

Gol Intelligent Airlines Inc.  
Form 6-K  
October 31, 2006

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**SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 6-K**

**REPORT OF FOREIGN ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16 OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**For the month of October, 2006**

**(Commission File No. 001-32221) ,**

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**GOL LINHAS AÉREAS INTELIGENTES S.A.**  
*(Exact name of registrant as specified in its charter)*

**GOL INTELLIGENT AIRLINES INC.**  
*(Translation of Registrant's name into English)*

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**Rua Tamoios 246  
Jardim Aeroporto  
04630-000 São Paulo, São Paulo  
Federative Republic of Brazil**  
*(Address of Registrant's principal executive offices)*

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Indicate by check mark whether the registrant files or will file  
annual reports under cover Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark whether the registrant by furnishing the  
information contained in this Form is also thereby furnishing the  
information to the Commission pursuant to Rule 12g3-2(b) under  
the Securities Exchange Act of 1934.

Yes  No

If "Yes" is marked, indicated below the file number assigned to the  
registrant in connection with Rule 12g3-2(b):

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**FEDERAL PUBLIC SERVICE  
CVM - BRAZILIAN SECURITIES COMMISSION  
QUARTERLY INFORMATION - ITR  
COMMERCIAL, INDUSTRY & OTHER TYPES OF  
COMPANY**

September 30, 2006

External Disclosure  
Brazilian Corporate Law

**REGISTRATION WITH CVM SHOULD NOT BE CONSTRUED AS AN EVALUATION OF THE  
COMPANY.  
COMPANY MANAGEMENT IS RESPONSIBLE FOR THE INFORMATION PROVIDED.**

**01.01 - IDENTIFICATION**

|  |  |   |
|--|--|---|
| 1 - CVM CODE<br><b>01956-9</b>                         | 2 - COMPANY NAME<br><b>GOL LINHAS AÉREAS INTELIGENTES<br/>S.A.</b> | 3 - CNPJ (Corporate Taxpayer's ID)<br><b>06.164.253/0001-87</b> |
| 4 - NIRE (Corporate Registry ID)<br><b>35300314441</b> |  |   |

**01.02 - HEADQUARTERS**

|                                   |                            |                               |                    |                 |
|-----------------------------------|----------------------------|-------------------------------|--------------------|-----------------|
| 1 - ADDRESS<br>RUA TAMOIOS, 246   |                            | 2 - DISTRICT<br>JD. AEROPORTO |                    |                 |
| 3 - ZIP CODE<br>04630-000         |                            | 4 - CITY<br>SÃO PAULO         |                    | 5 - STATE<br>SP |
| 6 - AREA CODE<br>011              | 7 - TELEPHONE<br>3169-6003 | 8 - TELEPHONE<br>3169-6002    | 9 - TELEPHONE<br>- | 10 - TELEX      |
| 11 - AREA CODE<br>011             | 12 - FAX<br>3169-6257      | 13 - FAX<br>3169-6245         | 14 - FAX<br>-      |                 |
| 15 - E-MAIL<br>ri@golnaweb.com.br |                            |                               |                    |                 |

**01.03 - INVESTOR RELATIONS OFFICER (Company Mailing Address)**

|  |                            |                            |                              |                 |
|--|----------------------------|----------------------------|------------------------------|-----------------|
| 1 - NAME<br>RICHARD FREEMAN LARK JR        |                            |                            |                              |                 |
| 2 - ADDRESS<br>RUA GOMES DE CARVALHO, 1629 |                            |                            | 3 - DISTRICT<br>VILA OLÍMPIA |                 |
| 3 - ZIP CODE<br>04547-006                  |                            | 4 - CITY<br>SÃO PAULO      |                              | 5 - STATE<br>SP |
| 6 - AREA CODE<br>011                       | 7 - TELEPHONE<br>3169-6224 | 8 - TELEPHONE<br>3169-6222 | 9 - TELEPHONE<br>-           | 10 - TELEX      |
| 11 - AREA CODE<br>011                      | 12 - FAX<br>3169-6257      | 13 - FAX<br>3169-6245      | 14 - FAX<br>-                |                 |
| 15 - E-MAIL<br>rflark@golnaweb.com.br      |                            |                            |                              |                 |

**01.04 - ITR REFERENCE AND AUDITOR INFORMATION**

| CURRENT YEAR  |            | CURRENT QUARTER |                  |           | PREVIOUS QUARTER  |                  |           |
|---|------------|-----------------|------------------|-----------|---|------------------|-----------|
| 1 -<br>BEGINNING  | 2. END     | 3 -<br>QUARTER  | 4 -<br>BEGINNING | 5 - END   | 6 -<br>QUARTER  | 7 -<br>BEGINNING | 8 - END   |
| 01/01/2006  | 12/31/2006 | 3               | 7/1/2006         | 9/30/2006 | 2   | 4/1/2006         | 6/30/2006 |
| <b>09 - INDEPENDENT ACCOUNTANT</b><br>ERNEST & YOUNG AUDITORES INDEPENDENTES S.S. |            |                 |                  |           | <b>10 - CVM CODE</b><br>00471-5   |                  |           |
| <b>11. TECHNICIAN IN CHARGE</b><br>MARIA HELENA PETTERSSON                        |            |                 |                  |           | <b>12 TECHNICIAN S CPF<br/>(INDIVIDUAL TAXPAYER S<br/>REGISTER)</b><br>009.909.788-50 |                  |           |

**01.05 - CAPITAL STOCK**

| Number of Shares<br>(in thousands) | 1 - CURRENT QUARTER<br>9/30/2006 | 2 - PREVIOUS QUARTER<br>6/30/2006 | 3 - SAME QUARTER,<br>PREVIOUS YEAR<br>9/30/2005 |
|------------------------------------|----------------------------------|-----------------------------------|---|
| <b>Paid-in Capital</b>             |                                  |                                   |   |
| 1 - Common                         | 107,591                          | 109,448                           | 109,448   |
| 2 - Preferred                      | 88,615                           | 86,758                            | 85,821  |
| 3 - Total                          | 196,206                          | 196,206                           | 195,269   |
| <b>Treasury Stock</b>              |                                  |                                   |   |
| 4 - Common                         | 0                                | 0                                 | 0   |
| 5 - Preferred                      | 0                                | 0                                 | 0   |
| 6 - Total                          | 0                                | 0                                 | 0   |

**01.06 - COMPANY PROFILE**

|  |
|--|
| <b>1 - TYPE OF COMPANY</b><br>Commercial, Industrial and Others                        |
| <b>2 - STATUS</b><br>Operational   |
| <b>3 - NATURE OF OWNERSHIP</b><br>Domestic Private Company                             |
| <b>4 - ACTIVITY CODE</b><br>3140 Holding Company Transportation and Logistics Services |
| <b>5 - MAIN ACTIVITY</b><br>EQUITY INTEREST MANAGEMENT                                 |
| <b>6 - CONSOLIDATION TYPE</b><br>Total   |
| <b>7 - TYPE OF REPORT OF INDEPENDENT AUDITORS</b><br>Unqualified                       |

**01.07 - COMPANIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS**

| 1 - ITEM | 2 - CNPJ (Corporate<br>Taxpayer s ID) | 3 - COMPANY NAME |
|----------|---------------------------------------|------------------|
|          |                                       |                  |

**01.08 - CASH DIVIDENDS APPROVED AND/OR PAID DURING AND AFTER THE QUARTER**

| 1 - ITEM | 2 - EVENT | 3 - APPROVAL | 4 - TYPE                   | 5 - DATE OF<br>PAYMENT | 6 - TYPE OF<br>SHARE | 7 - AMOUNT<br>PER SHARE |
|----------|-----------|--------------|----------------------------|------------------------|----------------------|-------------------------|
| 01       | RCA       | 09/15/2006   | Interest on Own<br>Capital | 11/14/2006             | ON                   | 0,1500000000            |
| 02       | RCA       | 09/15/2006   | Interest on Own<br>Capital | 11/14/2006             | PN                   | 0,1500000000            |
| 03       | RCA       | 09/15/2006   | Dividend                   | 11/14/2006             | ON                   | 0,1700000000            |
| 04       | RCA       | 09/15/2006   | Dividend                   | 11/14/2006             | PN                   | 0,1700000000            |



**01.09 - SUBSCRIBED CAPITAL AND CHANGES IN THE CURRENT YEAR**

| 1 - ITEM | 2 - DATE OF CHANGE | 3 - CAPITAL STOCK<br>(in thousands of reais) | 4 - AMOUNT OF CHANGE<br>(in thousands of reais) | 5 - NATURE OF CHANGE | 7 - NUMBER OF SHARES ISSUED (Thousands) | 8 - SHARE PRICE WHEN ISSUED (in Reais) |
|----------|--------------------|--|---|----------------------|---|--|
|----------|--------------------|--|---|----------------------|---|--|

**01.10 - INVESTOR RELATIONS OFFICER**

| 1 DATE    | 2 SIGNATURE |
|-----------|-------------|
| 7/13/2006 |             |

**02.01 - BALANCE SHEET - ASSETS (in thousands of Reais)**

| 1 - CODE   | 2 - DESCRIPTION                  | 3 9/30/2006 | 4 6/30/2006 |
|------------|----------------------------------|-------------|-------------|
| 1          | Total Assets                     | 2,033,000   | 1,823,694   |
| 1.01       | Current Assets                   | 682,152     | 511,192     |
| 1.01.01    | Cash Equivalents                 | 576,838     | 458,478     |
| 1.01.01.01 | Cash and Banks                   | 86,212      | 109,204     |
| 1.01.01.02 | Short-term investments           | 490,626     | 349,274     |
| 1.01.02    | Credits                          | 0           | 0           |
| 1.01.03    | Inventories                      | 0           | 0           |
| 1.01.04    | Others                           | 105,314     | 52,714      |
| 1.01.04.01 | Deferred Taxes and Carryforwards | 25,829      | 29,906      |
| 1.01.04.02 | Prepaid Expenses                 | 680         | 813         |
| 1.01.04.03 | Dividends Receivable             | 30,140      | 21,995      |
| 1.01.04.04 | Credits with Lessors             | 48,665      | 0           |
| 1.02       | Long-Term Assets                 | 25,134      | 42,636      |
| 1.02.01    | Sundry Credits                   | 24,909      | 42,281      |
| 1.02.01.01 | Deferred Taxes                   | 24,909      | 42,281      |
| 1.02.02    | Credit with Related Parties      | 0           | 0           |
| 1.02.02.01 | Affiliates                       | 0           | 0           |
| 1.02.02.02 | Subsidiaries                     | 0           | 0           |
| 1.02.02.03 | Other Related Parties            | 0           | 0           |
| 1.02.03    | Others                           | 225         | 355         |
| 1.03       | Permanent Assets                 | 1,325,714   | 1,269,866   |
| 1.03.01    | Investments                      | 1,325,714   | 1,269,866   |
| 1.03.01.01 | In Affiliates                    | 0           | 0           |
| 1.03.01.02 | In Subsidiaries                  | 1,325,714   | 1,269,866   |
| 1.03.01.03 | Other Investments                | 0           | 0           |
| 1.03.02    | Property, plant and equipment    | 0           | 0           |
| 1.03.03    | Deferred charges                 | 0           | 0           |

**02.02 - BALANCE SHEET - LIABILITIES (in thousands of Reais)**

| 1 - CODE      | 2 - DESCRIPTION                       | 3 9/30/2006 | 4 6/30/2006 |
|---------------|---------------------------------------|-------------|-------------|
| 2             | Total Liabilities                     | 2,033,000   | 1,823,694   |
| 2.01          | Current Liabilities                   | 112,546     | 66,132      |
| 2.01.01       | Loans and Financing                   | 0           | 0           |
| 2.01.02       | Debentures                            | 0           | 0           |
| 2.01.03       | Suppliers                             | 109         | 584         |
| 2.01.04       | Taxes, Charges and Contributions      | 14,195      | 4,006       |
| 2.01.05       | Dividends Payable                     | 62,962      | 61,542      |
| 2.01.06       | Provisions                            | 0           | 0           |
| 2.01.07       | Debts with Related Parties            | 0           | 0           |
| 2.01.08       | Others                                | 35,280      | 0           |
| 2.02          | Long-Term Liabilities                 | 0           | 0           |
| 2.02.01       | Loans and Financing                   | 0           | 0           |
| 2.02.02       | Debentures                            | 0           | 0           |
| 2.02.03       | Provisions                            | 0           | 0           |
| 2.02.04       | Debts with Related Parties            | 0           | 0           |
| 2.02.05       | Others                                | 0           | 0           |
| 2.03          | Deferred Income                       | 0           | 0           |
| 2.05          | Shareholders Equity                   | 1,920,454   | 1,757,562   |
| 2.05.01       | Paid-Up Capital                       | 993,654     | 993,181     |
| 2.05.02       | Capital Reserve                       | 89,556      | 89,556      |
| 2.05.03       | Revaluation Reserve                   | 0           | 0           |
| 2.05.03.01    | Own Assets                            | 0           | 0           |
| 2.05.03.02    | Subsidiaries/Affiliates               | 0           | 0           |
| 2.05.04       | Profit Reserves                       | 837,244     | 674,825     |
| 2.05.04.01    | Legal                                 | 0           | 0           |
| 2.05.04.02    | Statutory                             | 0           | 0           |
| 2.05.04.03    | For Contingencies                     | 0           | 0           |
| 2.05.04.04    | Realizable Profit                     | 0           | 0           |
| 2.05.04.05    | Profit Retention                      | 839,204     | 669,070     |
| 2.05.04.06    | Special for Non-Distributed Dividends | 0           | 0           |
| 2.05.04.07    | Other Profit Reserves                 | (1,960)     | 5,755       |
| 2.05.04.07.01 | Unrealized hedge result, net          | (1,960)     | 5,755       |
| 2.05.05       | Accrued Profit/Loss                   | 0           | 0           |



**03.01 - STATEMENT OF INCOME (in thousands of reais)**

| 1 - CODE   | 2 DESCRIPTION                                    | 3 7/1/2006<br>to 9/30/2006 | 4 - 1/1/2006<br>to 9/30/2006 | 5 - 7/1/2005<br>to 9/30/2005 | 6 - 1/1/2005<br>to 9/30/2005 |
|------------|--|----------------------------|------------------------------|------------------------------|------------------------------|
| 3.01       | Gross Revenue from Sales and/or Services         | 0                          | 0                            | 0                            | 0                            |
| 3.02       | Gross Revenue Deductions                         | 0                          | 0                            | 0                            | 0                            |
| 3.03       | Net Revenue from Sales and/or Services           | 0                          | 0                            | 0                            | 0                            |
| 3.04       | Cost of Goods and Services Sold                  | 0                          | 0                            | 0                            | 0                            |
| 3.05       | Gross Income                                     | 0                          | 0                            | 0                            | 0                            |
| 3.06       | Operating Expenses/Revenue                       | 241,125                    | 418,052                      | 116,798                      | 273,014                      |
| 3.06.01    | Sales  | 0                          | 0                            | 0                            | 0                            |
| 3.06.02    | General and Administrative                       | (2,049)                    | (6,756)                      | (1,054)                      | (1,331)                      |
| 3.06.03    | Financial  | (7,826)                    | (60,333)                     | 10,870                       | 9,064                        |
| 3.06.03.01 | Financial Revenues                               | 22,977                     | 38,474                       | 15,360                       | 29,257                       |
| 3.06.03.02 | Financial Expenses                               | (30,803)                   | (98,807)                     | (4,490)                      | (20,193)                     |
| 3.06.04    | Other Operating Revenues                         | 48,665                     | 48,665                       | 0                            | 0                            |
| 3.06.05    | Other Operating Expenses                         | 0                          | 0                            | 0                            | 0                            |
| 3.06.06    | Equity in the Earnings                           | 202,335                    | 436,476                      | 106,982                      | 265,281                      |
| 3.07       | Operating Income                                 | 241,125                    | 418,052                      | 116,798                      | 273,014                      |
| 3.08       | Non-Operating Income                             | 0                          | 0                            | 0                            | 0                            |
| 3.08.01    | Revenues   | 0                          | 0                            | 0                            | 0                            |
| 3.08.02    | Expenses   | 0                          | 0                            | 0                            | 0                            |
| 3.09       | Income Before Tax/Holding                        | 241,125                    | 418,052                      | 116,798                      | 273,014                      |
| 3.10       | Provision for Income Tax and Social Contribution | (38,397)                   | (23,920)                     | 0                            | 0                            |
| 3.11       | Deferred Income Tax                              | 0                          | 0                            | 0                            | 0                            |
| 3.12       | Statutory Holding/Contributions                  | 0                          | 0                            | 0                            | 0                            |
| 3.12.01    | Holdings   | 0                          | 0                            | 0                            | 0                            |
| 3.12.02    | Contributions                                    | 0                          | 0                            | 0                            | 0                            |
| 3.13       | Reversal of Interest on Own Capital              | 29,504                     | 96,947                       | 0                            | 0                            |
| 3.15       | Income/Loss for the Period                       | 232,232                    | 491,079                      | 116,798                      | 273,014                      |
|            | No. SHARES, EX-TREASURY (in thousands)           | 196,206                    | 196,206                      | 195,269                      | 195,269                      |
|            | EARNINGS PER SHARE                               | 1.18361                    | 2.50287                      | 0.59814                      | 1.39814                      |
|            | LOSS PER SHARE                                   |                            |                              |                              |                              |

**04.01 - NOTES TO THE FINANCIAL STATEMENTS****1. Business Overview**

Gol Linhas Aéreas Inteligentes S.A. (Company or GLAI) is the parent company of Gol Transportes Aéreos S.A. (GOL), a low-cost low-fare airline company based in Brazil, which provides regular air transportation services among Brazilian cities and also for cities in Argentina, Bolivia, Paraguay, Uruguay and Chile. The Company's strategy is to grow and increase results of its businesses, popularizing and stimulating demand for safe air transportation in South America for business and leisure passengers, keeping its costs among the lowest in the industry world wide. The Company's fleet, simplified and with a single class of services, ranks among the sector's newest and most modern, with low operation costs and high utilization and efficiency levels.

