

2Q16 Results

August 16, 2016



2Q16 Highlights

Paulo Kakinoff
CEO

Safety Low cost **Team of Eagles** Intelligence Service

Leader in Brazil



Ancillary Revenues

GOL Consolidated

Volume Transported/Sold
1H16

16.4 million passengers

36,000 tons of cargo

25.1 billion points

On-board meal, Comfort seats, services and fees

Gross Revenues
R\$ million
1H16

3,744

154

772

453

5,123

Reported Net Income
R\$ million
1H16

713

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242

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955

Cash Balance
R\$ million
June 30, 2016

956

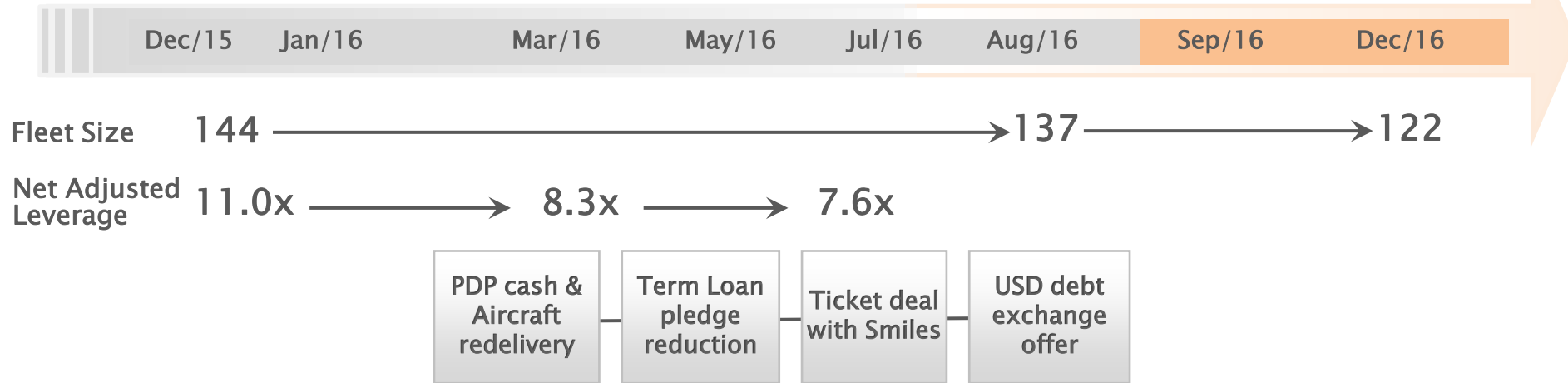
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409

