Operator: Good morning ladies and gentlemen. At this time we would like to welcome everyone to GOL's third quarter 2004 results conference call. Today with us we have: Constantino de Oliveira Jr., President & CEO; and Richard F. Lark Jr., Vice-President Finance and CFO.

We would like to inform you that this event is being recorded and all participants will be in listen-only mode during the Company's presentation. After GOL's remarks, there will be a question and answer section. At that time further instructions will be given. Should any participant need assistance during this call, please press *0 to reach the operator.

We have a simultaneous webcast that may be accessed through GOL's website at www.voegol.com.br. The slide show, which will be presented by management today, is in the platform available in the website, investor relations section.

Before proceeding, let me mention that forward-looking statements will be made under the Safe Harbor of the Securities litigation reform act of 1996. Forward-looking statements are based on the beliefs and assumptions of GOL management and on information currently available to the Company. They involve risks, uncertainties and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur in the future. Investors should understand that general economic conditions, industry conditions and other operating factors could also affect the future results of GOL and could cause results to differ materially from those expressed in such forward looking statements.
Now, I'll turn the conference over to CEO, Mr. Oliveira, who will begin the presentation. Mr. Oliveira, you may begin your conference.

Junior: First of all, I'd like to welcome you to GOL's third quarter 2004 presentation. Let's begin by turning to slide #2, entitled "Highlights".

I believe that anyone interested in GOL shares our vision of profitable growth for this Company. And that is exactly what we have been consistently delivering.

The last quarter presented opportunities for us, as high oil prices pressured fuel costs, air travel demand increased, and our industry continued to consolidate. Richard will explain the numbers in more detail, but I would like to highlight that we have been able to compensate fuel cost increases with higher productivity, higher aircraft utilization and fare adjustments, thus maintaining our EBITDAR margins in line with our guidance.

It is important to note that we have been very careful in making sure that we maintain our competitively priced fares. Our RPKs increased nearly 20% year-on-year and we were able to post a 3 point gain in load factor, reaching 70%, and increased our market share to 21.5% in third quarter (and to 22.5% in October 2004), a full 100 basis points above the same period last year. So, we have continued our path of disciplined, profitable growth.

I will now turn the call over to our CFO, Richard Lark, who will discuss financial and operating highlights for the quarter.

Richard: Thanks Junior, and good morning, everyone. Please move to slide #3 in the presentation. In the third quarter we continued to see strong double-digit revenue growth. Our net revenues grew over 28% to R$ 517.2 million in the third quarter, while revenue passenger kilometers increased 19.4% to nearly 1.6 billion.

Volume increase was driven by a 13.3% increase in departures, as we added 2 new destinations and 22 new flight frequencies, 11 of which were night flights which operate between the hours of 1am and 5am, which helped us achieve a record level of aircraft utilization of almost 14 block hours per day. The sum of these led to a 14.3% increase in our available seat kilometers.

Our load factor, which represents the percentage of our aircraft seat capacity that is actually utilized, increased 3 percentage points to 70.0%, demonstrating the success of our revenue management initiatives in keeping high occupancy rates in our aircraft. Based on current traffic and booking trends -- you saw announced yesterday that we obtained a 72% load factor in October -- we expect strong load factors in Q4 as we approach the holiday and summer travel season here in Brazil.

In addition to volume improvements, we also experienced a good yield environment during the quarter. Yield, which represents revenue per passenger kilometer flown, grew 8% to 31.2 cents of real, compensating for higher jet fuel prices.

If you move to the next slide, slide #4, we show a comparison of the third quarter of 2004 vs. the second quarter of 2004. You will observe that, while our fuel costs per available seat kilometer increased by 16.0%, adding R$ 18.0 million to our costs, average fares increased by 20% when compared to the second quarter of 2004, leading to an increase in revenues per available seat kilometer, or RASK, of over 21%.

So we were able to compensate fuel costs increases with higher productivity and fare adjustments, improving EBITDAR margins.

Our fuel hedges were 93% effective “during” the third quarter – as commodity price increases had a negative impact of R$ 2.9 million, which were offset by R$ 2.4 million in financial gains on the hedge inventory. For the fourth quarter of 2004, we are around 75% hedged on our short-term fuel price exposure.

On the next slide, slide #5, you will see the “year-on-year” comparison of our operating results.