GOL started its operations at January 15, 2001 and at September 30, 2006 it operated a 54-aircraft fleet, comprised of 14 Boeing 737-800, 26 Boeing 737-700 and 14 Boeing 737-300. During the nine first months of 2006, the Company inaugurated 8 new destinations, increasing served destinations to 53 (46 in Brazil, 3 in Argentina, 1 in Bolivia, 1 in Paraguay, 1 in Uruguay and 1 in Chile).

At September 30, 2006 and June 30, 2006, the Company's share ownership structure is as follows:

|                      | 09.30.2006     |                |                | 06.30.2006     |                |                |
|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                      | Common         | Preferred      | Total          | Common         | Preferred      | Total          |
| ASAS Investment Fund | 100.00%        | 39.32%         | 72.59%         | 98.30%         | 40.16%         | 72.60%         |
| Others               | -              | 3.06%          | 1.39%          | 1.70%          | 1.02%          | 1.40%          |
| Market               | -              | 57.62%         | 26.02%         | -              | 58.82%         | 26.00%         |
|                      | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> |

The Company incorporated in March 2006 two new subsidiaries, GAC Inc. and Gol Finance, located in Cayman Islands, whose activities are relate to aircraft acquisition and financing.

**2. Basis of Preparation and Presentation of the Quarterly Information**

The Quarterly Information were prepared in accordance with the generally accepted accounting principles in Brazil and the provisions contained in the Brazilian Corporation Law, in the Chart of Accounts prepared by the Civil Aviation Department - DAC (now Civil Aviation National Agency - ANAC) and the supplementary rules of the Brazilian Securities and Exchange Commission - CVM, consistently applied to the financial statements for the year ended December 31, 2005.

Additionally, the Management started to adopt the following accounting practices:

a) Sale and leaseback transactions

The gains on sale-leaseback transactions are fully recognized as non-operational results.



b) Return conditions

The Company operates leased aircraft based on operating lease agreements. The lease agreements establish the conditions in which the aircraft will have to be returned at the end of the leasing period. Depending on the aircraft and its parts utilization and maintenance conditions, at the date of the end of the agreement, the Company may be asked to make additional payments to the lessor regarding such contractual obligations. The Company accrues those costs, if any, on the date they can be estimated and probable. Currently there is no accrual constituted for this purpose.

c) Information on disclosures made based on USGAAP

The accounting practices adopted in Brazil differ from accounting principles generally accepted in the United States USGAAP applicable to the air transportation segment, especially the allocation of maintenance expenses to income. At September 30, 2006, the net income for the year, in accordance with accounting practices adopted in Brazil (BRGAAP), was R\$ 14,598 higher (R\$ 88,729 at December 31, 2005) due to this difference and the respective tax effects in comparison with net income under USGAAP. At this same date, shareholder's equity presented in the Company's corporate Quarterly Information was R\$237,763 (R\$ 249,416 at December 31, 2005) lower due to, mainly, the gains on aircraft sale and leaseback transactions, the accumulated difference in the allocation of maintenance expenses and respective tax effects, also as the result of the accounting for stock options granted to executives and employees. There are also certain differences in the classification of assets, liabilities and income items. The Company discloses significant information on transactions in a consistent way in the corporate Quarterly Information and in accordance with USGAAP.

The Quarterly Information includes in the appendix I, as supplementary information, the statement of cash flow prepared by the indirect method, from accounting records, based on the guidelines of IBRACON - Brazilian Institute of Independent Auditors. Management considers this information material to the market.

The Company has adopted the Level 2 Differentiated Corporate Governance Practices with the São Paulo Stock Exchange - BOVESPA, starting to integrate indices of Shares with Differentiated Corporate Governance - IGC, Shares with Differentiated Tag Along - ITAG and Corporate Sustainability - ISE, created to differ companies committed to adopting differentiated corporate governance practices. The Company's Quarterly Information comprise the additional requirements of BOVESPA *Novo Mercado*.

The Quarterly Information includes the accounts of Gol Linhas Aéreas Inteligentes S.A. and its controlled enterprises Gol Transportes Aéreos S.A., GAC Inc., Gol Finance LLP e Gol Finance. The consolidation process of patrimonial and result

accounts consolidation consists in summing horizontally the balances of the assets, liabilities, revenues and expenses accounts, according to their nature, added to the elimination of the parent company's participation in the equity.

The Quarterly Information are presented in compliance with the pronouncement of IBRACON NPC 27 Accounting Statements Presentation and Disclosures.

### 3. Cash and Cash Equivalents and short-term investments

|                                   | Parent Company |            | Consolidated   |            |
|-----------------------------------|----------------|------------|----------------|------------|
|                                   | 09.30.2006     | 06.30.2006 | 09.30.2006     | 06.30.2006 |
| <b>Cash and cash equivalents</b>  |                |            |                |            |
| <b>Cash and banks</b>             | <b>1,719</b>   | 3,831      | <b>65,981</b>  | 58,258     |
| <b>Financial Investments</b>      |                |            |                |            |
| Fixed income                      | <b>28,521</b>  | 41,618     | <b>83,902</b>  | 83,287     |
| Variable income                   | <b>708</b>     | 156        | <b>1,330</b>   | 487        |
| Government securities             | <b>2,139</b>   | -          | <b>2,139</b>   | -          |
| Government securities overseas    | -              | -          | <b>389,674</b> | 212,313    |
| Bank Deposit Certificates - CDB   | <b>53,125</b>  | 63,599     | <b>123,752</b> | 93,970     |
|                                   | <b>86,212</b>  | 109,204    | <b>666,778</b> | 448,315    |
| <b>Short-term Investments</b>     |                |            |                |            |
| <b>Local currency</b>             |                |            |                |            |
| Bank Deposit Certificates - CDB   | <b>293,091</b> | 235,992    | <b>397,127</b> | 280,611    |
| Government securities             | <b>197,535</b> | 113,282    | <b>227,372</b> | 113,282    |
| Fixed income investments overseas | -              | -          | <b>314,918</b> | 413,115    |
|                                   | <b>490,626</b> | 349,274    | <b>939,417</b> | 807,008    |

Financial investments in CDB (Bank Deposit Certificate) have an average remuneration, net of taxes, of approximately 1.12% per month, based on the CDI (Interbank Deposit Certificate) variation, and may be redeemed at any time without loss of the recognized revenue. Fixed income investments overseas refer to government securities issued by the Austrian Government held by Gol Transportes Aéreos S.A. that earn interest, net of taxes, of 0.87% per month and government securities issued by the U.S. Government (T-Bills) and securities issued by international banks (time deposits and swaps) that conjunctly bear interest of approximately 1.10% per month, being these held by GAC Inc.

The Company and its subsidiary Gol Transportes Aéreos S.A. hold 100% of the quotas of exclusive investment funds, constituted as mutual fund with indefinite term and with tax neutrality, resulting in benefits to their quota holders. Investments in exclusive investment funds have daily liquidity. The exclusive fund portfolio management is carried out by external managers who follow the investment policies established by the Company.

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Based on the financial statements of the exclusive funds, prepared according to the rules of the Central Bank of Brazil BACEN, these investments are classified as securities for trading, appraised at market value, whose earnings are reflected in financial revenues.

Financial assets integrating fund portfolios are recorded, as applicable, in the Special System for Settlement and Custody SELIC, in the Brazilian Custody and Settlement Chamber CETIP or on the Brazilian Mercantile and Futures Exchange BM&F.

Investment funds take part in operations comprising financial derivative instruments recorded in equity or compensation accounts that aim to manage the Company's exposure to market risks and foreign exchange rates. The value of financial investments linked to hedge agreement guarantees was R\$ 8,672 as of September 30. Information concerning risk management policies and the positions of open derivative financial instruments are detailed in Note 18.

**4. Accounts receivable**

|                                 | <b>Consolidated</b>               |                      |
|---------------------------------|-----------------------------------|----------------------|
|                                 | <b>September<br/>30,<br/>2006</b> | <b>June 30, 2006</b> |
| Credit Cards Administrators     | 561,121                           | 444,283              |
| Travel Agencies                 | 97,392                            | 88,896               |
| Cargo Agencies                  | 10,226                            | 10,371               |
| Other                           | 35,335                            | 18,747               |
|                                 | <b>704,074</b>                    | <b>562,297</b>       |
| Allowance for doubtful accounts | <b>(9,798)</b>                    | <b>(6,591)</b>       |
|                                 | <b>694,276</b>                    | <b>555,706</b>       |

The variation in the allowance for doubtful accounts is as follows:

|   | <b>Consolidated</b>               |                      |
|---|-----------------------------------|----------------------|
|   | <b>September<br/>30,<br/>2006</b> | <b>June 30, 2006</b> |
| Balances in the beginning of the period | 6,591                             | 5,808                |
| Additions                               | 3,652                             | 1,314                |
| Recoveries                              | (445)                             | (531)                |
| Final balances of the period            | <b>9,798</b>                      | <b>6,591</b>         |

The ageing of the accounts receivable is as follows:

|                                 | <b>Consolidated</b>           |                      |
|---------------------------------|-------------------------------|----------------------|
|                                 | <b>September 30,<br/>2006</b> | <b>June 30, 2006</b> |
| Not past-due                    | <b>691,463</b>                | 552,907              |
| Past-due for less than 30 days  | <b>1,908</b>                  | 2,799                |
| Past-due for 31 to 60 days      | <b>985</b>                    | 602                  |
| Past-due for 61 to 90 days      | <b>299</b>                    | 791                  |
| Past-due for 91 to 180 days     | <b>1,974</b>                  | 2,025                |
| Past-due for 181 to 360 days    | <b>3,303</b>                  | 2,533                |
| Past-due for more than 360 days | <b>4,142</b>                  | 640                  |
|                                 | <b>704,074</b>                | 562,297              |

#### 5. Deferred Taxes, Recoverable Taxes or Carryforwards, Short and Long-Term

|   | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|---|-----------------------|-------------------|---------------------|-------------------|
|   | <b>09.30.2006</b>     | <b>06.30.2006</b> | <b>09.30.2006</b>   | <b>06.30.2006</b> |
| <b>Recoverable taxes or carryforwards</b>                     |                       |                   |                     |                   |
| PIS and Cofins credits  | 26                    | 26                | 1,322               | 2,033             |
| Prepayment of IRPJ and CSSL                                   | 6,985                 | 6,985             | 10,469              | 8,553             |
| Credit of IRRF on financial investments                       | 8,523                 | 5,275             | 17,010              | 6,593             |
| Other   | 423                   | 423               | 13,513              | 5,828             |
|   | 15,957                | 12,709            | 42,314              | 23,007            |
| <b>Deferred income tax and social contribution</b>            |                       |                   |                     |                   |
| Accumulated tax losses and social contribution negative basis | 34,781                | 59,478            | 34,781              | 59,478            |
| Tax credits arising from incorporation                        | -                     | -                 | 15,080              | 16,540            |
| Temporary differences   | -                     | -                 | 17,433              | 12,492            |
|   | 34,781                | 59,478            | 67,294              | 88,510            |
| Short-Term  | (25,829)              | (29,906)          | (58,916)            | (46,036)          |
| Long-Term   | 24,909                | 42,281            | 50,692              | 65,481            |

Tax credits resulting from accumulated deficit and social contribution negative basis were recorded based on the expectation of the generation of future taxable income observing legal limitations. As further detailed, the forecast of the generation of future taxable income indicates the existence of taxable income in sufficient amount to realize the tax credits, and are supported by the Company's business plans, approved by the Board of Directors:



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|                        | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>Total</b> |
|------------------------|-------------|-------------|-------------|-------------|--------------|
| Forecasted realization | 16,602      | 37,466      | 11,730      | 1,496       | 67,294       |

**6. Inventories**

|                                | <b>Consolidated</b>               |                                   |
|--------------------------------|-----------------------------------|-----------------------------------|
|                                | <b>September<br/>30,<br/>2006</b> | <b>September<br/>30,<br/>2006</b> |
| Consumable material            | 2,040                             | 3,115                             |
| Parts and maintenance material | 22,820                            | 22,729                            |
| Prepayment to suppliers        | 30,800                            | 16,238                            |
| Other                          | 18,759                            | 6,978                             |
|                                | <b>74,419</b>                     | <b>49,060</b>                     |

**7. Investments in Subsidiaries**Turnover of investments:

|                               | <b>Gol<br/>Transportes<br/>Aéreos S.A.</b> | <b>Gol<br/>Finance<br/>LLP</b> | <b>GAC<br/>Inc.</b> | <b>Gol<br/>Finance</b> | <b>Total dos<br/>Investimentos</b> |
|-------------------------------|--|--------------------------------|---------------------|------------------------|------------------------------------|
| Balances at December 31, 2005 | 685,699                                    | 352,978                        | -                   | -                      | 1,038,677                          |
| Capital increase              | -  | 60,144                         |                     |                        | 60,144                             |
| Equity accounting             | 146,640                                    | (2,152)                        |                     |                        | 144,488                            |
| Unrealized hedge results      | 2,258                                      | -                              |                     |                        | 2,258                              |
| Dividends                     | (35,126)                                   | -                              |                     |                        | (35,126)                           |
| Balances at March 31, 2006    | 799,471                                    | 410,970                        | -                   | -                      | 1,210,441                          |
| Capital increase              | -  | -                              | -                   | -                      | -                                  |
| Equity accounting             | 59,093                                     | (7,607)                        | 2,181               | 3                      | 53,670                             |
| Unrealized hedge results      | 5,755                                      | -                              | -                   | -                      | 5,755                              |
| Balances at June 30, 2006     | 864,319                                    | 403,363                        | 2,181               | 3                      | 1,269,866                          |
| Capital increase              | -  | -                              | -                   | -                      | -                                  |
| Equity accounting             | 95,784                                     | 631                            | 74,358              | 1,335                  | 172,108                            |
| Unrealized hedge results      | (1,960)                                    | -                              | -                   | -                      | (1,960)                            |
| Prepaid dividends             | (114,300)                                  |                                |                     |                        | (114,300)                          |
| Balance at September 30, 2006 | <b>843,843</b>                             | <b>403,994</b>                 | <b>76,539</b>       | <b>1,338</b>           | <b>1,325,714</b>                   |

The gains on the sale-leaseback transactions during the period ended September 30, 2006 in the amount of R\$75,118 are registered in GAC Inc.