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1,365

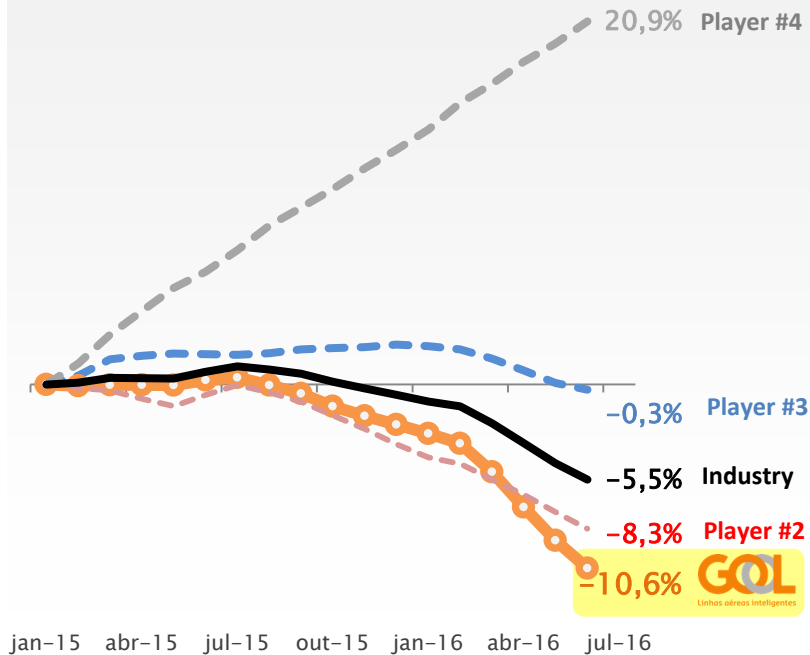
Comprehensive Rightsizing



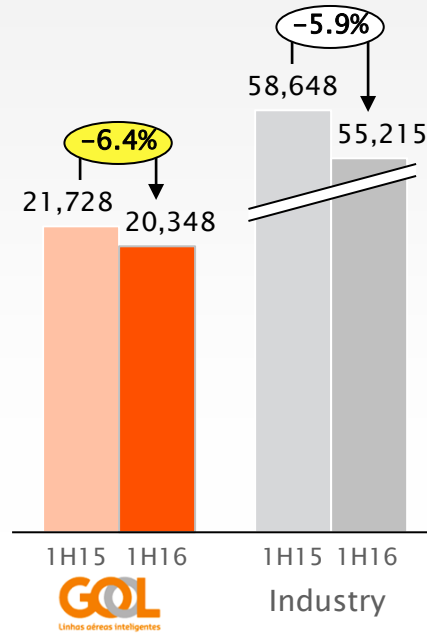
- ❑ **Smiles ticket deal:** R\$600 MM through June/16; additional R\$400 MM by Dec/16
- ❑ **Debt reduction:** R\$225 MM debentures extended to 2019; USD unsecured bond exchange debt reduction of US\$102 MM (R\$327 MM)
- ❑ **Fleet reduction:** Boeing delivery schedule altered and PDP cash flow received; Renegotiated 10 aircraft under finance leases and reduced fleet size from 144 at 2015 YE to 137 in July 2016

Leading Alignment of Supply with Demand

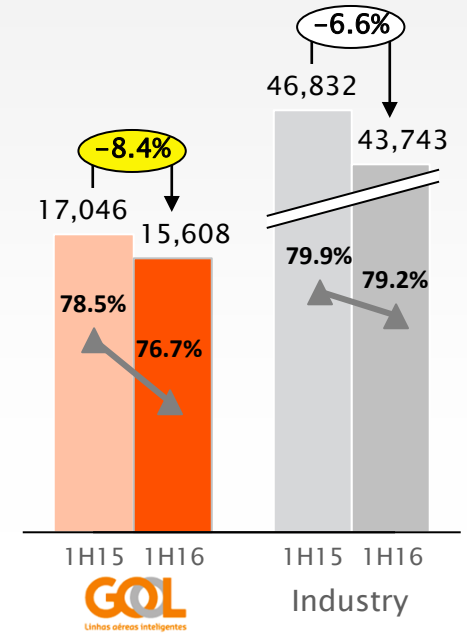
#Seat availability – Last twelve months



Supply Domestic ASK*



Demand and load factor Domestic RPK* and Load Factor %



*Values in millions of seat-kilometers
Source: ANAC and OAG

Important Highlights from the Quarter

Better Convenience

São Paulo: CGH and GRU

- Leader in destinations served from CGH (33), with largest seat availability to North and Northeast Brazil; better schedule to Brazil's key business markets
- Highest diversity at GRU: 32 domestic and 8 international destinations

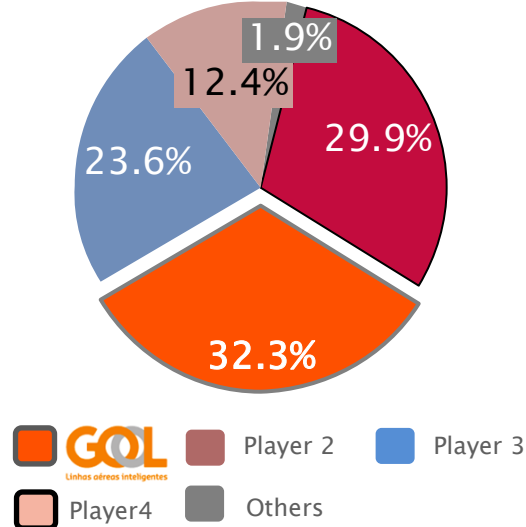
Rio de Janeiro: GIG e SDU

- Leader in destinations served: 25 domestic and 8 international
- The most comprehensive network through partners Air France-KLM and Delta



Corporate Leader

GOL led tickets issuance to the corporate sector in 1H16



FAA Certification

GOL received *FAA certification* to perform C-Check services

Certified to provide lease return checks and maintenance services to GOL's fleet at CMA (Maintenance Aircraft Center) in Minas Gerais, Brazil



