3Q06 PRESENTATION

Operator: Good morning ladies and gentlemen. At this time we would like to welcome everyone to GOL Airline's third quarter 2006 results conference call. Today with us we have Constantino de Oliveira Junior, President & CEO and Richard Lark, Executive Vice President & CFO.

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

Today's live webcast, including both audio and slide show, may be accessed through GOL's website at www.voegol.com.br/ir. The slide show presented by management today is available on the website, in the 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 President and CEO Mr. Oliveira who will begin the presentation. Mr. Oliveira, you may begin your conference.

Constantino de Oliveira, Jr.:

Good Morning. First of all, I'd like to welcome you to GOL's third quarter 2006 results conference call.

In this quarter, we reaffirmed our "virtuous cycle", as exhibited on slide #2. GOL was founded a little over five years ago to popularize air travel in Brazil and South America, and 2006 has been a record year for growth at GOL. Over the last few years, our steady increase in low fare flights has stimulated and assured a secular growth in market demand, resulting in high load factors for GOL. The healthy maintenance of this "virtuous" cycle has permitted us to offer new products for different customer segments, such as the Voe Facil flexible parceled payment program and our Night Flights, as well as increasing our offering of more seats at low fares.

In the first nine months of 2006, almost 13 million passengers chose to fly GOL, and we experienced a 52% increase in our domestic demand (as measured by

RPKs) over the same period in 2005, helping drive industry average growth to 15% during the year. GOL's increase in available seats has allowed us to further stimulate demand among existing air travelers, as well as attract new consumers. Almost 10% of our customers traveled by air for the first time on GOL.

Keeping focus on our virtuous cycle has been a key factor for our growth and for creating the necessary conditions for the popularization of air travel in Brazil and South America.

Please move to Slide #3, entitled "Highlights." The third quarter of 2006 represented another quarter of profitable growth for GOL. Our net income in the third quarter was a record R$190.0 million in US GAAP.

GOL maintained solid profitability, as indicated by our 24 percent pre-tax income margin sustained by our constant focus on low costs, high productivity and intelligent yield management.

GOL is the lowest-cost provider in the Brazilian air travel market, and is a global leader in terms of growth and profitability. GOL remains committed to providing high quality passenger transportation services and driving fares lower to further create and stimulate demand, what we call the "GOL Effect."

In the third quarter of 2006, the addition of new aircraft to the fleet permitted a 46% expansion in capacity and the addition of 78 new daily flight frequencies. Higher capacity and a 5.1 percentage point increase in load factor, to 78.8%, contributed to a 56% year-over-year growth in RPKs, resulting in a higher domestic market share, which reached approximately 36% at the end of 3Q06. We are focused on continuing to reduce our costs, so we can offer lower fares and continue to increase demand for our services.

Slide #4 shows the recent additions to our fleet and base network. We added five 737-800s in the third quarter and returned one 737-300, ending the quarter with a fleet of 54 aircraft. We plan to finish the fourth quarter with 65 737 aircraft in the fleet. We plan to expand our network with new markets in Brazil and South America and with additional flight frequencies, supported by our fleet expansion of new Boeing 737-800NGs. During the third quarter, we added three new destinations, bringing our total number of airports served to 53, ahead of plan.

I will now turn the call over to our CFO, Richard Lark, who will discuss financial and operating performance for the quarter in more detail. Please, Richard.

Richard Lark:

Thanks Junior, and good morning everyone. Please move to slide #5 in the webcast presentation.

On this slide, you can observe our capacity and network expansion in more detail. During the quarter, GOL operated an average of 51 aircraft, an increase of 41.7% over 3Q05, and 8.5% over 2Q06.

When compared to the same quarter of the previous year, our capacity expanded 46.1% in terms of ASK volume, to 5.2 billion, and RPKs increased 56.3%, to 4.1 billion. When compared to 2Q06, ASKs increased 12.3% and RPKs were 16.6% higher.

Such capacity expansion permitted GOL to reach 530 flights per day at the end of September 2006.

Moving on to Slide #6, our net revenues in 3Q06 grew by 55.5% to R$1.1 billion, when compared to the same period in the previous year. Higher capacity, in conjunction with higher productivity, played an important role in 3Q06 revenue growth. It's important to highlight that our low fares, new modern aircraft, and intelligent revenue management, allowed our capacity expansion to further stimulate demand in our markets. GOL increased its productivity as a result of higher aircraft utilization, at 14.3 block hours per day during the quarter, and a higher average stage length, which increased 12.3% year-over-year.

The ability to provide low fares has been a key factor to overall revenue growth. As the lowest-cost provider of passenger air transportation in South America, GOL stimulates demand with low fares, and has increased the number of passengers traveling by air. Boeing estimates traffic growth in South America at 7.4 percent annually over the next five years, the second highest passenger growth rate in any region in the world after China.

An 11.7% increase in average fares during the quarter, combined with a 12.3% increase in average stage length during the quarter resulted in a yield decline of 2.9% vs. 3Q05, to 24.6 cents of Real. Higher load factors, offset by lower yields, resulted in revenues per available seat kilometer, or RASK, of 20.8 cents of Real, a 6.4% increase vs. 3Q05. Compared to 2Q06, yields increased 10.2%, and RASK increased 14.3%.

The comparison, year-over-year, of our operating results is on slide #7. You will observe that while yields decreased 2.9% in year-over-year comparison, we increased total RASK by 6.4%, which, combined with the 46.1% ASK expansion, resulted in a 25.0% growth in EBITDAR, amounting to R$317.3 million. EBITDAR is an indicator of operating results before accounting for aircraft ownership expenses, such as aircraft rent.