**8. Property, Plant and Equipment**

|   |   |             | <b>09.30.2006</b>                   |                  | <b>06.30.2006</b> |
|---|---|-------------|-------------------------------------|------------------|-------------------|
|   | <b>Annual<br/>depreciation<br/>rate</b> | <b>Cost</b> | <b>Accumulated<br/>Depreciation</b> | <b>Net value</b> | <b>Net value</b>  |
| <b>Flight equipment</b>                         |   |             |                                     |                  |                   |
| Aircraft  | 13%                                     | 31,851      | (10,536)                            | 21,315           | 16,201            |
| Spare engines                                   | 20%                                     | 54,202      | -                                   | 54,202           | 54,202            |
| Replacement part kits                           | 20%                                     | 225,381     | (93,428)                            | 131,953          | 124,674           |
| Aircraft and safety equipment                   | 20%                                     | 960         | (231)                               | 729              | 704               |
| Tools   | 10%                                     | 4,383       | (459)                               | 3,924            | 2,515             |
|   |   | 316,777     | (104,654)                           | 212,123          | 198,296           |
| <b>Property, plant and equipment in service</b> |   |             |                                     |                  |                   |
| Software licenses                               | 20%                                     | 21,601      | (8,925)                             | 12,676           | 13,075            |
| Computers and peripherals                       | 20%                                     | 12,266      | (4,077)                             | 8,189            | 6,335             |
| Vehicles  | 20%                                     | 2,958       | (1,144)                             | 1,814            | 1,268             |
| Machinery and equipment                         | 10%                                     | 9,633       | (1,022)                             | 8,611            | 5,944             |
| Furniture and fixtures                          | 10%                                     | 8,131       | (1,393)                             | 6,738            | 5,418             |
| Facilities                                      | 10%                                     | 2,933       | (327)                               | 2,606            | 1,982             |
| Communication equipment                         | 10%                                     | 1,360       | (293)                               | 1,067            | 993               |
| Brand names and patents                         | -                                       | 37          | -                                   | 37               | 37                |
| Maintenance Center                              | 7.27%                                   | 35,146      | -                                   | 35,146           | -                 |
| Leasehold improvements                          | 4%                                      | 3,589       | (1,567)                             | 2,022            | 2,416             |
| Work in progress                                | -                                       | 21,082      | -                                   | 21,082           | 48,554            |
|   |   | 118,736     | (18,748)                            | 99,988           | 86,022            |
|   |   | 435,513     | (123,402)                           | 312,111          | 284,318           |
| <b>Advances for aircraft acquisition</b>        |   |             |                                     |                  |                   |
|   | -                                       | 453,109     | -                                   | 453,109          | 453,109           |
|   |   | 888,622     | (123,402)                           | 765,220          | 737,427           |

Advances for aircraft acquisition refer to prepayments made based on the agreements entered into with Boeing Company for the purchase of 61 Boeing 737-800 Next Generation (67 aircraft at June 30, 2006), as further explained in Note 16, and capitalized interest of R\$ 32,410 are included (R\$ 26,496 at June 30, 2006). Due to the sale-leaseback transactions agreed, the pre-delivery deposits that will be refunded are classified in current assets.

**9. Short-Term and Long-Term Borrowings**

|   | <b>Consolidated</b>                 |                                   |                                   |
|---|-------------------------------------|-----------------------------------|-----------------------------------|
|   | <b>Annual<br/>Interest<br/>rate</b> | <b>September<br/>30,<br/>2006</b> | <b>September<br/>30,<br/>2006</b> |
| <b>Current:</b>                                     |                                     |                                   |                                   |
| Brazilian Currency<br>Working capital<br>BNDES Loan | 16.13 %<br>10.15%                   | 117,731<br>5,462                  | 107,409                           |
|   |                                     | 123,193                           | 107,409                           |
| Foreign Currency<br>IFC Loan                        | 7.17%                               | 721                               | -                                 |
| Total short-term borrowings and financings          |                                     | 123,914                           | 107,409                           |
| <b>Long term:</b>                                   |                                     |                                   |                                   |
| Brazilian Currency<br>BNDES Loan                    | 10.15%                              | 58,666                            | -                                 |
| Foreign Currency<br>Bank Loans<br>IFC Loan          | 5.00%<br>7.17%                      | 131,405<br>107,150                | 110,715<br>-                      |
|   |                                     | 297,221                           | 110,715                           |
| Perpetual notes                                     | 8.75%                               | 453,414                           | 455,180                           |
| Total long-term borrowings and financings           |                                     | 750,635                           | 565,895                           |

**( a ) Working Capital**

At September 30, 2006, the Company maintained nine short-term credit lines with five financial institutions that allowed borrowings up to R\$ 446,000. Five of those lines are guaranteed by promissory notes which allow borrowings up to R\$ 264,000 and at September 30, 2006, there were outstanding borrowings under these facilities amounting R\$ 117,731.

**( b ) Perpetual Notes**

In April 2006, the company, through its wholly-owned subsidiary Gol Finance, issued R\$ 455 million (US\$ 200 million) guaranteed by GOL. The notes have no fixed final maturity date and are callable at par by the Company after five years of the issuance date. The Company intends to use the resource to finances the acquisition of aircraft as a complement to its own cash resources, and to the bank financings guaranteed by the U.S. Exim Bank. At September 30, 2006, there was R\$ 453,414 outstanding under this facility.

**( c ) Bank Loans**

In April 2006, the Company, through its wholly-owned subsidiary GAC Inc., arranged firm an up to R\$ 130 million (US\$ 60 million) borrowing facility with

Credit Suisse guaranteed by promissory notes. The tenor of the loan is 2.7 years with an annual interest rate of 3-month Libor. At September 30, 2006, there was R\$131,405 (US\$ 60,438 ) outstanding under this facility.

**( d ) Other Financings**

In June 2006, GOL signed long term borrowing agreements for R\$ 75.7 million (US\$ 35.0 million) with the BNDES (the Brazilian Development Bank) and for R\$ 108 million (US\$50 million) with the International Finance Corporation (IFC).

The BNDES credit line is being used to finance a major portion of the construction and expansion of the Gol Aircraft Maintenance Center at the International Airport of Confins, in the state of Minas Gerais, the acquisition of national equipment and materials. The loan has a term of five years with interest of TJLP + 2.65% p.a. and is guaranteed by accounts receivable. As of September 30, 2006, there was R\$62,812 (US\$ 28,890) outstanding under this facility.

The financings with the International Finance Corporation (IFC) is being used to acquire aircraft spare parts inventories and working capital. The loan has a term of six years with interest of LIBOR + 1.875% p.a. and is guaranteed by spare parts. As of September 30, 2006, there was R\$ 107,150 (US\$ 49,282) outstanding under this facility.

The long-term financings maturities, except for the Perpetual notes, considering the 12-month period from October 1 to September 30 of each year are as follows:

|                    | 2007   | 2008    | 2009   | 2010   | Beyond<br>2010 | Total   |
|--------------------|--------|---------|--------|--------|----------------|---------|
| Brazilian Currency |        |         |        |        |                |         |
| BNDES Loan         | 15,549 | 12,809  | 12,882 | -      | 17,426         | 58,666  |
| Foreign Currency   |        |         |        |        |                |         |
| IFC Loan           | 17,858 | 35,717  | 35,717 | 17,858 | -              | 107,150 |
| Bank Loans         | -      | 131,405 | -      | -      | -              | 131,405 |
|                    | 17,858 | 167,122 | 35,717 | 17,858 | -              | 238,555 |
| Total              | 33,407 | 179,931 | 48,599 | 17,858 | 17,426         | 297,221 |

**10. Provision for Contingencies**

|                                   | Consolidated          |               |
|-----------------------------------|-----------------------|---------------|
|                                   | September 30,<br>2006 | June 30, 2006 |
| Provision for labor contingencies | 680                   | 617           |
| Provision for civil contingencies | 4,059                 | 3,360         |
| Provision for tax contingencies   | 21,948                | 20,195        |
|                                   | 26,687                | 24,172        |





There were no significant changes in the status of the proceedings as disclosures in the Financial Statements of the year ended December 31, 2005.

## 11. Transactions with Related Parties

GOL maintains an agreement with associated companies for passenger and luggage transportation between airports and for the transportation of employees, executed under normal market conditions.

GOL is the tenant of the property located at Rua Tamoios, 246, in the city of São Paulo, State of São Paulo, owned by the associated company whose agreement expires at March 31, 2008 and has an annual price restatement clause based on the General Market Price Index (IGP-M).

The balances payable to the associated companies, in the amount of R\$ 63 (R\$ 130 at June 30, 2006) are included in the suppliers' balance jointly with third-party operations. The amount of expenses which affected the income for the second quarter of 2006 is R\$ 1,154 (R\$ 686 in the third quarter of 2005).

## 12. Shareholders' Equity

### a) Capital stock

i. On September 30, 2006, the capital stock is represented by 107,590,792 common shares and 88,615,674 preferred shares.

ii. The authorized capital stock at September 30, 2006 is R\$ 2,000,000. Within the authorized limit, the Company may, by means of the Board of Directors' resolution, increase the capital stock regardless of any amendment to the Bylaws, through issue of shares, without keeping any proportion between the different classes of shares. The Board of Directors shall determine the conditions for the issue, including the payment price and period. At the discretion of the Board of Directors, the preemptive right may be excluded, or the period for its exercise be reduced, in the issue of preferred shares, placement of which is made through sale on a stock exchange or by public subscription, or also through the exchange for shares, in a control acquisition public offering, as provided for by the law. Issue of beneficiary parties is prohibited under the terms of the Company's Bylaws.

iii. Preferred shares have no voting rights, except concerning the occurrence of specific facts allowed by the Brazilian legislation. These shares have as preference: priority in the reimbursement of capital, without premium and right to be included in the public offering arising from the sale of control, at the same price paid per share of the controlling block, assuring dividend at least equal to that of common shares.

iv. The quote of the shares of Gol Linhas Aéreas Inteligentes S.A., at September 30, 2006, on the São Paulo Stock Exchange BOVESPA, corresponded to R\$ 75.00 and US\$ 34.35 on the New York Stock Exchange NYSE. The equity value per share at September 30, 2006 is R\$ 9.79 (R\$ 9.00 at June 30, 2006).

b) Dividends and Interest on Shareholders Equity

In accordance with Law No. 9,249, - Changes in income tax, social contribution and other steps legislation, as of December 26, 1995 the Company made a payment to shareholders of interest on shareholders equity, calculated on the accounts of the shareholders equity and limited to the pro rata die variation of the Long-Term Interest Rate TJLP, in the amount of R\$ 35,391 (including the IRRF in the amount of R\$ 4,341) referring to the first quarter of 2006 and of R\$ 32,051 (including the IRRF in the amount of R\$ 1,292) referring to the second quarter of 2006.

The proposed interest on shareholders equity, in the amount of R\$ 29,506 (including the IRRF in the amount of R\$ 1,266), and the complementary dividends in the amount of R\$ 32,592 referring to the third quarter of 2006 will be paid in the fourth quarter of 2006. Such interest on shareholders equity will be inputed to the mandatory minimum dividend for the year ended December 31, 2006.

**13. Cost of Services Rendered, Sales and Administrative Expenses**

|                                    | 3Q06                            |                   | Consolidated                   |                |              |                                |       |
|------------------------------------|---------------------------------|-------------------|--------------------------------|----------------|--------------|--------------------------------|-------|
|                                    |                                 |                   | 07.01.2006<br>to<br>09.30.2006 |                |              | 07.01.2005<br>to<br>09.30.2005 |       |
|                                    | Cost of<br>services<br>rendered | Sales<br>expenses | Administrative<br>expenses     | Total          | %            | Total                          | %     |
| Salaries, wages and<br>benefits    | 97,257                          | -                 | 14,175                         | <b>111,432</b> | <b>13.1</b>  | 64,803                         | 11.9  |
| Aircraft fuel                      | 357,711                         | -                 | -                              | <b>357,711</b> | <b>42.2</b>  | 208,711                        | 38.2  |
| Aircraft leasing                   | 80,978                          | -                 | -                              | <b>80,978</b>  | <b>9.5</b>   | 62,135                         | 11.4  |
| Maintenance material and<br>repair | 41,267                          | -                 | -                              | <b>41,267</b>  | <b>4.9</b>   | 5,951                          | 1.1   |
| Aircraft and traffic<br>servicing  | 25,666                          | -                 | 19,463                         | <b>45,129</b>  | <b>5.3</b>   | 25,869                         | 4.7   |
| Sales and marketing                | -                               | 126,041           | -                              | <b>126,041</b> | <b>14.9</b>  | 80,439                         | 14.7  |
| Landing fees                       | 50,181                          | -                 | -                              | <b>50,181</b>  | <b>5.9</b>   | 24,190                         | 4.4   |
| Depreciation and<br>amortization   | 14,704                          | -                 | 1,769                          | <b>16,473</b>  | <b>1.9</b>   | 8,721                          | 1.6   |
| Other expenses                     | 14,616                          | -                 | 4,816                          | <b>19,432</b>  | <b>2.3</b>   | 65,165                         | 11.9  |
|                                    | <b>682,380</b>                  | <b>126,041</b>    | <b>40,223</b>                  | <b>848,644</b> | <b>100.0</b> | 545,984                        | 100.0 |

|                                 | 2006 Accumulated          |                | Consolidated            |                  |              |                  |              |
|---------------------------------|---------------------------|----------------|-------------------------|------------------|--------------|------------------|--------------|
|                                 |                           |                | 09.30.2006              |                  |              | 09.30.2005       |              |
|                                 | Cost of services rendered | Sales expenses | Administrative expenses | Total            | %            | Total            | %            |
| Salaries, wages and benefits    | 244,716                   | -              | 35,667                  | 280,383          | 12.5         | 172,638          | 11.6         |
| Aircraft fuel                   | 895,773                   | -              | -                       | 895,773          | 40.0         | 547,499          | 36.7         |
| Aircraft leasing                | 220,907                   | -              | -                       | 220,907          | 9.9          | 176,394          | 11.8         |
| Maintenance material and repair | 101,479                   | -              | -                       | 101,479          | 4.5          | 30,245           | 2.0          |
| Aircraft and traffic servicing  | 75,714                    | -              | 41,596                  | 117,310          | 5.2          | 63,240           | 4.2          |
| Sales and marketing             | -                         | 329,001        | -                       | 329,001          | 14.7         | 231,096          | 15.5         |
| Landing fees                    | 112,190                   | -              | -                       | 112,190          | 5.0          | 64,631           | 4.3          |
| Depreciation and amortization   | 39,326                    | -              | 4,823                   | 44,149           | 2.0          | 24,140           | 1.6          |
| Other expenses                  | 124,857                   | -              | 15,406                  | 140,263          | 6.2          | 181,920          | 12.3         |
|                                 | <b>1,814,962</b>          | <b>329,001</b> | <b>97,492</b>           | <b>2,241,455</b> | <b>100.0</b> | <b>1,491,803</b> | <b>100.0</b> |

At September 30, 2006, aircraft fuel expenses include R\$ 3,218, arising from results with derivatives represented by fuel hedge contract results expired in the period and measured as effective to hedge the expenses against fuel price fluctuations.

