



Operator:

Good morning, ladies and gentlemen. At this time, we would like to welcome everyone to GOL's 4Q09 and 2009 results conference call. Today with us we have Mr. Constantino de Oliveira Júnior, CEO; Mr. Leonardo Pereira, Chief Financial Officer and IR Director; Mr. Rodrigo Alves, Head of IR.

We would like to inform you that this event is being 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 analysts. At that time, further instructions will be given. 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.

Before proceeding, let me mention that forward-looking statements are being 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 will turn the conference over to the President and CEO, Mr. Constantino Oliveira, who will begin the presentation. Mr. Oliveira, you may begin your conference.

Constantino de Oliveira Junior:

Thank you. Good afternoon, everyone. Welcome to the GOL's 4Q09 results conference call. Let us begin by going straight to slide number four which shows certain key points that contributed to our excellent performance in 2009. The year was one of the great achievements for the Company with positive and growing operating results. 4Q09 was our sixth consecutive quarter with positive operating results.

2009 also marked the beginning of the Company's new growth cycle. After the successful integration of GOL and VARIG, it is set out on its new path with the same core value that markets its initiation, to popularize the use of assets for and focus on the provision of exemplary customer service. The recovery of Brazilian economy along the year helped the strong growth of Brazil emerging middle class and filled an increase in consumer confidence.

As a result, consumption is more than up continually with a major contribution from this income group which has a large population with sufficient disposable income to fly and where there is an enormous growth potential given that Brazil's per capita flight penetration is still the second lowest in the world.

Focusing on the client, the Company invested in the Voe Fácil program through which people can acquire their air tickets in up to 36 installments. They have been competing with interstate bus trips allowing Brazil's middle class to fly and helping push up demand. In December, we opened the first Voe Fácil store in Largo 13 de Maio, one of São Paulo's main middle income shopping regions, which also has one of the biggest bus and subway terminals through which more than a million people pass every day.



Smiles, the Latin America's biggest mileage with more than 6.6 million participants is another important asset of the Company. Thanks to its revitalization, it increased the attractiveness of the code-share agreements with American Airlines, Air France KLM, AeroMexico and Iberia in 2009 encouraging traffic for both GOL and its partners.

Those commitments, innovation was underlined by important developments that will improve ancillary revenues or will help us to improve ancillary revenues. The implementation of Buy on Board, which grows by a year in Latin America offers passengers a wider range of options, currently present on 42 flights a day together with the Company normal service, GOL plans to expand it to 400 flights a day by the end of 2010 thanks to its successful implementation. Once again, GOL has introduced something absolutely new to the market, to the Brazilian market.

In the cargo division, we launched Gollog Express, which after only eight months accounted for 10% of Gollog net revenues. In addition, the expansion programmed for 2010 will bring new service options expanding the list of fragile items for delivery which can be door-to-door and expanding the number of cities covered by Gollog from 1,200 to more than 2,000 cities.

The voegol.com, one of Latin America's largest e-commerce platforms, was responsible for more than 90% of the Company's ticket sales in 2009 or something around R\$5.7 billion during the year. We also began operating with our first strategic partners in order to make the site a complete client's portal, helping boost ancillary revenues.

Now, let us go to slide number six, where we would like to say a little about the Company's strategy for 2010 and the main focus points for ensuring our continuing development and success. Innovation is the secret of GOL's success, its low-cost structure and high growth rates are the result of its continuous process of reinvention and the pursuit of higher productivity, quality, safety and intelligence in all of its process and operational areas.

In 2010, GOL is the best positioned airline in one of the world's most promising markets, or promising markets and we will be offering a greater flight frequency between Brazil's main airports; a renewed and standardized fleet of Boeing 737 aircraft; increased aircraft utilization hugely advantages operating costs; productivity, regularity and safety; exemplary customer service; new national and international routes; an expanded South America route network; new code-share agreements to feed our network and new projects and service.

