Gol Intelligent Airlines Inc.
Form 6-K/A
May 08, 2009

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K/A

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

For the month of May, 2009

(Commission File No. 001-32221) ,

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

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

R. Tamoios, 246
Jd. Aeroporto
04630-000 São Paulo, São Paulo
Federative Republic of Brazil
(Address of Regristrant's principal executive offices)

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

Form 20-F ___X___ Form 40-F ______

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

Yes ______ No ___X___

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

Consolidated Financial Statements
GOL Linhas Aéreas Inteligentes S.A.
Year ended December 31, 2008

GOL LINHAS AÉREAS INTELIGENTES S.A.

Consolidated financial statements

December 31, 2008 and 2007 (In thousands of Brazilian reais)

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Gol Linhas Aéreas Inteligentes S.A.

We have audited Gol Linhas Aéreas Inteligentes S.A. s internal control over financial reporting as of December 31, 2008, based on criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Gol Linhas Aéreas Inteligentes S.A. s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company s annual or interim financial statements will not be prevented or detected on a timely basis. The following material weakness has been identified and included in management s assessment. Management has identified a material weakness in the financial statement close process in connection with the implementation of IFRS related to the acquisition of VRG and the recognition of certain deferred tax assets related to temporary differences in the accounting for aircraft leases and, as a result, concluded that previously reported profit (loss) had been overstated. The insufficient controls related to the foregoing resulted in a restatement of the Company s consolidated financial statements as of December 31, 2008 and 2007 and for the years then ended. This material weakness was considered in determining the nature, timing and extent of audit tests applied in our audit of the 2008 consolidated financial statements, and this report does not affect our report dated March 19, 2009, except for Notes 2a) and 24 and, as to which the date is May 4, 2009, on those consolidated financial statements (as restated).

In our opinion, because of the effect of the material weakness described above on the achievement of the objectives of the control criteria, Gol Linhas Aéreas Inteligentes S.A. has not maintained effective internal control over financial reporting as of December 31, 2008, based on the COSO criteria.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Gol Linhas Aéreas Inteligentes S.A. as of December 31, 2008 and 2007, and the related consolidated statements of income, shareholder's equity, and cash flows for the years then ended of Gol Linhas Aéreas Inteligentes S.A. and our report dated March 19, 2009, except for Notes 2 a) and 24, as to which the date is May 4, 2009, expressed an unqualified opinion thereon.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6

Maria Helena Pettersson
Partner

São Paulo, Brazil,
March 19, 2009,
except for the effects of the material weakness
described in the fifth paragraph above, as
to which the date May 4, 2009

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Gol Linhas Aéreas Inteligentes S.A.

We have audited the accompanying consolidated balance sheets of Gol Linhas Aéreas Inteligentes S.A. as of December 31, 2008 and 2007 and the related consolidated statements of income, changes in equity and cash flows for the years then ended. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Gol Linhas Aéreas Inteligentes S.A. at December 31, 2008 and 2007, and the consolidated results of its operations and its cash flows for the years then ended, in conformity with International Financial Reporting Standards, issued by the International Accounting Standards Board.

As discussed in Note 2 a), the consolidated financial statements have been restated to correct the accounting for the acquisition of VRG and the recognition of certain deferred tax assets related to temporary differences in the accounting for aircraft leases

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Gol Linhas Aéreas Inteligentes S.A. s internal control over financial reporting as of December 31, 2008, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 19, 2009, except for the effects of the material weakness described in the fifth paragraph of that report, as to which the date is May 4, 2009, expressed an adverse opinion thereon.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-1

Maria Helena Pettersson
Partner

São Paulo, Brazil
March 19, 2009, except for Notes 2 a) and 24,
as to which the date is May 4, 2009

GOL LINHAS AÉREAS INTELIGENTES S.A.

Consolidated income statements
Years ended December 31, 2008 and 2007
(In thousands of Brazilian reais, except per share amounts)
(Restated)

	Note	2008	2007
Operating revenues			
Passenger		**5,890,104**	4,566,691
Cargo and other		**516,089**	374,293
Total operating revenues		**6,406,193**	4,940,984
Operating expenses			
Salaries	4	**(983,783)**	(799,344)
Aircraft fuel		**(2,630,834)**	(1,898,840)
Aircraft rent		**(645,089)**	(525,785)
Aircraft insurance		**(42,813)**	(44,646)
Sales and marketing		**(588,735)**	(367,866)
Landing fees		**(338,370)**	(273,655)
Aircraft and traffic servicing		**(422,177)**	(348,732)
Maintenance materials and repairs		**(388,030)**	(339,281)
Depreciation		**(125,127)**	(62,548)
Other operating expenses		**(329,883)**	(270,422)
Total operating expenses		**(6,494,841)**	(4,931,119)
Operating profit (loss)		**(88,648)**	9,865
Finance costs and other income (expense)			
Finance costs			
Interest expense		**(269,278)**	(182,618)
Capitalized interest		**27,179**	38,879
Total finance costs		**(242,099)**	(143,739)
Exchange gain (loss)		**(757,526)**	165,230
Interest and investment income		**78,349**	293,333
Other income (expense), net		**(185,118)**	(123,806)
Total finance costs and other income (expense)		**(1,106,394)**	191,018
Profit (loss) before income taxes		**(1,195,042)**	200,883
Income taxes expense	5	**(44,305)**	(33,595)
Profit (loss) for the year from continuing operations attributable to equity			

holders of the parent		**(1,239,347)**	167,288
Earnings (loss) per share:			
Basic	15	**(6.16)**	0.84
Diluted	15	**(6.16)**	0.84

GOL LINHAS AÉREAS INTELIGENTES S.A.

Consolidated balance sheets
December 31, 2008 and 2007
(In thousands of Brazilian reais) (Restated)

	Note	2008	2007
Assets			
Non-current assets			
Property, plant and equipment, net	6	**2,998,756**	2,191,028
Intangible assets	7	**1,197,861**	1,197,441
Other non-current assets			
Prepaid expenses	2	**58,793**	44,808
Deposits	2	**507,428**	448,807
Deferred income taxes	5	**729,784**	485,980
Restricted cash	12	**6,589**	6,041
Other non-current assets	2	**97,446**	87,489
Total other non-current assets		**1,400,040**	1,073,125
Total non-current assets		**5,596,657**	4,461,594
Current assets			
Other current assets	2	**52,386**	144,484
Prepaid expenses	2	**123,801**	135,957
Deposits	2	**237,914**	192,357
Recoverable income taxes		**110,767**	45,569
Inventories of parts and supplies	9	**200,514**	209,926
Trade and other receivables	10	**344,927**	903,061
Restricted cash	12	**176,697**	-
Financial assets	19	**245,585**	820,343
Cash and cash equivalents	11	**169,330**	573,121
Total current assets		**1,661,921**	3,024,818
Total assets		**7,258,578**	7,486,412

GOL LINHAS AÉREAS INTELIGENTES S.A.