#### 14. Net Financial Income

|   | Parent Company                 |                                | Consolidated                   |                                |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|   | 07.01.2006<br>to<br>09.30.2006 | 01.01.2006<br>to<br>09.30.2006 | 07.01.2006<br>to<br>09.30.2006 | 01.01.2006<br>to<br>09.30.2006 |
| <b>Financial Expenses:</b>                  |                                |                                |                                |                                |
| Interest on loans                           | -                              | -                              | (24,497)                       | (51,409)                       |
| Foreign exchange variations on liabilities  | (1,150)                        | -                              | -                              | (24,468)                       |
| Losses on financial instruments             | -                              | -                              | (3,933)                        | (5,642)                        |
| CPMF tax                                    | (120)                          | (1,620)                        | (3,303)                        | (10,444)                       |
| Monetary variations on liabilities          | -                              | -                              | (1,059)                        | (2,446)                        |
| Interest on shareholder's equity            | (29,504)                       | (96,947)                       | (29,504)                       | (96,947)                       |
| Other                                       | (29)                           | (240)                          | (2,092)                        | (4,352)                        |
|   | <b>(30,803)</b>                | <b>(98,807)</b>                | <b>(64,388)</b>                | <b>(195,708)</b>               |
| <b>Financial income:</b>                    |                                |                                |                                |                                |
| Interest and gains on financial investments | -                              | 390                            | 16,943                         | 35,499                         |

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|                                       |                |                 |               |                 |
|---------------------------------------|----------------|-----------------|---------------|-----------------|
| Foreign exchange variations on assets | <b>6,268</b>   | -               | <b>3,810</b>  | <b>23,881</b>   |
| Gains on financial instruments        | <b>16,709</b>  | <b>38,084</b>   | <b>26,219</b> | <b>95,485</b>   |
| Capitalized interest                  | -              | -               | <b>9,149</b>  | <b>16,854</b>   |
| Monetary variations on assets         | -              | -               | <b>2,277</b>  | <b>3,750</b>    |
| Other                                 | -              | -               | <b>6,660</b>  | <b>6,853</b>    |
|                                       | <b>22,977</b>  | <b>38,474</b>   | <b>65,058</b> | <b>182,322</b>  |
| Net financial income                  | <b>(7,826)</b> | <b>(60,333)</b> | <b>670</b>    | <b>(13,386)</b> |

|   | Parent Company |            | Consolidated |            |
|---|----------------|------------|--------------|------------|
|   | 07.01.2005     | 01.01.2005 | 07.01.2005   | 01.01.2005 |
|   | to             | to         | to           | to         |
|   | 09.30.2005     | 09.30.2005 | 09.30.2005   | 09.30.2005 |
| <b>Financial Expenses:</b>                  |                |            |              |            |
| Interest on loans                           | -              | -          | (8,812)      | (19,257)   |
| Foreign exchange variations on liabilities  | (987)          | (3,581)    | (9,001)      | (24,027)   |
| CPMF tax                                    | -              | -          | (461)        | (1,337)    |
| Monetary variations on liabilities          | -              | (1,261)    | (2,040)      | (7,649)    |
| Public offering expenses                    | (3,503)        | (14,996)   | (3,503)      | (14,996)   |
| Other                                       | -              | (355)      | (4,158)      | (12,998)   |
|   | (4,490)        | (20,193)   | (27,975)     | (80,264)   |
| <b>Financial income:</b>                    |                |            |              |            |
| Interest and gains on financial investments | -              | 1,855      | 5,675        | 19,209     |
| Foreign exchange variations on assets       | 2,766          | 5,762      | 1,392        | 12,634     |
| Gains on financial instruments              | 12,416         | 19,440     | 41,123       | 102,094    |
| Other                                       | 178            | 2,200      | 133          | 2,531      |
|   | 15,360         | 29,257     | 48,323       | 136,468    |
| Net financial income                        | 10,870         | 9,064      | 20,348       | 56,204     |

## 15. Income Tax and Social Contribution

The reconciliation of income tax and social contribution expenses, calculated by applying combined statutory tax rates and the amounts presented in the result, is set forth below:

| Description   | Parent Company   |            | Consolidated   |            |
|---|------------------|------------|----------------|------------|
|   | 09.30.2006       | 09.30.2005 | 09.30.2006     | 09.30.2005 |
|   |                  |            |                |            |
| Income before income tax and social contribution                  | <b>418,052</b>   | 273,014    | <b>610,292</b> | 412,386    |
| Combined tax rate   | <b>34%</b>       | 34%        | <b>34%</b>     | 34%        |
| Income tax and social contribution based on the combined tax rate | <b>142,138</b>   | 92,825     | <b>207,499</b> | 140,211    |
| Equity accounting and other permanent differences                 | <b>(118,218)</b> | (92,825)   | <b>8,661</b>   | (839)      |
| Income tax and social contribution debited to the result          | <b>23,920</b>    | -          | <b>216,160</b> | 139,372    |

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|   |               |    |                |         |
|---|---------------|----|----------------|---------|
| Effective rate                              | <b>5.7%</b>   | 0% | <b>35.4%</b>   | 33.8%   |
| Current income tax and social contribution  | -             | -  | <b>215,946</b> | 145,584 |
| Deferred income tax and social contribution | <b>23,920</b> | -  | <b>214</b>     | (6,212) |
|   | <b>23,920</b> | -  | <b>216,160</b> | 139,372 |

## 16. Commitments

The Company leases its operating aircraft, airport terminals, other airport facilities, offices and other equipment. At September 30, 2006 the Company carried operational lease agreements on 54 aircraft (50 at June 30, 2006), with expiration dates from 2006 to 2014.

The following table provides the obligations under current and long-term debt obligations, due to operating lease commitments and aircraft purchase commitments as of September 30, 2006:

|                               | 2006    | 2007    | 2008    | 2009    | 2010    | Beyond<br>2010 | Total     |
|-------------------------------|---------|---------|---------|---------|---------|----------------|-----------|
| Operating lease commitments   |         |         |         |         |         |                |           |
| (1)                           | 338,790 | 275,806 | 223,244 | 137,321 | 93,750  | 206,837        | 1,275,748 |
| Pre-delivery deposits         |         |         |         |         |         |                |           |
| (2)                           | 82,693  | 116,003 | 80,206  | 66,748  | 69,998  | 81,424         | 497,072   |
| Aircraft purchase commitments |         |         |         |         |         |                |           |
| (3)                           | 233,704 | 327,846 | 226,676 | 188,640 | 194,435 | 227,858        | 1,399,160 |
| Total                         | 655,188 | 719,655 | 530,126 | 392,709 | 358,183 | 516,119        | 3,171,980 |

(1) The future commitments based on the operating lease contracts are denominated in U.S. Dollars. The Company has letters of credit in the amount of R\$ 50,650 as guarantee of payments for aircraft leasing.

(2) The Company makes payments arising from the construction phase for aircraft acquisitions utilizing the proceeds from equity and debt financings, cash flow from operations, short and medium-term credit lines and supplier financing.

(3) The Company has a purchase contract with Boeing for acquisition of Boeing 737-800 Next Generation aircraft being currently 61 firm orders and 34 purchase options. The firm orders have an approximate value of R\$ 9,327 million (corresponding to approximately US\$ 4,290 million) based on the aircraft list price, including estimated amounts for contractual price escalations and pre-delivery deposits during the phase of the aircraft construction. The commitments arising from the aircraft acquisition not include the portion that will be financed by long-term financings with guarantee of the aircraft by the U.S. Exim Bank (Exim), corresponding to 85% of the total cost of the aircraft. The Company has entered into sale-leaseback agreements for eight Boeing 737-800 Next Generation aircraft, six of which were delivered during the third quarter of 2006, and two which will be delivered during the fourth quarter of 2006.

## 17. Employees

The Company has a profit sharing plan and stock option plans. The employee profit sharing plan is linked to the economic and financial results measured based on the Company's performance indicators that assume the achievement of the Company's, its business units' and individual performance goals. On September 30, 2006, the accrual constituted based on Management's estimates and forecasts is R\$ 15,031 (R\$ 18,706 on September 30, 2005).

At January 2, 2006, the Compensation Committee, within the scope of its functions and in conformity with the Company's Stock Option Plan, approved the granting of 99,816 options for the purchase of the Company's preferred

shares at the price of R\$ 47.30 per share.



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The transactions are summarized below:

|   | <b>Stock<br/>options</b> | <b>Weighted average<br/>price for the year</b> |
|---|--------------------------|--|
| Outstanding at December 31, 2005                          | 321,251                  | 11.21  |
| Granted   | 99,816                   | 47.30  |
| Exercised   | -                        | -  |
| Outstanding at March 31, 2006                             | 421,067                  | 19.76  |
| Granted   | -                        | -  |
| Exercised   | 233,833                  | 3.04   |
| Outstanding at June 30, 2006                              | 187,234                  | 40.65  |
| Granted   | -                        | -  |
| Exercised   | -                        | -  |
| Outstanding at June 30, 2006                              | 187,234                  | 40.65  |
| Quantity of options to be exercised at December 31, 2004  | 507,765                  | 3.04   |
| Quantity of options to be exercised at December 31, 2005  | 158,353                  | 6.50   |
| Quantity of options to be exercised at March 31, 2006     | 254,573                  | 6.91   |
| Quantity of options to be exercised at June 30, 2006      | 36,984                   | 36.90  |
| Quantity of options to be exercised at September 30, 2006 | 17,484                   | 33.06  |

The weighted average fair values on the granting dates of the stock options, at September 30, 2006, were R\$ 18.81 and R\$ 38.72 respectively, and they were estimated based on the Black-Scholes stock option pricing model, assuming a 1.5 % dividend payment, an expected volatility of approximately 46%, a weighted average risk free rate of 14.7 % and a average maturity of 3.8 years.

The accounting practices adopted in Brazil do not require recognition of compensation expenses through the Company's stock options. If the Company had recorded in its results the compensation expenses by means of stock options, based on the fair value on the date of the options granting, the income of the third quarter of 2006 would have been R\$ 275 lower (R\$ 2,091 in the third quarter of 2005 and R\$ 8,632 in the year of 2005).

The exercise price interval and the remaining weighted average maturity of the outstanding options, as well as the exercise price interval for the options to be exercised at September 30, 2006 are summarized below:

| Exercise price<br>interval | Outstanding Options                     |   |  | Options to be exercised                     |  |       |
|----------------------------|---|---|--|---|--|-------|
|                            | Outstanding<br>options at<br>09/30/2006 | Remaining<br>weighted average<br>maturity | Weighted<br>average<br>exercise<br>price | Options to<br>be<br>exercised<br>09/30/2006 | Weighted<br>average<br>exercise<br>price |       |
|                            | 33.06                                   | 87,418                                    | 3.25                                     | 33.06                                       | 17,484                                   | 33.06 |
|                            | 47.30                                   | 99,816                                    | 4.25                                     | 47.30                                       | -  | 47.30 |

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|             |         |      |       |        |       |
|-------------|---------|------|-------|--------|-------|
| 33.06-47.30 | 187,234 | 3.78 | 40.65 | 17,484 | 33.06 |
|-------------|---------|------|-------|--------|-------|

## 18. Financial Derivative Instruments

The Company is exposed to several market risks arising from its operations. Such risks involve mainly the effects of changes in fuel price and foreign exchange rate risk, in view that its revenues are generated in Reais and the Company has significant commitments in US dollars, credit risks and interest rate risks. The Company uses derivative financial instruments to minimize those risks. The Company maintains a formal risk management policy under the management of its executive officers, its Risk Policy Committee and its Board of Directors.

The management of these risks is performed through control policies, establishing limits, as well as other monitoring techniques, mainly mathematical models adopted for the continuous monitoring of exposures. The exclusive investment funds in which the Company and its subsidiary Gol are quota holders are used as means for the risk coverage contracting according to the Company's risk management policies.

Airlines are exposed to aircraft fuel price change effects. Aircraft fuel consumption in the third quarter of 2006 and 2005 represented approximately 42.4% and 38.2% of the Company's operating expenses, respectively. The Company periodically uses future contracts, swaps and oil options and its derivatives to manage those risks. The purpose of the fuel hedge is the fuel acquisition operating expenses. As the aircraft fuel is not traded on a commodities exchange, the liquidity and alternatives for contracting hedge operations of that item are limited. However, the Company has found effective commodities to hedge aircraft fuel costs, mainly crude oil. Historically, oil prices have been highly related to aircraft fuel prices, which makes oil derivatives effective in compensating oil price fluctuations, in order to provide short-term protection against sudden fuel price increases. The futures contracts are listed on NYMEX, swaps are contracted with prime international banks and the options can be either those listed on NYMEX or those traded with prime international banks.

The Company also engages in financial derivative instruments agreements with first-tier banks for cash management purposes. The financial derivative instruments are composed of synthetic fixed income option agreements and swaps contracts to obtain the Brazilian overnight deposit rate for investments made at fixed-rates or denominated in dollars.

### a) Fuel price risk

The Company's derivatives contracts, at September 30, 2006, are summarized as follows (in thousands, except otherwise indicated):

|  | <b>09.30.2006</b> | <b>12.31.2005</b> |
|--|-------------------|-------------------|
| Fair value of derivative financial instruments at the end of the period  | R\$ (3,526)       | R\$ 8,464         |
| Average term (months)  | 5                 | 8                 |
| Hedged volume (barrels)  | 2,144,000         | 1,431,000         |
| <b>Period ended:</b>   | <b>09.30.2006</b> | <b>09.30.2005</b> |
| Gains with hedge effectiveness recognized as aircraft fuel expenses      | R\$ 0             | R\$ 3,342         |
| Gains (Losses) with hedge ineffectiveness recognized as financial income | R\$ (322)         | -                 |
| Current percentage of hedged consumption (during the quarter)            | 85%               | 52%               |

The Company utilizes financial derivative instruments as hedges to decrease its exposure to jet fuel price increases for short-term time frames. The Company currently has a combination of purchased call options, collar structures, and fixed price swap agreements in place to hedge approximately 79%, 34% and 29% of its jet fuel requirements for the fourth quarter of 2006, first quarter of 2007 and second quarter of 2007, respectively, at average crude equivalent prices of approximately US\$ 76, US\$ 69 and US\$ 72 per barrel, respectively.

The Company classifies fuel hedge as cash flow hedge, and recognizes the changes of market fair value of effective hedges accounted in the shareholders' equity until the hedged fuel is consumed. The fuel hedge effectiveness is estimated based on correlation statistical methods or by the proportion of fuel purchase expense variations that are offset by the fair market value variation of derivatives. Effective hedge results are recorded as decrease or increase in the cost of acquisition of fuel, and the hedge results that are not effective are recognized as financial income/expenses. Ineffective hedges arise when the change in the value of derivatives is not between 80% and 120% of the hedged fuel value variation. When the aircraft fuel is consumed and the related derivative financial instrument is settled, the unrealized gains or losses recorded in shareholders' equity are recognized as aircraft fuel expenses. The Company is exposed to the risk that periodic changes will not be effective, as defined, or that the derivatives will no longer qualify for recording unrealized gains or losses in the equity. As periodic changes in the fair value of derivatives are ineffective, such ineffectiveness is recognized in the same period as the estimated fuel consumption occurs.

Ineffectiveness is inherent in hedging jet fuel with derivative positions based in other crude oil related commodities, especially given the magnitude of the current fair market value of the Company's fuel hedge derivatives and the recent volatility in the prices of refined products. The Company has determined that specific hedges will not regain effectiveness in the time period remaining until settlement. Any changes in fair value of the derivative instruments are marked to market through earnings in the period of change.

During the three months ended September 30, 2006, the Company recognized approximately R\$215 (US\$ 98) of additional net losses in Others (gains) losses,

net, related to the ineffectiveness of its hedges and the loss of hedge accounting for certain hedges. Of this net total, approximately R\$107 (US\$ 49) was ineffectiveness expense and mark-to-market losses related to contracts that settled during second third quarter 2006. As of September 30, 2006 there was R\$2,327 (US\$ 1,070) on unrealized losses with jet fuel hedges recorded in comprehensive income .

The fair market value of swaps is estimated by discounted cash flow methods, and the fair value of the options is estimated by the Black-Scholes model adapted to commodities options.