These are just ten reasons underlining why GOL is experiencing the best moment in the history, and it is ready to continue on its accelerated growth trajectory while expanding its operating margins. The Company's 2010 focus will be on popularizing air travel in Brazil, strengthening the pillars that sustained the low cost, low fare concept, after nine years of operations GOL has carried more than 130 million passengers.

There is no reason not to stimulate demand giving the healthy growth of Brazil's economy in the last three quarters and a strong upturn in demand in the high season. With consistent results, a strengthening cash position and the focus on cost reductions, the Company is more prepared than ever for greater optimization and increased operational intelligence ensuring a gradual increase in productivity, quality and customer service quality, and the continuous introduction of new technology and market innovation, as GOL has always done since its foundation.

And these are the Company's challenges, to be the consumer airline of choice, to maintain its low-cost DNA, to explore multiple opportunities for generating revenue, to continue innovating, to be the number one and to strengthen the balance sheet.

GOL is the best airline to fly with, to work for and invest in, bringing people together with safety, punctuality, operational regularity and intelligence. That brings me to the end of my initial comments. And now I will hand you over to Leonardo Pereira, our CFO, who will comment something about our statement and numbers. Please, Leonardo.

Leonardo Pereira:

Thank you, Constantino. Good morning, everyone. I would like to make a couple of comments. My first comment is about, on slide number eight, capacity and demand. If you look at 2009, I think we stick to our commitment to be very prudent in how we are adding capacity. If you look at our ASKs, they have grown by 7% and our RPKs have grown by close to 15%. And if you look at the industry, the ASKs grew by 22%, and we grew by 7%. So again, our commitment that we said at the beginning of the year was exactly what drove our decisions.

In 2010, and we are also emphasizing again that we will be prudent. Of course we are expecting a much better scenario on the economic side, we are very comfortable that this new middle class is coming to the markets, but we will again be very prudent in our decisions and we have shown that we have, we can have flexibility in how we manage the fleet.

Going to the next slide, I just would like to highlight a couple of things. The EBIT line, as for a couple of quarters now, we have been delivering an EBIT margin of over 6%, which is in line with what have been indicating and giving guidance to the market, and if we exclude the non-recurring events that happened in the 4Q, we could have reached an EBIT margin of over 10%, which is very much in line with the guidance that we gave for 2010. In other words, the Company has done its homework and we are right on track to continue increasing our margins as we go forward.

Our income tax line, which is largely responsible for our positive result in the quarter is also, in my view, very positive, because we can only recognize this type of tax credits if we are performing and if everyone is confident that we will be generating profits in the years to come. Although this is a non-cash component, as we move forward, this becomes a cash component, as we pay less taxes in the future.

So I think that what we have seen in the income statement is a Company that is delivering, generating cash from the operating point of view and also paying a lot of attention in terms of strengthening its balance sheet.

If you go to the next slide, that also summarizes what we just said about the balance sheet. We had in the beginning of the year, a goal that some people thought was too aggressive, which was to reach at least 20% of our net revenues in cash, which we indicated to be R\$800 million at the beginning, then with the follow on, we added the R\$600 million and we had a new goal of having R\$1.4 billion in cash, which we have reached.

This has also translated into a net debt to EBITDA of 1.4x, which is much lower than what we had in 2008, which was over 4x, and total adjusted gross debt / EBITDAR plus financial revenues of 5.6x which is in line with what we have been indicating that we want to continue deleveraging the Company and have a ratio by yearend of around 4.5x.

Moving to our guidance on the following slide, it's reflecting everything that we have been saying, if the Brazilian GDP grows as some people are expecting, we are expecting demand to grow by 2.5x, 3x. And we are going to be there to meet our mission which is to make sure that all the new middle class that already can afford to travel we will be able to fly. But we will be doing this in a way that we will continue to create value to the

shareholders, so at the same time we are giving guidance to an EBIT margin of over 10% in 2010.