Consolidated balance sheets
December 31, 2008 and 2007
(In thousands of Brazilian reais)
(Restated)

	Note	2008	2007
Liabilities and shareholders' equity			
Shareholders' equity			
Issued share capital	13	**1,250,618**	1,250,618
Capital reserves	13	**89,556**	89,556
Treasury shares	13	**(41,180)**	-
Retained earnings (deficit)	13	**(227,386)**	1,052,274
Total shareholders' equity		**1,071,608**	2,392,448
Non-current liabilities			
Long-term debt	19	**2,438,881**	1,714,716
Smiles deferred revenue	2	**262,626**	233,618
Deferred income taxes	5	**548,680**	341,634
Provisions	16	**157,310**	200,664
Other non-current liabilities		**196,894**	107,132
Total non-current liabilities		**3,604,391**	2,597,764
Current liabilities			
Short-term debt	19	**967,452**	891,543
Accounts payable		**283,719**	326,364
Salaries, wages and benefits		**146,805**	163,437
Current income taxes payable		**39,605**	68,013
Sales tax and landing fees		**97,210**	84,319
Advance ticket sales	22	**572,573**	472,860
Provisions	16	**165,287**	175,976
Smiles deferred revenue	2	**90,043**	147,348
Other current liabilities		**219,885**	166,340
Total current liabilities		**2,582,579**	2,496,200
Total liabilities and shareholders' equity		**7,258,578**	7,486,412

See accompanying notes.

GOL LINHAS AÉREAS INTELIGENTES S.A.

Consolidated statement of changes in equity
Years ended December 31, 2008 and 2007
(In thousands of Brazilian reais, except per share amounts)
(Restated)

		Issued Shares		Treasury Shares				
	Notes	**Shares**	**Amount**	**Shares**	**Amount**	**Capital Reserves**	**Retained Earnings (Deficit)**	**Total**
Balance at January 1, 2007		196,206,466	887,625	-	-	89,556	1,191,977	2,169,158
Comprehensive income:								
Profit for the year		-	-	-	-	-	167,288	167,288
Net loss on available for sale		-	-	-	-	-	(6,726)	(6,726)
Derivative instruments, net of taxes		-	-	-	-	-	(2,395)	(2,395)
Total Comprehensive income		-	-	-	-	-	158,167	158,167
Common shares issued		11,569	432	-	-	-	-	432
Shares issued	3	6,082,220	362,561	-	-	-	-	362,561
Share-based payment	14	-	-	-	-	-	4,905	4,905
Dividends payable and interest on shareholders' equity		-	-	-	-	-	(302,775)	(302,775)
Balance at December 31, 2007		**202,300,255**	**1,250,618**	**-**	**-**	**89,556**	**1,052,274**	**2,392,448**
Comprehensive income:								
Loss for the year		**-**	**-**	**-**	**-**	**-**	**(1,239,347)**	**(1,239,347)**
Net gain on available for sale		**-**	**-**	**-**	**-**	**-**	**4,001**	**4,001**
Derivative instruments, net of taxes		**-**	**-**	**-**	**-**	**-**	**(13,418)**	**(13,418)**

Total Comprehensive loss		**-**	**-**	**-**	**-**	**-**	**(1,248,764)**	**(1,248,764)**
Common shares issued		**336**	**-**	**-**	**-**	**-**	**-**	**-**
Share-based payment	14	**-**	**-**	**-**	**-**	**-**	**5,362**	**5,362**
Treasury shares	13	**-**	**-**	**(1,574,200)**	**(41,180)**	**-**	**-**	**(41,180)**
Dividends payable	13	**-**	**-**	**-**	**-**	**-**	**(36,258)**	**(36,258)**
Balance at December 31, 2008		**202,300,591**	**1,250,618**	**(1,574,200)**	**(41,180)**	**89,556**	**(227,386)**	**1,071,608**

See accompanying notes.

GOL LINHAS AÉREAS INTELIGENTES S.A.

Consolidated statements of cash flows
Years ended December 31, 2008 and 2007
(In thousands of Brazilian reais)
(Restated)

	2008	2007
Cash flows from operating activities:		
Net profit (loss)	**(1,239,347)**	167,288
Adjustments to reconcile net profit (loss) to net cash provided by operating activities:		
Depreciation	**125,127**	62,548
Share-based payments	**5,362**	4,905
Changes in fair value of derivative financial instruments	**(9,417)**	(9,121)
Net foreign exchange fluctuations	**757,526**	(165,230)
Changes in operating assets and liabilities:		
Provisions	**(54,043)**	184,811
Trade and other receivables	**558,134**	(219,602)
Changes in inventories	**9,412**	(129,319)
Deposits	**(104,178)**	(163,836)
Prepaid expenses	**(1,829)**	(45,683)
Other assets	**81,781**	1,389
Advance ticket sales	**99,713**	98,800
Smiles deferred revenues	**(28,297)**	5,469
Accounts payable	**(42,645)**	(22,055)
Income taxes	**(130,364)**	(198,707)
Other liabilities	**139,925**	286,855
Net cash provided by (used in) operating activities	**166,860**	(141,488)
Cash flows from investing activities:		
Acquisition of VRG, net of cash acquired	**-**	(201,509)
Purchase of property, plant and equipment, net	**(436,914)**	(541,181)
Proceeds from sale of property, plant and equipment, net	**90,879**	1,774
Purchase of intangible assets	**(10,828)**	(22,395)
Net investments in restricted cash	**(177,245)**	6,041
Net investments in financial assets	**574,758**	566,931
Net cash provided by (used in) investing activities	**40,650**	(190,339)
Cash flows from financing activities:		
Net proceeds from (repayment of) debt	**(533,863)**	919,827
Dividends paid	**(36,258)**	(302,775)
Addition of treasury shares	**(41,180)**	-
Paid subscribed capital	**-**	432
Net cash provided by (used in) financing activities	**(611,301)**	617,484
Net increase (decrease) in cash and cash equivalents	**(403,791)**	285,657

Cash and cash equivalents at beginning of the period	**573,121**	287,464
Cash and cash equivalents at end of the period	**169,330**	573,121
Supplemental disclosure of cash flow information:		
Interest paid	**205,497**	162,715
Income tax paid	**57,338**	105,291
Non-cash investing and financing activities :		
Accrued capitalized interest	**33,955**	18,721
Shares issued as consideration for the acquisition of VRG	**-**	362,561
Finance leases	**514,708**	663,277

See accompanying notes.

