	68,644	100,209

(i) Transfers to property, plant and equipment

16 Tax, charges and contributions

	2014	2013
Social Integration Program ("PIS") and Social Security Financing Contribution ("COFINS")	2,021	4,059
Others	493	184
	2,514	4,243

17 Deferred revenue

The Company records deferred income based on the number of points outstanding and the historical average rate for the non-redemption of points (breakage) in the last 12 months. Multiplus points expire after two years from the date of issue. The balance of deferred income is as follows:

	December, 31 2014	December 31, 2013
Deferred revenue	1,093,260	1,050,438
Breakage provision	190,794	132,891
	1,284,054	1,183,329

18 Equity

(a) Authorized capital

As at December 31, 2014 the authorized capital was R$ 1,200,000 (2013 - R$ 1,200,000) and may be increased up to this limit through the issue of common shares, based on a decision by the Board of Directors.

(b) Subscribed share capital

As at December 31, 2014 subscribed and paid up share capital comprised 162,246,573 book-entry common shares (2013 – 162,004,630). Each common share confers on the owner the right to one vote in the general stockholders' meetings.

The movements of capital can be summarized as follows:

	Number of shares	Amount of capital
As at December 31, 2013	162,004,630	103,493
As at December 31, 2014		
Capital increase approved by RCA on February 12,2014	120,971	1,841
Capital increase approved by RCA on May 23,2014	40,324	631
Capital increase approved by RCA on November 17,2014	80,648	1,335
	162,246,573	107,300

The market value of the Company's shares as at December 31, 2014 was R$ 32.00 (2013 - R$ 29.92) per share.

(c) Share issuance costs

Transaction costs incurred on the public offering of shares held on February 5, 2010, totaled R$ 23,322, net of tax.

(d) Share-based payments

Credits relating to expenditure incurred on the plan of share-based compensation and transferred to retained earnings when the options are exercised or expire total R$ 20,770 (2013 - R$ 24,471) on December, 31, 2014. The Company has remade the estimates of realization of stock-based compensation and the result was a reversal of R$ 3,701 due to departure of some executives and an adjustment was made to the amount of this reserve that reflects the current and expected realization options.

(e) Profit reserves

The profit reserve consists of the following:

- Legal reserve: Brazilian Law requires that this reserve is constituted by appropriating 5% of the profit for the year until the balance of the legal reserve reaches 20% of the amount of share capital.

- Retained earnings: in the form of proposal by the management bodies of the General Meeting Assembly at an amount that exceeds the minimum mandatory dividend.

(f) Carrying value adjustments

The carrying value adjustments reserve includes the effective portion of the cumulative net change in the fair value of cash flow hedges related to operations subject to protection which have not yet occurred. The amounts recorded in equity adjustments are reclassified, in whole or in part in the results for the year upon realization.

(g) Dividends

The by-laws determine the distribution of minimum mandatory dividends of 25% of the profit for the year, adjusted as provided for in the by-laws. Dividends payable were calculated as follows:

	2014	**2013**
Profit for the year	325,016	232,089
(-) Allocation to legal reserve - 5% (i)	(762)	(121)
Profit to be distributed	324,254	231,968
Minimum mandatory dividends - 25%	81,063	57,992
Total distribution proposed	324,254	231,968
(-) Interim dividends	(219,759)	(149,745)
(-) Interest on own capital paid in advance, net of withholding income tax	(8,113)	(6,989)
(-) Withholding income tax on interest on own capital paid in advance	(1,430)	(1,233)
Retained earns - additional dividends proposed	94,952	74,001
Distributable profits reserve - additional dividends proposed (ii)	94,952	74,001

(i) The legal reserve reached its limit of 20% of capital.

(ii) Refers to the proposal by the administrative bodies to the General Meeting, for retention of the amount which exceeds the minimum mandatory dividend appointed in the Statutes.