And lastly, I would like to comment about the fact that the Board approved a dividend payment and simultaneously we are doing a capital increase for the same amount. And why are we doing this transaction? Because we believe that we have to give the shareholders the right to receive the dividends. But on the other hand, this dividend is coming from a profit that is largely at this stage, coming from non-cash components. And at the same time, we believe that is very important to continue strengthening the balance sheet.

So without creating an event that triggers a high dilution, we have been paying the dividends, at the same time asking the shareholders to come and continue supporting our business plan. It is important to highlight that the controlling shareholders that has close to 65% has already indicated that they are supporting this transaction.

So, those are my comments. Now, we are open for the Q&A. Thank you.

Duane Pfennigwerth, Raymond James:

Hi, thanks. Good morning. I was wondering if you could give us some information in terms of your yields in January and February. How much they are tracking down year to year, it looks like about 20% on our math?

Rodrigo Alves:

Hi, Duane. The yields in the 1Q09 were of R\$0.23 against the yields that we are indicating of R\$0.19, so I think your math is right.

Constantino de Oliveira Junior:

But, Duane, good morning. When we talk yield I just would like to emphasize that we have been working to optimize our results and manage that in the sense of RASK and CASK, when we see just yields probably you will not see the full picture of the revenues and the results of the Company. When you see that yields declined, for sure in comparison with January and February last year, but we have been managing that in the sense of continuous increase of results through the difference between RASK and CASK.

Duane Pfennigwerth:

I appreciate that color. In your guidance, I think it indicates that you think you will have flat yields in 2010 year to year, so no change. So when would we expect yields to sort of turn the corner and begin to be positive again as we look into 2010?

Constantino de Oliveira Junior:

You will see that over the year. Again, I think what we have to be very clear is that we have been very, very consistent in delivering what we have been indicating in the last 18 months.

Leonardo Pereira:

And what I can tell you, Duane, is that the yields from January and February are completely in line with our expectations, when we decided to announce our guidance and perspectives for 2010.

Constantino de Oliveira Junior:

Yes, and if there would be any change, Duane, you can rest assure that we would change the guidance, and we just gave the guidance now at the end of February and we were very comfortable, based on the results of January and February with the guidance. And as I said, we have been very concerned about being consistent with the guidance and with the message that we convey to the market.

Duane Pfennigwerth:

Understood. I mean, is there a specific quarter this year, is it more of a 2H yield recovery?

Constantino de Oliveira Junior:

Again, we are not giving projections for each quarter, for sure we have seasonality, we have natural seasonality during the year, in the 2Q and in the 3Q for a certain period, but we are, as I said, following that. And once we provided the guidance and we understand that the numbers from January, February and March, beginning of March is in line with our expectations, we are confident that we will be able achieve the guidance that we announced.

Duane Pfennigwerth:

OK, thank you. And I will just make one more and quickly. The 5% reduction in commissions, which I think is contributing to the year-to-year decline in the yield at least in the 4Q, when did that commission structure change go through?

Constantino de Oliveira Junior:

On the GOL accounts that tax on 1Q09 or something like March or April. And now we are reducing this tax even more from February 2010.

Duane Pfennigwerth:

OK. Thanks very much.

Leonardo Pereira:

Just to give you a color, the numbers that declined around 2% in total commissions paid, and then to zero as Constantino said. Just to color how it magnifies over are year.

Duane Pfennigwerth:

Thank you.

Sara Delfim, Bank of America:

Good morning. Still on yields, why were you guiding for a small increase in yields in 2010, given high demand and capacity constraints in terms of airport's capacity and mainly terminals? Do you not think at some point during the year you would be, let us say, forced to contain demand by increasing yields? So basically my question is, is there any upside risk for your yields guidance for the year?

Constantino de Oliveira Junior:

Look, Sara, for sure we are looking, we always work to find the better opportunities to increase this RASK impact result, the difference between them is that it will be able to do through higher yields or even better yields in terms of fares and more intelligent or more flexible yield management, we will do that. We are following the situation where we will have the opportunity to work in this way, in this sense. So we will work on that opportunistic way.