GOL LINHAS AÉREAS INTELIGENTES S.A.

Notes to consolidated financial
statements (In thousands of Brazilian Reais)

1. Corporate information

Gol Linhas Aéreas Inteligentes S.A. (Company or GLAI) is a joint stock company (sociedade por ações) constituted in accordance with Brazilian bylaws. The objective of the Company is to exercise corporate control of VRG Linhas Aéreas S.A. (VRG), to exploit (i) regular and non-regular air transportation services of passengers, cargo and mail bags, nationally or internationally, according to the concessions granted by the competent authorities; (ii) complementary activities of chartering air transportation of passengers, cargo and mail bags.

The Company s shares are traded on the New York Stock Exchange (NYSE) and on the São Paulo Stock Exchange (BOVESPA). The Company has entered into an Agreement for Adoption of Level 2 Differentiated Corporate Governance Practices with the São Paulo Stock Exchange BOVESPA, integrating indices of Shares with Differentiated Corporate Governance IGC and Shares with Differentiated Tag Along ITAG, created to differ companies committed to adopting differentiated corporate governance practices.

The Company s financial statements for the year ended December 31, 2008 were authorized for issue by the Board of Directors on March 19, 2009. The registered office is located at Rua Tamoios, 246, Jd. Aeroporto, São Paulo, Brazil.

2. Summary of significant accounting policies

a) <u>Restatement of previously issued financial statements</u>

Subsequent to the issuance of the Company s consolidated financial statements for the years ended December 31, 2008 and December 31, 2007, the Company identified items that had been incorrectly handled in processing the final allocation of the purchase price for the acquisition of VRG. This resulted in the omission of provisions from the balance sheet at December 31, 2007 and recognition of income tax benefit in the income statement for the year ended December 31, 2007. Additionally, the Company identified that deferred tax assets related to temporary differences on its accounting for aircraft leases were not properly recorded as of and for the year ended December 31, 2008. Also, the Company identified certain adjustments which were appropriate to classify sale and leaseback assets on a gross rather than a net basis in the balance sheets.

GOL LINHAS AÉREAS INTELIGENTES S.A.

Notes to consolidated financial statements
(In thousands of Brazilian Reais)

2. Summary of significant accounting policies (Continued)

a) Restatement of previously issued financial statements (Continued)

The following table sets forth the effects of the restatement on certain line items within the Company s previously reported consolidated financial statements (in thousands, except per share data).

	As of and for the year ended December 31,			
	2008		**2007**	
	Previously reported	**Restated**	**Previously reported**	**Restated**
Assets				
Non-current assets				
Prepaid expenses	-	58,793	-	44,808
Deferred income taxes	495,544	729,784	485,980	485,980
Other non-current assets	105,526	97,446	87,694	87,489
Current assets				
Other current assets	49,439	52,386	144,484	144,484
Prepaid expenses	120,100	123,801	131,231	135,957
Trade and other receivables	344,927	344,927	916,133	903,061
Liabilities and shareholders' equity				
Shareholders' equity				
Issued share capital	1,248,649	1,250,618	1,248,649	1,250,618
Retained earnings (deficit)	(273,877)	(227,386)	1,153,412	1,052,274
Non-current liabilities				
Deferred income taxes	323,345	548,680	339,348	341,634
Provisions	157,310	157,310	117,062	200,664
Other non-current liabilities	160,069	196,894	63,135	107,132
Current liabilities				
Other current liabilities	238,904	219,885	160,799	166,340

GOL LINHAS AÉREAS INTELIGENTES S.A.

Notes to consolidated financial statements
(In thousands of Brazilian Reais)

2. Summary of significant accounting policies (Continued)

a) Restatement of previously issued financial statements (Continued)

	As of and for the year ended December 31,			
	2008		2007	
	Previously reported	Restated	Previously reported	Restated
Operating expenses				
Other operating expenses	(329,883)	(329,883)	(277,844)	(270,422)
Finance costs and other income (expense)				
Capitalized interest	28,871	27,179	38,879	38,879
Income taxes benefit (expense)	(193,626)	(44,305)	78,800	(33,595)
Profit (loss) for the year from continuing operations attributable to equity holders of the parent	(1,386,976)	(1,239,347)	272,261	167,288
Earnings (loss) per share:				
Basic	(6.89)	(6.16)	1.37	0.84
Diluted	(6.89)	(6.16)	1.37	0.84

The restatement resulted in changes to amounts previously reported in Notes 3, 5, 10, 13, 15, 16 and 23 and, accordingly, such notes have been amended and restated in these financial statements.

b) Statement of compliance and basis of presentation

The consolidated financial statements were prepared on a historical cost basis except for certain financial assets and liabilities, including derivative financial instruments and available-for-sale financial assets that are measured at fair value. The carrying value of recognized assets and liabilities that are accounted for as cash flow and fair value hedges are adjusted to record changes in the fair values attributable to the risks that are being hedged.

These consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, using Brazilian Reais as the functional and reporting currency. The accounting principles adopted under IFRS differ in certain aspects from accounting principles generally accepted in Brazil (BR GAAP), which the Company uses to prepare its statutory financial statements.

GOL LINHAS AÉREAS INTELIGENTES S.A.

Notes to consolidated financial statements
(In thousands of Brazilian Reais)

2. Summary of significant accounting policies (Continued)

b) Statement of compliance and basis of presentation (Continued)

The Company adopted International Financial Reporting Standards (IFRS) for the first time in its consolidated financial statements for the year ended December 31, 2008, which includes comparative financial statements for the year ended December 31, 2007. IFRS 1, First-time adoption of International Reporting Standards , requires that an entity develop accounting policies based on the standards and related interpretations effective at the reporting date of its first annual IFRS consolidated financial statements (i.e. December 31, 2007). IFRS 1 also requires that those policies be applied as of the date of transition to IFRS (i.e. January 1, 2007) and throughout all periods presented in the first IFRS financial statements.

The Note "Transition to IFRS , details the principal effects of the transition to IFRS on the Company s balance sheet as of January 1, 2007 and the principal differences with the Brazilian Corporate Law (Law No. 6,404/76) related to the year ended December 31, 2007.

c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries: VRG Linhas Aéreas S.A, and GAC Inc., Gol Finance and SKY Finance, which are domiciled in the Cayman Islands.

Results include those of VRG since April 9, 2007, the date the Company assumed control of the operations of VRG. All significant intercompany balances have been eliminated.

d) Cash and cash equivalents

Cash in excess of that necessary for operating requirements is invested in short-term, highly liquid, income-producing investments. Investments with original maturities of three months or less are classified as cash and cash equivalents, which primarily consist of certificates of deposit, money market funds, and investment grade commercial paper issued by major financial institutions.