Deliberation	**Date of payment**	**Type of distribuition**	**Gross value**	**Gross value per share**	**Net value**	**Net value per share**
						2014
RCA - 2/27/2014 - Ref. 2013	3/20/2014	Dividends	71,051	0.43857	71,051	0.43857
	3/20/2014	IOC	2,950	0.01821	2,508	0.01548
RCA - 5/8/2014 - Ref. 2014	5/23/2014	Dividends	67,908	0.41886	67,908	0.41886
	5/23/2014	IOC	2,964	0.01741	2,518	0.0148
RCA - 8/4/2014 - Ref. 2014	8/20/2014	Dividends	72,860	0.44929	72,860	0.44929
	8/20/2014	IOC	3,190	0.01968	2,712	0.01673
RCA - 11/3/2014 - Ref. 2014	11/18/2014	Dividends	78,991	0.4871	78,991	0.4871
	11/18/2014	IOC	3,389	0.0209	2,883	0.0178
			303,303		301,431	

(h) Distribution of dividends and Interest on own capital paid ("JCP")

During the year ended December 31, 2014 the Company made the following payments of dividends and interest on capital:

On February 27, 2014, the Board of Directors approved the full distribution, subject to ratification by the Annual General Meeting, the profit reserve for the year ended December 31, 2013, made after the legal deductions and deductions from dividends and interest on own capital paid in advance being distributed as dividends the amount of R$ 71,051, corresponding to R$ 0.43857 per share, and interest on own capital in the amount of R$ 2,950, corresponding to R$ 0.01821, or R$ 2,508 net of income tax corresponding to R $ 0.1548 per share.

On May 8, 2014, the Board of Directors approved the payment of interim dividends in the amount of R $ 67,908 corresponding to R$ 0.41876 per share, and interest on equity of R$ 2,964 corresponding to R$ 0.01827 per share, or R$ 2,518, net of income tax at source, corresponding to R $ 0.01553 per share.

On August 4, 2014, the Board of Directors approved the payment of interim dividends in the amount of R$ 72,860 corresponding to R$ 0.44929 per share, and interest on equity of R$ 3,190 corresponding to R$ 0.01968 per share, or R$ 2,712, net of income tax at source, corresponding to R$ 0.01673 per share.

On November 3, 2014, the Board of Directors approved the payment of interim dividends in the amount of R$ 78,991 corresponding to R$ 0.4871 per share, and interest on equity of R$ 3,389 corresponding to R$ 0.0209 per share, or R$ 2,883, net of income tax at source, corresponding to R$ 0.0178 per share.

19 Stock Options

On December 31, 2014, the Company have the followings transactions:

(i) Description of share-based payment transactions

Options program for purchase of shares

The Extraordinary Stockholders Meeting held on October 4, 2010 authorized the Board of Directors to grant stock options to employees for a dilution of up 3% of outstanding shares. The table below shows the changes incurred in year ended December 31, 2014.

	Number of stock options	Weighted average exercise price
As at December 31, 2013	1,082,463	28.43
Granted		
Exercised	(241,941)	15.69
Forfeited	(203,122)	24.71
As at December 31, 2014	637,400	35.78

Under the plan, regular option grants are divided into three equal tranches, and employees can exercise a tranche of their options within two, three and four years, respectively if they are still employed by the Company at that time. The contractual life of the options is seven years after the grant date.

The first extraordinary grant is divided into two equal tranches, which can be exercised as follows: half of the options after three years, and the other half after four years. The second extraordinary grant is also divided into two equal tranches which can be exercised after one year and two years, respectively.

The options contain a "service condition" which depends on the rendering of services by the employee for a defined period. Employees who leave the Company have an obligation to satisfy certain conditions in order to maintain their option rights.

The main terms and conditions relating to the granting of the stock option program are as follows; all options are to be settled by physical delivery of shares.

The options are valued using the Black-Scholes option pricing model. The following table gives details of the changes in options, together with the variables used in valuing the options granted. The exercise price is adjusted by the IGP-M from the grant date up to the exercise date.

As at December 31, 2014, the assumptions used to calculate the fair value of the options granted were as follow:

	1st Grant	2nd Grant	3th Grant	4th Grant	1st extraordinary Grant	2nd extraordinary Grant	3nd extraordinary grant	4nd extraordinary grant
Grant date	10/4/2010	11/8/2010	4/16/2012	4/3/2013	10/4/2010	10/4/2010	4/16/2012	11/20/2013
Date of the last modification	6/30/2011	6/30/2011	N/A	N/A	6/30/2011	6/30/2011	N/A	N/A
Number of shares	98,391	36,799	378,517	566,491	1,370,999	154,570	62,046	205,575
Exercise price at grant date of the last modification - R$	23.61	27.83	31.41	38.59	12.28	16.28	31.41	26.50
Risk free interest rate - %	12.15	12.15	10.30	7.16	12.15	11.88	8.86	8.99
Expected dividend yield - %	2.60	2.60	4.17	4.49	2.60	2.59	4.17	4.96
Volatility of the stock market - %	33.79	33.79	32.78	34.56	33.79	34.24	32.78	34.59
Market share price at grant date – R$	26.90	31.55	38.36	30.60	26.90	26.90	38.36	28.00
Market share price on the date of the last modification – R$	27.20	27.20	N/A	N/A	27.20	27.10	N/A	N/A
Fair value at grant date – R$	11.58	14.06	14.68	6.53	16.91	10.53	13.86	7.80
Fair value the date of the last modification – R$	12.17	10.71	N/A	N/A	17.35	14.29	N/A	N/A
Average exercise price adjusted - (12/31/2014)	29.86	36.93	35.20	41.81				27.64
Number of options outstanding - (12/31/2014)	5,516	2,245	129,370	294,694				205,575
Valuation of options outstanding - (12/31/2014)	164,710	82,898	4,553,414	12,321,404				5,681,824

The expected volatility is determined based on the historical price volatility of the Company's exchange-traded shares. The remaining average term is based on the expected term of exercise of the options.

(ii) Restricted shares plan

On May 21, 2014 the Board of Directors approved the grant and of Restricted Shares plan, totaling 91,103 shares, nominative, without nominal amount.

The number of Restricted Shares was calculated based on the simple average of the Multiplus' share price traded on the BM&FBovespa in the prior month to this grant (April/2014). The beneficiaries'rights to the restricted shares will only be available for acquisitions if the following cumulative conditions are fully completed:

- Achievement of the financial target and performance established by the Board of Directors, defined as the return on invested capital.
- the Beneficiary shall remain continuously as an administrator or employee of the Company for the period between the Grant Date and the dates described below, for acquisition of rights for the following fractionals: (i) 1/3 (one third) after the second anniversary of the Grant Date; (ii) 1/3 (one third) after the third anniversary of the Grant Date; and (iii) 1/3 (one third) after the fourth anniversary of the Grant Date.

At the time of contemplation of the Beneficiaries, the Company will repurchase outstanding shares and once in treasury, shall the sale of such treasury shares to the Beneficiary. Considering the effectiveness of the conditions for the "exercise" of restrictive actions, the amount of R $ 314,000 was provided in return for a capital reserve to be used for the purchase of these shares at the time that these will be delivered to eligible plan .

On December 31, 2014, the plan has no dilutive effect on earnings per share.

	Number of stock options outstanding	**Weighted average exercise price - R$**
As at December 31, 2013	-	-
Granted	91,103	32.00
Exercised	-	-
Not acquired	-	-
As at December 31, 2014	91,103	32.00

20 Revenue by nature

Years ended on December, 31

	2014	**Perc (%)**	**2013**	**Perc (%)**	**Var (%)**
Revenue					
Redeemed points	1,707,599	85.1	1,607,865	88.2	6.2
Hedge of points revenue	(16,613)	(0.8)	(30,568)	(1.7)	(45.7)
Breakage	316,037	15.7	242,394	13.3	30.4
Services rendered	-		2,295	0.2	(100.0)
Gross revenue	2,007,023	100.0	1,821,986	100.0	10.2
Taxes on revenue and other deductions	(187,581)		(171,176)		9.6
Net revenue	1,819,442		1,650,810		10.2

21 Cost and operating expenses by nature

	Cost of services and points redeemed	**Selling**	**General and administrative**	**Total**	**Percentage**
Personnel	-	16,135	30,725	46,860	3.2
Directors fees	-	-	1,020	1,020	0.1
Cost of points redeemed (i)	1,280,761	-	-	1,280,761	88.5
Depreciation and amortization	-	1,103	16,333	17,436	1.2
Outsourced services	-	4,814	52,304	57,118	3.9
Selling and marketing	-	23,794	296	24,090	1.7
Others	-	5,122	14,650	19,772	1.4
As at December 31, 2014	1,280,761	50,968	115,327	1,447,056	100.0
Personnel	-	13,868	30,439	44,307	3.2
Directors fees	-	-	515	515	0.0
Cost of points redeemed (i)	1,218,238	-	-	1,218,238	89.2
Depreciation and amortization	-	332	8,272	8,604	0.6
Outsourced services	-	2,723	47,874	50,597	3.7
Selling and marketing	-	18,249	2,744	20,993	1.5
Others	-	3,378	19,255	22,633	1.7
As at December 31, 2013	1,218,238	38,550	109,099	1,365,887	100.0

(i) Net of PIS and COFINS credits.