Sara Delfim:

OK, thank you.

Caio Dias, Santander:

Good morning, everyone. My question is on the capital raise. I understand that you are carrying out this offer in order to compensate for the payment of dividends, which is coming from mostly, as you mentioned, from non-cash items that positively impact your bottom line. But my question is the following, according to my estimates, the cash generation in 2010 would improve significantly.

And although 2Q is a weak quarter in terms of demand and profitability, it is a good quarter in terms of cash generation. So, the question is, was this capital raise really necessary or this is a very conservative strategy of the Company to keep the balance sheet secured?

Leonardo Pereira:

Caio, good morning. I think it is a prudent strategy. We have targets to strengthen further our cash position. We feel that all the winners in this industry are strengthening their cash positions and the recovery ratio of their obligations for the next 12 to 18 months. So, we felt that it is prudent as we still would like to have more cash to do this transaction. And we thought that it would be neutral for the shareholders.

Caio Dias:

OK. So, can I assume that this kind of strategy can result in a reduction in your cost of debts, for instance, given the fact you're strengthening your balance sheet?

Leonardo Pereira:

Eventually, yes. As what we have indicated, we are indicating that, we are deleveraging the Company to a situation that we want to have total gross adjusted debt EBITDA as around 4.5x, down close to 6x now.

Caio Dias:

And given that you are forecasting favorable results for the year, and probably cash generation will also improve significantly compared to the previous year, is there a possibility that further, later in 2010 or maybe 2011, you will increase a little bit your payout or the Company will keep the strategy of paying dividend as it is paying now in the medium term?

Leonardo Pereira:

I believe the following, to increase the payout, you would have to be in a more matured business. We are very excited about with the tremendous opportunities that we have for the next years in Brazil, as we have this stronger middle class. So I would not live with that type of expectation. I would live with the expectation that the Company is going to be generating more cash, we will have a stronger balance sheet and we will be delivering its mission of bringing more people, more Brazilians to fly.

Caio Dias:

OK, excellent. Thank you very much.

Natalia Laclava, Credit Suisse:

Hi, everybody. My question relates to competition. I was wondering if you can give me a view on how your main competitors are behaving, if you are seeing any sign of irrational pricing, if there is promotion that you do not agree happening, and how are you seeing both your two competitors mainly, the new one Azul and TAM, how are they behaving in terms of prices?

Leonardo Pereira:

OK, I will start saying, then Junior and Rodrigo can complement on this. I think we have a market where there is a tremendous opportunity for growth. I think we have companies that have very high corporate governance standard and have to deliver results to shareholders.

So what we expect is that all companies that deliver their missions. They probably have different missions, different goals, but they are continued to be committed in delivering shareholder return. We do not see a scenario for price disagreement, so price war as the market is saying, and there are some people who are indicated that this might happen, but we want to make this very clear that GOL does not support that.

GOL supports our mission to be able to have low costs and be able to deliver low fares. Let us not forget our original DNA and the reasons why this Company was set up back in 2000. It was to have a low cost company in Brazil and that could offer low fares.

We might have had some mismatches along the way, but all this turnaround that we have made was with these objectives and I think we are sticking to that. So the main thing that I would like to deliver in terms of talking about the industry is that the fact we are having this type of yields, it is not because there is any price disagreement or price war, we are just sticking to our mission.

Natalia Laclava:

OK.

Constantino de Oliveira Junior:

I have nothing to add to what Leo said, but only that we have been really managing our yields in an intelligent way, stimulating demand with low fares, creating value for the customers, but also taking the benefits from our competitive advantages like high frequencies between the most important airports, Smiles program and beyond.

So with that we have been able to work in both ways, we provide healthy revenues on one side, and at the same time we have been stimulating demand through lower fares, as Leo said, as our mission says for us to do.

Natalia Laclava:

OK.