2Q16 Results

Richard Lark

CFO

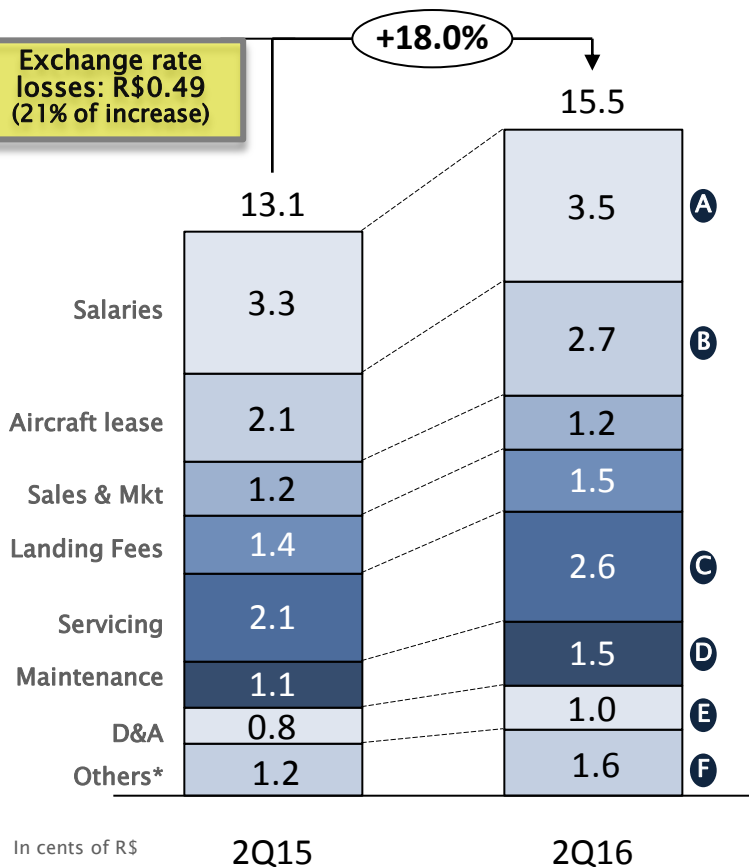
Safety Low cost **Team of Eagles** Intelligence Service

Capacity reduction and PRASK improvement



	2Q16	2Q15	% Var.	1H16	1H15	% Var.
ASKs (in millions of KM)	10,766	11,870	-9.3%	23,028	24,903	-7.5%
Seats	10,157	12,820	-20.8%	22,527	26,299	-14.3%
RPKs (in millions of KM)	8,096	9,114	-11.2%	17,593	19,286	-8.8%
Load Factor	75.2%	76.8%	-1.6 p.p.	76.4%	77.4%	-1.0 p.p.
Net YIELD (R\$ cents)	22.12	20.26	9.2%	24.04	21.13	13.8%
Net PRASK (R\$ cents)	16.64	15.56	6.9%	18.37	16.36	12.3%
Net RASK (R\$ cents)	19.40	17.95	8.1%	20.85	18.62	12.0%
CASK (R\$ cents)	21.00	20.06	4.7%	19.68	19.00	3.6%
CASK ex-fuel (R\$ cents)	15.50	13.14	18.0%	13.83	12.54	10.3%
RASK – CASK (R\$ cents)	-1.60	-2.10	+24.1%	1.17	-0.38	NM

CASK ex-fuel



Main variations in CASK 2Q16 vs 2Q15

- A Salaries – increase of 7.1%**
 - | 11% increase in wages from the collective bargaining agreement;
 - | Partially offset by 9.2% reduction in headcount.
- B Aircraft lease – increase of 29.3%**
 - | 14.1% depreciation in average BRL/USD rate;
 - | Higher number of aircraft under operating lease contracts (102 in 2Q16 versus 97 in 2Q15).
- C Servicing – increase of 25.4%**
 - | Purchase cost of Smiles products and tickets from peer airlines that will be reverted in future revenues for GOL.
- D Maintenance¹ – increase of 36.9%**
 - | 14.1% depreciation in average BRL/USD rate;
 - | Increase in number of engines repaired.
- E D&A – increase of 24.6%**
 - | 14.1% depreciation in average BRL/USD rate;
 - | Higher engine maintenance depreciation.
- F Others¹ – increase of 26.1%**
 - | Gains of sale leasebacks registered in 2Q15;
 - | Aircraft return costs of R\$21.8 million.