GOL LINHAS AÉREAS INTELIGENTES S.A.

Notes to consolidated financial statements
(In thousands of Brazilian Reais)

2. Summary of significant accounting policies (Continued)

e) Restricted cash

Restricted cash represents pledge deposits with the purpose to guarantee some of Company s hedge operations and long-term financings (BNDES and BDMG) and earns interests.

f) Financial assets

The Company s financial assets consist of traditional fixed maturity securities, which are readily convertible into cash and are primarily highly liquid in nature. Management determines the appropriate classification of these securities at the time of purchase and reevaluates such designation as of each balance sheet date. As defined by IAS 39, Financial Instruments: Recognition and Measurement , the Company s investments are classified as available-for-sale financial assets. Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale and not classified as held-to-maturity or loans and receivables. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognized as equity until the investment is derecognized or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in profit or loss. Held-to-maturity securities are measured at amortized cost through the income statement.

g) Trade and other receivables

Trade and other receivables are stated at cost less allowances made for doubtful receivables, which approximates fair value given their short term nature. An allowance for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivable.

h) Inventories

Inventories, including aircraft expendables, are valued at the lower of cost, determined by the weighted average cost method, and net realizable value. The cost of inventory is charged to expense when consumed.

GOL LINHAS AÉREAS INTELIGENTES S.A.

Notes to consolidated financial statements
(In thousands of Brazilian Reais)

2. Summary of significant accounting policies (Continued)

i) Lease accounting

In accordance with IAS 17 "Leases", leases are classified as finance leases when the lease arrangement transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on a straight line basis over the lease term. Differences between aircraft rentals paid and rentals recognized as expense in the income statement are recorded as prepaid assets or accrued rent in the balance sheet.

The assets held under a finance lease are valued at the lower of the following two amounts: the present value of the minimum lease payments under the lease arrangement or the leased asset s fair value determined at inception of the lease. Lease payments are allocated between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in the income statement. The corresponding obligation to the lessor is accounted for as long-term debt. These assets are depreciated over the shorter of the useful life of the assets and the lease term when there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Profit or loss related to sale and operating leaseback transactions, is accounted for as follows:

They are recognized immediately when it is clear that the transaction is established at fair value;

If the sale price is below fair value, any profit or loss is recognized immediately. However, if the loss is compensated for by future lease payments at below market price, it is deferred and amortized in proportion to the lease payments over the asset s expected useful life;

If the sale price is above fair value, the excess is deferred and amortized over the asset s expected useful life, with the amortization recorded as a reduction of rent expense.

j) Prepaid expenses and other assets

Prepaid expenses and other assets primarily consist of prepayments for aircraft rentals under operating lease agreements, security deposits required under aircraft lease agreements and amounts receivable from insurance claims.

GOL LINHAS AÉREAS INTELIGENTES S.A.

Notes to consolidated financial statements
(In thousands of Brazilian Reais)

2. Summary of significant accounting policies (Continued)

k) Revenue recognition

Passenger revenue is recognized either when transportation is provided or when the ticket expires unused. Tickets sold but not yet used are recorded as advance ticket sales. Advance ticket sales represents deferred revenue for tickets sold for future travel dates and estimated refunds and exchanges of tickets sold for past travel dates. A small percentage of tickets (or partial tickets) expire unused. The Company estimates the amount of future refunds and exchanges, net of forfeitures, for all unused tickets once the flight date has passed. These estimates are based on historical data and experience. Estimated future refunds and exchanges included in the air traffic liability account are compared with actual refund and exchange activities every month to monitor the reasonableness of the estimated refunds and exchanges.

Revenue from cargo shipments is recognized when transportation is provided. Other revenue includes charter services, ticket change fees and other incidental services, and is recognized when the service is performed. The Company s revenues are net of certain taxes, including state value-added and other state and federal taxes that are collected from customers and transferred to the appropriate government entities. Such taxes in the year ended December 31, 2008 and December 31, 2007 were R$262,388 and R$191,164, respectively.

l) Mileage program

Since the acquisition of VRG (see Note 3), the Company operates a frequent flyer program, Smiles (Mileage Program) that provides travel and other awards to members based on accumulated mileage credits. The obligations assumed under the Mileage Program were valued at the acquisition date at estimated fair value that represents the estimated price the Company would pay to a third party to assume the obligation for miles expected to be redeemed under the Mileage Program. Outstanding miles earned by flying VRG or distributed by its non-airline partners (such as banks, credit card issuers and e-commerce companies) were revalued using a weighted-average per-mile equivalent ticket value, taking into account such factors as differing classes of service and domestic and international ticket itineraries, which can be reflected in awards chosen by Mileage Program members. The probability of air miles being converted into award tickets is estimated using a statistical method.

GOL LINHAS AÉREAS INTELIGENTES S.A.

Notes to consolidated financial statements
(In thousands of Brazilian Reais)

2. Summary of significant accounting policies (Continued)

l) Mileage program (Continued)

The sale of passenger tickets by the Company includes air transportation and mileage credits. The Company s sales of miles to business partners include marketing and mileage credits. The Company uses the deferred revenue model to account for its obligation for miles to be redeemed based upon the equivalent ticket value of similar fares. The Company accounts for all miles earned and sold as separate deliverables. The Company defers the portion of the sales proceeds that represents the estimated fair value of the award and recognizes that amount in cargo and other revenue when the award is provided. The excess of sale proceeds over the fair value of the award (which is mileage program marketing revenue) is recognized in cargo and other revenue, as applicable.

For accounts that are inactive for a period of 36 consecutive months, it is the Company s policy to cancel all miles contained in those accounts at the end of the 36 month period of inactivity. The value associated with mileage credits that are estimated to be cancelled based upon inactivity is recognized as passenger revenue in proportion to actual mileage award redemptions over the period in which the expired miles occurred.

On 28 June 2007, the International Financial Reporting Interpretations Committee (IFRIC) issued IFRIC 13 Customer Loyalty Programmes (effective for periods beginning on or after 1 July 2008 with early adoption permitted), which deals with accounting for customer loyalty award credits. The Company adopted IFRIC 13 on April 9, 2007 (see Note 3). The adoption of this interpretation had no impact on the Company s consolidated financial statements.

m) Property, plant and equipment

Property, plant and equipment, including rotable parts, are recorded at cost and are depreciated to estimated residual values over their estimated useful lives using the straight-line method. Each component of property, plant and equipment that has a cost that is significant in relation to the overall cost of the item is depreciated separately. Aircraft and engine spares acquired on the introduction or expansion of a fleet, as well as rotable spares purchased separately, are carried as fixed assets and generally depreciated in line with the fleet to which they relate. Pre-delivery deposits refer to prepayments made based on the agreements entered into with Boeing Company for the purchase of Boeing 737-800 Next Generation aircraft.