Total CASK (at R$16.3 cents of Real) increased R$1.91 cents of Real per ASK, due to higher fuel costs, increases in scheduled maintenance expenses, increases in landing fees and higher depreciation expenses, partially offset by an increased stage length, lower aircraft rent and the 7.3% appreciation of the Brazilian Real against the USD.

Jet fuel expenses per ASK increased 17.4% over the previous year's quarter, due to a 13.5% increase in the jet fuel price per liter in the year-over-year comparison.

GOL's non-fuel CASK increased approximately 10.3% to 9.44 cents (R$), within our cost guidance for the quarter. The increase in fixed costs in 3Q06 was due to planned capacity expansion to support the growth in operations in the last quarter of 2006, when we will put 11 additional aircraft and three new bases into operation. To prepare for fourth quarter capacity growth, we hired more than 800 employees during 3Q06 (representing an 11% increase in headcount versus 2Q06) and made investments in training, technology and advertising.

Cost increases in the quarter were also driven by increased international operations. Landing fares increased as tariff rates and the proportion of international landings increased. Maintenance expenses increased related to the scheduled maintenance of six engines in the quarter. A total expanse should continue at these levels for the next few quarters.

The strength of the Brazilian Real has helped reduce our other US dollar-denominated expenses, such as aircraft rental and insurance, reducing these expenses; as well as US dollar-denominated disbursements, such as advances for aircraft acquisition.

Summing up the main impact on operating margins, higher than expected jet fuel price increases during the quarter were not compensated by higher yields during the quarter.

On the next slide, slide #8, we show our net financial results. Financial income in the quarter increased R$5.9mm to R$42.6mm, principally due to higher investment income on cash balances. Our financial expenses increased R$15.7mm to R$24.5mm, due to a planned increase in long-term debt. Our net financial results for the quarter were R$21.0mm.

The next slide, slide #9, shows a comparison of the effects on net income compared to the 2Q06. In the third quarter of 2006, net income was a record R$190.0 million, representing a 17.5% net income margin, and a 37.5% growth over the third quarter of 2005.

Running down the main differences, as already highlighted, net revenues increased R$386.3 million. Jet fuel costs increased by R$149.0 million, due to 58.3 million more liters consumed and 13.5% higher fuel prices, and increased 17.4% per ASK.

Commercial expenses increased by R$45.6 million overall, related to higher sales volumes, and increased by 7.1% per ASK, due increased call center expenses and higher marketing costs. Ticket sales on GOL's website were 80% during the quarter.

Labor expenses increased R$45.7 million overall and 16.2% per ASK, due to a 6.0% cost of living increase on salaries, and an increase of 72% in the number of full-time equivalent employees, related to planned capacity expansion already highlighted.

Other operating expenses increased by a total of R$96.1mm, principally due to an increase in maintenance expenses of 258.8% per ASK due to the scheduled maintenance of six aircraft engines, use of spare parts inventory and repair of rotable materials, a 41.2% per ASK increase in landing fees due to a 21% increase in landing tariffs and an increase in landings at international airports (which have higher rates), and a 33.3% increase in depreciation, offset principally by a 25.3% reduction in aircraft rent per ASK and a 7.9% reduction in other operating expenses per ASK. As mentioned, net financial results decreased R$5.7 million in the quarter.

These were the main impacts on net income. 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 access on our website at www.voegol.com.br/ir.

In 3Q06, earnings were R$0.97 per share, or US$0.45 per ADS, and represented a 37% growth in EPS and a 41% growth in earnings per ADS over 3Q05.

A net quarterly dividend payment of R$60.8 million, representing approximately 29 cents of Real per PN, net of taxes, or US$ 13.5 cents per ADR, was approved at the September 15 and October 27 Board Meetings as interest on shareholders' equity to shareholders of record on September 20, 2006 and as complementary dividends to shareholders of record on November 14, 2006. The interest on shareholders' equity will be paid on November 14, 2006 and the complementary dividends will be paid on December 26, 2006.

On slide #10 we show our cash flow for the third quarter of 2006. At the end of 3Q06, our cash balance was R$1,6 billion. During the quarter, cash balances increased R$350.9mm.

Operating cash flow was a positive R$316mm, mainly due to increased earnings from operations, an increase in accounts payable and an increase in air traffic liabilities, offset by an increase in accounts receivable and an increase in inventories. GOL currently has US$183mm on deposit with lessors for future aircraft maintenance.

Investing activities used R$15.7mm of cash net, consisting primarily of acquisition of property and equipment and offset by R$38.4mm of returns of advances for aircraft acquisition related to sale-leasebacks of six aircraft during the quarter. GOL currently has US$238mm in pre-delivery deposits with Boeing for future aircraft acquisitions. Cash provided by financing activities during the quarter was R$71mm, consisting primarily of a R$188.9mm increase in long term financing, partially offset by R$119.7mm in dividends paid.

On slide #11 we show the relative performance of GOL in the US and Brazilian stock markets. In 2006, through October 20, our ADS' have outperformed the American Stock Exchange Airline Index by 15.0% during the year and outperformed the Tier 1 LCCs by 22.0%. Our PN shares have underperformed the Bovespa Index by 8.1% in the same period. Our average daily trading volume in 2006 has been US$27.0 million on the NYSE and R$12 million on the Bovespa. GOL is one of the most liquid airline stocks and one of the most liquid Brazilian stocks, included on the IBrX-50 index on the Bovespa.

On slide #12, we show that our industry-leading growth and profit margins continue to be a benchmark for the global airline industry. Our P/E multiple is at a significant discount to the other leading low-cost airlines, despite our superior earnings growth rate and profit margins, which are among the highest in the industry worldwide.

