First Quarter 2004 Results

May 6, 2004

GOL Reports Record Net Income and a 66% Increase in Net Operating Revenues

São Paulo, May 6, 2004 – GOL Linhas Aéreas Inteligentes S.A. (NYSE: GOL and Bovespa: GOLL4), Latin America's lowest cost airline, today announced its results for the first quarter of 2004 (1Q04). The following financial and operating information, unless otherwise indicated, is presented pursuant to US GAAP and in Brazilian reais.

GOL is the only low-fare passenger airline operating in Brazil and provides frequent service on routes between all of Brazil's major cities, with plans to expand to other major South American travel routes in 2004. The Company offers simple, safe and efficient air travel services while having one of the lowest operating costs in the airline industry worldwide. GOL will list its shares on the Bovespa and the NYSE on June 24, 2004.

"The increase in our fleet size, flight frequencies, entry into new markets and customer segments have been the main driver of our year on year revenue growth, including this quarter," commented Constantino de Oliveira Junior, GOL's CEO.

"We saw an increase of 66% in net operating revenues this quarter compared with the same period in 2003, primarily due to the addition of new airport destinations and our first full quarter of night flights, so it's been a busy and productive few months."

"We provide safe and high value passenger and cargo transportation by implementing innovative solutions to exceed the expectations of our customers, while offering low fares that distinguish us from other airlines and respond to a strong, untapped demand that has enabled us to continue increasing our capacity despite the overall industry contraction in during the last three years," Mr. Oliveira continued. "We believe this has been the winning formula for our success."

Looking forward, GOL expects to expand its operations in 2004 by adding flights on existing domestic routes and expanding into other high-traffic centers in other South American countries. The Company has already applied for regulatory approval of a São Paulo-Buenos Aires route to this end. GOL plans to increase its capacity by 15% with the addition of up to 5 five new aircraft in 2004.

The Company expects costs per available seat kilometer in *reais* to be higher in 2004, influenced by higher jet fuel prices and the depreciation of the *real* against the US dollar. However, higher costs are expected to be partially offset by an increase in projected available seat kilometers thereby further diluting fixed costs. GOL plans to use its fuel and foreign exchange hedging programs to help protect against short-term movements in crude oil prices and the *real* to US dollar exchange rate.

OPERATING & FINANCIAL HIGHLIGHTS

- GOL's RPK increased from 1,065 million in 1Q03 to 1,506 million in 1Q04;
- Yield grew by 17.9% to 27.6 cents;
- Net revenues grew 66% to R$ 433.1 million;
- Market share reached 22.5%;
- EBITDAR more than doubled to R$ 187.5 million, equivalent to an EBITDAR margin of 43.3% compared to 23.7% in the first quarter of 2003.

Financial & Operating Highlights (US GAAP)	1Q04	1Q03	% Change
RPK (millions)	1,506	1,065	41.4%
ASK (millions)	2,094	1,763	18.8%
Load Factor	71.9%	60.4%	+11.5 p.p.
Breakeven Load Factor	51.6%	61.0%	-9.4 p.p.
Net Revenues (R$ million)	433.1	260.6	66.2%
EBITDAR (R$ million)	187.5	61.8	203.1%
EBITDAR Margin	43.3%	23.7%	+19.6 p.p.
Net Income (R$ million)	90.6	(7.9)	n.m.
Net Earnings per Share	0.54	(0.05)	n.m.

REVENUES

Net operating revenues were R$ 433.1 million, 66.2% above the same period last year, due primarily to increased passenger revenues. Passenger revenue growth is due to both a greater number of revenue passenger kilometers and a higher yield (average amount one passenger pays to fly one kilometer).

The 19.6% rise in departures following the addition of four new airport destinations and our first full quarter of night flights resulted in an 18.8% increase in available seat kilometers. In addition, our load factor grew 11.5 percentage points, from 60.4% to 71.9%.

The sum of these effects led to a 41.4% increase in revenue passenger kilometers to 1,506 million, this indicator being the ultimate indicator of sales volumes as it measures both the number of passengers and the distance flown.

Strong revenue passenger kilometer growth came from higher market share, that reached 22.5% in 1Q04 compared to19.2% for the full year 2003. Gol's strategy is focused on increasing the size of the overall market. We believe that up to 20% of our clients are first-time fliers, allowing us to grow even in a contracting market.

Our yield, a measure of our pricing, was 17.9% higher than the same period last year at 27.6 cents per passenger kilometer, following the increase in average fares from R$ 165 to R$ 204. This increase reflects the strong demand for our services and our effective revenue management strategies that balance our fares and load factors.