(1) Including net loss of R\$21.8 million on redelivered aircraft.

(2) Consolidated.

Smiles Results



	2Q16	2Q15	% Var.	1H16	1H15	% Var.
Miles Redeemed	10,243	9,493	7.9%	20,766	18,406	12.8%
Miles Accrued	13,188	13,064	0.9%	25,088	25,586	-1.9%
Burn/Earn ratio	77.7%	72.7%	5.0 p.p.	82.8%	71.9%	10.8 p.p.
Billing Miles	420.5	392.1	7.2%	830.2	763.4	8.7%
Net Revenues	349.8	275.5	27.0%	700.4	521.5	34.3%
Operating Income	128.1	93.0	37.7%	252.4	178.0	41.8%
Financial Result	57.6	39.5	45.8%	115.0	61.3	87.8%
Net Income	123.6	89.4	38.3%	242.0	159.0	52.1%

Cargo and Other Revenues Results

	2Q16	2Q15	% Var.	1H16	1H15	% Var.
Cargo Revenues	59.3	59.0	0.5%	115.3	112.9	2.1%
Other Revenues	238.5	225.2	5.9%	456.8	449.2	1.7%
Total Cargo and Other Rev.	297.8	284.2	4.8%	572.1	562.1	1.8%

Operating Profitability Improvement

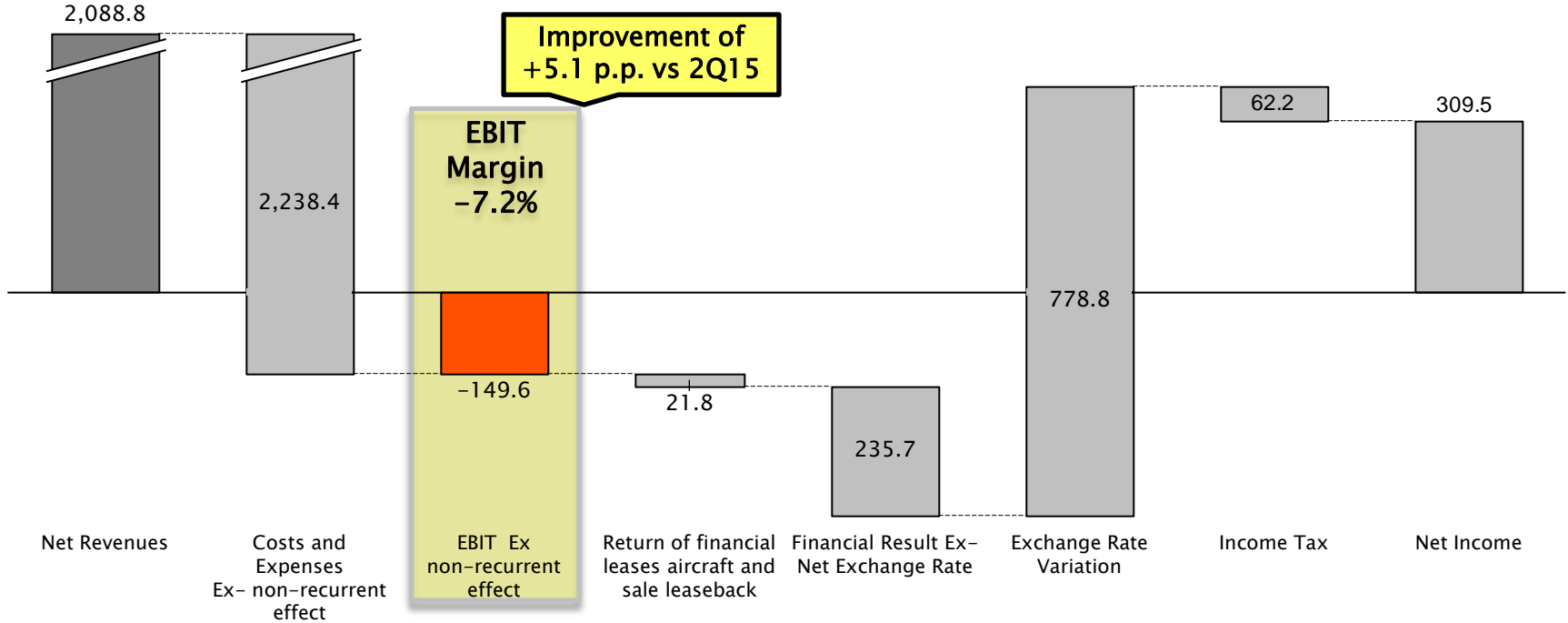


In R\$ million	2Q16	2Q15	% Var.	1H16	1H15	% Var.
Net revenues	2,088.8	2,131.1	-2.0%	4,801.9	4,636.3	3.6%