Moving to slide #13, we show our current fleet plan for the next six years. The addition of 11 more Boeing 737 aircraft to our fleet in 2006 will allow an approximate 50% expansion in seat capacity for the full year.

As announced yesterday, we increased the number of firm orders of Boeing 737-800 NGs from 67 to 87 aircraft. The company also increased the size of its total orders by 20 aircraft to 121 737-800 NG. The contract increase will guarantee GOL's expansion.

The company also increased its fleet plan from 2006 to 2012 to meet increased traffic demand in Brazil and South America. By the end of 2006 we expect to have 65 fully-operational 737 aircraft. By the end of 2012, we plan to have a fleet of 101 aircraft, primarily 737-800s, representing a 12% compound average growth rate in seats over the next six years.

The incorporation of new 737-800s into the fleet is projected to produce substantial cost savings. The new aircraft will be equipped with fuel economizing winglets which reduce up to 3% in fuel consumption per year, and enable better flight performance and increased stage lengths with non-stop flights. The new 737-800s are bigger than the 737-700s and carry up to 30% more passengers.

On slide #14 we present our financial guidance, one of the key elements of our disclosure process. In the fourth quarter of 2006, the scheduled addition of 11 new aircraft to our fleet will allow a 50% increase in available seat capacity over the same period of 2005. For the fourth quarter of 2006 we expect a load factor in the range of 73 to 75% with yields in the range of 26 to 28 cents of Real. We expect a stable foreign exchange rate environment for the near term, supported by good economic fundamentals in the Brazilian economy. We expect that high oil prices will continue to impact our fuel costs. For the fourth quarter of 2006, we expect non-fuel CASK to be in the range of 9.2 to 9.7 cents of Real.

For the full-year 2006 we expect earnings per share near the lower end of our disclosed EPS guidance range for the year of R$3.90 to R$4.30 per share, representing annual earnings growth of approximately 50%, and annual earnings per ADS growth of approximately 55%, vs. 56% annual EPADS growth that we experienced in 2005. Full-year non-fuel CASK is expected to be in the lower half of guidance, with full-year operating margins 1-2 points below guidance, primarily due to the impact of higher fuel costs during the year which were not compensated by higher yelds.

Financial guidance for 2007 is based on GOL's planned capacity expansion and the expected high demand for our passenger transportation services, driven by strong Brazilian economic fundamentals and GOL's demand-stimulating low fares. For 2007, we expect to add 15 aircraft to the fleet and expand capacity by approximately 45% to adequately serve expected passenger demand and add new routes and markets in Brazil and South America. Our projections are for a 2007 full-year EPS in the range of R$5.20 to R$5.65, representing annual EPS growth of almost 40%. Full-year non-fuel CASK is expected to be in the R$9 cent (R$) range. Full-year operating margins are expected to be in the 23% range.

We plan to continue to popularize air travel in South America through expansion, technological innovation, improved operating efficiency, strict cost management, and the lowest prices. Our cost leadership will permit us to offer the lowest fares, generating high load factors and high profitability, so that we can invest in more seat capacity and further stimulate demand (the GOL effect).

I will now turn the call back over to our CEO. Please, Junior.

Constantino de Oliveira, Jr.:

Thanks Richard. Please move on to the slide #15. In September, GOL opened its Aircraft Maintenance Center at the Confins Airport, in Belo Horizonte, in the State of Minas Gerais. The construction began in July last year with a total investment of R$ 30 million. The modern center, where we will perform structural maintenance on our fleet, offers high-end technology for airplane maintenance. The annual cost reductions are estimated at US$ 2 million for the company, which will stop using third-parties services. The center will also permit us maintenance services for other airlines in the future.
The total area of Maintenance Center is 17,300 square meters. Two hangars were built, one of 4,800 m2 for three airplanes, and another one of 2.000 m2 for one airplane. The repair shops and business offices occupy 10,500 m2. About 350 new jobs were created with the inauguration of the Center. The Confins location was chosen as Tancredo Neves International Airport is one of the best and most well-structured in the country.

On to slide #16 in the webcast presentation, where we show a brief summary of several of our social responsibility programs. During 3Q06, GOL supported social and cultural activities, investing R$ 1 million in the period.

I'll finish with slide #17 where we highlight our competitive strengths, which are essential to our successful business model and the "virtuous cycle." We count on our highly productive workforce and proven management to always deliver quality customer service with low fares and the lowest cost in the market to keep our strong brand and high profitability.

Having now concluded this brief presentation, we would like to invite everyone to participate in GOL DAY 2006, which will take place on November 21 in São Paulo, and includes a visit to our new Aircraft Maintenance Center in Confins, Minas Gerais on November 20.

Thank you for your attention. I would now like to turn the floor over for Q&A, during which we will be happy to respond to any questions you may have.

Jim Parker, Raymond James:

Good morning. A couple of questions, one is: looking at the domestic market in Brazil in the 3Q, it looks like capacity growth is about 1% and RPK growth was about 5%. So, that is a substantial slow down from what we have seen previously. And then, in 2007 you are looking at 45% capacity growth.

Question one: what do you think the industry capacity growth will be? And my primary question in this regard is, you are suggesting that if you put the seats out there, the people will get on. Meaning, how long can this go on? You mentioned Boeing saying 7% traffic growth for the next five years, but we are seeing capacity growth way ahead of that rate. So, at some point we are going to reach saturation here. What is the outlook for the next few years, in your opinion, with this capacity growth being 45%?