The sum of better pricing and higher volumes led to a 66.4% increase in passenger revenues from R$ 249.3 million to R$ 414.9 million.

Other revenue grew from R$ 11.3 million to R$ 18.2 million due primarily to increases in revenues from our cargo service operations, following the greater number of destinations and flights.

Total operating revenue per available seat kilometer amounted to R$ 20.7 cents in the quarter compared to R$ 14.8 cents in the first quarter of 2003. In the same period, passenger revenue per available seat kilometer amounted to R$ 19.8 cents and R$ 14.1 cents, respectively.

OPERATING EXPENSES

Operating expenses per available seat kilometer fell slightly to R$ 14.21 cents, from R$ 14.28 cents in the first quarter of 2003. This result reflects the effect of the 13.3% appreciation of the *real* against the U.S. dollar on our U.S. dollar-denominated costs and, to a lesser extent, efficiency gains from higher utilization rates. Aircraft utilization jumped from 12.7 block hours per day to 13.5 hours due to the introduction of night flights. These positive effects were partially offset by a 38.7% rise in sales and marketing expenses.

Operating expenses totaled R$ 297.5 million, 18.1% above the R$ 251.8 million recorded in the first quarter of 2003, following an 18.8% higher operating capacity and the aforementioned higher sales and marketing expenses.

The breakdown of our operating expenses is as follows:

Operating Expenses	R$ cents / ASK			R$ million		
	1Q04	1Q03	% Chg.	1Q04	1Q03	% Chg.
Payroll	1.84	1.53	20.3%	38.4	27.0	42.4%
Aircraft fuel	4.47	4.78	(6.5)%	93.5	84.2	11.0%
Aircraft rent	2.26	2.88	(21.5)%	47.3	50.8	(6.8)%
Aircraft insurance	0.28	0.34	(17.6)%	5.9	6.0	(1.5)%
Sales and marketing	2.58	2.21	16.7%	54.1	39.0	38.7%
Landing fees	0.65	0.63	3.2%	13.6	11.2	21.9%
Aircraft and traffic servicing	0.64	0.60	6.7%	13.5	10.6	27.3%
Maintenance	0.78	0.70	11.4%	16.3	12.3	32.3%
Depreciation	0.22	0.13	69.2%	4.5	2.2	103.0%
Other operating expenses	0.49	0.48	2.1%	10.2	8.4	21.2%
Total operating expenses	**14.21**	**14.28**	**(0.5)%**	**297.5**	**251.8**	**18.1%**

On a per available seat kilometer basis, operating expenses were negatively impacted mainly by sales & marketing and payroll expenses, that were more than offset by lower fuel and aircraft rent costs.

Aircraft rent costs per available seat kilometer fell sharply to 2.26 cents, 21.5% below the prior year period since aircraft utilization rose to 13.5 block hours per day from 12.7. Also, the 13.3% appreciation of the *real* against the U.S. dollar caused airline rent costs to decline in local currency. Gol is able to achieve high fleet utilization by using a single class of aircraft, reducing complexity and lowering turnaround times at airports, which increases the number of daily flights per aircraft.

Aircraft fuel costs per available seat kilometer fell 6.5% due to the appreciation of the *real* against the U.S. dollar. Though fuel prices are denominated in *reais*, they are heavily correlated to oil prices which are U.S. dollar denominated. The appreciation of the *real* more than offset higher average oil prices[1] from US$33.96 to US$ 35.33. As our fleet is new, it is very fuel-efficient, making Gol one of the lowest cost carriers in the world. Gol uses short-term hedge contracts to protect itself from volatility in oil prices and foreign exchange rates for the period equivalent to the lag to pass on cost increases to fares, usually 60 to 90 days.

Additionally, insurance costs per available seat kilometer decreased 17.6% due to higher aircraft utilization, the appreciation of the *real* against the U.S. dollar and the decrease in average insurance premiums.

These positive effects were partially offset by higher sales and marketing expenses per available seat kilometer, up 16.7% to R$ 2.58 cents, primarily due to a higher amount of bookings through travel agents, increased advertising expenses and higher credit card fees resulting from increased passenger revenues. A majority of our ticket sales were booked through a combination of our website (70.8% during 1Q04) and our call center (10.6% during 1Q04). Travel agents accounted for 72.6% of our internet bookings during the first three months of 2004.

Payroll expense per available seat kilometer rose to R$ 1.84 cents, a 20.3% increase, following a 15.1% increase in full-time equivalent employees from 2,235 to 2,572 and a 12.8% increase in salaries, slightly above inflation in the last twelve months.