22 Employee benefits

Personnel costs are as follows:

	2014	**2013**
Salaries and bonuses	39,786	31,333
Share-based payments	(3,701)	4,863
Defined contribution pension plan	564	374
Taxes and social contributions	10,211	7,737
	46,860	44,307

23 Finance resuts

	Assets at fair value through profit or loss	**Derivatives used for hedging (hedge)**	**Total**
Revenue/gains			
Interest income on financial investments	118,846	-	118,846
Interest income from related parties	10,885		10,885
Others	9,612	-	9,612
	139,343	-	139,343
Expenses/losses			
Interest expenses	(9)	-	(9)
Bank expenses	(125)		(125)
Losses on derivatives designated as hedge accounting	-	(2,113)	(2,113)
Others	(1,157)	-	(1,157)
	(1,291)	(2,113)	(3,404)
Net financial result on December 31, 2014	138,052	(2,113)	135,939

Revenue/gains	**Assets at fair value through profit or loss**	**Held to maturity**	**Derivatives used for hedging (*hedge*)**	**Total**
Interest on financial investments	61,753	3,333	-	65,086
Discount on advance to purchase of airline tickets	26,956	-	-	26,956
Others	879	-	-	879
	89,588	3,333	-	92,921
Expenses/losses				
Interest expense	(193)	-	-	(193)
Bank expenses	(106)			(106)
Losses on derivatives designated as hedge accounting	-	-	(19,502)	(19,502)
Others	(905)	-	(3,537)	(4,442)
	(1,204)	-	(23,039)	(24,243)
Net financial result at December 31, 2013	88,384	3,333	(23,039)	68,678

24 Earnings per share

a. Basic

The basic profit as at December, 31 2014 was calculated based on the profit attributable to the common shareholders of the Company was R$ 325,824 (2013 - R$ 232,089) and the average number of common shares outstanding this year was 162,247 (2013 – 161,968), as shown below:

	2014	**2013**
Profit attributable to the equity holders of the Company	325,016	232,089
Weighted average of the number of common shares issued (thousands)	162,146	161,968
Basic earnings per share (R$ /share)	2.0045	1.4329

b. Diluted earnings

The diluted earnings as at December 31, 2014 were calculated based on the profit attributable to the common shareholders of the Company of R$ 325,016 (2013 - R$ 232,089) and the weighted average number of ordinary shares after adjusting for all potential common shares having a dilutive effect, totaling 162,783 shares as at December 31, 2014 (2013 – 162,561), as presented below:

	2014	**2013**
Profit attributable to the equity holders of the Company	325,016	232,089
Weighted average of the number of common shares issued (thousands)	162,146	161,968
Adjustment by purchase of shares options (in thousands)	637	593
	162,783	162,561
Diluted earnings per share (R$/share)	2.0003	1.4277

25 Future commitments

The Company has obligations derived from contracting suppliers for development of IT projects, maintenance of equipment, network environment and and lease of the property where the Company's head office is. These contracts are not reflected in the balance sheet. The obligations have the following distribution by year:

	2013	**2012**
2015	46,541	25,524
2016	44,173	19,610
2017	46,602	
	137,316	45,134

26 Contingent

The Company is a party to civil lawsuits involving risks of loss that management, based on the assessment of legal advisors, classified as possible, therefore did not require any provision as at December 31, 2014, The estimated amounts are shown below:

	Amount - R$ thousand	Quantity
As at December 31, 2014		
Probability of loss		
Possible	2,226	131
As at December 31, 2013		
Probability of loss		
Possible	3,129	179

27 Insurance

The Company has a civil liability insurance for directors and Officers. This insurance guarantees payment of financial damages resulting from claims made against the insured by reason of acts injurious to the Company for which they are liable. The D&O insurance policy has contracted a maximum guarantee limit set at R$ 100 thousands.

The Company also maintains insurance against specified risks (operational) of its assets to risks of theft, fire, flood, electrical damage, including those associated with equipment, leased buildings that are under the responsibility of the Company. with maximum guarantee of the policy of R$ 210 thousands. Furthermore the Company has a general liability insurance that coverage by R$ 100 thousands of operational risks.