While our RASK increased 12.3%, or 2.5 cents of real, our CASK increased by 22.8%, or 2.9 cents of real. Over 60% of the increase in CASK was due to a 50% increase in jet fuel expenses per ASK, result of a 46% increase in fuel price per liter in the year-over-year comparison.

To a lesser extent, our CASK was also impacted by higher payroll expenses, which increased by 40% year-over-year, or 0.53 cents of real on a per ASK basis. It is important to stress that the “real” increase in employee costs is related to new employees -- pilots and flight crews -- and training costs to support our fleet and new destination growth in Q4, and that the remainder of the increase related to a 12.4% cost-of-living adjustment to wages, year-over-year, based on 2003 inflation.

Our sales and marketing costs per ASK increased 12.9% or 0.34 cents of real, as we had increases in sales bookings ahead of flown passengers, which were partially offset by lower travel agency commissions.

These were the main impacts on our expenses. A more comprehensive breakdown and explanation of our expenses can be found in our earnings release that you have already received and that you may also access on our website.

On a nominal basis, EBITDAR grew by 8.4% year-over-year, reaching R$ 217 million in the quarter.

On the next slide, slide #6, we show our net income trends. During the third quarter, net income was R$ 96.9 million, representing an 18.7% net margin and was slightly better than in the year-ago quarter.

Apart from the impacts on our operating performance, on which I just commented, in the third quarter we were negatively impacted on the financial expense line. In July, due to the appreciation of the Brazilian currency, we recorded an R$ 12 million loss on a foreign exchange contract used to lock in a rate of R$ 3.12 per US$ for the proceeds of our IPO (which was closed on June 30). During the quarter, we also recorded a R$ 16.2 mm net increase in exchange rate variation losses on U.S. dollar-denominated assets, also due to the appreciation of the Brazilian currency.

If we exclude, and tax-effect, these non-operating losses, our net income would have been approximately R$ 117 million, an increase of over 20% over the previous year's net income, and above our guidance. As we expect the fourth quarter of 2004 to be better than expected, we are re-iterating our guidance for the full year 2004.

Commenting on the strength of our balance sheet, our cash position on September 30, 2004 was almost R$ 734 million, an increase of nearly R$ 38 million compared to the previous period.

GOL's debt level for the third quarter remained low with a total debt to capitalization ratio of 9.1%. We have a sound 1.7x Total Debt + Capitalized Leases to EBITDAR ratio.

I you flip to the next slide, slide #7, you can see that our results continue to be a benchmark for the global airline industry. We managed to post industry-leading margins for the LTM period ended in the third quarter.

Despite this and the fact that our growth rate is one of the highest in the sector, our valuation multiples are trading at a discount to the other leading airlines.

I will now turn the call back over to Junior, to review our plans for the upcoming quarter.

Junior: Thank you Rich. Moving on to the last slide of the presentation, I would like to comment that, today, our quality growth prospects are even brighter than ever.

Our fleet ended the 3rd quarter comprised of 23 737 aircraft. By the end of December, we will have 27 737 aircraft fully-operational, and we plan to start the summer vacation on January month with 29 737 aircraft operating, representing a 26% increase in the size of our fleet from the end of the third quarter to the beginning of 2005.

Our fleet increase is a consequence of the greater number of destinations we will be profitably serving. By the end of the 3rd quarter of 2004 we were present in 31 cities and, as of today, 36, and by year-end, we will serve 38 destinations, including our first regular international flights to Buenos Aires, Argentina.

To end our presentation today, we would like to present our preliminary guidance for 2005. We are presenting this preliminary estimate now as the market has asked us to start providing guidance for next year, and we remain committed to full disclosure principles.

Our net revenues are expected to grow by over 35% to R$ 2.6 billion next year. Our margins are expected to decline slightly, as we maintain high service quality and competitive pricing for our customers, to drive higher volumes and absorb new aircraft into the fleet and new destinations into the network.

Having now concluded this brief presentation, I would like to thank you for your attention and turn the floor over for Q&A, during which we will be glad to respond to any questions you may have.