Leonardo Pereira:

And just to complement one thing that I would like to highlight, again, to the market, just to remind everyone, is that more and more our compensation is linked to the share price. So we have the management very aligned with the shareholders, both the controlling shareholders and the minority shareholders, that if we do not deliver an increase in share price and we think it is very clear that we are creating value, we will not get our benefits.

Natalia Laclava:

OK. So basically up to now, any signs of pricing war, right?

Leonardo Pereira:

Right. No signs.

Natalia Laclava:

And just a second question, we have seen, you know, yields in January and February at R\$0.19. And I think it is worth to remember that January and February are months where vacation season is really high, so am I right to assume that during the business periods, in March, a little bit of April and the other months there might be an increase in yields just because you have more business passengers?

Constantino de Oliveira Junior:

Yeah, probably we would see something like, as we will do shorter flights out of the high season, probably the yields could be higher. But at the same time, we have been working to increase our productivity. That means we are doing more short flights, long flights through the North and Northeast of the Country, maintaining our philosophy to keep increasing our productivity and efficiency through higher RASK utilization, even doing long-haul flights, not long-haul flights, sorry, longer flights than we used to do.

So our average stage length could be a little bit higher even during the low season in comparison with the low season last year. So that could affect also the yields, but again, the results, the difference between RASK and CASK where we are much more focused today. So we are generating more revenue, increasing our productivity, reducing our costs and increasing our results, providing us to get better results.

Natalia Laclava:

OK, thanks.

Rodrigo Alves:

All right. Just to complement, the average stage length is also increasing if you see it year over year, increasing about 4%. I think that Junior commented this perfectly because it also impacts yields, the higher the average stage length the yield trends to go down as well.

Constantino de Oliveira Junior:

And costs.

Leonardo Pereira:

And costs, yeah.

Natalia Laclava:

OK, thank you.

Marcello Günther, Banco Safra:

Hello, everyone. My question is regarding market share dynamics in February 2010. We can see in the statements of the traffic released by GOL and TAM that yields basically in January and February stayed flat, but at the same time we can see that GOL gained 60 b.p. market share in February on a month-over-month basis, while TAM lost 40 b.p. market share and I would like to get some color on that. Why GOL managed to gain market share even though your behavior were, your yields were flat as TAM's? Thank you.

Constantino de Oliveira Junior:

Marcello, I guess here is the key point that we are providing, we are improving our quality of service, we have much more focused now on the customer side. We have been successful in our implementation of integrated network, revitalization of the Smiles program, all of these competitive advantages we are always talking about.

And the market is accepting all of these initiatives in a very good sense, so we have been able to grow, even that the demand have been growing much more than our capacity that we added to the market. That shows how disciplined GOL had been in terms of addition of capacity. And so that is the key.

For us, we have been maintaining market share as you said, probably growing a little bit, but we cannot talk about our competitors in terms of how they are selling, but that point here is that market, the consumers are really accepting very well all of the initiatives and the projects that GOL put in place since we merger with VARIG.

Marcello Günther:

OK, Junior, many thanks.

Alexander Lozan, Bank of America Merrill Lynch:

Hi, good morning everyone. I just had a quick question regarding your cash balance and kinds of sources and uses as we think about 2010 and 2011. You guys provided the debt schedule for 2010 and beyond. What is the CAPEX looking like for those years?

Rodrigo Alves:

Hi, Alex. Around R\$400 million, R\$250 million out of these is related to payments for aircraft, which are going to be delivered. It is important to highlight that half of these R\$250 million are financed by the PDP Facility. And the balance is related to expansions to bases and expansions in the constructions, IT and others. So it is not a big CAPEX, as we do not have yet the maintenance CAPEX. We treat still our CAPEX in terms of maintenance in our P&L straight forward.

Leonardo Pereira:

Just to complement, Alex. We will continue working on eliminating most of the financing risk over the next three years on an ongoing basis, in 2010, in 2011 and then on beyond. We would not like to have any major refinancing risk within a three-year period.