Constantino de Oliveira, Jr.:

Thank you for your question, Jim. When we observe the evolution of ASK and RPK, we can see that the RPK really does not increase as much as we would like to see, for instance, because the offer also did not increase enough to allow the industry to grow as expected.

Regarding the growth of next year, for example, we expect to see a market growth between 12%-14%, and we believe that we are able to stimulate demand with low fares and even for the next year to reduce our costs and reinforce this virtuous cycle, stimulating demand, offering more seats and offering also the opportunity for the Brazilian population to travel more.

Talking about South America, this projection from Boeing, that they are expecting to see the demand go up 7.4% in the next five years; that also reinforces our plans, because that shows South America is able to grow more than any other continent in the world, except China. That means, our expansion also passes through these South American destinations and offers services between the major markets in South America.

Richard Lark:

Just to add, in the 3Q we had a large contraction of capacity that came out of the market from one of our competitors; in the full year our competitor has reduced capacity by almost 50% of what it was previously operating. So, that had a big effect on seats that were available for consumption.

It is also important to keep in mind that we have probably doubled the size of the consumers in air travel in Brazil, versus when we started back in 2001. Maybe we had about 5.5 million airline travelers in Brazil, we now maybe have 9 million and our initial business plan expected growth in the market being up to 20 million. In terms of an addressable market, we are only half-way to there in terms of the capacity we would need to be able to serve a market of 20 million individuals consuming air travel in Brazil.

Jim Parker:

My second question has to do with the profitability of international traffic in South America and outside Brazil. You are obviously going there rather aggressively, and I am just wondering, there are certain items that, perhaps, impact the cost on the downside, by having longer stage length. But, just in general, you are thinking regarding the future profitability of international markets relative to your domestic markets.

Richard Lark:

We operate a highly integrated network, our network does not have geographical boundaries. The GOL network that we have been expanding within Brazil, and now across the countries in South America, is really just an extension of the network. And the flights that we do to the international markets allows us to take advantage of downtime of our aircraft, increase aircraft utilization, in addition to bringing the GOL brand and products into new markets. A lot of this is based on the flows between these countries and Brazil, which is the economic engine of South America.

Having said that, we do not necessarily have a separate international business, with separate profitability. Our international flights are really revenue contribution positive to the fixed costs of our overall network. Yes, we do have start-up costs related to establishing our presence in these countries; we our currently in the process of opening an international base in Lima and then the other bases is next year.

It is also true that some of the operations in these countries have higher expenses than in Brazil, such as landing fees, which can be two or three times more expensive than Brazil. Having said that, jet fuel in non-Brazilian countries is cheaper. So, there are positives and negatives of operating in these countries.

But we do not have a single flight in our international route which is not profitable, which is not contributing, a positive contribution margin to the overall profits of the company. But it is important to keep in mind that what we are in the process of building up is really one singular unified network, which maximizes the ability of passengers to connect throughout the region – South America, Brazil etc.

Jim Parker:

OK, thanks.

Mike Linenberg, Merrill Lynch:

Good morning, gentlemen. Just a couple of questions here. Where are we on the process with the possible reallocation of some Varig slots form some of the congested airports? Congonhas in particularly. Is there any update on that? On that whole process?

Constantino de Oliveira, Jr.:

Regarding the Varig slots. This specific part in a legal process between ANAC, the agency in Brazil, and the judge – in the case of Varig Chapter 11, if you can check that later. But, out of this, we are looking into a process to add new slots in Congonhas, that are not used by Varig, slots that were available for a long time. And this process will take place in Brasília next week, November 8th, if I am not wrong.

And that does not mean that we are talking only about the Varig slots, but the other ones that are available, but I do not think there will any problem with this process, and we hope to see this going forward without problems.

Mike Linenberg:

The slots that are subject to the proceeding next week, how many slots are there, or slot-pairs? What is up for grabs? Maybe just a round number of flights, if that would be available.

Constantino de Oliveira, Jr.:

26 slots. 13 landings and 13 take-offs.

Mike Linenberg:

Perfect. And then, my second question is: can you just give us an update on what you are seeing on the competition – and this would be competition beyond TAM – some of the smaller carriers, that over the past couple of months have announced their intention to go out and expand their fleets. I am talking about Ocean Air, BRA, WebJet, even Varig – I know Varig, the management team has been quoted up pretty expensively, I am talking about taking their fleet from a dozen airplanes up to 40-50 airplanes. We have not heard a time frame, but it seems that the aspirations are there to get a lot larger.

What are you seeing, if anything?

Constantino de Oliveira, Jr.:

First we have to observe what will be the new attributes that these companies will bring to the market. They will offer practically the same kind of service the major carriers are providing. Looking in this way, we expect to see a very competitive year 2007, if everybody concludes their planning of fleet growth. And we trust that we have the right solutions for these competitive markets. That means, we are able to reinforce our virtuous cycle reducing costs and passing that to our customers.

We are also expected to add new aircraft, you know this very well, and we believe that we are able to capture and stimulate demand with our low fares. So, what I can summarize for you is that we expect to see a very competitive environment next year and we are prepared for that.

Mike Linenberg:

OK, great. Thank you very much.

Stephen Trent, Citigroup:

Good morning, gentlemen. To some degree, building on Mike Linenberg's previous question, looking at your expansion in the region, which I happen to think continuous to be very impressive, to what degree are you continuing to see very strong numbers in terms of first-time flyers, let us say, both on the domestic market and as you expand in the international market, offering comparatively lower fares. Are we continuing to see increases in enplanements per capita in the region, which still seem incredibly low compared to the United States, for example.