Operator: Thank you. The floor is now open for questions. If you have a question please press *1 on your touchtone telephone at this time. If at any point your question is answered, you may remove yourself from the queue by pressing the pound key. Questions will be taken in the order that they are received. We do ask that when you pose your question that you pick up your handset to provide optimum sound quality. Please hold while we pole for questions. Once again if you do wish to pose a question, please press *1 on your touchtone phone. Please hold again while we pool for questions. Our first question today is coming from Jim Parker of Raymond James, Sr. please go ahead with your question.

James: Good afternoon Rich and Junior, the first question I have is regarding your bonuses accrual, when you look at the 3Q and 4Q of this year, and 3Q and 4Q of last year, how much of bonuses accrual were in each of those quarters?

Richard: In terms of the profit sharing plan there is no accrual for that in the 3Q; it will be accrued in the 4Q, when we do that, we will break that out in the financial results.

James: So you are saying that this year profit sharing will only be in the 4Q and was it only in the 4Q of last year?

Richard: That's correct, it was accrued entirely in December last year and will be the same this year as well.

James: Ok, the second question is that in the 4Q you will enter your first international market outside of Brazil, meaning Buenos Aires, I'm just curious in regarding other South-American countries, as you add new markets do you have bilateral agreements, can you elaborate on that a bit, as to your flexibility of entering markets and other South American countries?

Junior: We have to respect for all the countries a bilateral agreement between Brazil and the country in question and in these terms we can see that in all of the countries we have a space available or have availability to include new flights, except Santiago, Chile, where all the frequencies are now already working, and Varig and TAM are expected to start one flight probably in December or January to Santiago and we have no space available in this route, but we think that the demand between São Paulo and Santiago will allow us to ask for new frequencies next year, in the other countries we already have space available - frequencies available to ask for - but we expect to consolidate our routes to Buenos Aires before we go forward to other destinations.

James: Thank you.

Operator: Thank you, our next question is coming from William Green of Morgan Stanley, please go ahead with your question.

William: Hi, Rich, can you talk a little bit about how you get to the cost of living adjustment of 12, almost 13%, because I was sort of thinking inflation was running close to 7%, so I'm confused why would be so high?

Richard: For the adjustment that we applied for next year, for 2005, we will base on 04 inflation which, as you say, is running around 7%. The 04 adjustment was negotiated in December of last year and was based on the 2003 inflation index - we used the IGP-M INDEX - and that was closer to the 12.7% that was actually given in terms of year-over-year increases, and as we pointed out in the last call they were partially implemented the March period and partially in the May period, so when you look at the Q3 to the Q3 comparison you have the full 12.7% in there.

William: And so will have in the 4Q as well, I assume?

Richard: In the 4Q as well you have the full 12.7% year over year, and in December we'll be negotiating the adjustments for 2005, and our expectations are in line with the inflation index for 04.

William: Ok, and then, do you have an ASK estimate for the 4Q of this year?

Richard: Well, as you know we are adding roughly 6 aircrafts until the end of the year, we will finish the end of the year with around 27 aircrafts operating, in terms of ASK's, we will have about roughly 15% to 16% over the ASK's that we did in the 3Q.

William: Ok, and what about your fuel price assumptions that is implicit in your guidance?

Richard: For 04 or for 05?

William: Either, actually 4Q and 05.

Richard: For 4Q, on a quarterly basis, as you know, we hedge out the effects on a 4Q basis. We are working with Jet Fuel prices that are roughly the level that they are right now, which are currently roughly U$$ 50 a barrel, for next year we are operating with the forecast around U$$ 38 to $$ 39 a barrel.

William: Ok thanks for your help.

Operator: Thank you, the next question is coming from Daniela Bretthauer of Santander, please go ahead with your question.

Daniela: Hi, good afternoon to Rich and Junior, I have two questions, I feel I little bit confused on the amount of money that was the loss on the IPO Hedge and the other losses, I was wondering how much of that is actually non-cash and exactly why was so much, I was a little bit surprised with the amount. And the second question is, in your press release you mentioned that have been able to decrease the average premium rate of the aircraft insurance, I was wondering if you could comment how much was that decrease, and if that is a permanent decrease going forward for the company. Thanks.

Richard: In terms of the financial expense rise, as you know, the Real appreciated around 8% vs. the US dollar -- it got stronger versus the US dollar -- in the 3Q. There were two effects there: one is cash and one is non-cash. The cash effect was when we closed the IPO at the end of June, the Board of Directors decided to lock in the US dollar value of the proceeds from the IPO, and we entered into some hedge contracts with banks, and over the next three weeks the real appreciated, and we realized a U$$ 11.6 million loss on that hedge.