28 Subsequent events

On february 24, 2015 the Board members unanimously approved the management's proposal, whose publication was waived, for the distribution of interim dividends, R$91,477, corresponding to R$0.5638 per share, and interest on own capital totalizing R$ 3,457 corresponding to R$0.0214 per share, or R$ 2,954, net of withholding tax, corresponding to R$0.0182 per share, except for those shareholders proven to be exempt, as verified in the Company’s balance sheet of december 31, 2014, after legal deductions, benefiting the the shareholders of record on february 27, 2015, given that Company shares will be traded ex-dividend and ex-IOC rights as of march 4, 2015. The dividends and interest on own capital approved herein will be paid from march 20, 2015, without any additional remuneration and will be calculated towards the minimum mandatory dividends for fiscal year 2014.

On January 2015, has invested the amount of R$ 2,106 in Prismah, by each of the shareholders , totaling an investment of R$ 4,212, for settlement of their last obligations

On January, 2015 the Company paid a total amount of R$ 500 thousands to Tam Linhas Areas (T.L.A) regarding to a pre-purchase of tickets, after the consumption of the total anticipated in 31.12.2014, according to the methodology approved by the Board of Directors on August 28, 2014 with a favorable recommendation of the Finance Committee, Audit, Governance and Related Parties. The fees agreed for the operations were respectively 106.56% CDI (R$ 300 million in 01/16/2015) and 105.85% of the CDI (R$ 200 thousands in 01.30.2015), higher than the rate of return reference to the Multiplus cash 104.22% CDI, on average

*   *   *

Wellington de Oliveira
Accountant CRC 1SP259869/O-6

Management Report

We are pleased to report a strong finish to an atypical year with solid fourth quarter and consolidated annual results. Looking back to 2014, we had just celebrated the company's 5th anniversary, reaching important goals such as rising by 12.9% the number of participants, who are increasingly engaged. Past year we definitely undertook milestone achievements and we continue to be focused and dedicated to our strategic goals to improved participants' experience, consolidate our brand and ensure return for our shareholders.

On the recently launched products front, such us "Points+Money" and "Multiplus Challenge", which were only released at the end of September, we are seeing very satisfying outcomes. We have noticed an increase in traffic to our website and broadening participant´s engagement. Today, we are even more committed to finding innovative ways to evolve further these products and benefit the network.

The month of November was a special period for Multiplus participants, who had a chance to take advantage of unique opportunities during Black Week. This initiative, which was organized together with more than 40 of Multiplus partners, offered redemption of promotional offers and possibility of accumulating points with bonus when buying partners' products. The result of this action was astounding. Black Week registered record of number of points redeemed, a 40% higher than during the same initiative held a year ago.

At the end of the year, we also successfully launched our first e-commerce store, Marketplace Casas Bahia, with very sophisticated features, that facilitates the purchasing process since all products are accessible in an open environment. Our marketplace offers a convenient way to compare prices (all in Multiplus points) and products from a single source rather than spending time searching on each individual partner´s website. Our goal for 2015 is to add to the platform offers from other partners.

In the material fact disclosed on December 29, 2014 , Multiplus informed its shareholders and the market in general that, in the Board of Directors' meeting held on December 29, 2014, it approved an acquisition of the totality of shares held by Aimia Newco UK LLP, a company controlled by Aimia Inc. ("Aimia"), in Prismah Fidelidade S.A., a joint venture set up between the parties and focused on the conception, development, management and consulting services in analytical services regarding loyalty programs and incentives to third parties, for purposes of subsequent termination of its activities, which may be developed directly by the Company. We continue to maintain an on-going commercial relationship, given that, Multiplus will have the right to market and promote the loyalty platform of Aimia in Brazil for the next 18 months. The total of write off, recognized in 4Q14 results, totaled (-) R$ 4.2 mln.

Also, in December we recognized non recurrent event, on the Provision of doubtful accounts, due to the outstanding balance with a financial partner in Argentina, that amounted (-) R$4.2 mln, caused by local restrictions to conduct wire transfers to other countries.