Richard Lark:

Yes, obviously the overall industry data on passengers has come up. We see in our own business. In terms of our core business in Brazil, we consistently see that about 10% of our passengers transported represent individuals that are, for the first time, traveling on a plane. We also, this year, saw an increase in the non-business, component of our passenger base. In our first year was maybe 40% business and 60% non-business. Then, from 2002-2005 it was pretty much 65%-70% business and the rest non-business. This year that has gone down to about 60% traveling for business purposes and 40% for non-business purposes, which also shows the growth in the non-business part of the market.

The increase in the seat offer has inhibited the ability of the business traveler to crowd out the non-business traveler, because there are more seats available for the consumer, at lower prices… We also see an increase in the frequency of travel across the customer base.

As far as non-Brazil, what we see there is actually a majority of 60%-70% of the passengers on the flights to Brazil and non-Brazilian countries being non-Brazilians. And also something similar, 60%-70% being non-business. And part of that is because, as I was responding to the previous question, the flights in international markets are really [inaudible] as night-flights, or night or early-morning flights, which are helping us maximize aircraft utilization.

So, those markets tend to be more attractive to non-business traveler, what we call the leisure, or more flexible, travelers. So, obviously, that gets reflected in the lower yielding traffic that we see in our non-Brazilian routes. There are some things that we see on our side of the business, our particular business. But the data that comes out in terms of the industry, it is giving a lag of one to two years before the actual official data comes out and we see it. But I think we are going to see something similar to what we have been describing in the GOL business.

Stephen Trent:

Terrific. And just one quick follow-up question. Looking upstream at jet manufacturers, there is plenty of news out, of course, on Air Bus manufacturing hold-ups on that side; Embraer, which recovers, there has been issues with manufacturing hold-ups for them; Boeing, do you continue to be satisfied so far with timely delivery of new aircraft?

Constantino de Oliveira, Jr.:

Yes, we are satisfied. Actually, Boeing supporting our growth has been a very smooth partnership, or relationship, between us and them. And, talking specifically about the 737-800 SFP, with the short-field performance, this aircraft has been wonderful for us, and we are expected to take advantage of this development of this aircraft in the next year, when this type will be more representative in our fleet.

And I think that, talking about the whole market, there is a limited availability of good aircraft in the market now. With the position that we have, the others that we have with Boeing put others in a very good position to take advantage of these good airplanes at this moment.

Stephen Trent:

Terrific. Thanks very much, guys.

Christine Min, Calyon Securities:

Good morning, gentlemen. This is a follow-up to a previous question. Can you give us your view point on some recent studies that have come up proposing that the Brazilian market will continue to face down more pressures on yield, especially as a high rate of capacity enters the market?

Richard Lark:

In our particular case, our capacity expansion plans. GOL has such high level of aircraft utilization, our capacity or need to operate in new frequencies depends on having new aircraft. Generally, our ASK is 100% linked, these days, to aircraft growth. And, in our business plan, we already know what is our new capacity into the new markets. From a competitive perspective, I guess what you are referring to, I guess there has been speculation about what other companies may or may not do vis-à-vis putting aircraft into the market.

The process for importing aircraft is the same in Brazil, we have public concessions in Brazil, in an environment which has monitored capacity, route approvals go through the regulatory authority, which tends to watch statistics related to the financial equilibrium of the sector, as well as financial health of the overall sector, which we spent several years in Brazil correcting and balancing financial problems for a lot of companies in Brazil. I think nobody wants to get back to that situation quickly in the near term.

So, just keep in mind that there is a monitored capacity environment in our market in Brazil. If a company wants to bring an aircraft without deploying, I guess they could do that, but in our particular case, the aircraft we bring in, they arrive at 8 o'clock in the morning and by noon on the same day it will be transporting passengers on the approved routes that we are bringing the aircraft in for.

So, our business process works that way. Having said that, if there is a large capacity growth or behavior of the approval process were changed, it would permit capacity to come to the market which potentially did not have demand. I guess my answer to that question would be the equalizing of load factor and yields, from the industry perspective, not necessarily low.

Demand depends on yields also, in the important equation of demand stimulation. While we see very high level of inelasticity in the business segment, which is the majority of the passengers traveling in the market daily, there is a very high level elasticity in the non-business segment. So, the ability of the market to keep growing has become, we have a very small market in terms of penetration. The ability for that to keep growing depends on more seats being available at lower fares, otherwise, the market is not going to grow. In our analysis the customers are there, which requires more product available at reasonable prices and payment terms to stimulate that. And, for that, it is necessary more capacity in the market.

In terms of our own particular expectations, we do not expect necessarily to see an increase in fares or an increase in yields in next year's environment; by the combination of operating and higher load factors, which we have made adjustments in our operating models to be able to cope higher load factors, combined with the plans on pricing, we should produce a revenue per seat/km more or less similar to something we were seeing in 2006.

Christine Min:

OK. That was very helpful, Thank you.

David Strine, Bear Stearns:

Good morning, gentlemen. A question regarding capacity growth again. I am just interested in knowing what internal metrics you are using when you are making decisions about accelerating your capacity growth, number one. And number two, what sort of flexibility do you have built in to your 2007 ASK growth rate from deliveries, or how are you going to deploy the aircraft?

Richard Lark:

Hi, David. Our process, basically, we are working, from our perspective, in a capacity constrained environment, versus our analysis of where we can deploy capacity profitably. One of the advantages we have in our business model is high connectivity in the network, which is something you nearly do not see in a lot of the other business models. But 50% of our volumes are connected with flow through traffic. So, we actually add new routes, it increases loads indirectly in the overall network, because of its high-level of connectivity.