Daniela: So that is a cash effect, right?

Richard: Yes, and the other effects are mainly related to the exchange rate variation effect on the US dollar denominated maintenance reserve deposits, as you know we finished the quarter with U$$ 80 million of maintenance interest reserves deposits, and you know we recognized a non-cash exchange rate losses based on the exchange rate variation on those deposits such as roughly R$ 16 million.

Daniela: So, on that U$$ 80 million are you still hedge that during the 4Q, and what level are you hedge, because I'm trying to guess whether, you know, there will be another loss in 4Q on this main interest reserve deposits.

Richard: There won't be, and we don't hedge those deposits in US dollar, which are the deposits will be spent on future maintenance expenses, we don't expect any losses on those in the 4Q, in line with the generally depreciating real.

Daniela: And would you also say, still on the financial result, that the reason why the net financial results were higher when compared to the 2Q, is because your hedge program, although it has proven to be successful, it cost you more to do it, so that expense, the higher FX results, losses in the period or am I missing something here?

Richard: No, actually the hedging activities that we do against operating expenses, both on jet fuel and dollar, are designed to take out the volatility of both dollar and fuel prices effects on operating expenses, not cash assets. The hedge related to the IPO process, had nothing to do with our normal hedging activities, and both our regular dollar and for jet fuel hedging activities during the 3Q were 93% effective in matching operating gains and losses to financial gains and losses.

Daniela: Right, the financial result itself was also higher than I expected, so I was wondering…

Richard: On the financial results side, Daniela, that is related to the higher cash balances oweing to the cash process from the IPO, roughly R$ 23 million of higher interest revenues due to higher cash balances plus R$ 2.7 million gain on the fuel hedging activities.

Daniela: Ok, and on the aircraft insurance?

Richard: On aircraft insurance, the reduction of insurance premium relates to the safety track record of the company plus future fleet growth, and GOL has been consistently delivering very high levels of safety historically and as well as growing in terms of acquisition of new aircrafts every year, and when we renegotiate our premiums we've been able to achieve reductions. For example, roughly in December of last year, we were able to achieve roughly a 10% reduction in insurance premiums year-over-year, so you will see those in the 3Q and 4Q of this year, and there's a little bit of a weaker dollar effect as well.

Daniela: But you think is a permanent kind of reduction going forward for your aircrafts?

Richard: The negotiations are done on an annual basis, for example, December negotiations are based on the safety track record today plus what our fleet growth is in 2005.

The road show and activities for that will start at the end of this month, I we expect perhaps a slight reduction GOL's fleet growth for the next year, but we won't know until December.

Daniela: Ok, thanks.

Operator: Once again to ask a question at this time please press *1 on your touchtone telephone, and our next question today is coming from Michael Linemberg of Merrill Lynch, please go ahead with your question.

Michael: Good morning Richard and Junior, I guess just one clarification here, I was looking how on your press release you indicated a year CASK was up 22.8%, but then I think that in the next paragraph you said excluding the impact of higher fuel prices this year, CASK increase 24.9% and I'm curious how you arrive at that, maybe I'm reading it wrong, I would think that your CASK could actually be less giving the fact that your increase in fuel expense out paced your capacity growth.

Richard: If you fuel normalize the CASK, we had about a 9.3% increase in that statistic, and that is mainly due to the addition of 500 employees they were added during the quarter and that were not revenue producing during the quarter. They were related to pilots and crews being trained for the new aircrafts that are coming on this quarter plus employees being trained for the opening of the new bases.

Michael: Ok, so, then maybe the number, yes because I was coming up with something on the order of about 11%,12% so I should be looking at the 9% number?

Richard: Yes, excluding fuel, that's correct, I see what you are saying Michael, it might be a little confusing.

Michael: Ok, that make sense, and then just on two others, and this is probably more for Junior, you talked about how you were during the quarter able to offset the higher fuel prices to increase productivity, you also talked about fair initiatives, if you could tell us, maybe some of the fair increases that were put into place during the quarter and also Junior just update us on VASP situation, you know, how many airplanes are down until now and sort of what the latest and greatest involving them?