Operating costs	2,260.2	2,382.2	-5.1%	4,536.1	4,733.6	-4.2%
Earnings before interest and taxes	-171.4	-251.1	31.7%	265.8	-97.3	NM
Operating margin	-8.2%	-11.8%	+3.6 p.p.	5.5%	-2.1%	7.6 p.p.
Exchange rate variation	778.8	205.6	278,9%	1,432.3	-568.5	NM
Other fin. income (expenses)	-235.7	-189.1	24,7%	-503.0	-281.6	78,6%
Net income (loss)	309.5	-354.9	NM	1,066.6	-1,027.6	NM
EBIT (1)	-149.6	-261.3	-42.7%	75.0	-115.5	NM
EBIT Margin (1)	-7.2%	-12.3%	5.1 p.p.	1.6%	-2.5%	4.1 p.p.
EBITDAR (1)	247.0	80.5	206.8	910.3	541.4	68.1%
EBITDAR Margin (1)	11.8%	3.8%	8.0 p.p.	19.0%	11.7%	7.3 p.p.

(1) Excluding non-recurring items of R\$ 21.8 million losses in 2Q16 and R\$212.6 million in profit in 1Q16.

Currency Gains contributed to Results

Values in R\$ million

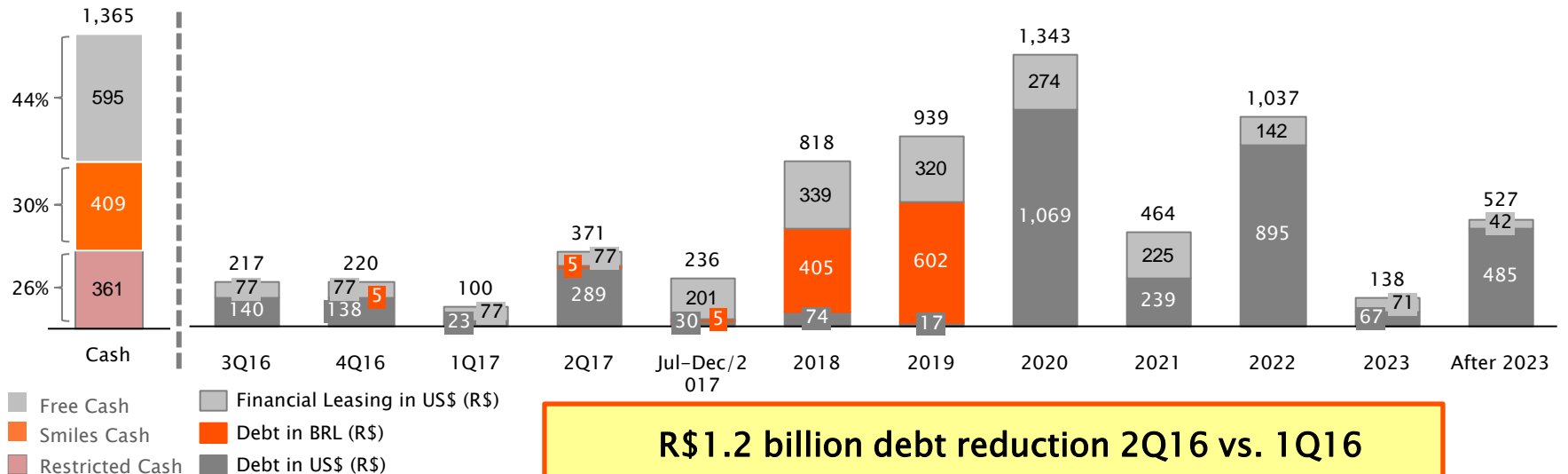
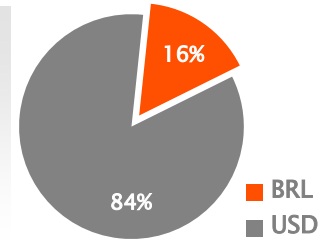


Excluding non-recurring loss on redelivered transactions of R\$21.8 million.