GOL LINHAS AÉREAS INTELIGENTES S.A.

Notes to consolidated financial statements
(In thousands of Brazilian Reais)

2. Summary of significant accounting policies (Continued)

m) Property, plant and equipment (Continued)

The estimated useful lives for property and equipment are as follows:

	Estimated Useful Life
Leasehold improvements to flight equipment	Lower of lease term or useful life
Flight equipment	20 years
Rotables	20 years
Maintenance and engineering equipment.	10 years
Major overhaul expenditures	1 to 4 years
Communication and meteorological equipment	10 years
Computer hardware and software	5 years

Under IAS 16 Property, Plant and Equipment , major engine overhauls including replacement spares and labor costs, are treated as a separate asset component with the cost capitalized and depreciated over the period to the next major overhaul. All other replacement spares and costs relating to maintenance of fleet assets are charged to the income statement on consumption or as incurred. Interest costs incurred and identified exchange differences on borrowings that fund progress payments on assets under construction, including pre-delivery deposits to acquire new aircraft, are capitalized and included as part of the cost of the assets through the earlier of the date of completion or aircraft delivery.

The carrying value of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable and the cumulative impairment losses are shown as a reduction in the carrying value of property, plant and equipment.

n) Intangible assets

i) Goodwill

Goodwill is tested for impairment annually by comparing the carrying amount to the recoverable amount at the cash-generating unit level. Considerable judgment is necessary to evaluate the impact of operating and macroeconomic changes to estimate future cash flows and to measure the recoverable amount. Assumptions in the Company s impairment evaluations are consistent with internal projections and operating plans.

GOL LINHAS AÉREAS INTELIGENTES S.A.

Notes to consolidated financial statements
(In thousands of Brazilian Reais)

2. Summary of significant accounting policies (Continued)

n) Intangible assets (Continued)

ii) Airport operating rights

Airport operating rights were acquired as part of the acquisition of VRG and were capitalized at fair value at that date and are not amortized. Those rights are considered to be indefinite due to several factors and considerations, including requirements for necessary permits to operate within Brazil and limited slot availability in the most important airports in terms of traffic volume. The carrying value of those rights is reviewed for impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that carrying values may not be recoverable. No impairment has been recorded to date.

iii) Tradenames

VRG tradenames were acquired as part of the VRG acquisition and were capitalized at fair value at that date. The tradenames are considered to have an indefinite useful life (and are not amortized) due to several factors and considerations, including the brand awareness and market position, customer recognition and loyalty and the continued use of the VARIG tradenames. The carrying value of the tradenames is reviewed for impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that carrying values may not be recoverable. No impairment has been recorded to date.

iv) Software

Costs related to the purchase or development of computer software that is separable from an item of related hardware is capitalized separately and amortized over a period not exceeding five years on a straight-line basis.

The carrying value of these intangibles is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

o) Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset is impaired using discounted cash flow analyses, which considers the creditworthiness of the issuer of the security, as further described in Note 18.

GOL LINHAS AÉREAS INTELIGENTES S.A.

Notes to consolidated financial statements
(In thousands of Brazilian Reais)

2. Summary of significant accounting policies (Continued)

p) Deposits

The Company s aircraft lease agreements specifically provide that the Company is responsible for maintenance of the leased aircraft. Under certain existing lease agreements, maintenance deposits are paid to aircraft and engine lessors that are to be applied to future maintenance events. These deposits are calculated based on a performance measure, such as flight hours or cycles, and are available for reimbursement to us upon the completion of the maintenance of the leased aircraft. If there are sufficient funds on deposit to reimburse for maintenance costs, such funds are returned to the Company. The maintenance deposits paid under lease agreements transfer neither the obligation to maintain the aircraft nor the cost risk associated with the maintenance activities to the aircraft lessor.

In addition, the Company maintains the right to select any third-party maintenance provider or to perform such services in-house. Therefore, these amounts are recorded as a deposit on the balance sheet and maintenance cost is recognized when the underlying maintenance is performed, in accordance with the Company s maintenance accounting policy. Certain lease agreements provide that excess deposits are not refundable to us. Such excess could occur if the amounts ultimately expended for the maintenance events were less than the amounts on deposit. Any excess amounts held by the lessor or retained by the lessor upon the expiration of the lease, which are not expected to be significant, would be recognized as additional aircraft rental expense at the time it is no longer probable that such amounts will be used for the maintenance for which they were deposited.

In determining whether it is probable that maintenance deposits will be used to fund the cost of maintenance events, the Company conducts the following analysis at the inception of the lease, on an annual and quarterly basis and whenever events or changes in circumstances indicate that amounts may not be recoverable, to evaluate potential impairment of this balance:

GOL LINHAS AÉREAS INTELIGENTES S.A.

Notes to consolidated financial statements
(In thousands of Brazilian Reais)

2. Summary of significant accounting policies (Continued)

p) Deposits (Continued)

1) At the time of delivery of each aircraft under lease, the Company evaluates the aircraft s condition, including the airframe, the engines, the auxiliary power unit and the landing gear.

2) The Company projects future usage of the aircraft during the term of the lease based on its business and fleet plan.

3) The Company estimates the cost of performing all required maintenance during the lease term. These estimates are based on the extensive experience of the Company s management and industry available data, including historical fleet operating statistic reports published by the Company s engine manufacturers.

At the inception of the leases, initial estimates of the maintenance costs are equal to or in excess of the amounts required to be deposited. This demonstrates it is probable the amounts will be utilized for the maintenance for which they are to be deposited and the likelihood of an impairment of the balance is remote. Additionally, the Company has reached agreements with certain lessors to replace the deposits with letters of credit and amend the lease terms to enable us to utilize the deposited funds to settle other amounts owed under the lease. Upon this amendment of the lease the Company reevaluates the appropriateness of the lease accounting and reclassifies the affected deposits as Other Deposits. Many of new aircraft leases do not require maintenance deposits.

Based on the foregoing analysis, management believes that the amounts reflected on the consolidated balance sheet as Aircraft and Engine Maintenance Deposits are probable of recovery. There has been no impairment of Company s maintenance deposits.

q) Foreign currency transactions

Transactions in foreign currencies are translated into the Company s functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are subsequently translated at the exchange rate at the balance sheet date. Any differences resulting from the currency translation are recognized in the income statement.

GOL LINHAS AÉREAS INTELIGENTES S.A.