Market risk factor: Jet fuel price

Exchange market

Future contracts bought

|                                       | 4Q06    | 1Q07   | 2Q07   | Total   |
|---------------------------------------|---------|--------|--------|---------|
| Nominal volume in barrels (thousands) | 1,055   | 531    | 558    | 2,144   |
| Nominal volume in liters (thousands)  | 167,724 | 84,418 | 88,711 | 340,853 |
| Future agreed rate per barrel (USD)*  | 75.55   | 69.03  | 71.54  | 72.89   |
| Total in Reais **                     | 173,295 | 79,695 | 86,793 | 339,783 |

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\* Weighted average between the strikes of the collars and callspreads.

\*\* The exchange rate at 09/30/2006 was R\$ 2.1742 / US\$ 1.00

b) Exchange rate risk

At September 30, 2006, the main assets and liabilities denominated in foreign currency are related to aircraft leasing and acquisition operations.

The Company s foreign exchange exposure at September 30, 2006 is set forth below:

|   | <b>Consolidated</b> |                   |
|---|---------------------|-------------------|
|   | <b>09.30.2006</b>   | <b>06.30.2006</b> |
| <b>Assets</b>   |                     |                   |
| Cash and cash equivalents and financial investments           | 752,610             | 631,716           |
| Deposits for aircraft leasing contracts                       | 43,236              | 32,711            |
| Prepaid leasing expenses                                      | 18,782              | 15,093            |
| Advances to suppliers   | -                   | 14,157            |
| Other   | 28,487              | 13,741            |
|   | 843,115             | 707,418           |
| <b>Liabilities</b>  |                     |                   |
| Foreign suppliers   | 27,036              | 9,792             |
| Operating leases payable                                      | 23,392              | 25,867            |
| Insurance premium payable                                     | -                   | 4                 |
|   | 50,428              | 35,663            |
| Foreign exchange exposure in R\$                              | 792,687             | 671,755           |
| Total foreign exchange exposure in US\$                       | 364,588             | 310,380           |
| <b>Obligations not recorded in the balance sheet</b>          |                     |                   |
| Operating lease agreements                                    | 1,275,748           | 1,080,847         |
| Obligations arising from firm orders<br>for aircraft purchase | 1,399,160           | 1,517,561         |
| Total foreign exchange exposure in R\$                        | 3,467,595           | 3,270,163         |
| Total foreign exchange exposure in US\$                       | 1,594,883           | 1,510,956         |

The foreign exchange exposure concerning payable amounts resulting from operating lease operations, insurances, maintenance, and the exposure to fuel price variations caused by the foreign exchange rate are managed by hedge strategies with US dollar futures contracts and US dollar options listed on BM&F (Brazilian Mercantile and Futures Exchange). The expenses accounts that are the purpose of foreign exchange rate hedge are: fuel, lease, maintenance, insurance and international IT services expenses.

The Company's Management believes that the derivatives it uses are extremely correlated to the US dollar/real foreign exchange rate in order to provide short-term protection to foreign exchange rate changes. The Company classifies the US dollar hedge as cash flow hedges and recognizes the fair market value variations of highly effective hedges in the same period the estimated expenses which are the purpose of the hedge occur. The market value changes of the highly effective hedges are recorded in Financial Revenues or Expenses until the period the hedged item is recognized, then they are recognized as decrease or increase in incurred expenses. The market value changes of hedges that are not highly effective are recognized as financial revenue or expense. The US dollar hedge effectiveness is estimated by statistical correlation methods or by the proportion of expenses variation that are offset by the fair market value variation of the derivatives.

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The fair market value of swaps is estimated by discounted cash flow methods; the fair value of options is estimated by the Black-Scholes model adapted to the currency options; and the futures fair value refers to the last owed or receivable adjustment already accounted and not settled yet.

The Company uses short-term derivative financial instruments. The following table summarizes the position of the foreign exchange derivative contracts (in thousands, except otherwise indicated):

|   | <b>09.30.2006</b> | <b>12.31.2005</b> |
|---|-------------------|-------------------|
| Fair value of derivative financial instruments at the end of the period | R\$ 556           | R\$ 1,249         |
| Remaining longer period (months)  | 2                 | 1                 |
| Hedged volume   | R\$220,137        | R\$ 135,129       |
| <b>Period ended:</b>  | <b>09.30.2006</b> | <b>09.30.2005</b> |
| Gains with hedge effectiveness recognized in operating expenses         | R\$ (6,655)       | R\$ (2,352)       |
| Gains with hedge ineffectiveness recognized in financial expenses       | R\$ (1,560)       | R\$ (4,480)       |
| Current percentage of hedged consumption (during the quarter)           | 52%               | 50%               |

The Company accounts its futures derivative instruments of foreign currencies as cash flow hedges. At September 30, 2006, the unrealized gain in the shareholders' equity was R\$ 367, net of taxes.

Market risk factor: Exchange rate  
Exchange market  
Future agreements bought

|                          | <b>October 2006</b> | <b>November 2006</b> | <b>Total</b> |
|--------------------------|---------------------|----------------------|--------------|
| Nominal value in dollars | 37,250              | 40,250               | 77,500       |
| Future agreed rate       | 2.19                | 2.21                 | 2.20         |
| Total in Reais           | 82,148              | 88,639               | 170,787      |

c) Credit risk of financial derivative instruments

The derivative financial instruments used by the Company are conducted with top quality credit counterparts, AA+ or better rated international banks, according to Moody's and Fitch agencies or international futures exchange or the Brazilian Mercantile and Futures Exchange (BM&F). The Company believes that the risk of not receiving the owed amounts by its counterparts in the derivatives operations is not material.

d) Interest rate risk

The Company's results are affected by fluctuations in international interest rates in US dollar due to the impact of such changes in expenses of operating lease agreements. At September 30, 2006, there were no open hedge contracts for the international interest rate risk.





The Company's results are also affected by fluctuations in the interest rates in Brazil, applicable both to financial investments, short-term investments, liabilities in real and to those applicable to US dollar indexed obligations, due to the impact of such changes in the market value of derivative financial instruments conducted in Brazil, in the market value of prefixed securities in real and in the remuneration of the cash balance and financial investments. The Company uses Interbank Deposit futures of the Brazilian Mercantile and Futures Exchange (BM&F) to protect itself from domestic interest rate fluctuations on the prefixed portion of its investments. At September 30, 2006, the nominal value of Interbank Deposit futures contracts traded on the Brazilian Mercantile and Futures Exchange (BM&F) totaled R\$ 33,500 with periods of up to 3 years, with a total fair market value of R\$ (14,280) corresponding to the last owed or receivable adjustment, already estimated and not yet settled. The total variations in market value, payments and receivables related to the DI futures are recognized as increase or decrease in financial revenues in the same period they occur.

e) Derivatives contracts applied in cash management

The Company utilizes financial derivatives instruments for cash management purposes. The Company enters into option contracts known as boxes with first tier banks and registered in the Brazilian CETIP clearing house with the objective of investing cash at pre-fixed rates. As of September 30, 2006, the total amount invested in boxes was R\$ 69,000 with average term of 15 days. The Company also utilizes swaps contracts to change the remuneration of part of its short term investments to the Brazilian overnight deposit rate, the CDI. Investments in box combinations are swapped from fixed rate to a percentage of the CDI. Investments in dollar-denominated securities are swapped from dollar-based remuneration to Brazilian reais plus a percentage of CDI rate. As of September 30, 2006, the notional amount of fixed-rate swaps to CDI was R\$114,000 with a fair value of R\$ (54); and the notional amount of currency swaps to CDI was R\$ 245,656 with a fair value or R\$ 4,404. The changes in fair value of these swaps is reflected in financial income in the period of change.

## 19. Insurance Coverage

Company Management maintains an insurance coverage in amounts that it deems necessary to cover possible accidents, due to the nature of its assets and the risks inherent to its activity, observing the limits established in lease agreements. On September 30, 2006 the insurance coverage, by nature, considering GOL's aircraft fleet and in relation to the maximum indemnifiable amounts, is the following:

| <b>Aeronautic Type</b>                  | <b>R\$ (000)</b> | <b>US\$ (000)</b> |
|---|------------------|-------------------|
| Warranty Hull                           | 3,265,068        | 1,501,733         |
| Civil Liability per occurrence/aircraft | 1,630,650        | 750,000           |
| Warranty Hull/War                       | 3,265,068        | 1,501,733         |
| Inventories                             | 206,549          | 95,000            |

By means of Law 10,605, as of December 18, 2002, the Brazilian government undertook to supplement possible civil liability expenses against third parties caused by acts of war or terrorist attacks, occurred in Brazil or abroad, for which GOL may be demanded, for the amounts that exceed the insurance policy limit effective at September 10, 2001, limited to the equivalent in reais to one billion US dollar.

On September 29, 2006, an aircraft performing Gol Airlines Flight 1907 from Manaus enroute to Rio with a stop in Brasilia, was involved in a mid-air collision with a aircraft of ExcelAir. The Gol aircraft, a new Boeing 737-800 Next Generation, went down in the Amazon forest and there were no survivor among the 148 passengers and six crew members. The ExcelAir aircraft, a new Embraer Legacy 135 BJ, performed an emergency landing and all of its seven occupants were unharmed. The Company continues to cooperate fully with all regulatory and investigatory agencies to determine the cause of this accident. Presently, the Company does not have sufficient information to estimate the amount of claims relating to this accident. The Company maintains insurance for the coverage of these risks and liabilities. The payments for the aircraft will be covered by the insurance maintained. The Company does not expect any liabilities arising from the accident involving Flight 1907 to have a material adverse effect on the financial position or results of operation of the Company.

**APPENDIX I STATEMENTS OF CASH FLOW**

|  | <b>Parent Company</b>                   |   |   |   |
|--|---|---|---|---|
|  | <b>07.01.2006<br/>to<br/>09.30.2006</b> | <b>07.01.2005<br/>to<br/>09.30.2005</b> | <b>01.01.2006<br/>to<br/>09.30.2006</b> | <b>01.01.2006<br/>to<br/>09.30.2005</b> |
| Net income for the period  | 232,232                                 | 116,798                                 | 491,079                                 | 273,014                                 |
| <b>Adjustments to reconcile net income to net cash generated</b> |   |   |   |   |
| <b>by operating activities:</b>                                  |   |   |   |   |
| Deferred income taxes  | 38,697                                  | -                                       | 23,920                                  | -                                       |
| Equity accounting  | (202,335)                               | (106,982)                               | (436,476)                               | (265,281)                               |
| Capitalized interest   | -                                       | -                                       | -                                       | -                                       |
| Variations in operating assets and liabilities:                  |   |   |   |   |
| Accounts receivable  | -                                       | -                                       | -                                       | -                                       |
| Prepaid expenses, taxes recoverable and other receivables        | (65,650)                                | (1,221)                                 | (67,232)                                | (6,886)                                 |
| Credit with associated companies                                 | -                                       | 169,841                                 | -                                       | 434,118                                 |
| Suppliers  | (475)                                   | -                                       | 109                                     | -                                       |
| Taxes payable  | 10,189                                  | -                                       | (2,856)                                 | -                                       |
| Interest on shareholder's equity                                 | (28,628)                                | -                                       | 17,251                                  | -                                       |
| Other liabilities  | 32,580                                  | (197)                                   | 34,508                                  | 1,207                                   |
| <b>Net cash generated (used) in operating activities</b>         | <b>19,310</b>                           | <b>178,239</b>                          | <b>60,303</b>                           | <b>436,172</b>                          |
| <b>Investment activities:</b>                                    |   |   |   |   |
| Financial investments  | (141,352)                               | (10,282)                                | (280,218)                               | (256,243)                               |
| Investments  | 138,342                                 | (119,891)                               | 498,805                                 | (380,233)                               |
| Deposits for leasing contracts                                   | -                                       | -                                       | -                                       | -                                       |
| <b>Net cash used in investment activities</b>                    | <b>(3,010)</b>                          | <b>(130,173)</b>                        | <b>188,587</b>                          | <b>(636,476)</b>                        |
| <b>Financing activities:</b>                                     |   |   |   |   |
| Capital paid   | 473                                     | -                                       | 2,450                                   | -                                       |
| Capital increase   | -                                       | -                                       | -                                       | 271,330                                 |
| Total comprehensive income, net of taxes                         | (7,715)                                 | -                                       | (8,371)                                 | -                                       |
| Dividends paid   | (32,050)                                | -                                       | (193,389)                               | (60,003)                                |
| Liabilities with associated companies                            | -                                       | (51,402)                                | -                                       | -                                       |
| <b>Net cash generated in financing activities</b>                | <b>(39,292)</b>                         | <b>(51,402)</b>                         | <b>(199,310)</b>                        | <b>211,327</b>                          |
| Net cash addition  | (22,992)                                | (3,336)                                 | 49,580                                  | 11,023                                  |
| Cash and cash equivalents at the beginning of the year           | 109,204                                 | 18,661                                  | 36,632                                  | 4,302                                   |
| Cash and cash equivalents at the end of the year                 | 86,212                                  | 15,325                                  | 86,212                                  | 15,325                                  |
| <b>Transactions not affecting cash</b>                           |   |   |   |   |

Additional information:

|  |   |       |   |       |
|--|---|-------|---|-------|
| Income tax and social contribution paid during the quarter | - | 3,167 | - | 5,043 |
|--|---|-------|---|-------|

**APPENDIX I STATEMENTS OF CASH FLOW** Continued

|  | <b>Consolidated</b> |                   |                   |                   |
|--|---------------------|-------------------|-------------------|-------------------|
|  | <b>07.01.2006</b>   | <b>07.01.2005</b> | <b>01.01.2006</b> | <b>01.01.2006</b> |
|  | <b>to</b>           | <b>to</b>         | <b>to</b>         | <b>to</b>         |
|  | <b>09.30.2006</b>   | <b>09.30.2005</b> | <b>09.30.2006</b> | <b>09.30.2005</b> |
| Net income for the period  | <b>232,232</b>      | 116,798           | <b>491,079</b>    | 273,014           |
| <b>Adjustments to reconcile net income to net cash generated</b> |                     |                   |                   |                   |
| <b>by operating activities:</b>                                  |                     |                   |                   |                   |
| Depreciation and amortization                                    | <b>16,472</b>       | 8,721             | <b>44,149</b>     | 24,140            |
| Provision for doubtful accounts receivable                       | <b>3,207</b>        | 486               | <b>4,908</b>      | 1,172             |
| Deferred income taxes  | <b>20,766</b>       | (6,831)           | <b>214</b>        | (6,212)           |
| Capitalized interest   | <b>(5,914)</b>      | (4,644)           | <b>(32,410)</b>   | (17,626)          |
| Variations in operating assets and liabilities:                  |                     |                   |                   |                   |
| Receivables  | <b>(141,777)</b>    | (32,321)          | <b>(135,226)</b>  | (130,581)         |
| Inventories  | <b>(25,359)</b>     | (7,632)           | <b>(33,736)</b>   | (10,605)          |
| Prepaid expenses, taxes recoverable and other receivables        | <b>(139,636)</b>    | 15,928            | <b>(177,640)</b>  | 4,852             |
| Suppliers  | <b>73,114</b>       | 1,922             | <b>45,692</b>     | (10,686)          |
| Operating leases payable   | -                   | (1,058)           | -                 | (1,536)           |
| Air traffic liability  | <b>81,743</b>       | 2,533             | <b>93,639</b>     | 33,835            |
| Taxes payable  | <b>(3,965)</b>      | 2,948             | <b>10,685</b>     | (2,981)           |
| Payroll and related charges                                      | <b>13,007</b>       | 15,135            | <b>31,449</b>     | 9,514             |
| Provisions for contingencies                                     | <b>2,109</b>        | 5,707             | <b>(1,971)</b>    | 6,546             |
| Interest on shareholder's equity                                 | <b>5,078</b>        | -                 | <b>17,251</b>     | -                 |
| Other liabilities  | <b>23,093</b>       | (4,891)           | <b>(32,403)</b>   | (19,441)          |
| <b>Net cash generated (used) in operating activities</b>         | <b>154,170</b>      | 112,801           | <b>325,680</b>    | 153,405           |
| <b>Investment activities:</b>                                    |                     |                   |                   |                   |
| Financial investment   | <b>(132,409)</b>    | 67,238            | <b>(199,686)</b>  | (107,230)         |
| Investments  | <b>56</b>           | (250)             | <b>(511)</b>      | (489)             |
| Deposits for leasing contracts                                   | <b>7,630</b>        | 4,150             | <b>(12,301)</b>   | 6,843             |
| Acquisition of property, plant and equipment                     | <b>27,063</b>       | (166,135)         | <b>(196,931)</b>  | (330,236)         |
| Deferred acquisition   | -                   | (1,849)           | -                 | (4,635)           |
| <b>Net cash used in investment activities</b>                    | <b>(97,660)</b>     | (96,846)          | <b>(409,429)</b>  | (435,747)         |
| <b>Financing activities:</b>                                     |                     |                   |                   |                   |
| Short-term borrowings  | <b>201,245</b>      | (57,878)          | <b>820,533</b>    | (51,671)          |
| Capital paid   | <b>473</b>          | -                 | <b>2,450</b>      | -                 |
| Capital increase   | -                   | -                 | -                 | 271,330           |
| Total comprehensive income, net of taxes                         | <b>(7,715)</b>      | -                 | <b>(8,371)</b>    | -                 |
| Dividends paid   | <b>(32,050)</b>     | -                 | <b>(193,389)</b>  | (60,013)          |
| <b>Net cash generated in financing activities</b>                | <b>161,953</b>      | (57,878)          | <b>621,223</b>    | 159,646           |