Junior: In terms of aircraft we expected to receive the 26th and 27th aircrafts on the next two or three weeks. We expect to use these aircraft to fly the new routes to Buenos Aires, as expect to start our flights to Buenos Aires on December 22, and also we will increase our operations in Guarulhos Airport. In terms of fares, sorry Michael, you asked me if I have one example of how we drop or we grow with our, sorry I didn't understand.

Michael: You mentioned offsetting the higher fuel prices and increases in fares, and I wish just, maybe an initiative or fare increase that you put in the quarter, I mean, we see domestic fairs pushed up maybe 5%,6%.

Junior: In this case we explored our dynamic pricing during the 3Q to mitigate a higher fuel cost and also all the industry gave an 8% increase in October, and we increased our fares by 8%, all the industry did that on October, but that didn't affect the 3Q.

Michael: Ok, that was what I was looking for, and last Junior, VASP, what's going on with them, if you could just update us.

Junior: Yes, I guess they are in a final approach to stop more flights, as they have been facing a very difficult financial situation. I think if we look at today, they have no more of 2% or 3% of market share, and their flights are completely empty, with just one, two, three and sometimes four aircrafts flying with no regularity, so I don't think they will be able to pass to 2005.

Michael: Ok, thank you, I appreciate it.

Operator: Once again to ask a question at this time please press *1 on your touchtone telephone, and our next question today is coming from Rodrigo Goes of UBS, please go ahead with your question.

Rodrigo: Hi guys, just a couple of questions, you mentioned your WTI assumptions for 05, I was wondering if you could give us some other assumptions that you will be using in your coming up 05 estimates, 05 guidance, yields and load factors, if you guys have that. Also could you give us an update as to where you are in terms of your availability to expend at all the airports in Brazil?

Richard: I would like to Junior take the second question. In terms of our outlook for 2005. As you know our business, in terms of overall sector demand, grows roughly two times GDP, and we are using a GDP assumption of 4% next year to put us between 8% and 10%, probably closer to 10%, of overall growth for the sector, and that combined with our planned growth in fleet, as we mentioned, we will start the new year with 29 aircraft, and we plan to be adding another couple of aircrafts in the 2H of 05, so the overall sector growth combined with our fleet growth should translate into market share growth, and roughly 35% top line growth. In terms of load factor, I pointed out that we are now in the 71% range, and in our business planning for next year, we include a slight reduction in yields as we maintain our strategy on providing the most competitive lowest fares in the market, so in terms of general characteristics of next year, that's what I would say.

Rodrigo: And that's where the margin reduction comes from, the lower yields?

Richard: Yes, that´s correct, partially from the lower yields and partially from assumptions we are making regarding exchange rate and jet fuel.

Rodrigo: Ok, what's your exchange rate assumption for next year?

Richard: We are going to be working with 3.14 for next year, and in terms of our ability to expand in to the slots restricted airports…

Junior: In terms of restricted airports, VASP interrupted their operations, they will open space specifically in the Santos Dumont Airport and Congonhas and we expect to receive new aircrafts to explore part of these slots and in this case to increase our frequencies in some of our destinations, but that will take time. The rules are that they will have to stop if they don't do any flights for almost 15 days, and with less than 75% of regularity, so we are doing our plans to explore these opportunities.

Rodrigo: But the DAC hasn't really pronounced it, so how are they going to distribute or allocate those VASP routes to the existing players?

Junior: No, they didn't yet because there is still there a possibility. The rule says they can not ask VASP, for example, for their slots, if they are able to operate all the flights in almost

75% of the time during the last 15 days. So I think that in the next week, maybe two weeks more, will be able to see some discussion about that.

Rodrigo: Right, thank you very much.

Operator: As a final reminder, if you do have a question at this time, please press *1 on your touchtone telephone. There appear to be no further question at this time, I would like to turn this floor back over to management for any closing comment.

Constantino de Oliveira, Jr
Once again, thank you very much for your interest in GOL. We believe this is a time of real opportunities for the Company and that we have a very strong growth potential going forward.

If you have any additional questions, please feel free to contact our investor relations department. You can also visit the investor relations section of our website at. Thank you and have a nice day.

Operator: Thank you for your participation and this concludes the teleconference you may disconnect your lines at this time and have a great day, thank you.