Notes to consolidated financial statements
(In thousands of Brazilian Reais)

2. Summary of significant accounting policies (Continued)

r) Derivative financial instruments and hedge accounting

The Company accounts for financial derivative instruments in accordance with IAS 39. In executing the risk management program, management uses a variety of financial instruments, including petroleum call options, petroleum collar structures, petroleum fixed-price swap agreements, and foreign currency forward contracts. The Company does not hold or issue derivative financial instruments for trading purposes.

As there is not a futures market for jet fuel in Brazil, the Company uses international crude oil derivatives to hedge its exposure to increases in fuel price. Historically, there has been a high correlation between international crude oil prices and Brazilian jet fuel prices, making crude oil derivatives effective at offsetting jet fuel prices to provide some short-term protection against a sharp increase in average fuel prices.

The Company also uses derivative financial instruments such as forward currency contracts and interest swaps to hedge its foreign market risks and interest rate risks respectively. Derivative financial instruments are remeasured at fair value at each reporting date. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Since the majority of the Company s financial derivative instruments for fuel are not traded on a market exchange, the Company estimates their fair values. The fair value of fuel derivative instruments, depending on the type of instrument, is determined by the use of present value methods or standard option value models with assumptions about commodity prices based on those observed in underlying markets. Also, since there is not a reliable forward market for jet fuel, the Company must estimate the future prices of jet fuel in order to measure the effectiveness of the hedging instruments in offsetting changes to those prices, as required by IAS 39.

The fair value of forward currency contracts is the difference between the forward exchange rate and the contract rate. The forward exchange rate is referenced to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

2. Summary of significant accounting policies (Continued)

r) Derivative financial instruments and hedge accounting (Continued)

The Company designates certain of its derivative financial instruments for hedge accounting. These instruments are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument s effectiveness in offsetting the exposure to changes in the hedged item s fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized directly in equity, while any ineffective portion is recognized immediately in profit or loss.

Amounts classified in equity are transferred to profit or loss when the hedged transaction affects profit or loss. If the hedged item is the cost of a non-financial asset or non-financial liability, the amounts classified in equity are transferred to the initial carrying amount of the non-financial asset or liability.

If the firm commitment is no longer expected to occur, amounts previously recognized in equity are transferred to profit or loss. If the hedging instrument expires, is terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognized in equity remain in equity until the firm commitment occurs.

2. Summary of significant accounting policies (Continued)

r) Derivative financial instruments and hedge accounting (Continued)

Cash flow hedges (Continued)

The Company s outstanding derivative contracts are all designated as cash flow hedges for accounting purposes. While outstanding, these contracts are recorded at fair value on the balance sheet with the effective portion of the change in their fair value being recorded in equity. All changes in fair value that are considered to be effective, as defined, are recorded in equity until the underlying exchange exposure is realized and fuel is consumed. Changes in fair value that are not considered to be effective are recorded in other income (expense), net in the statement of income. The Company measures the effectiveness of the hedging instruments in offsetting changes to the hedged item, as required by IAS 39. See Note 18 for further information on IAS 39 and derivative financial instruments.

Current versus non-current classification

Derivative instruments that are not designated for hedge accounting treatment are classified as current or non-current or separated into a current and non-current portion based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

Derivative instruments that are designated as, and are effective hedging instruments, are classified consistent with the classification of the underlying hedged item. The derivative instrument is separated into a current portion and non-current portion only if a reliable allocation can be made.

s) Share-based payments

The Company measures the fair value of equity-settled transactions with employees at the grant date using an appropriate valuation model. The resulting amount, as adjusted for forfeitures is charged to income over the period in which the options vest. At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management s best estimate of the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous balance sheet date is recognized in the income statement with a corresponding entry in equity.

2. Summary of significant accounting policies (Continued

t) Provisions

For certain operating leases, the Company is contractually obligated to return aircraft in a defined condition. The Company accrues for restitution costs related to aircraft held under operating leases at the time the asset does not meet the return condition criteria throughout the duration of the lease.

Other provisions are recorded for probable losses and are reviewed based on the development of lawsuits and the background of losses on labor and civil claims, based on the best current estimate.

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

u) Segment information

The Company has one business segment: the provision of air transportation services within South America, where it operates domestic and international flights.

v) Income taxes

a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss.

GOL LINHAS AÉREAS INTELIGENTES S.A.

Notes to consolidated financial statements (Continued)
(In thousands of Brazilian reais)

2. Summary of significant accounting policies (Continued)

v) Income taxes (Continued)

b) Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabil"width: 27pt">·the Closing Market Price of an Underlying Stock that is not an Affected Underlying Stock will be its Closing Market Price on that non-calculation day; and

· the Closing Market Price of an Underlying Stock that is an Affected Underlying Stock for the applicable non-calculation day will be determined in the same manner as described in the fifth and the sixth paragraphs of "Description of the Notes—Automatic Call" in the product supplement STOCK STR-1.

The Underlying Stocks

We have derived the following information from publicly available documents. We have not independently verified the accuracy or completeness of the following information.

Because the Underlying Stocks are registered under the Securities Exchange Act of 1934, the Underlying Companies are required to file periodically certain financial and other information specified by the SEC. Information provided to or filed with the SEC by the Underlying Companies can be located at the Public Reference Section of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549 or through the SEC's web site at http://www.sec.gov by reference to the applicable SEC CIK number set forth below.

This term sheet relates only to the notes and does not relate to the Underlying Stocks or to any other securities of the Underlying Companies. The Underlying Companies will have no obligations with respect to the notes. None of us, MLPF&S, or any of our respective affiliates has participated or will participate in the preparation of any Underlying Company's publicly available documents. None of us, MLPF&S, or any of our respective affiliates has made any due diligence inquiry with respect to any Underlying Company in connection with the offering of the notes. None of us, MLPF&S, or any of our respective affiliates makes any representation that the publicly available documents or any other publicly available information regarding any Underlying Company are accurate or complete. Furthermore, there can be no assurance that all events occurring prior to the date of this term sheet, including events that would affect the accuracy or completeness of these publicly available documents that would affect the trading price of an Underlying Stock, have been or will be publicly disclosed. Subsequent disclosure of any events or the disclosure of or failure to disclose material future events concerning any Underlying Company could affect the price of the relevant Underlying Stock and therefore could affect your return on the notes. The selection of the Underlying Stocks is not a recommendation to buy or sell the Underlying Stocks.

Historical Data

The following tables show the quarterly high and low Closing Market Prices of the shares of the Underlying Stocks on their primary exchange from the first quarter of 2008 or the date when an Underlying Stock began trading, as applicable, through the pricing date. We obtained this historical data from Bloomberg L.P. We have not independently verified the accuracy or completeness of the information obtained from Bloomberg L.P. These historical trading prices may have been adjusted to reflect certain corporate actions such as stock splits and reverse stock splits. This historical data on the Underlying Stocks is not necessarily indicative of their future performance or what the value of the notes may be. Any historical upward or downward trend in the price per share of any Underlying Stock during any period set forth below is not an indication that the price per share of such Underlying Stock is more or less likely to increase or decrease at any time over the term of the notes.