The Company ended 2014 with 13.8 mln members, representing an expressive year-on-year increase of 12.9%, and network reaching 416 partners. The Gross Billings of points reached R$2,126.8 mln in 2014, with annual growth of 5.9%. In the fourth quarter, this value totaled R$566.8 min, an 18.1% increase when compared to 4Q13. Net revenue increased 16.7% to R$476.1 mln in the quarter and in the fiscal 2014 it rose 10.2% to R$1,819.4 mln versus a comparable R$1,650.8 mln in the prior-year period. Regarding the cost of redemptions, it came up to R$1,280.8 mln in 2014, representing an annual increase of 5.1%. In the quarter, this cost totaled R$337.3 mln, a 12.3% increase when compared to the same quarter of 2013. For the fourth consecutive quarter we delivered very solid net income that rose 27.1% on annual comparison to R$83.6 mln, reaching net margin of 17.6%, 140 basis points higher than the margins reported in 4Q13. In fiscal 2014, net earnings rose 40.0% to R$ 325.0 mln, and net margin increased 380 basis points to 17.9%, compared with 14.1% in the prior year.

OPERATING PERFORMANCE

Operating Data	4Q14	3Q14	Var%	4Q13	Var%	2014	2013	Var%
Members (mln)	**13,8**	**13,3**	*3,6%*	**12,2**	*12,9%*	**13,8**	**12,2**	*12,9%*
Partnerships	**416**	**465**	*-10,5%*	**472**	*-11,9%*	**416**	**472**	*-11,9%*
Points issued (bi)	**23,1**	**23,2**	*-0,5%*	**20,1**	*15,1%*	**88,5**	**85,3**	*3,8%*
TAM Airlines – TLA	3,9	4,5	*-13,5%*	4,3	*-9,5%*	16,4	16,3	*0,2%*
Banking, Retail, Industrial and Services	19,2	18,7	*2,7%*	15,8	*21,9%*	72,2	69,0	*4,6%*
Points redeemed (bi)	**18,5**	**18,9**	*-2,4%*	**16,8**	*10,2%*	**70,9**	**69,6**	*1,9%*
Air tickets	15,6	16,6	*-6,2%*	15,2	*2,5%*	62,7	63,2	*-0,8%*
Other products / services	2,9	2,3	*25,7%*	1,6	*85,1%*	8,2	6,4	*28,3%*
Breakage Ratio (LTM, %)	**17,8%**	**17,7%**	*0,1p.p.*	**18,5%**	*-0,7p.p.*	**17,8%**	**18,2%**	*-0,4p.p.*
Employees	217	199	*9,0%*	181	*19,9%*	217	181	*19,9%*

POINTS ISSUED totaled 23.1 billion in the quarter, up 15.1% in comparison with 4Q13 and sum up 88.5bln in 2014, an annual increase of 3.8%. The increase was driven primarily by growth in number of points issued to financial and retail partners, which increased 21.9% for the quarter and 4.6% for the year, compared to the same periods of 2013. In the quarter the Company issued 1.2 billion bonus points as an incentive to engage prospective and current members. Approximately 80% of the total bonus points issued in the quarter refers to specific actions with retail partners as a stimulus to engage their members with the network. This event, which occurred also in the 3Q13, registered increased participant´s Multiplus points accumulation over the following 12 months.

Points sold (Ex-bonus):

The number of points sold ex-bonus for the fourth quarter and year ended December 31, represented a growth of 10.0% over 4Q13, totaling 21.9 bln of points in the quarter. In the fiscal 2014, the number totaled 86.1bln of points sold, which is equivalent to a 2.8% increase when compared to the fiscal 2013.

POINTS REDEEMED

In the last quarter of the year, the number of points redeemed amounted 18.5bln, showing an annual increase of 10.2%. For the year, it reached 70.9bln of points, which is an increase of 1.9%, compared to 69.6bln of points accumulated a year ago. The fourth quarter improvement is attributed to better non-air redemptions, 85.1% higher than in 4Q13 and up 28.3% compared to consolidated number in 2013.

FINANCIAL PERFORMANCE

(R$ million)	4Q14	3Q14	Var%	4Q13	Var%	2014	2013	Var%
Gross Billings of points	**566,8**	**549,6**	*3,1%*	**479,9**	*18,1%*	**2.126,8**	**2.009,0**	*5,9%*
TAM Airlines – TLA	53,3	56,7	*-5,9%*	55,6	*-4,0%*	210,7	206,1	*2,2%*
Banking, Retail, Industrial and Services	513,5	492,9	*4,2%*	424,3	*21,0%*	1916,1	1802,8	*6,3%*

GROSS BILLINGS OF POINTS

The Gross Billings of points totaled R$566.8 mln in the quarter, an increase of 18.1%, compared to 4Q13. For the fiscal 2014, this number reached R$2,126.8 mln, with an annual growth of 5.9%.