Reduction in short-term liquidity pressure

Values in R\$ million

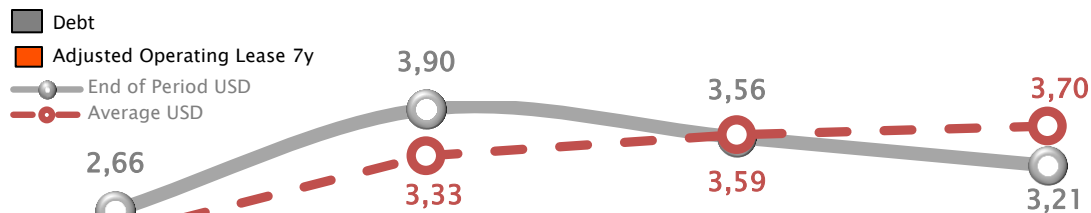
- USD Notes Exchange Offer: Debt reduction of R\$327 million
- Debentures Amortization Extension: R\$225 million rescheduled from 2016/2017 to 2019
- Brazilian Real Appreciation: 18% in 2016



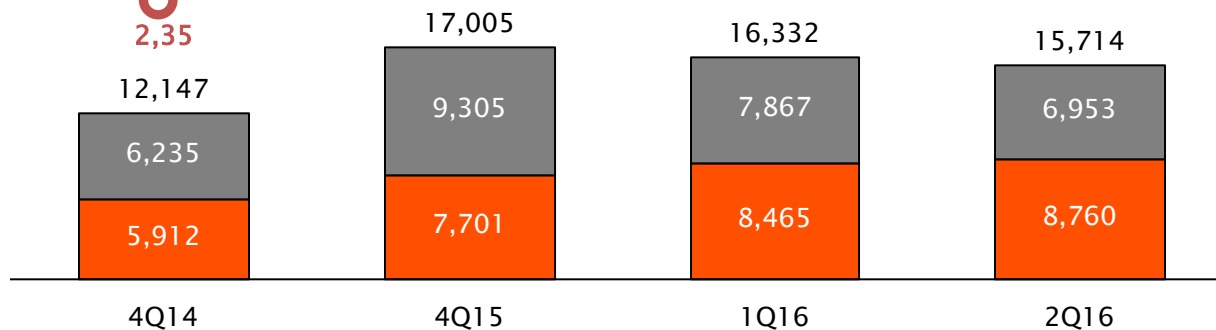
* Exchange rate of 3.2098 for amounts in US\$ and proforma for Exchange Offer.

Leverage Reduction

Values in R\$ million



¹On June 06, 2016 S&P revised GOL's rating to CCC



EBITDAR (LTM)	1,812.8	1,336.0	1,742.9	1,877.5
Total cash	2,527.1	2,299.5	1,815.1	1,365.2
Gross adjusted leverage	6.7x	12.7x	9.4x	8.4x
Net adjusted leverage	5.3x	11.0x	8.3x	7.6x
Rating (S&P)	B	B-	CCC-	CCC ¹
Outlook	Stable	Stable	Stable	Negative

12-24 months
6 - 6.5x

Guidance

Paulo Kakinoff
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Guidance



Statistic	Historic Results	Previous Guidance Full year 2016		Revised Guidance Full year 2016	
	1H16	From	To	From	To
Total supply variation (ASK)	-7.5%	-5%	-8%	-5%	-8%
Total seats	-14.3%	-15%	-18%	-15%	-18%
Total volume of departures	-14.4%	-15%	-18%	-15%	-18%
Average exchange rate (BRL/USD)	3.70			3.90	3.50
Average jet fuel price in BRL	1.94			2.30	1.90
Operating Margin (EBIT)	5.5%			4.0%	6.0%

Q&A



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Concluding Remarks



- ❑ New network consolidation
- ❑ Supply–demand rationalization
- ❑ Cost and efficiency gains
- ❑ Completion of fleet restructuring plan
- ❑ Liquidity and capital structure improvements