Before investing in the notes, you should consult publicly available sources for the prices and trading pattern of the Underlying Stocks.

American Airlines Group Inc.

American Airlines Group Inc. is a holding company whose primary business activity is the operation of two network carriers through its principal, wholly-owned subsidiaries: American Airlines, Inc., US Airways Group, Inc. and Envoy Aviation Group, Inc. On December 9, 2013, American Airlines Group Inc.'s common stock began trading on the NASDAQ Global Select Market under the symbol "AAL." The company's CIK number is 6201.

The following table sets forth the historical information for the period since December 9, 2013.

		High ($)	Low ($)
2013	Fourth Quarter (from December 9, 2013)	26.61	24.60
2014	First Quarter	39.02	25.36
	Second Quarter	44.55	33.37
	Third Quarter	43.86	35.03
	Fourth Quarter	53.63	28.58
2015	First Quarter	55.76	46.53
	Second Quarter (through the pricing date)	52.71	39.48

Delta Air Lines, Inc.

Delta Air Lines, Inc. provides scheduled air transportation for passengers, freight, and mail over a network of routes throughout the United States and internationally. This Underlying Stock trades on the New York Stock Exchange (the "NYSE") under the symbol "DAL." The company's CIK number is 27904.

		High ($)	Low ($)
2008	First Quarter	18.53	8.35
	Second Quarter	10.48	5.00
	Third Quarter	9.94	4.64
	Fourth Quarter	11.52	5.64
2009	First Quarter	12.38	3.93
	Second Quarter	8.11	5.40
	Third Quarter	9.65	5.68
	Fourth Quarter	11.81	6.95
2010	First Quarter	14.65	11.22
	Second Quarter	14.93	11.31
	Third Quarter	12.61	9.97
	Fourth Quarter	14.33	11.24
2011	First Quarter	13.00	9.79
	Second Quarter	11.51	9.00
	Third Quarter	9.41	6.62
	Fourth Quarter	9.02	6.65
2012	First Quarter	11.30	8.01
	Second Quarter	12.10	9.81
	Third Quarter	11.12	8.55
	Fourth Quarter	11.94	9.33
2013	First Quarter	17.07	12.23
	Second Quarter	18.97	14.39
	Third Quarter	24.01	18.41
	Fourth Quarter	29.34	24.02
2014	First Quarter	35.37	27.70
	Second Quarter	42.23	31.73
	Third Quarter	40.93	35.61
	Fourth Quarter	49.23	30.90

2015	First Quarter	50.70	43.42
	Second Quarter (through the pricing date)	47.40	40.57

United Continental Holdings, Inc.

United Continental Holdings, Inc. is a holding company with its principal, wholly-owned subsidiary being United Airlines, Inc., which owns and operates airlines that transport people and cargo. On October 1, 2010, United Continental Holdings, Inc.'s common stock began trading on the NYSE under the symbol "UAL." The company's CIK number is 100517.

The following table sets forth the historical information for the period since October 1, 2010.

		High ($)	Low ($)
2010	Fourth Quarter	29.53	23.27
2011	First Quarter	27.48	22.17
	Second Quarter	26.68	19.79
	Third Quarter	23.03	16.61
	Fourth Quarter	21.24	15.53
2012	First Quarter	24.97	17.48
	Second Quarter	25.17	20.58
	Third Quarter	24.82	17.78
	Fourth Quarter	24.19	19.21
2013	First Quarter	32.50	23.95
	Second Quarter	34.75	28.66
	Third Quarter	36.25	27.71
	Fourth Quarter	39.83	29.65
2014	First Quarter	49.18	37.73
	Second Quarter	48.05	39.20
	Third Quarter	51.74	38.62
	Fourth Quarter	66.89	40.55
2015	First Quarter	73.62	63.83
	Second Quarter (through the pricing date)	64.02	51.23

Supplement to the Plan of Distribution

Under our distribution agreement with MLPF&S, MLPF&S will purchase the notes from us as principal at the public offering price indicated on the cover of this term sheet, less the indicated underwriting discount.

We will deliver the notes against payment therefor in New York, New York on a date that is greater than three business days following the pricing date. Under Rule 15c6-1 of the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the notes more than three business days prior to the original issue date will be required to specify alternative settlement arrangements to prevent a failed settlement.

The notes will not be listed on any securities exchange. In the original offering of the notes, the notes will be sold in minimum investment amounts of 100 units. If you place an order to purchase the notes, you are consenting to MLPF&S acting as a principal in effecting the transaction for your account.

MLPF&S has advised us that they or their affiliates may repurchase and resell the notes, with repurchases and resales being made at prices related to then-prevailing market prices or at negotiated prices, and these prices will include MLPF&S's trading commissions and mark-ups. MLPF&S may act as principal or agent in these market-making transactions; however, it is not obligated to engage in any such transactions. At MLPF&S's discretion, for a short, undetermined initial period after the issuance of the notes, MLPF&S may offer to buy the notes in the secondary market at a price that may exceed the estimated value of the notes at the time of repurchase. Any price offered by MLPF&S for the notes will be based on then-prevailing market conditions and other considerations, including the performance of the Underlying Stocks, the remaining term of the notes, and our creditworthiness. However, none of us, MLPF&S, or any of our respective affiliates is obligated to purchase your notes at any price or at any time, and we cannot assure you that we, MLPF&S, or any of our respective affiliates will purchase your notes at a price that equals or exceeds the estimated value of the notes at the time of repurchase.

MLPF&S has also advised us that, if you hold your notes in a MLPF&S account, the value of the notes shown on your account statement will be based on MLPF&S's estimate of the value of the notes if MLPF&S or another of its affiliates were to make a market in the notes, which it is not obligated to do. That estimate will be based upon the price that MLPF&S may pay for the notes in light of then-prevailing market conditions and other considerations, as mentioned above, and will include transaction costs. This price may be higher than or lower than the initial estimated value of the notes.

The distribution of the Note Prospectus in connection with these offers or sales will be solely for the purpose of providing investors with the description of the terms of the notes that was made available to investors in connection with their initial offering. Secondary market investors should not, and will not be authorized to, rely on the Note Prospectus for information regarding Deutsche Bank or for any purpose other than that described in the immediately preceding sentence.