The annual variation was principally due to:

- ✓ Banking, Retail, Industrial and Services companies: a 6.3% growth, mainly due to (i) an increase of 4.6% in the number of points sold; and (ii) a 8.59% BRL depreciation versus USD, and (iii) lower average unit price due to some punctual actions with some of ours financial partners.
- ✓ TLA: an increase of 2.2% mainly due to the combination of (i) 0,2 % increase in points sold; (ii) recurring price adjustment.

INCOME STATEMENT

(R$ thousand) Income Statement	4Q14	3Q14	Var%	4Q13	Var%	2014	2013	Var%
Gross revenue	**524 870**	**534 993**	-1,9%	**450 677**	16,5%	**2 007 024**	**1 821 986**	10,2%
Sale of points	**442 080**	**454 800**	-2,8%	**398 930**	10,8%	**1 707 599**	**1 607 865**	6,2%
Breakage	**83 951**	**81 594**	2,9%	**61 987**	35,4%	**316 037**	**242 394**	30,4%
Hedge	(827)	(1 735)	-52,4%	(10 240)	-91,9%	(16 613)	(30 568)	-45,7%
Other revenues	(334)	334	-200,0%	-	-	-	2 295	-100,0%
Taxes on sales	**(48 759)**	**(49 740)**	-2,0%	**(42 717)**	14,1%	**(187 582)**	**(171 176)**	9,6%
Net Revenue	**476 110**	**485 252**	-1,9%	**407 961**	16,7%	**1 819 442**	**1 650 810**	10,2%
Total cost of services rendered	**(337 319)**	**(340 800)**	-1,0%	**(300 287)**	12,3%	**(1 280 761)**	**(1 218 238)**	5,1%
Equity Share on Results from Investments	**(5 333)**	**(1 703)**	213,2%	**(2 098)**	154,2%	(10 504)	(8 314)	26,3%
Gross Profit	**133 458**	**142 749**	-6,5%	**105 575**	26,4%	**528 176**	**424 259**	24,5%
Gross Margin	*28,0%*	*29,4%*	-1,4p.p.	*25,9%*	2,2p.p.	*29,0%*	*25,7%*	3,3p.p.
Total Operating Expenses	**(42 011)**	**(50 255)**	-16,4%	**(35 670)**	17,8%	**(171 147)**	**(147 650)**	15,9%
Total Costs and Operating Expenses	**(384 663)**	**(392 758)**	-2,1%	**(338 055)**	13,8%	**(1 462 413)**	**(1 374 201)**	6,4%
Operating Income	**91 447**	**92 494**	-1,1%	**69 905**	30,8%	**357 029**	**276 609**	29,1%
Operating Margin	*19,2%*	*19,1%*	0,1p.p.	*17,1%*	2,1p.p.	*19,6%*	*16,8%*	2,9p.p.
Financial Income/Expenses	37 447	35 702	4,9%	32 536	15,1%	138 052	88 180	56,6%
Hedge	-	-	-	(4 448)	-	(2 113)	(19 502)	-89,2%
Income before income tax and social contribution	**128 894**	**128 196**	0,5%	**97 993**	31,5%	**492 968**	**345 287**	42,8%
Income tax and social contribution	(45 257)	(41 474)	9,1%	(32 185)	40,6%	(167 951)	(113 198)	48,4%
Net Income	**83 637**	**86 722**	-3,6%	**65 807**	27,1%	**325 017**	**232 089**	40,0%
Net Margin	*17,6%*	*17,9%*	-0,3p.p.	*16,1%*	1,4p.p.	*17,9%*	*14,1%*	3,8p.p.

NET REVENUE

The Company experienced an increase in net revenue of 16.7% in the quarter, reaching R$ 476.1 mln. In the fiscal 2014, this number increased by 10.2% year over year, reaching R$ 1,819.4 mln.

The annual expansion on Net Revenue in 2014 is explained by:

- ✓ Gross Revenue from point sold was up 6.2% due to: (i) an increase by 1.9% the number of points redeemed; (ii) the variation in the mix of points sources.
- ✓ Breakage revenue: a 30.4% growth mainly due to gradual improvement of breakage recognition curve.