Alexander Lozan:

OK. Thanks, Rodrigo; thanks, Leo. And what is that number looking like for 2011?

Rodrigo Alves:

It is roughly the same as the figures, I think the heavier portion of our CAPEX is related to the payments for the new aircraft.

Alexander Lozan:

OK, thanks. And just one last question. In your 2010 guidance, you have kind of given a range for fuel prices in between R\$1.50 and R\$1.70. How is that shaping up so far on a year-to-date basis, essentially for the 1Q?

Rodrigo Alves:

The fuel price has been having a positive impact in the results. If you see it year over year is very clear. The behavior of the market as of now, for us the volatility itself has not been very strong and we have the hedge positions, we have 20% of the estimated fuel consumption hedged. But when we consider the 20% in average, it is important to keep in mind that the 1H has a little bit of a higher hedge position compared to the 2H of the 12 month rolling basis hedge. It drops because the 2H is when we are beginning to buy the options.

Alexander Lozan:

OK, so we should kind of expect a higher number than we saw in the 4Q for the 1Q. Does that sound about right?

Rodrigo Alves:

If you consider the WTI price now versus the hedge positions, we should have small gains in hedge for the next quarters, a couple of quarters at least. You are right.

Alexander Lozan:

OK, thank you very much.

Virgínia Costa, Citigroup:

Thank you. Good morning, everyone. On your release you mentioned that you had some sales of spare parts that are included in the ancillary revenue. Can you give us any color on the amount of those sales?

Rodrigo Alves:

Hi, Virginia, the amount is not large, R\$12 million. We felt it was important to disclose that as we are taking out the 737 from the operating fleet. I think it is a recurring revenue, because if you consider the last two years, when we were taking out the 767 from the fleet, we also sold spare parts, although we did not open the figures, they did not have an impact, I would say our concern in terms of disclosure for this quarter was to explain the main drivers for the growth of our ancillary revenues.

I think that we can also highlight that cargo business almost doubled revenues quarter over quarter, mainly because the 4Q09 had a very strong demand and the 4Q08 was a very strong crisis in all around the world and our cargo business is a lot related to the business segment, as that the base of the 737 is better suited for lighter cargo.

The other biggest portion from that that played a lot of value in generating ancillary revenues in the quarter was also the large amount of excess baggage, changes on reservations and also the Road Shows. So we had a strong quarter in our view in terms of ancillary revenues into the 4Q, very related to the operations and the larger volume of passengers we have been transporting recently

Virgínia Costa:

Perfect. Thank you. And if I may ask another question. You guys mentioned a lot about the future growth, so where do you expect that future growth coming from given that a lot of the domestic routes are already saturated and the airport constrained as far as capacity?

Rodrigo Alves:

Future growth is a lot related to the expansion of the frequencies in the airports. It is important to notice that although the airports have constrains, especially during the business time especially in terms of the peak chaos for the business passengers, if you see the majority of the airports in Brazil, even Congonhas, doing the launch time or periods that are not a very strong, Friday night or a Sunday night or even Monday afternoon, the order periods, they are not that constrained as many people think, you have space to grow, stimulate demand to fly during these hours to better use this.

Constantino de Oliveira Junior:

That is it. And related to the airport constrains, we still have room to jump their connections, for example, from São Paulo area like Guarulhos and Congonhas, broad airports, broader hubs like Galeão in Rio or Jobin and Brasília in this case. And we have been doing that.

We still have in our airplane almost 40% of our passengers doing connections or passing through them. They have been making this connection in São Paulo, we are transferring them for the others and offering the possibility for the people from São Paulo to occupy these seats. So that is one case where we still have room to grow.

Virgínia Costa:

That is great. Thank you. And just if I may ask the last one, and how do you think the entrance of the new airlines on Congonhas airport going to affect you, the NHT, and WebJet and Azul, is that going to affect you guys at all?