Finally, depreciation per available seat kilometer increased 69.2% due to a 113.9% increase in our inventory of aircraft spare parts and, to a lesser extent, a 53.4% increase in computer equipment resulting from the expansion of our operations.

Breakeven load factor decreased from 61.0% to 51.6%, or 9.4 percentage points, following the aforementioned efficiency gains. On a nominal basis, our costs and expenses were affected by our 18.8% higher operating capacity.

COMMENTS ON EBITDA AND EBITDAR[2]

The significant increase in total revenue per available seat kilometer from R$ 14.8 cents to R$ 20.7 cents, while keeping our costs under strict control, lead to an increase in EBITDA per available seat kilometer of R$ 6.71 cents compared to R$ 0.65 in 1Q03.

Our EBITDA was also positively impacted by the 18.8% increase in operating capacity, leading to an EBITDA of R$ 140.1 million, compared to R$ 11.0 million in 1Q03. Our EBITDA margin rose from 4% in 1Q03 to 32% in 1Q04.

[1] West Texas Intermediate Crude.

[2] EBITDA (earnings before interest, taxes, depreciation and amortization) and EBITDAR (earnings before interest, taxes, depreciation, amortization and rent) are presented as supplemental information because we believe they are useful indicators of our operating performance and are useful in comparing our performance with other companies in the airline industry. We usually present EBITDAR, in addition to EBITDA, because aircraft leasing represents a significant operating expense of our business, and we believe the impact of this expense should also be considered. However, neither figure should be considered in isolation, as a substitute for net income prepared in accordance with US GAAP, BR GAAP or as a measure of a company's profitability. In addition, our calculations may not be comparable to other similarly titled measures of other companies.

Aircraft rent represents a significant operating expense. As Gol leases all of its aircraft, we believe that EBITDAR (equivalent to EBITDA before aircraft rent expenses) is an important measure of performance.

On a per available seat kilometer basis, EBITDAR grew to R$ 8.97 cents in 1Q04 from R$ 3.53 cents in 1Q03. EBITDAR reached R$ 187.5 million in 1Q04, compared to R$ 61.8 million in the same period last year. EBITDAR margin reached 43.3%, compared to 23.7% in 1Q03.

INTEREST AND FINANCIAL EXPENSES

Interest expenses totaled R$ 1.4 million in the quarter, an 80.3% decrease compared to R$ 7.3 million.

Gol registered a net financial income in 1Q04 of R$ 3.2 million, compared with a net financial expense of R$ 7.5 million in 2003. This is primarily due to a net foreign exchange loss of R$ 5.8 million in 1Q03, resulting from a 2.5% depreciation of the *real* against the US dollar, compared to a net foreign exchange gain of R$ 2.3 million in 1Q04, as the *real* saw an appreciation of 0.7% against the US dollar in the first three months of this year.

NET INCOME

Net income in the first quarter jumped to R$90.7 million, with a 20.9% net margin, from a loss of R$7.9 million in the first quarter of 2003 as net revenues rose sharply while costs were kept under control.

Income and social contribution taxes increased to R$46.7 million this year from tax credits of R$1.9 million in the first quarter of 2003, in line with statutory tax rates of 34% (9% for Social Contribution and 25% for Income Tax) over the respective income (loss) before taxes for each period.

Net earnings per share increased to 0.54 compared to a loss of 0.05 in the first quarter of 2003.

COMMENTS ON BALANCE SHEET

Our cash position at March 31, 2004 was R$191.6 million, an increase of R$45.4 million compared to December 31, 2003.

At the close of the first quarter 2004, we had four revolving lines of credit, which allow for total borrowings of up to R$150.0 million. Two of our revolving lines of credit are secured by our credit card receivables and allow for borrowings of up to R$123.0 million. As of March 31, 2004, R$49.5 million was outstanding under these facilities. Another revolving credit facility is secured by our travel agency receivables and allows for borrowings of up to R$7 million, of which R$4 million was outstanding under this facility.

The other line of credit is secured by promissory notes and allows for total borrowings of up to R$20 million. At the close of the first quarter, R$5 million was outstanding under this facility.

Our debt is denominated 100% in *reais* and is short-term.

Cash Position and Debt (R$ million)	1Q04	4Q03	% Change
Cash & cash equivalents	191.6	146.3	31.0%
Short-term debt	58.5	38.9	50.4%
Long-term debt	-	-	n.m.
Net cash	**133.1**	**107.4**	**24.0%**

Additionally, none of our operating lease obligations are reflected on our balance sheet. We are responsible for all maintenance, insurance and other costs associated with operating these aircrafts; however, we have not made any residual value or other guarantees to our lessors.