And we had a process where we look at not only the variable cost; we also allocate the fixed cost to the routes, and, as I was saying before, we do not have routes that do not generate positive contribution margins. But, basically, the parameters that we use when we look at route expansion, is that they have to pay fixed and variable costs, assuming you would freeze up the network and allocate the fixed costs to the entire network. So we do not have a situation where there will be a [inaudible], that is a complex analysis, which is based on our estimates of O&D demand on our network today, which has 530 flights per day, which running as a 24 hours per day with 57 aircraft in six different countries.

In terms of the ability to calibrate our fleet, we actually do have that. We have been in the process of actually trying to keep some of our aircraft longer than we initially expected, such as the 300, that we predict will hang around a little bit longer. We did return one 300 recently, which was basically our first aircraft return.

We have the ability to return aircraft. The arrivals of the aircraft on our order book are basically timed within the maturity of current operating leases. Explaining the scenario, we have approximately 13 aircraft that are operating as far as next year, 15 aircraft coming in. So, if we want to do, we could grow two aircraft next year if we wanted to. That is obviously not our plan, so, when these expire, we are going to be working with those aircraft, or looking at other aircraft to replace them in the route network.

We do have a very high level of flexibility to reduce capacity if that was required, not only in 2007, but 2007 and beyond. Having said that, we do not see that reaction. I do not know if I answered the question. We see more, in our particular case, off a capacity constrained environment in terms of where we see the ability to properly deploy aircraft that serves more frequencies and new markets, as well as international expansion.

David Strainer:

So, with respect to the breakdown of the 45% growth in 2007, assuming you get all the new international route authorities that you are looking for. What would be the breakdown, in terms of ASK growth, domestic versus international?

Richard Lark:

The majority, regarding domestic, if we had to make a distinction, it is not the way we look at it, but, roughly, 80-85% of that growth is domestic. Although, you know, today our aircraft is 90% working on the Brazilian side of the board, and 10% on the other; the aircraft do not see that distinction.

In capacity we do not see that either, but in terms of domestic routes, it is probably 80-85% of the total, if you look at it that way. You are also going to have the capacity, if you will, the critical aspect to grow more aggressively internationally is basically, finding a whole similar network in the aircraft utilization – that is international flights, which are generally longer haul and lower yielding. So, now is not the right time for us to be growing at higher rates nationally, improving it more domestic in terms of the demand actually flowing through the airports that we are operating.

I think Argentina is an example, we established a base in Argentina, and then within the following year we entered into the second and third largest cities in Argentina, and also started doing flights between Argentina and non-Brazilian destinations, which is also something that we are doing in the plain market. It is something we are doing in Chile now, we are doing flights between Buenos Aires, in Argentina. Because Buenos Aires' base Ezeiza allows us to collect a richer demand than in Buenos Aires.

As that international piece is built out, that will take from three to five years, as much as 25% of our productive ASK capacity in those international markets. But, you know, about 8% right now, maybe that starts to trickle up to 10%, 12% by the end of next year, in terms of the non-Brazilian portion of our ASKs.

But be careful when you look at that, because also the data disclosed in terms of market share of the international market, as disclosed, that is just the market share of the Brazilian airlines, which is very diversified, today Brazilian airlines represent less than 50% of the ASKs that are working in the international flights to and from Brazil.

David Strainer:

Thank you.

Travis Anderson, Gilder, Gagnon, Howe:

Good morning. I realize that a lot of unfortunate things get said in election campaigns, but there were a few alarming things [inaudible] said in the last few weeks. I was wondering, now that it is over, whether you think there is going to be any real change in course, given the size of Lula's victory, and might it have any effect on GOL.

Constantino de Oliveira, Jr.:

Good morning, Travis. We do not think that the results of the elections will affect the industry, and we believe that we still have conditions to increase our business models, that means, to popularize air travel in Brazil and South America.

I had the opportunity to talk to Mr. Lula two weeks ago, and he understands this proposition, and it is something that he would like to see, also – one Brazilian airline helping the country to integrate South America. And that is what we are doing, and also for the Brazilian population as well, we are really allowing them to fly more than ever.

Travis Anderson:

OK. My second question is: given the large number of new 800s, that you were saying that you would still slow down on the 300 phase-outs, but is not there not a failry significant cost advantage of the 800s versus the 300s? Will it not help your cost quite a bit if you could phase those out?

Richard Lark:

Yes and no. On the third quarter we have lease rates that make up for that difference on load operating efficiency of the aircraft, but the real thing is the age of those aircraft and how that affect on the maintenance costs. But, you know, it is a question of capacity, availability growth discipline on, how much we are paying for lease rates on operating aircraft. We have been able to increase our deliveries, not in the short-term period, not in 2006-2007-2008, the increase is more to 2008 and beyond.

So we are working with lease market to source our capacity and needs. We have developed 300 capabilities, we have also recently launched our own maintenance services, which also allows us to control better the costs of maintenance for that.

So, in our particular case, the true answer is no, it really does not have a negative impact on profitability. But the issue really is more to other things like size of those aircraft, not being able to fully effectively utilize slots in restricted airports. At the end of this year, we are going to start phasing in the 737-800 SFPs, which are these aircraft distributed with 187 seats into the Rio-São Paulo shuttle market, which will allow us a 30% capacity increase, without requiring additional slots in those slot industry market.

So, it really, the threat was because of the smallness of the aircraft, it really constrained us more in those categories. But from the operating perspective is the most (inaudible) perspective is to control that.

Travis Anderson:

OK. And, finally, we have not heard anything about Mexico lately, any developments?