Constantino de Oliveira Junior:

We do not think that it will have a significant impact, it is something that will not affect our numbers or results.

Virgínia Costa:

Great. Thank you very much.

Augusto Ensiki, Morgan Stanley:

Hi, good morning gentlemen. Just a couple of questions. Firstly, could you tell us how much of that ancillary revenue is from Smiles? Has that been a large contributor at all?

Constantino de Oliveira Junior:

No, not yet. The cargo business is increasing its share, as Rodrigo mentioned, non-travel related like cancelation fees, luggage, but the Smiles is still coming up. We expect that going forward the Smiles will be a higher contributor.

Augusto Ensiki:

OK. So right now is it somewhere like well below 10% of that or do you have an estimate for that?

Constantino de Oliveira Junior:

Yeah, that could be the range.

Rodrigo Alves:

Augusto, the results from Smiles go the passenger revenue, not on the ancillary.

Constantino de Oliveira Junior:

Just a small portion.

Rodrigo Alves:

And a small portion, we are still revamping the program and we feel that is not the right time to fully disclose everything related to Smiles, we think that Smiles, Junior can comment can further on this, belongs as an integrated portion of GOL.

Augusto Ensiki:

OK. And then my second question is regarding the deferred tax credits, you said that you have another, you listed out that you have another R\$50 million to be recognized this year. Do you know what quarter that is going to be recognized or is that still to be decided?

Leonardo Pereira:

This is probably in the 4Q when you have to update the business plans and so on, unless you have a high volatility in the market that changes our scenario.

Constantino de Oliveira Junior:

And those R\$250 million that you are referring is our indication of how we are going to be enjoying the benefits this year. So we expect that based on our projections in terms of generating income in 2010, that is the amount that we would be able to use as cash savings, let us put this way.

Augusto Ensiki:

OK, got it. And then just one last question if I may. Could you give us an update on the non-operating fleet that you still hold?

Constantino de Oliveira Junior:

The non-operating fleet, we still have some 737-300 that we are sending back. And we expect by the end of the 2Q, mostly likely all the 737-300 should be out. And then we have the 767s, which they are now, we have six and we have two that we have either subleased or are in the process of subleasing. So they will be down to four. And out of those four we are using three for charter flights.

So, basically I think that is a positive thing, because without interfering in the domestic supply and demand, we are using the 767 for long-haul charter and consequently we will be generating revenues from this asset, which was not generating revenues last year.

Augusto Ensiki:

Perfect. Thank you very much.

Caio Dias, Santander:

Hi, a couple of more questions. You mentioned the 767s, the three that will remain in your fleet after return, a few of them now at the beginning of the year, will be used for long-haul routes. Are you talking about new routes to the Caribbean and how are the routes to Caribbean performing so far? Do you believe it was a good strategy to start to fly to this region?

Constantino de Oliveira Junior:

Hi, Caio. Related to the 767, we expected to do some charter flights, not regular flights with them. We are arranging the seats, the aircraft with 250 seats to work specifically for charter flights. We have been dealing with the two operators in Brazil to do that and we expect to do flights between Brazil and United States, Brazil and Europe and also during the World Cup, we will do some charters to South Africa. So that is the expectation now for these three aircrafts.

And also we have the possibility to continue the charters between São Paulo and Cancun, which we launched in December 26th, and also charters between Buenos Aires and

Fortaleza, working with two operators from Argentina as we did also during January and part of February and we were working very well.

Related to the Caribbean new destinations, all of them are performing like were expected in terms of increasing our revenues productivity. Large portion of them are charter, weekly flights and is allowing us to increase our load pattern revenues of certain routes like Caracas, and also to increase our aircraft utilization during the weekends.

But all of them have been very successful and the two operators who chartered these flights are very excited with the results and confirming that they have interest to continue this kind of partnership.

Caio Dias:

OK. And regarding infrastructure, again, there is a very intense new flow on the potential new construction works to expand the airports in order to attend to the demand we are forecasting for the World Cup and Olympic games. However, it looks like the process is delayed.