We currently lease all of our aircraft under long-term operating lease agreements that have an average remaining term of 60 months. As of March 31, 2004, our operating leases had terms of up to 96 months from the date of delivery of the relevant aircraft. Three of our aircraft leases expire in 2007, nine in 2008, eight in 2009 and two in 2010. Leasing our aircraft provides us with greater flexibility to change our fleet composition.

We make monthly rental payments, some of which are based on floating rates, but are not required to make termination payments at the end of the lease. Currently, we do not have purchase options. Title to the aircraft remains with the lessor.

Our aircraft rent expenses are set in U.S. dollars and have increased in line with the expansion of our operations. We also use short-term arrangements to hedge against the foreign exchange exposure related to our lease payment obligations. In addition, approximately 20% of our aircraft operating leases have floating rate payment obligations that are based on fluctuations in international interest rates. We currently have a hedging program in place to manage our interest rate exposure.

Besides aircraft, the Company leases airport terminal space, other airport facilities, office space and other equipment.

Minimum Lease Payments Schedule (R$ million)	Aircraft	Other	Total
2004	183.5	10.0	193.5
2005	185.1	10.0	195.1
2006	185.9	10.0	195.9
2007	181.3	10.0	191.3
2008	107.6	9.4	117.0
After 2008	66.7	8.4	75.1
Total minimum lease payments	**910.1**	**57.9**	**968.0**

At March 31, 2004, the Company had letters of credit outstanding with a notional amount of R$18.8 million to guarantee certain US dollar lease payments. At March 31, 2004, approximately R$11.1 million of the Company's accounts receivable was collateral for outstanding letters of credit.

GLOSSARY OF INDUSTRY TERMS

Revenue passengers represents the total number of paying passengers flown on all flight segments.

Revenue passenger kilometers (RPK) represents the numbers of kilometers flown by revenue passengers.

Available seat kilometers (ASK) represents the aircraft seating capacity multiplied by the number of kilometers the seats are flown.

Load factor represents the percentage of aircraft seating capacity that is actually utilized (calculated by dividing revenue passenger kilometers by available seat kilometers).

Breakeven load factor is the passenger load factor that will result in passenger revenues being equal to operating expenses.

Aircraft utilization represents the average number of block hours operated per day per aircraft for the total aircraft fleet.

Block hours refers to the elapsed time between an aircraft leaving an airport gate and arriving at an airport gate.

Yield per passenger kilometer represents the average amount one passenger pays to fly one kilometer.

Passenger revenue per available seat kilometer represents passenger revenue divided by available seat kilometers.

Operating revenue per available seat kilometer represents operating revenues divided by available seat kilometers.

Average stage length represents the average number of kilometers flown per flight.

Operating expense per available seat kilometer (CASK) represents operating expenses divided by available seat kilometers.

For additional information please contact:

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Operating Data

Unaudited

	1Q03	1Q04	% Change
Revenue passenger (000)	1.571	2.180	38,8%
Revenue passenger kilometers (mm)	1.065	1.506	41,4%
Available seat kilometers (mm)	1.763	2.094	18,8%
Load factor	60,4%	71,9%	19,0%
Breakeven load factor	61,0%	51,6%	-15,4%
Aircraft utilization (block hours per day)	12,7	13,5	6,3%
Average fare	R$ 165,00	R$ 204,00	23,6%
Yield per passenger kilometer (cents)	23,4	27,6	17,9%
Passenger revenue per available seat kilometer (cents)	14,1	19,8	40,4%
Operating revenue per available seat kilometer (cents)	14,3	14,2	-0,7%
Departures	17.418	20.825	19,6%
Average stage lenght (km)	649	670	3,2%
Avg number of operating aircraft during period	20,3	21,7	6,9%
Full-time equivalent employees at period end	2.235	2.572	15,1%
Fuel liters consumed (000)	60.965	75.520	23,9%
% of sales through w ebsite during period	50,3%	70,8%	40,8%