Richard Lark:

Mexico, meaning the joint venture we started in Mexico? Because we are planning to start flights Mexico with the connection in Lima from Brazil next year. But that [inaudible] is, basically, unless we can play in a holding pattern; also we had our joint venture very well negotiated, and it was just in the refrigerator. We decided this year, given the massive amount of start ups in the Mexican market, to take a wait and see attitude, to see if our business plan still has something new to add to what is already being offered there in the market. So we will have to wait and see and also to see what the cost structures of those companies look like, to see if we have a competitive advantage.

Also, from our perspective, [inaudible], this year for us is the highest growth we have seen in terms of capacity, and we wanted to make sure that our management and key resources wer as focused as possible on the market opportunities that we have in our fingertips.

So, a combination of various factors, we just to move forward; we do not have concession approved, which obviously would be the next step in that process, so we will probably evaluate that, next steps on that at the beginning of 2007, once the [inaudible], you know, some real data comes out of the market.

Travis Anderson:

OK, thanks.

Rodrigo Goes, UBS:

Hi guys, most of my questions have been answered. Just a couple of questions. I was wondering what your assumption for WTI is for your 2007 guidance. That is number one.

Number two, I was wondering if you could comment on what these delays all over Brazilian airports mean, what the cause is, and how that may affect your earnings, going forward.

Constantino de Oliveira, Jr.:

I will answer the second part of your question. We are seeing that there are many delays in some flights, during the last few days, regarding the issues with air traffic control. The impact of that we have not measured yet. For sure, that means we will have a little bit more costs, that means we are flying more, to do the same flights that we did before, but we are talking about a short period of time, and not talking about all our flights.

So I do not think that will be enough to affect our results substantially, and the reason for that is difficult for us to say; as we are out of this problem; as a public concessionary of air transportation in Brazil, we are very open to discuss and try to find solutions, if we are able to do that. But that problem is regarding the authorities and the government, who is responsible for this sector of the industry.

Richard Lark:

In terms of [inaudible], and in those numbers are Brazilian jet fuel prices, which are slightly above, you know, flat or slightly above, what we experienced in 2006. Having said that, we should probably see jet fuel prices, which are lower, and we have got a substantial jet fuel price reduction in the month of October versus September, in the order of 10-12%. That will back up a little bit in December, at the range of the average standard anyhow [inaudible] 1.70 rates. Next year we should probably be in the wide range on price [inaudible]. What we are thinking is kind of in the 1.65 to 1.80 range.

Having said that, if you have, projections in that regard that are really across the board. We continue to work our hedging program, which is based on [inaudible]. The problem with hedging is that you have not had any interesting, [inaudible] for hedges and [inaudible] right now, everybody is waiting for that [inaudible] which is in the 6% range now, to come back down.

It is not just a question on the absolute level of fuel prices, it is also a question of what is going on with the [inaudible] curve. Our policies are ready work to our favor, to the extent that the [inaudible] cooperates we have works [inaudible] to one of the curves that we are about almost 80% hedged for Q4, and about one third hedged already on Q1 and Q2 of ’07.

Obviously it is not just a question of the price level, not just a question of [inaudible], it more a question of the instrument, as low as the [inaudible] that you use, that have been important for the way we have done hedging.

As we can see, or look at that, what we expect is that fuel prices will come down and a jet fuel prices to be a little bit better than what we are currently using in our planning for 2007. We also expect that the forward curve is going to cooperate, which will allow us to also do some more medium-term from hedging, vis-à-vis our business projections.

So, [inaudible] for the WTI [inaudible] your models, but the data that we use is, our chief range is from US$ 45-70, and we try to take a view based on our experience, and how that meshes in with what is going on with the [inaudible] side of our business, because hedging is not just done purely on the cost side, but also done with what we expect on the lag between a cost increase happening [inaudible], and the ability to pass that on to yields, which more or less since the end of the TAM-Varig code-share back in May or 2005, that pricing part on that [inaudible] it is maintaining decent correlation with the dollar, [inaudible], that deal to me keep decent correlations with the exchange rates, a 50% range, the correlations with oil and fuel prices [inaudible] for some quarters down to zero; because the competitors have been so strong, and [inaudible] are looking less at the cost side, they are looking at other factors.

Part of that will also depend on that cost, if you will, other costs – which should not just be viewed in isolation – on how that cost will affect operating margins for 2007. It will also depend in our relationship, as we have seen, up until mid-2005, with a very high level of [inaudible] 70% range, which we have not seen in the last year, year and a half.

[inaudible] our planning, our preparation, is based on the assumption that that pass-through element [inaudible] is much, much longer it has been; historically, it will continue, so we are not counting on that in the guidance that we have given for 2007.

Rodrigo Góes:

OK, thanks a lot guys.

Mike Linenberg, Merrill Lynch:

Yes, you now, Richard, it is just really a follow-up on Travis' question about Mexico. I know that you referred to it as a holding pattern, but then you laid out a very articulate rationale about, maybe, why, you know, it seemed more than a holding period that, you know, if you were going to do something within the Mexican domestic market, it seemed like that it if one order [inaudible] the probability to that, it seemed to be very low.

And I just wanted a follow-up and just any thoughts that, it sounds like Mexico could be on the backburner for a couple of years, and that Brazil is where the action is and that is where you are going to put your resources in building up your business in Brazil.

Richard Lark:

Obviously, from our perspective, our intention was never to be running a [inaudible]. We have to be [inaudible] so that those were heavily on, that we were going to focus our [inaudible].

The project then was always based on our ability to offer something to the Mexican population that it did not have.