Structuring the Notes

The notes are our debt securities, the return on which is linked to the performance of the Underlying Stocks. As is the case for all of our debt securities, including our market-linked notes, the economic terms of the notes reflect our actual or perceived creditworthiness at the time of pricing. The internal funding rate we use in pricing the market-linked note is typically lower than the rate we would pay when we issue conventional debt securities of comparable maturity. This generally relatively lower internal funding rate, which is reflected in the economic terms of the notes, along with the fees and charges associated with market-linked notes, resulted in the initial estimated value of the notes on the pricing date being less than their public offering price.

Payments on the notes, including the amount you receive at maturity or upon an automatic call, will be calculated based on the $10 principal amount per unit and will depend on the performance of the Underlying Stocks. In order to meet these payment obligations, at the time we issue the notes, we expect to enter into certain hedging arrangements (which may include call options, put options or other derivatives) with MLPF&S or one of its affiliates. The terms of these hedging arrangements are determined by seeking bids from market participants, which may include us, MLPF&S and one of our respective affiliates, and take into account a number of factors, including our creditworthiness, interest rate movements, the volatility of the Underlying Stocks, the tenor of the notes and the tenor of the hedging arrangements. The economic terms of the notes and their initial estimated value depend in part on the terms of these hedging arrangements.

MLPF&S has advised us that the hedging arrangements will include a hedging related charge of approximately $0.075 per unit, reflecting an estimated profit to be credited to MLPF&S from these transactions. Since hedging entails risk and may be influenced by unpredictable market forces, additional profits and losses from these hedging arrangements may be realized by us, MLPF&S or any other hedge providers.

For further information, see “Risk Factors—General Risks Relating to the Notes” beginning on page PS-7 and “Use of Proceeds and Hedging” on page PS-18 of product supplement STOCK STR-1.

Summary Tax Consequences

In the opinion of our special tax counsel, Davis Polk & Wardwell LLP, which is based on prevailing market conditions, it is more likely than not that the notes will be treated for U.S. federal income tax purposes as prepaid financial contracts that are not debt. Generally, if this treatment is respected, (i) you should not recognize taxable income or loss prior to the taxable disposition of your notes (including at maturity or pursuant to a call) and (ii) the gain or loss on your notes should be capital gain or loss and should be long-term capital gain or loss if you have held the notes for more than one year. The Internal Revenue Service (the "IRS") or a court might not agree with this treatment, however, in which case the timing and character of income or loss on your notes could be materially and adversely affected.

In 2007, the U.S. Treasury Department and the IRS released a notice requesting comments on various issues regarding the U.S. federal income tax treatment of "prepaid forward contracts" and similar instruments. The notice focuses in particular on whether beneficial owners of these instruments should be required to accrue income over the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments; the relevance of factors such as the nature of the underlying property to which the instruments are linked; the degree, if any, to which income (including any mandated accruals) realized by non-U.S. persons should be subject to withholding tax; and whether these instruments are or should be subject to the "constructive ownership" regime, which very generally can operate to recharacterize certain long-term capital gain as ordinary income and impose a notional interest charge. While the notice requests comments on appropriate transition rules and effective dates, any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the notes, possibly with retroactive effect.

You should review carefully the section of the accompanying product supplement entitled "U.S. Federal Income Tax Consequences." The preceding discussion, when read in combination with that section, constitutes the full opinion of our special tax counsel regarding the material U.S. federal income tax consequences of owning and disposing of the notes.

Under current law, the United Kingdom will not impose withholding tax on payments made with respect to the notes.

For a discussion of certain German tax considerations relating to the notes, you should refer to the section in the accompanying prospectus supplement entitled "Taxation by Germany of Non-Resident Holders."

You should consult your tax advisor regarding the U.S. federal tax consequences of an investment in the notes (including possible alternative treatments and the issues presented by the 2007 notice), as well as tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

Validity of the Notes

In the opinion of Davis Polk & Wardwell LLP, as special United States products counsel to the Issuer, when the notes offered by this term sheet have been executed and issued by the Issuer and authenticated by the authenticating agent, acting on behalf of the trustee, pursuant to the senior indenture, and delivered against payment as contemplated herein, such notes will be valid and binding obligations of the Issuer, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, concepts of reasonableness and equitable principles of general applicability (including, without limitation, concepts of good faith, fair dealing and the lack of bad faith) and possible judicial applications giving effect to governmental actions or foreign laws affecting creditors' rights, provided that such counsel expresses no opinion as to the effect of fraudulent conveyance, fraudulent transfer or similar provision of applicable law on the conclusions expressed above. This opinion is given as of the date hereof and is limited to the laws of the State of New York. Insofar as this opinion involves matters governed by German law, Davis Polk & Wardwell LLP has relied, without independent investigation, on the opinion of Group Legal Services of Deutsche Bank AG, dated as of January 1, 2015, filed as an exhibit to the letter of Davis Polk & Wardwell LLP, and this opinion is subject to the same assumptions, qualifications and limitations with respect to such matters as are contained in such opinion of Group Legal Services of Deutsche Bank AG. In addition, this opinion is subject to customary assumptions about the trustee's authorization, execution and delivery of the senior indenture and the authentication of the notes by the authenticating agent and the validity, binding nature and enforceability of the senior indenture with respect to the trustee, all as stated in the letter of Davis Polk & Wardwell LLP dated as of January 1, 2015, which has been filed by the Issuer on Form 6-K dated January 5, 2015.

Where You Can Find More Information

We have filed a registration statement (including a product supplement, a prospectus supplement, a prospectus and a prospectus addendum) with the SEC for the offering to which this term sheet relates. Before you invest, you should read the Note Prospectus, including this term sheet, and the other documents that we have filed with the SEC, for more complete information about us and this offering. You may get these documents without cost by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, we, any agent, or any dealer participating in this offering will arrange to send you these documents if you so request by calling MLPF&S toll-free at 1-800-294-1322.

Market-Linked Investments Classification

MLPF&S has advised us that it classifies certain market-linked investments (the "Market-Linked Investments") into categories, each with different investment characteristics. The following description is meant solely for informational purposes and is not intended to represent any particular Enhanced Return Market-Linked Investment or guarantee any performance.

Enhanced Return Market-Linked Investments are short- to medium-term investments that offer you a way to enhance exposure to a particular market view without taking on a similarly enhanced level of market downside risk. They can be especially effective in a flat to moderately positive market (or, in the case of bearish investments, a flat to moderately negative market). In exchange for the potential to receive better-than market returns on the linked asset, you must generally accept market downside risk and capped upside potential. As these investments are not market downside protected, and do not assure full repayment of principal at maturity, you need to be prepared for the possibility that you may lose all or part of your investment.

"Strategic Accelerated Redemption Securities®" is a registered service mark of Bank of America Corporation, the parent company of MLPF&S.