Consolidated Statement of Operations

US GAAP - Unaudited
R$ 000

	1Q03	1Q04	% Change
Net operating revenues			
Passenger	R$ 249.325	R$ 414.869	66.4%
Cargo and Other	11.314	18.223	61.1%
Total net operating revenues	260.639	433.092	66.2%
Operating expenses			
Salaries, wages and benefits	26.989	38.445	42.4%
Aircraft fuel	84.248	93.545	11.0%
Aircraft rent	50.799	47.330	-6.8%
Aircraft insurance	6.016	5.923	-1.5%
Sales and marketing	39.009	54.091	38.7%
Landing fees	11.191	13.640	21.9%
Aircraft and traffic servicing	10.614	13.485	27.0%
Maintenance materials and repairs	12.308	16.287	32.3%
Depreciation	2.230	4.526	103.0%
Other operating expenses	8.421	10.205	21.2%
Total operating expenses	251.825	297.477	18.1%
Operating income	8.814	135.615	1,438.6%
Other expense			
Interest expense	(7.252)	(1.432)	-80.3%
Financial income (expense), net	(7.513)	3.214	nm
Income (loss) before income taxes	(5.951)	137.397	nm
Income taxes current	-	(36.192)	nm
Income taxes deferred	(1.934)	(10.549)	445.4%
Net income (loss)	R$ -7,885	R$ 90,656	nm
Earnings (loss) per share, basic and diluted	R$ (0.05)	R$ 0.54	nm
Weighted average shares used in computing basic and diluted earnings per shares	151,261,990	168,793,243	

Consolidated Statements of Cash Flows

US GAAP - Unaudited

R$ 000

	1Q03	1Q04	% Change
Cash flows from operating activities			
Net income (loss)	R$ (7,855)	R$ 90,656	nm
Adjustments to reconcile net income (loss) to net cash provided by operating activities			
Depreciation	2,230	4,526	103.0%
Provision for doubtful accounts receivable	(466)	(86)	-81.5%
Deferred income taxes	1,934	10,549	445.4%
Changes in operating assets and liabilities			
Receivables	(8,879)	23,775	nm
Inventories	8,445	821	-90.3%
Prepaid expenses, other assets and recoverable taxes	(27,497)	(15,245)	-44.6%
Accounts payable and long-term vendor payable	452	1,231	172.3%
Deposits for aircraft and engine maintenance	3,532	(25,800)	nm
Operating leases payable	(4,051)	(278)	-93.1%
Air traffic liability	(17,438)	(53,375)	206.1%
Payroll and related charges	2,562	2,779	8.5%
Other liabilities	23,479	(6,685)	nm
Net cash provided by (used in) operating activities	(23,582)	32,868	nm
Cash flows from investing activities			
Deposits for aircraft leasing contracts	(20,525)	33	nm
Acquisition of property and equipment	(21,453)	(6,886)	-67.9%
Net cash used in investing activities	(41,978)	(6,853)	-83.7%
Cash flows from financing activities			
Short term borrowings, net	(10,486)	19,606	nm
Issuance of common shares	94,200	-	nm
Issuance of preferred shares			
Obligations with related parties	(5,187)	(270)	-94.8%
Net cash provided by financing activities	78,527	19,336	-75.4%
Net increase in cash and cash equivalents	12,967	45,351	249.7%
Cash and cash equivalents at beginning of the period	9,452	146,291	1447.7%
Cash and cash equivalents at end of the period	R$ 22,419	R$ 191,642	754.8%
Supplemental disclosure of cash flow information			
Interest paid	R$ 7,252	R$ 1,432	-80.3%
Income taxes paid	-	R$ 13,399	nm
Disclosure of non cash transactions			
Tax benefit contributed by shareholders (unaudited)		R$ 29,188	

Consolidated Balance Sheet

US GAAP

R$ 000

	Mar 31, 2004
ASSETS	**752,483**
Current Assets	**474,998**
Cash and cash equivalents	191,642
Receivables less allowance	216,887
Inventories	12,749
Recoverable taxes and deferred tax	23,885
Prepaid expenses	26,545
Other current assets	3,290
Property and Equipment	**69,542**
Flight equipment	81,410
Other property and equipment	15,257
Accumulated depreciation	(27,125)
Other Assets	**207,943**
Deposits for aircraft leasing contracts	18,588
Deposits for aircraft and engine maintenance	188,095
Other	1,260
LIABILITIES AND SHAREHOLDERS' EQUITY	**752,483**
Current liabilities	**268,393**
Accounts payable	50,224
Air traffic liability	70,018
Payroll and related charges	37,738
Operating leases payable	9,821
Short-term borrowings	58,512
Sales tax and landing fees	25,195
Other current liabilities	16,885
Other liabilities	**49,507**
Long-term vendor payable	5,759
Deferred income taxes, net	31,849
Other liabilities	11,899
Shareholders' Equity	**434,583**
Preferred Shares, Class A and B (no par value)	94,200
Common Shares (no par value)	41,500
Additional Paid in Capital	29,188
Appropriated retained earnings	5,579
Unapproriated retained earnings	264,116