So that is really number one, being said if there is [inaudible] that will be for us to offer something. And this is really, it is a general, overall business strategy, which the only application that we found outside of Brazil was [inaudible] market. It was in particular, the Mexican market; to apply GOL's formula there, we do think it has a feasibility, but there has been as much as 15 companies, depending on how you want to look at it, starting up there in Mexico, and everybody kind of threw the hat in the ring, and we spent maybe US$ 30-50 thousand dollars on it. But we are focusing our time and energy where we get [inaudible].

The [inaudible] of the GOL business model to any market was similar. Any market, especially establishing a local for domestic LCC with similar analysis and thought process. We have looked at a lot of markets [inaudible] Mexico. Simultaneously, the Mexican government was doing a great job stimulating development for the sector and attracted a lot of investment to the process there. And maybe they have not started up sooner than we were. But it also involved, as in our particular case, it also, given the election year in Mexico, it also involved how one could approach the concession approval process. So we decided that we will pressure on that, given everything else that is going on as well, because we thought to go through process of getting a concession to be able to operate the public transportation concession in Mexico.

But [inaudible] there is a very nice set of furniture documents that are sitting behind Barioni's desk right now waiting for the right time to move forward on that.

Mike Linenberg:

OK, As they say, sometimes the best investment decisions are the ones that are never made. So, good to hear and keep it going.

Richard Lark:

Thanks, Mike.

Bob McAboo, Prudential Equity:

Hi. Just a quick one. You made a comment, when you were talking to Travis a minute ago, some comment about a Mexican flight beyond Lima. Is that a connection to another airline? What would that be?

Richard Lark:

That would be, we have a base in Mexico City airport, and our aircraft, because of the range limitations, cannot do direct flights to Mexico [inaudible] actually. On the bilateral agreements, we have the ability to transport passengers between Lima and Mexico City.

So, in our business plan it is, end of this year, beginning of next year, open our Lima base with flights from Brazil to Lima and then on top of that, next year, add Lima-Mexico City flights, with a Boeing 737-800 landing in Mexico City, which is 100% GOL, it does not involve another airline.

Bob McAboo:

That would be done sometime in late 2007?

Richard Lark:

Mexico flights would be kind of 2Q next year.

Constantino de Oliveira, Jr.:

Yes, 2Q or 3Q next year.

Richard Lark:

A lot of it would depend on timing, where you want to deploy aircraft, vis-à-vis what is happening in the Brazilian market, but the Lima base itself should be ended this year, beginning of next year, in terms of the start of GOL flights to Lima.

You know, similar to Brazil-Buenos Aires and Santiago – we can do flights under bilateral agreements from Brazil to Lima, from Santiago to Lima, from Lima to Mexico. We like this because it allows us to get the highly integrated network in this non-Brazilian market with high aircraft utilization. And the final step will also be allowing us to increase our aircraft utilization beyond levels that we have seen up until now.

The aircraft are flying, they we be kind of flying in the times we would not otherwise be flying from the Brazilian side of the equation.

Bob McAboo:

When you used the word creating a "base", or whatever, different airlines use that term to mean something different. What is involved when you guys say "creating a base in Lima"? Does that involve having pilots there, or flight attendants and pilots, or maintenance, or what?

Richard Lark:

For us it literally [inaudible] at the airport. But obviously, we have in the South American countries we are operating, we have a very small administrative component. You know, generally we have a manager, and the people that are going to be working there on a regular basis, which relates to the flights, and they operate with a temporary staff, a third-party or temporary staff which relates to dealing with the passengers. And then on the commercial side we have a small staff which deals with the distribution side of the equation, mainly travel agencies in the local markets.

Very, very small staffs, basically taking care of the small (...) We all have, not in Brazil, we do not have any physical facilities outside of what we have in the ticket cabins the airport. So it is the same concept that [inaudible]. But on average (…)

Constantino de Oliveira, Jr.:

It would be like Mexico, it would be something like 30 employees.

Richard Lark:

30 employees for each one of the these, and then operate with a lot of lot of third party services for the other activities.

Constantino de Oliveira, Jr.:

We are expecting to expand our operations to Mexico via Lima, having demands in Lima, that means, we are following the same business model as we are doing in the South, and we will expand our operation; it is the same aircraft, it is the same commercial approach, and it is the same operational staff as we have in our destinations here in South America. That means, we will follow our business concept.

Bob McAboo:

But the pilots and flight attendants would be Brazilian, and based somewhere back in Brazil?

Richard Lark:

That is right.

Bob McAboo:

OK. That is it. I was just asking because when Ryan talks about creating a base, somewhere like Peru, they would be doing – just a comparable kind of thing – the buzz word "base" would mean that they would actually have crew members, pilots and flight attendants actually staffed and living in that city. And I just wanted to be sure I understood what you meant by "creating a base".

So your definition is different than theirs?

Constantino de Oliveira, Jr.:

Yes, in this case we are not opening a base, we are opening a new destination.

Bob McAboo:

That makes sense. That is fine, I just wanted to be sure what you were talking about. Thank you very much.

Constantino de Oliveira, Jr.:

Thank you.

Operator:

Thank you. I would now like to turn the floor back over to Mr. Oliveira for any closing remarks.

Constantino de Oliveira, Jr.:

Thank you. Once again, thank you very much for your interest in GOL. We remain committed to our goal of making air travel a simple, more convenient and accessible experience for everyone, while creating value for our shareholders and employees.

GOL is popularizing air travel in South America to the expansion of our business, innovation in our quality services, operating efficiency, top management and competitive low price.

At GOL, our slogan is: "Here, everyone can fly". If you have any additional questions, please feel free to contact our investor relations department. You can also visit the investor relations section in our website at www.voegol.com.br/ir. Thank you, and have a nice day.

Operator:

This thus concludes today's GOL conference call. You may now disconnect your lines and have a wonderful day.