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|  |                |          |                |           |
|--|----------------|----------|----------------|-----------|
| Net cash addition  | <b>218,463</b> | (41,923) | <b>537,474</b> | (122,696) |
| Cash and cash equivalents at the beginning of the year     | <b>448,315</b> | 324,957  | <b>129,304</b> | 405,730   |
| Cash and cash equivalents at the end of the year           | <b>666,778</b> | 283,034  | <b>666,778</b> | 283,034   |
| <b>Transactions not affecting cash</b>                     |                |          |                |           |
| Additional information:                                    |                |          |                |           |
| Special goodwill reserve                                   | <b>13,624</b>  | -        | <b>15,082</b>  | 29,187    |
| Interest paid during the quarter                           | <b>24,497</b>  | 8,812    | <b>51,409</b>  | 19,257    |
| Income tax and social contribution paid during the quarter | <b>69,352</b>  | 57,391   | <b>198,677</b> | 144,415   |

**APPENDIX II PRO FORMA CONSOLIDATED VALUE ADDED STATEMENTS**

|  | <b>Parent Company</b>                   |   |   |   |
|--|---|---|---|---|
|  | <b>07.01.2006<br/>to<br/>09.30.2006</b> | <b>07.01.2005<br/>to<br/>09.30.2005</b> | <b>01.01.2006<br/>to<br/>09.30.2006</b> | <b>01.01.2006<br/>to<br/>09.30.2005</b> |
| <b>REVENUES</b>  |   |   |   |   |
| Passenger, cargo and other transportation                        | <b>48,665</b>                           | -                                       | <b>48,665</b>                           | -                                       |
| Provision for doubtful accounts receivable                       | -                                       | -                                       | -                                       | -                                       |
| <b>INPUT ACQUIRED FROM THIRD PARTIES (includes ICMS and IPI)</b> |   |   |   |   |
| Fuel and lubricant suppliers                                     | -                                       | -                                       | -                                       | -                                       |
| Material, energy, third-party services and other                 | <b>(2,049)</b>                          | (1,054)                                 | <b>(6,756)</b>                          | (1,331)                                 |
| Aircraft insurance   | -                                       | -                                       | -                                       | -                                       |
| Sales and marketing  | -                                       | -                                       | -                                       | -                                       |
| <b>GROSS VALUE ADDED</b>   | <b>46,616</b>                           | (1,054)                                 | <b>41,909</b>                           | (1,331)                                 |
| <b>RETENTIONS</b>  |   |   |   |   |
| Depreciation and amortization                                    | -                                       | -                                       | -                                       | -                                       |
| <b>NET VALUE ADDED GENERATED BY THE COMPANY</b>                  | <b>46,616</b>                           | (1,054)                                 | <b>41,909</b>                           | (1,331)                                 |
| <b>VALUE ADDED RECEIVED IN TRANSFER</b>                          |   |   |   |   |
| Results of the Corporate Interest                                | <b>202,335</b>                          | 106,982                                 | <b>436,476</b>                          | 265,281                                 |
| Interest income (expense)  | <b>(7,826)</b>                          | 10,870                                  | <b>(60,333)</b>                         | 9,064                                   |
| <b>TOTAL VALUE ADDED TO BE DISTRIBUTED</b>                       | <b>241,125</b>                          | 116,798                                 | <b>418,052</b>                          | 273,014                                 |
| <b>VALUE ADDED DISTRIBUTION</b>                                  |   |   |   |   |
| Employees  | -                                       | -                                       | -                                       | -                                       |
| Government   | <b>(38,397)</b>                         | -                                       | <b>(23,920)</b>                         | -                                       |
| Financing companies  | -                                       | -                                       | -                                       | -                                       |
| Leasers  | -                                       | -                                       | -                                       | -                                       |
| Shareholders   | <b>26,543</b>                           | -                                       | <b>9,816</b>                            | -                                       |
| Reinvested   | <b>(229,771)</b>                        | (116,798)                               | <b>(403,948)</b>                        | (273,014)                               |
| <b>TOTAL DISTRIBUTED VALUE ADDED</b>                             | <b>(241,125)</b>                        | (116,798)                               | <b>(418,052)</b>                        | (273,014)                               |

**APPENDIX II PRO FORMA CONSOLIDATED VALUE ADDED STATEMENTS** Continued

|  | <b>Consolidated</b>                     |   |   |   |
|--|---|---|---|---|
|  | <b>07.01.2006<br/>to<br/>09.30.2006</b> | <b>07.01.2005<br/>to<br/>09.30.2005</b> | <b>01.01.2006<br/>to<br/>09.30.2006</b> | <b>01.01.2006<br/>to<br/>09.30.2005</b> |
| <b>REVENUES</b>  |   |   |   |   |
| Passenger, cargo and other transportation                        | <b>1,125,689</b>                        | 724,608                                 | <b>2,900,153</b>                        | 1,924,199                               |
| Provision for doubtful accounts receivable                       | <b>(3,207)</b>                          | (486)                                   | <b>(9,798)</b>                          | (4,719)                                 |
| <b>INPUT ACQUIRED FROM THIRD PARTIES (includes ICMS and IPI)</b> |   |   |   |   |
| Fuel and lubricant suppliers                                     | <b>(357,711)</b>                        | (208,711)                               | <b>(895,773)</b>                        | (547,499)                               |
| Material, energy, third-party services and other                 | <b>(112,647)</b>                        | (80,841)                                | <b>(365,961)</b>                        | (222,488)                               |
| Aircraft insurance   | <b>(7,540)</b>                          | (8,025)                                 | <b>(20,365)</b>                         | (21,454)                                |
| Sales and marketing  | <b>(126,041)</b>                        | (80,439)                                | <b>(329,001)</b>                        | (231,096)                               |
| <b>GROSS VALUE ADDED</b>   | <b>518,543</b>                          | 346,106                                 | <b>1,279,255</b>                        | 896,943                                 |
| <b>RETENTIONS</b>  |   |   |   |   |
| Depreciation and amortization                                    | <b>(16,473)</b>                         | (8,721)                                 | <b>(44,149)</b>                         | (24,140)                                |
| <b>NET VALUE ADDED GENERATED BY THE COMPANY</b>                  | <b>502,070</b>                          | 337,385                                 | <b>1,235,106</b>                        | 872,803                                 |
| <b>VALUE ADDED RECEIVED IN TRANSFER</b>                          |   |   |   |   |
| Interest income (expense)  | <b>25,167</b>                           | 29,160                                  | <b>38,023</b>                           | 75,461                                  |
| <b>TOTAL VALUE ADDED TO BE DISTRIBUTED</b>                       | <b>527,237</b>                          | 366,545                                 | <b>1,273,129</b>                        | 948,264                                 |
| <b>VALUE ADDED DISTRIBUTION</b>                                  |   |   |   |   |
| Employees  | <b>(111,432)</b>                        | (64,802)                                | <b>(280,383)</b>                        | (172,638)                               |
| Government   | <b>(150,105)</b>                        | (82,174)                                | <b>(326,298)</b>                        | (215,586)                               |
| Financing companies  | <b>(24,497)</b>                         | (8,812)                                 | <b>(51,409)</b>                         | (19,257)                                |
| Leasers  | <b>(38,475)</b>                         | (93,959)                                | <b>(220,907)</b>                        | (267,769)                               |
| Shareholders   | <b>17,894</b>                           | -                                       | <b>9,816</b>                            | -                                       |
| Reinvested   | <b>(220,622)</b>                        | (116,798)                               | <b>(403,948)</b>                        | (273,014)                               |
| <b>TOTAL DISTRIBUTED VALUE ADDED</b>                             | <b>(527,237)</b>                        | (366,545)                               | <b>(1,273,129)</b>                      | (948,264)                               |



**05.01 - COMMENTS ON THE COMPANY S PERFORMANCE IN THE QUARTER**

Comments on the Company s performance will be presented in chart 8, considering only consolidated results.

**06.01 CONSOLIDATED BALANCE SHEET - ASSETS (in thousands of Reais)**

| 1 - CODE   | 2 - DESCRIPTION                  | 3 9/30/2006 | 4 6/30/2006 |
|------------|----------------------------------|-------------|-------------|
| 1          | Total Assets                     | 3,532,500   | 2,944,136   |
| 1.01       | Current Assets                   | 2,616,429   | 1,974,924   |
| 1.01.01    | Cash Equivalents                 | 1,606,195   | 1,255,323   |
| 1.01.01.01 | Cash and Banks                   | 666,778     | 448,315     |
| 1.01.01.02 | Short-term investments           | 939,417     | 807,008     |
| 1.01.02    | Credits                          | 815,880     | 601,742     |
| 1.01.02.01 | Pre-delivery deposits            | 62,688      | 0           |
| 1.01.02.02 | Accounts Receivable              | 704,074     | 562,297     |
| 1.01.02.03 | Allowance for doubtful accounts  | (9,798)     | (6,591)     |
| 1.01.02.04 | Deferred Taxes and Carryforwards | 58,916      | 46,036      |
| 1.01.03    | Inventories                      | 74,419      | 49,060      |
| 1.01.04    | Others                           | 119,935     | 68,799      |
| 1.01.04.01 | Prepaid Expenses                 | 26,876      | 47,572      |
| 1.01.04.02 | Other Credits and Values         | 93,059      | 21,227      |
| 1.02       | Long-Term Assets                 | 148,511     | 163,975     |
| 1.02.01    | Sundry Credits                   | 92,611      | 115,030     |
| 1.02.01.01 | Deposits for Leasing contracts   | 41,919      | 49,549      |
| 1.02.01.02 | Deferred Taxes and Carryforwards | 50,962      | 65,481      |
| 1.02.02    | Credit with Related Parties      | 0           | 0           |
| 1.02.02.01 | Affiliates                       | 0           | 0           |
| 1.02.02.02 | Subsidiaries                     | 0           | 0           |
| 1.02.02.03 | Other Related Parties            | 0           | 0           |

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|            |                               |         |         |
|------------|-------------------------------|---------|---------|
| 1.02.03    | Others                        | 55,900  | 48,945  |
| 1.03       | Permanent Assets              | 767,560 | 805,237 |
| 1.03.01    | Investments                   | 2,340   | 2,396   |
| 1.03.01.01 | In Affiliates                 | 0       | 0       |
| 1.03.01.02 | In Subsidiaries               | 0       | 0       |
| 1.03.01.03 | Other Investments             | 2,340   | 2,396   |
| 1.03.02    | Property, plant and equipment | 765,220 | 802,841 |
| 1.03.03    | Deferred charges              | 0       | 0       |

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**06.02 CONSOLIDATED BALANCE SHEET - LIABILITIES (in thousands of Reais)**

| 1 - CODE      | 2 - DESCRIPTION                                  | 3 9/30/2006 | 4 6/30/2006 |
|---------------|--|-------------|-------------|
| 2             | Total Liabilities                                | 3,532,500   | 2,944,136   |
| 2.01          | Current Liabilities                              | 833,967     | 595,344     |
| 2.01.01       | Loans and Financing                              | 123,914     | 107,409     |
| 2.01.02       | Debentures                                       | 0           | 0           |
| 2.01.03       | Suppliers  | 119,616     | 46,502      |
| 2.01.04       | Taxes, Charges and Contributions                 | 104,862     | 88,556      |
| 2.01.04.01    | Provision for income tax and social contribution | 67,871      | 71,836      |
| 2.01.04.02    | Airport Fees and Duties Payable                  | 36,991      | 16,720      |
| 2.01.05       | Dividends Payable                                | 62,962      | 27,836      |
| 2.01.06       | Provisions                                       | 0           | 0           |
| 2.01.07       | Debts with Related Parties                       | 0           | 0           |
| 2.01.08       | Others   | 422,613     | 325,041     |
| 2.01.08.01    | Payroll and related charges                      | 71,396      | 58,389      |
| 2.01.08.02    | Airtraffic liabilities                           | 311,439     | 229,696     |
| 2.01.08.03    | Other liabilities                                | 39,778      | 36,956      |
| 2.02          | Long-Term Liabilities                            | 778,079     | 591,230     |
| 2.02.01       | Loans and Financing                              | 750,635     | 565,895     |
| 2.02.02       | Debentures                                       | 0           | 0           |
| 2.02.03       | Provisions                                       | 0           | 0           |
| 2.02.04       | Debts with Related Parties                       | 0           | 0           |
| 2.02.05       | Others   | 27,444      | 25,335      |
| 2.02.05.01    | Accounts Payable and Provisions                  | 27,444      | 25,335      |
| 2.03          | Deferred Income                                  | 0           | 0           |
| 2.04          | Minority Interest                                | 0           | 0           |
| 2.05          | Shareholders Equity                              | 1,920,454   | 1,757,562   |
| 2.05.01       | Paid-Up Capital Stock                            | 993,654     | 993,181     |
| 2.05.02       | Capital Reserve                                  | 89,556      | 89,556      |
| 2.05.03       | Revaluation Reserve                              | 0           | 0           |
| 2.05.03.01    | Own Assets                                       | 0           | 0           |
| 2.05.03.02    | Subsidiaries/Affiliates                          | 0           | 0           |
| 2.05.04       | Profit Reserves                                  | 837,244     | 674,825     |
| 2.05.04.01    | Legal  | 0           | 0           |
| 2.05.04.02    | Statutory  | 0           | 0           |
| 2.05.04.03    | For Contingencies                                | 0           | 0           |
| 2.05.04.04    | Realizable Profit                                | 0           | 0           |
| 2.05.04.05    | Profit Retention                                 | 839,204     | 669,070     |
| 2.05.04.06    | Special for Non-Distributed Dividends            | 0           | 0           |
| 2.05.04.07    | Other Profit Reserves                            | (1,960)     | 5,755       |
| 2.05.04.07.01 | Unrealized Hedge Result, Net                     | (1,960)     | 5,755       |
| 2.05.05       | Accrued Profit/Loss                              | 0           | 0           |