What is the latest status of the investments in infrastructure in order to solve the bottlenecks for the World Cup and Olympic games? What is feasible that we can assume will be done until the World Cup, for instance, which will happen in four years?

Constantino de Oliveira Junior:

Look, I will try to give you an update, but we are following that, INFRAER and the Government have a lot of initiatives related to that. We see that there is a new group linked directly to the Central Government in Brasília to develop studies and solutions for the airport infrastructure for 2014.

We knew that the bid for the project, for the third Terminal in Guarulhos was approved. So soon probably we will see the project already and probably the Government will decide how to work and build this terminal, the terminal and the airplane parking area in Guarulhos airport, what is an important improvement or important movement from the Government.

So, the news is related to the third terminal in Guarulhos airport. Out of that, we have just seen a lot of ideas, a lot of possibilities, but not defining how to do and how to improve our airport infrastructure until the Word Cup.

Caio Dias:

OK. Thank you.

Natalia Laclava, Credit Suisse:

Yeah. I was wondering, if we assume that the cost of the six 767 you had is like 100, what would be the cash savings you would have by doing the sublease of two and the charter retreat? Like what would be the saving you have doing this?

Constantino de Oliveira Junior:

With the charter aircraft, we are working to pay this rate and all the cost related to the aircraft. When we talk about the sublease aircraft, we have some cost difference in that. I do not have conditions to tell you exactly what the difference is right now. But there is a small difference that means we subleased the aircraft at lower rates than we are paying

our lease rates. But this initiative will help us to really reduce our expenses and our cash out related to this 767s.

Natalia Laclava:

OK. I remember last year, you mentioned that all the 767, at the time they were seven, I remember mentioning that if you get rid of all the seven, you would save R\$0.01 per ASK in your CASK. Can I assume that giving the fact that you still have one, the charter is not the same cost saving you have in the subleasing, so can I assume that R\$0.50 is reasonable as a cost saving?

Constantino de Oliveira Junior:

I prefer to say that, I will ask Rodrigo to make all the comments and tell you something more precise.

Natalia Laclava:

OK.

Constantino de Oliveira Junior:

It is interesting that, for sure, we will have some reduction in our cost, as we will dilute these lease rates to higher aircraft utilization. And we will see the numbers in both ways, I mean, we will fly more, we will dilute fixed costs, and even we will be able to increase our revenues and make some money.

We have to observe that the charter flights probably will not see the same productivity every month, we are not talking about regular flights. But we are confident that the market is increasing or the market is demanding for new aircraft or new flights. And we are confident that we will be able to maintain a good level of productivity, but we will see some variations from one month to another.

Rodrigo Alves:

Natalia, just to complement, one of the points is that these contracts are not for the whole year, they have periods from four to six months. The good side is that, as Junior said, the demand for the charter flights is positive and this is a good way out to reduce the cost or even to take them out in the year.

But it is important to highlight that this is not the final solution because the contract does not cover the full lease contracts. So we are working towards to have more and more of these charter flights because we understand it is a way to reduce costs, but it is just to say that we are taking out all of the US\$500,000 per month that they cost in terms of lease. Is it clear for you?

Natalia Laclava:

Yeah. It is clear. But is it still a sign that you could reduce your costs, right?

Rodrigo Alves:

But it is a good sign that we do not want to release in the market and say that everything is sold.

Natalia Laclava:



OK. Thank you.

Operator:

Ladies and gentlemen, there are no further questions. This concludes the question-and-answer session for today. At this time, I would like to turn the floor back over to Mr. Constantino de Oliveira Junior, for any closing remarks.

Constantino de Oliveira Junior:

Thank you very much for your audience. We have been working a lot to make GOL a better company to fly, to work and to invest. So once again, thank you for your audience, have a nice day.

Operator:

Thank you. This concludes today's call 4Q09 and 2009 results conference call. You may disconnect your lines at this time, and have a good day.



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