COST OF POINT REDEEMED totaled R$ 337.3 mln in the quarter and R$ 1,280.8 mln for the year, which represents an annual variation of (+) 12.3% and increase of 5.1%, when compared to the same period of the last year, respectively.

An increase of 5.1% in 2014 vs 2013, due to:

- ✓ Airline tickets: showed an increase by 1.9%, as a combination of (i) 0.8% decline in points redeemed in airline tickets and (ii) impact of BRL depreciation on international tickets redemptions.
- ✓ Other products / services: up 47.7% increase, mainly as a result of a (i) (+) 28.3% change in the volume of points redeemed via this channel; (ii) an adjustment in unit cost, aiming stimulate transfer of points redemption to retail sector.

PROVISION OF DOUBTFUL ACCOUNTS. In December we recognized non recurrent event, on the Provision of doubtful accounts, due to the outstanding balance with a financial partner in Argentina, that amounted (-) R$4,2 mln, caused by local restrictions to conduct wire transfers to other countries.

FINANCIAL INCOME/EXPENSES totaled R$37.4mln in the quarter and R$ 138.1mln in 2014, an annual variation of (+) 15.1% and (+) 56.6% compared to the same period of 2013, respectively. This expressive performance was benefited basically due to an increase of the basic interest rate (CDI - Interbank Deposit Certificates) and improvement, overall, of the portfolio´s performance. In addition, the Company made advanced payments to purchase air tickets from TAM Airlines – TLA that offers higher yield that other financial investment.

On December 2014, the Board of Directors approved the anticipated acquisition of air tickets by Tam, limited to R$500 mln, approved by the Financial and Related Parties Committee (Please refer to the document available on RI website, CVM Fillings>2013>Minutes of the Board of Directors' Meeting - Approvals)

In September, 2014, the methodology has been improved and started to consider as well the receivables portfolio´s duration. The anticipation rate is defined then as the highest rate among the best quote that TAM obtained in the financial market for similar transactions and the opportunity cost of MPLU plus a spread of the operation´s risk. The anticipated resources are used strictly for the purchase of airline tickets redeemed by participants in accordance with the terms of the operating agreement, not being allowed the use of such use for any other purpose.

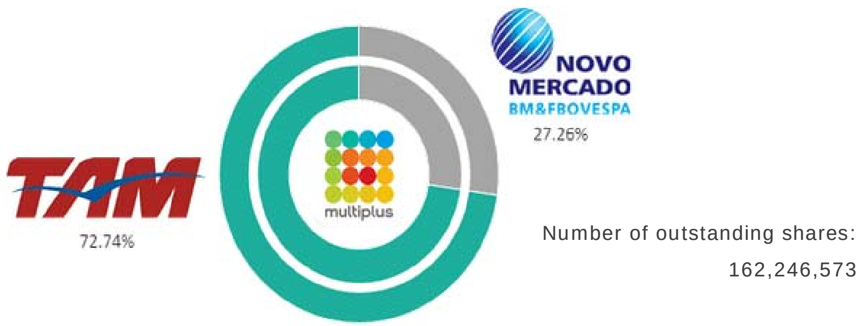
The pre-purchase of tickets in the fourth quarter was conducted at 107.97% of the CDI, when the performance of Multiplus portfolio was equivalent to a return of 103.69% of the CDI. In addition, it has generated a financial income of R $ 1.3 mln in the quarter. In the full year, the anticipation rate was equivalent to 108.12 % of the CDI in the same period, versus Multiplus portfolio that yielded 103.76% of the CDI in the same period without anticipation. In the year this practice led to a financial income of US $ 10.9 mln.

NET INCOME reached R$83.6 mln in 4Q14, a 27.7% growth compared to the same quarter in 2013 and R$325.0 mln in the fiscal 2014, which represents an annual increase of 40.0%

CAPITAL MARKETS

OWNERSHIP STRUCTURE

The ownership structure of Multiplus is as follows:



STOCK PERFORMANCE

The shares of Multiplus S.A. closed December 31, 2014 at R$32.00, representing a market capitalization of R$5,191.9 million. This represents an annual increase Multiplus share of 14.8%, when the Ibovespa showed depreciation of 0.7%.