**07.01 CONSOLIDATED STATEMENT OF INCOME (in thousands of Reais)**

| 1 - CODE   | 2 DESCRIPTION                                    | 3 7/1/2006<br>to 9/30/2006 | 4 - 1/1/2006<br>to 9/30/2006 | 5 - 7/1/2005<br>to 9/30/2005 | 6 - 1/1/2005<br>to 9/30/2005 |
|------------|--|----------------------------|------------------------------|------------------------------|------------------------------|
| 3.01       | Gross Revenue from Sales and/or Services         | 1,125,689                  | 2,900,153                    | 724,608                      | 1,924,199                    |
| 3.01.01    | Passenger  | 1,050,024                  | 2,730,583                    | 692,076                      | 1,827,427                    |
| 3.01.02    | Cargo  | 36,088                     | 87,925                       | 20,293                       | 54,085                       |
| 3.01.03    | Other  | 39,577                     | 81,645                       | 12,293                       | 42,687                       |
| 3.02       | Gross Revenue Deductions                         | (42,718)                   | (110,138)                    | (27,950)                     | (76,214)                     |
| 3.02.01    | Income taxes and contributions                   | (42,718)                   | (110,138)                    | (27,950)                     | (76,214)                     |
| 3.03       | Net Revenue from Sales and/or Services           | 1,082,971                  | 2,790,015                    | 696,658                      | 1,847,985                    |
| 3.04       | Cost of Goods and Services Sold                  | (682,380)                  | (1,814,962)                  | (446,271)                    | (1,217,940)                  |
| 3.05       | Gross Income                                     | 400,591                    | 975,053                      | 250,387                      | 630,045                      |
| 3.06       | Operating Expenses/Revenue                       | (165,594)                  | (439,879)                    | (79,365)                     | (217,659)                    |
| 3.06.01    | Sales  | (126,041)                  | (329,001)                    | (80,439)                     | (231,096)                    |
| 3.06.02    | General and Administrative                       | (40,223)                   | (97,492)                     | (19,274)                     | (42,767)                     |
| 3.06.03    | Financial  | 670                        | (13,386)                     | 20,348                       | 56,204                       |
| 3.06.03.01 | Financial Revenues                               | 65,058                     | 182,322                      | 48,323                       | 136,468                      |
| 3.06.03.02 | Financial Expenses                               | (64,388)                   | (195,708)                    | (27,975)                     | (80,264)                     |
| 3.06.04    | Other Operating Revenues                         | 0                          | 0                            | 0                            | 0                            |
| 3.06.05    | Other Operating Expenses                         | 0                          | 0                            | 0                            | 0                            |
| 3.06.06    | Equity in the Earnings                           | 0                          | 0                            | 0                            | 0                            |
| 3.07       | Operating Income                                 | 234,997                    | 535,174                      | 171,022                      | 412,386                      |
| 3.08       | Non-Operating Income                             | 75,118                     | 75,118                       | 0                            | 0                            |
| 3.08.01    | Revenues   | 75,118                     | 75,118                       | 0                            | 0                            |
| 3.08.02    | Expenses   | 0                          | 0                            | 0                            | 0                            |
| 3.09       | Income Before Tax/Holding                        | 310,115                    | 610,292                      | 171,022                      | 412,386                      |
| 3.10       | Provision for Income Tax and Social Contribution | (86,621)                   | (215,946)                    | (61,055)                     | (145,584)                    |
| 3.11       | Deferred Income Tax                              | (20,766)                   | (214)                        | 6,831                        | 6,212                        |
| 3.12       | Statutory Holding/Contributions                  | 0                          | 0                            | 0                            | 0                            |
| 3.12.01    | Holdings   | 0                          | 0                            | 0                            | 0                            |
| 3.12.02    | Contributions                                    | 0                          | 0                            | 0                            | 0                            |
| 3.13       | Reversal of Interest on Own Capital              | 29,504                     | 96,947                       | 0                            | 0                            |
| 3.14       | Minority Interest                                | 0                          | 0                            | 0                            | 0                            |

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|      |  |         |         |         |         |
|------|--|---------|---------|---------|---------|
| 3.15 | Income/Loss for the Period             | 232,232 | 491,079 | 116,798 | 273,014 |
|      | No. SHARES, EX-TREASURY (in thousands) | 196,206 | 196,206 | 195,269 | 195,269 |
|      | EARNINGS PER SHARE                     | 1.18361 | 2.50287 | 0.59814 | 1.39814 |
|      | LOSS PER SHARE                         |         |         |         |         |

## **08.01 - COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER**

The following financial and operational information, except where indicated in the contrary, are presented in USGAAP and in Reais (R\$), and the comparisons refer to the third quarter of 2006 (3Q06).

### **MANAGEMENT'S COMMENTS ON 3Q06 RESULTS**

In the third quarter of 2006, GOL continued its mission of popularizing air travel in South America. Through the addition of aircraft and flight frequencies during the quarter, GOL increased its domestic market share and further consolidated its position as the second-largest domestic airline in Brazil. The Company maintained high profitability and high quality service, even during periods of high fuel prices and demand stimulating low fares. GOL remains committed to its virtuous cycle of maintaining low costs, allowing us to offer the lowest fares and achieve the highest load factors in the Brazilian market, thereby driving industry-leading profitability, commented Constantino de Oliveira Junior, GOL's president and CEO.

GOL increased load factors and aircraft utilization rates, while maintaining market cost leadership. Demand for GOL's passenger air transportation services grew at high rates during the quarter, with passengers transported increasing 36.5% over 3Q05. During the quarter, GOL's load factor increased 5.1 percentage points to 78.8% and aircraft utilization was at 14.3 block hours per day (increasing 2.9% over 3Q05). Operating costs per ASK, excluding fuel, increased approximately 10% to 9.44 cents (R\$), within our cost guidance for the quarter. Fuel costs per available seat kilometer (ASK) increased 17.4% year-over-year and drove total operating cost per seat kilometer (CASK) to 16.31 cents (R\$). Cost increases were also driven by planned 4Q06 capacity expansion and increased international operations. The 11% increase in headcount over 2Q06 was related to planned fleet and base expansion in 4Q06. 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.

Increased passenger volumes and a 6.4% increase in RASK resulted in an operating income increase of 27.2% in year-over-year comparison. Fuel neutral operating income was R\$261.7mm, representing a fuel neutral operating margin of 24.2%. The Company has hedged approximately 79% of its fuel price exposure, 32% of its U.S. Dollar exposure for 4Q06, and 34% and 29% of its fuel exposure for 1Q07 and 2Q07, respectively. Our absolute market cost leadership is key to our virtuous cycle, and allows us to provide the lowest fares and the best customer value proposition in the market, commented Richard Lark, GOL's Executive Vice President of Finance and CFO.

In terms of future perspectives, besides maintaining high levels of productivity and profitability, short-term growth will be driven by the addition of new aircraft, new destinations and new frequencies. The addition of 11 Boeing 737 aircraft to the fleet in the fourth quarter of 2006 will increase seat capacity by approximately 50% year-over-year.

GOL remains committed to its strategy of profitable expansion through a low cost structure and high quality customer service. We are very proud that almost 50 million passengers have chosen to fly GOL, and we continue to make every effort to offer them the best in air travel: new planes, frequent flights in key markets, an ever-expanding integrated route system and lower prices; all of which is delivered by our dedicated team of employees who are key to our success," stated CEO Oliveira. By remaining focused on our business model, while continuing to grow, be innovative and provide the lowest fares, we will continue to create value for our customers, employees and shareholders.

### **REVENUES**



Net operating revenues, principally revenues from passenger transportation, increased 55.5% to R\$1.1bn, primarily due to higher revenue passenger kilometers (RPK), offset by a lower yield. RPK growth was driven by a 31.8% increase in departures, a 12.3% increase in stage length and an increase in load factor from 73.7% to 78.8%. RPKs grew 56.3% to 4,107mm, and revenue passengers grew 36.5% to 4.8mm.

While average fares increased 11.7% from R\$195 to R\$217, yields decreased 2.9% to 24.60 cents (R\$) per passenger kilometer, principally due to a 12.3% increase in average stage length during the quarter. GOL's increased capacity permitted it to offer more seats and demand-stimulating low fares.

Complementing net operating revenues, cargo transportation activities primarily contributed to the expansion of other operating revenues, which increased from R\$31.3mm to R\$72.8mm.

The 46.1% year-over-year capacity expansion, represented by ASKs, facilitated the addition of 78 new daily flight frequencies (including 17 night flights) and three new destinations in 3Q06. The addition of 4.0 average operating aircraft during the quarter (from 47.2 to 51.2 aircraft) drove the ASK increase.

Operating revenue per available seat kilometer (RASK) increased 6.4% to R\$20.79 cents in 3Q06 vs. R\$19.54 cents in 3Q05.

The growth in RPKs resulted in a higher domestic market share for GOL, reaching 36% at the end of 3Q06, compared to 29% in the end of 3Q05. Through its regular international flights to Buenos Aires, Cordoba and Rosario (Argentina), Santa Cruz de la Sierra (Bolivia), Montevideo (Uruguay), Asuncion (Paraguay) and Santiago (Chile), GOL achieved an international market share of 13% (share of Brazilian airlines flying to internationally destinations) in the same period. Approximately 9% of GOL's total RPKs were related to international passenger traffic.

## OPERATING EXPENSES

Total CASK increased 13.2% to 16.31 cents (R\$), due to an increase in fuel prices, maintenance expenses, increased landing fees and higher depreciation. Operating expenses per ASK excluding fuel, increased by 10.3% to 9.44 cents (R\$), within our cost guidance range for the quarter. Total operating expenses increased 65.5%, reaching R\$849.8mm, due to higher fuel prices, increased scheduled maintenance, and the expansion of our operations (fleet and employee expansion, a higher volume of fuel consumption, landing fees and marketing activities). Fuel price increases during 3Q06 accounted for more than 19% of the R\$149mm increase in fuel expenses, with the remainder accounted for by increased fuel consumption. Breakeven load factor increased 7.5 percentage points to 61.8% vs. 54.3% in 3Q05.

Results from GOL's operating expense (jet fuel price and USD exchange rate) hedging programs are accounted for in accordance with SFAS 133 (*Statement of Financial Accounting Standards No 133*), Accounting for Derivatives and Hedging Activities.

The breakdown of our costs and operational expenses for 3Q06, 3Q05 and 2Q06 is as follows:

### Operating Expenses (R\$ cents / ASK)

|                              | 3Q06 | 3Q05 | % Chg. | 2Q06 | % Chg. |
|------------------------------|------|------|--------|------|--------|
| Salaries, wages and benefits | 2.14 | 1.85 | 15.7%  | 1.94 | 10.3%  |
| Aircraft fuel                | 6.87 | 5.85 | 17.4%  | 6.12 | 12.3%  |
| Aircraft rent                | 1.30 | 1.74 | -25.3% | 1.58 | -17.7% |
| Sales and marketing          | 2.42 | 2.26 | 7.1%   | 2.23 | 8.5%   |

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|   |              |             |               |             |               |
|---|--------------|-------------|---------------|-------------|---------------|
| Landing fees                                      | 0.96         | 0.68        | 41.2%         | 0.68        | 41.2%         |
| Aircraft and traffic servicing                    | 0.87         | 0.73        | 19.2%         | 0.87        | 0.0%          |
| Maintenance, materials and repairs                | 0.61         | 0.17        | 258.8%        | 0.73        | -16.4%        |
| Depreciation                                      | 0.32         | 0.24        | 33.3%         | 0.34        | -5.9%         |
| Other operating expenses                          | 0.82         | 0.89        | -7.9%         | 0.83        | -1.2%         |
| <b>Total operating expenses</b>                   | <b>16.31</b> | 14.41       | <b>13.2%</b>  | 15.32       | <b>6.5%</b>   |
| <b>Operating expenses ex- fuel</b>                | <b>9.44</b>  | 8.56        | <b>10.3%</b>  | 9.20        | <b>2.6%</b>   |
| <b>Total Operating Expenses Fuel-Neutral 3Q05</b> | <b>15.76</b> | 14.40       | <b>9.4%</b>   | -           | -             |
| <b>Total Operating Expenses Fuel-Neutral 2Q06</b> | <b>15.95</b> | -           | -             | 15.32       | <b>4.1%</b>   |
| <b>Total operating expenses ex-profit sharing</b> | <b>15.98</b> | 14.13       | <b>13.1%</b>  | 15.22       | <b>5.0%</b>   |
| <b>Operating Expenses (R\$ million)</b>           |              |             |               |             |               |
|   | <b>3Q06</b>  | <b>3Q05</b> | <b>% Chg.</b> | <b>2Q06</b> | <b>% Chg.</b> |
| Salaries, wages and benefits                      | 111.7        | 66.1        | 69.1%         | 90.2        | 23.8%         |
| Aircraft fuel                                     | 357.7        | 208.7       | 71.4%         | 283.8       | 26.0%         |
| Aircraft rent                                     | 67.5         | 62.1        | 8.6%          | 73.4        | -8.0%         |
| Sales and marketing                               | 126.0        | 80.4        | 56.7%         | 103.6       | 21.6%         |
| Landing fees                                      | 50.2         | 24.2        | 107.4%        | 31.7        | 58.4%         |
| Aircraft and traffic servicing                    | 45.1         | 25.9        | 74.5%         | 40.6        | 11.1%         |
| Maintenance, materials and repairs                | 32.0         | 6.0         | 437.6%        | 34.1        | -6.2%         |
| Depreciation                                      | 16.7         | 8.5         | 96.1%         | 15.9        | 5.0%          |
| Other operating expenses                          | 42.9         | 31.6        | 36.0%         | 38.5        | 11.4%         |
| <b>Total operating expenses</b>                   | <b>849.8</b> | 513.5       | <b>65.5%</b>  | 711.8       | <b>19.4%</b>  |
| <b>Operating expenses ex- fuel</b>                | <b>492.1</b> | 304.8       | <b>61.5%</b>  | 428.0       | <b>15.0%</b>  |
| <b>Total Operating Expenses Fuel-Neutral 3Q05</b> | <b>821.3</b> | 513.5       | <b>59.9%</b>  | -           | -             |
| <b>Total Operating Expenses Fuel-Neutral 2Q06</b> | <b>830.8</b> | -           | -             | 711.8       | <b>16.7%</b>  |
| <b>Total operating expenses ex-profit sharing</b> | <b>832.4</b> | 503.8       | <b>65.2%</b>  | 706.5       | <b>17.8%</b>  |

**Salaries, wages and benefits** expenses per available seat kilometer (ASK) increased 15.7% to 2.14 cents (R\$), mainly due to a 6.0% cost of living increase on salaries and to a 72% increase in the number of full-time equivalent

employees, to 8,045, related to planned 4Q06 capacity expansion.

**Aircraft fuel** expenses per ASK increased 17.4% over 3Q05 to 6.87 cents (R\$), due to increased fuel price per liter. The increase in average fuel price per liter over 3Q05 was primarily due to the 11.6% increase in the international price for crude oil (WTI) and a 6% increase in Gulf Coast jet fuel prices, partially offset by the 7.3% Brazilian Real appreciation against the U.S. Dollar (factors influencing the determination of Brazilian jet fuel prices). The Company has hedged approximately 79%, 34% and 29% of its fuel requirements for 4Q06, 1Q07 and 2Q07, respectively.

**Aircraft rent** per ASK decreased 25.3% to 1.30 cents (R\$) in 3Q06, primarily due to a high aircraft utilization rate (14.3 block hours per day and 3.5% more ASKs per aircraft), a 7.3% appreciation of the Brazilian Real against the U.S Dollar vs. 3Q05, and amortized gains on sale-leaseback transactions for six 737-800 aircraft during 3Q06 (amortized over the term of the leases).

**Sales and marketing** expenses per ASK increased 7.1% to 2.42 cents (R\$) primarily due to an increase in call center expenses, an increase in advertising expenses, an increase in provisions for doubtful accounts, and an increase in sales incentives, partially offset by a higher aircraft utilization

rate (3.5% more ASKs per aircraft). During the quarter, GOL booked a majority of its ticket sales through a combination of its website (80.1% during 3Q06) and its call center (11.4% during 3Q06).

**Landing fees** per ASK increased 41.2% to 0.96 cents (R\$), due to a 21% increase in rates and an increase in landings at international airports (which have higher rates), partially offset by increased average stage length and a higher aircraft utilization rate (3.5% more ASKs per aircraft).

**Aircraft and traffic servicing** expenses per ASK increased 19.2% to 0.87 cents (R\$), as a result of an increase in ground handling services (landings increased 31.8%), and increases in aircraft cleaning services and consulting and technology services, partially offset by an increased average stage length and a higher aircraft utilization rate.

**Maintenance, materials and repairs** per ASK increased 258.8% to 0.61 cents (R\$), primarily due to a higher number of scheduled maintenance services during 3Q06, partially offset by a 7.3% appreciation of the Brazilian Real against the U.S. Dollar. Main expenses during the quarter were related to the scheduled maintenance of six engines, in the amount of R\$14.2mm, the use of spare parts inventory and repair of rotatable materials, in the amount of R\$18.9mm.

**Depreciation** per ASK increased 33.3% to 0.32 cents (R\$), due to a higher amount of fixed assets, particularly spare parts inventory, and the increase of technology equipment, due to the expansion of operations.

**Other operating expenses** per ASK were 0.82 cents (R\$), a 7.9% decrease when compared to the same period of the previous year, due to decreases in insurance expenses, cancelled flights expenses, and direct passenger expenses. Insurance expenses, at 0.14 cents (R\$) per ASK (R\$7.5mm total) decreased 35.7%, due to a reduction in average premium rates, a 7.3% appreciation of the Brazilian Real against the U.S. Dollar, and a higher aircraft utilization rate.

#### COMMENTS ON EBITDA AND EBITDAR<sup>1</sup>

The impact of a 1.25 cent (R\$) RASK increase was offset by a CASK increase of 1.90 cents (R\$), resulting in a decrease of EBITDA per available seat kilometer to 4.80 cents (R\$) in 3Q06. Compared to 2Q06, EBITDA per ASK increased 49.5%. 3Q06 EBITDA totaled R\$249.8mm in the period compared to R\$191.7mm in 3Q05 (a 30.3% increase) and R\$148.2mm in 2Q06 (a 68.6% increase).

#### EBITDAR Calculation (R\$ cents / ASK)

|                             | 3Q06         | 3Q05         | Chg. %         | 2Q06         | Chg. %         |
|-----------------------------|--------------|--------------|----------------|--------------|----------------|
| Net Revenues                | 20.79        | 19.54        | 6.4%           | 18.19        | 14.3%          |
| Operating Expenses          | 16.31        | 14.41        | 13.2%          | 15.32        | 6.5%           |
| EBIT                        | 4.48         | 5.13         | -12.7%         | 2.87         | 56.1%          |
| Depreciation & Amortization | 0.32         | 0.24         | 33.3%          | 0.34         | -5.9%          |
| <b>EBITDA</b>               | <b>4.80</b>  | <b>5.37</b>  | <b>-10.6%</b>  | <b>3.21</b>  | <b>49.5%</b>   |
| <b>EBITDA Margin</b>        | <b>23.1%</b> | <b>27.5%</b> | <b>-4.4 pp</b> | <b>17.6%</b> | <b>+5.5 pp</b> |

<sup>1</sup>EBITDA (earnings before interest, taxes, depreciation and amortization) and EBITDAR (earnings before interest, taxes, depreciation, amortization and rent) are non-USGAAP measures and are presented as supplemental information because we believe they are useful indicators of our operating performance for our investors. We usually present EBITDAR, in addition to EBITDA, because aircraft leasing represents a significant operating expense of our business, and we believe the impact of this expense should be considered in addition to the impact of depreciation and amortization. However, neither figure should be considered in isolation, as a substitute for net income prepared in accordance with US GAAP, BR GAAP or as a measure of a company's profitability. In addition, our calculations may not be comparable to other similarly titled measures of other companies.



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|  |              |              |                |              |                |
|--|--------------|--------------|----------------|--------------|----------------|
| Aircraft Rent                            | 1.30         | 1.74         | -25.3%         | 1.58         | -17.7%         |
| <b>EBITDAR</b>                           | <b>6.10</b>  | <b>7.11</b>  | <b>-14.2%</b>  | <b>4.79</b>  | <b>27.3%</b>   |
| <i>EBITDAR Margin</i>                    | <i>29.3%</i> | <i>36.4%</i> | <i>-7.1 pp</i> | <i>26.3%</i> | <i>+3.0 pp</i> |
| <b>EBITDAR Calculation (R\$ million)</b> |              |              |                |              |                |
|  | <b>3Q06</b>  | <b>3Q05</b>  | <b>Chg. %</b>  | <b>2Q06</b>  | <b>Chg. %</b>  |
| Net Revenues                             | 1,083.0      | 696.7        | 55.5%          | 844.0        | 28.3%          |
| Operating Expenses                       | 849.8        | 513.5        | 65.5%          | 711.8        | 19.4%          |
| EBIT                                     | 233.1        | 183.2        | 27.2%          | 132.3        | 76.2%          |
| Depreciation & Amortization              | 16.7         | 8.5          | 96.1%          | 15.9         | 5.0%           |
| <b>EBITDA</b>                            | <b>249.8</b> | <b>191.7</b> | <b>30.3%</b>   | <b>148.2</b> | <b>68.6%</b>   |
| <i>EBITDA Margin</i>                     | <i>23.1%</i> | <i>27.5%</i> | <i>-4.4 pp</i> | <i>17.6%</i> | <i>+5.5 pp</i> |
| Aircraft Rent                            | 67.5         | 62.1         | 8.6%           | 73.4         | -8.0%          |
| <b>EBITDAR</b>                           | <b>317.3</b> | <b>253.8</b> | <b>25.0%</b>   | <b>221.6</b> | <b>43.2%</b>   |
| <i>EBITDAR Margin</i>                    | <i>29.3%</i> | <i>36.4%</i> | <i>-7.1 pp</i> | <i>26.3%</i> | <i>+3.0 pp</i> |

Aircraft rent represents a significant operating expense for GOL. As GOL leases all of its aircraft, we believe that EBITDAR, equivalent to EBITDA before aircraft rent expenses (which are USD-denominated) is a useful measure of relative operating performance for our investors and users of our financial statements. On a per available seat kilometer basis, EBITDAR was 6.10 cents (R\$) in 3Q06, compared to 7.11 cents (R\$) in 3Q05. EBITDAR amounted to R\$317.3mm in 3Q06, compared to R\$253.8mm in the same period last year and R\$221.6mm in 2Q06.

## FINANCIAL RESULTS

Net financial income decreased R\$5.7mm. Interest expense increased R\$15.7mm primarily due to an increase in long-term debt and a higher amount of short-term working capital debt related to increased operations. Interest income increased R\$5.9mm primarily due to a higher volume of cash and short-term investments, partially offset by a 5.1 percentage point decrease in average Brazilian interest rates (as measured by the CDI rate).

| <b>Financial Results (R\$ thousands)</b> | <b>3Q06</b>   | <b>3Q05</b>   | <b>2Q06</b>   |
|--|---------------|---------------|---------------|
| Interest expense                         | (24,497)      | (8,812)       | (23,649)      |
| Capitalized interest                     | 9,149         | 5,258         | 4,355         |
| Exchange variation gain (loss)           | (4,153)       | (54)          | (809)         |
| Interest income                          | 42,578        | 36,710        | 35,878        |
| Other gains (losses)                     | (2,084)       | (6,407)       | 12,818        |
| <b>Net Financial Results</b>             | <b>20,993</b> | <b>26,695</b> | <b>28,593</b> |

## NET INCOME AND EARNINGS PER SHARE

Net income in 3Q06 was R\$190.0mm, representing a 17.5% net income margin, vs. R\$138.2mm of net income in 3Q05.



Net earnings per share, basic, was R\$0.97 in 3Q06 compared to R\$0.71 in 3Q05. Basic weighted average shares outstanding were 196,206,466 in 3Q06 and 195,269,054 in 3Q05. Net earnings per share, diluted, was R\$0.97 in 3Q06 compared to R\$0.70 in 3Q05. Fully-diluted weighted average shares outstanding were 196,287,763 in 3Q06 and 196,050,417 in 3Q05.

Net earnings per ADS, basic, was US\$0.45 in 3Q06 compared to US\$0.32 in 3Q05. Basic weighted average ADS outstanding were 196,206,466 in 3Q06 and 195,269,054 in 3Q05. Net earnings per ADS, diluted, was US\$0.45 in 3Q06 compared to US\$0.32 in 3Q05. Fully-diluted weighted average ADS outstanding were 196,287,763 in 3Q06 and 196,050,417 in 3Q05.

Based on GOL's quarterly dividend policy for fiscal 2006, Management recommended payment of quarterly intercalary dividends to shareholders in the form of interest on shareholders' equity and complementary dividends, calculated in accordance with the statutory financial statements ended September 30, 2006. The total payout approved for 3Q06 is R\$62.1mm (R\$60.8mm net of withholding tax - R\$28.2mm of interest on shareholders' equity and R\$32.6mm of complementary dividends) to be paid on November 14, 2006, as interest on shareholders' equity to shareholders of record on September 20, 2006, and as complementary dividends on December 26, 2006, to shareholders of record on November 14, 2006. The net payment for the quarter is equivalent to R\$0.2939 per share (approximately US\$0.1355 per ADS).

## CASH FLOW

Cash, cash equivalents and short-term investments increased R\$350.9mm during 3Q06. Cash provided by operating activities was R\$316.1mm, mainly due to increased earnings from operations (R\$190.0mm), an increase in accounts payable (R\$99.9mm) and an increase in air traffic liability (R\$81.7mm), partially offset by an increase in accounts receivable (R\$142.7mm) and an increase in inventories (R\$33.7mm). The amount deposited for future maintenance was US\$182.9mm at September 30, 2006. During the quarter, the Company had maintenance reserve funds refunded in the amount of US\$22.4mm.

Net cash used in investing activities was R\$35.7mm, consisting primarily of acquisition of property and equipment (R\$45.5mm), partially offset by return of advances for aircraft acquisition (R\$19.6mm), related to sale-leasebacks of six aircraft during the quarter.

Net cash provided by financing activities during 3Q06 was R\$70.5mm, mainly due to an increase in long-term borrowings (R\$188.9mm) and partially offset by the payment of dividends (R\$119.7mm).

| <b>Cash Flow Summary (R\$ million)</b>   | <b>3Q06</b>               | <b>3Q05</b>          | <b>%<br/>Change</b> | <b>2Q06</b>          | <b>%<br/>Change</b> |
|--|---------------------------|----------------------|---------------------|----------------------|---------------------|
| Net cash provided by operating activities                                      | <b>316.1</b>              | 180.5                | 75.1%               | 2.1                  | 14952.4%            |
| Net cash used in investing activities  | <b>(35.7)<sup>1</sup></b> | (165.9) <sup>2</sup> | -78.5%              | (152.1) <sup>3</sup> | -76.5%              |
| Net cash provided by financing activities                                      | <b>70.5</b>               | (123.8)              | -157.0%             | 492.5                | -85.7%              |
| <b>Net increase in cash, cash equivalents<br/>&amp; short term investments</b> | <b>350.9</b>              | <b>(109.2)</b>       | <b>-421.4%</b>      | <b>342.5</b>         | <b>2.5%</b>         |

1. Excluding R\$314.5 mm of cash invested in highly-liquid short-term investments with maturities above 90 days, as defined by SFAS 115.

2. Excluding R\$4.3 mm of cash invested in highly-liquid short-term investments with maturities above 90 days, as defined by SFAS 115.

3. Excluding R\$245.4 mm of cash invested in highly-liquid short-term investments with maturities above 90 days, as defined by SFAS 115.



**COMMENTS ON THE BALANCE SHEET**

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The net cash position at September 30, 2006, was R\$1,606.2mm, an increase of R\$350.9mm vs. 2Q06. The Company's total liquidity was R\$2,300mm (cash, short-term investments and accounts receivable) at the end of 3Q06. On September 30, 2006, the Company had nine revolving lines of credit secured by receivables and promissory notes. On September 30, 2006, the outstanding amount under these lines of credit was R\$117.7mm.

| <b>Cash Position and Debt (R\$ million)</b>     | <b>9/30/2006</b> | <b>6/30/2006</b> | <b>% Change</b> |
|---|------------------|------------------|-----------------|
| Cash, cash equivalents & short-term investments | 1,606.2          | 1,255.3          | 28.0%           |
| Short-term debt                                 | 117.7            | 107.4            | 9.6%            |
| Long-term debt                                  | 750.6            | 565.9            | 32.6%           |
| <b>Net cash</b>                                 | <b>737.9</b>     | <b>582.0</b>     | <b>26.8%</b>    |

Currently, GOL leases all of its aircraft, as well as airport terminal space, other airport facilities, office space and other equipment. On September 30, 2006, the Company leased 54 aircraft with initial lease term expiration dates ranging from 2006 to 2012. Future minimum lease payments under operating leases are denominated in U.S. Dollars.

As of September 30, 2006, the Company had 61 firm orders (net of six sale-leasebacks) and 34 options to purchase new Boeing 737-800 Next Generation aircraft. The firm orders had an approximate value of US\$4.2 billion (based on aircraft list price) and are scheduled to be delivered between 2006 and 2012. As of September 30, 2006, GOL has made deposits in the amount of US\$237.7mm related to these orders. On October 30, GOL announced that it increased the number of firm orders from 67 to 87 aircraft, as part of the Company's ongoing expansion and cost reduction plans. GOL also increased the number of options by 20 aircraft, bringing the total order size to 121 Next Generation 737-800 aircraft.

The following table provides a summary of our principal payments under long-term obligations, operating lease commitments, aircraft purchase commitments and other obligations as of September 30, 2006:

| <b>Principal obligations (R\$ thousands)</b> | <b>2006</b>    | <b>2007</b>    | <b>2008</b>    | <b>2009</b>    | <b>2010</b>    | <b>Beyond 2010</b> | <b>Total</b>     |
|--|----------------|----------------|----------------|----------------|----------------|--------------------|------------------|
| Long-term debt obligations                   | -              | 33,407         | 179,931        | 48,599         | 17,858         | 17,426             | 297,221          |
| Operating lease commitments                  | 338,790        | 275,806        | 223,244        | 137,321        | 93,750         | 206,837            | 1,275,748        |
| Pre-delivery deposits                        | 82,693         | 116,003        | 80,206         | 66,748         | 69,998         | 81,424             | 497,072          |
| Aircraft purchase commitments                | 233,704        | 327,846        | 226,676        | 188,640        | 194,435        | 227,859            | 1,399,160        |
| <b>Total</b>                                 | <b>655,187</b> | <b>753,062</b> | <b>710,057</b> | <b>441,308</b> | <b>376,041</b> | <b>533,546</b>     | <b>3,469,201</b> |

GOL's expected fleet growth from 2006 to 2012 is as follows:

| <b>GOL's Fleet Plan</b> | <b>2006</b> | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 141-seat B 300s         | 14          | 14          | 12          | 7           | -           | -           | -           |
| 144-seat B 700 NGs      | 30          | 30          | 28          | 21          | 20          | 10          | 10          |

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|                        |           |           |           |           |           |           |            |
|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| 187-seat B 800 NGs (1) | <u>21</u> | <u>36</u> | <u>46</u> | <u>60</u> | <u>72</u> | <u>84</u> | <u>91</u>  |
| <b>Total</b>           | <b>65</b> | <b>80</b> | <b>86</b> | <b>88</b> | <b>92</b> | <b>94</b> | <b>101</b> |

(1) Including sale-leasebacks.

**OUTLOOK**

GOL will continue to invest in its successful low-cost, low-fare business model. We will continue to evaluate opportunities to expand our operations by adding new flights in Brazil where sufficient market demand exists, and expanding into other high-traffic centers across South America. We expect to benefit from economies of scale and reduce our average non-fuel cost per available seat kilometer (CASK) as we add additional aircraft to a well-established and highly-efficient operating network, and as we use our new Aircraft Maintenance Center for maintenance of our fleet. We anticipate a solid fourth quarter, thanks to the dedicated effort of our employees to improve productivity throughout the Company.

The scheduled addition of 11 aircraft to our fleet in the fourth quarter of 2006 should allow a 50% increase in available seat capacity over 4Q05. For the fourth quarter, we expect a load factor in the range of 73-75%, with passenger yields in the range of R\$26-28 cents. 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, partially mitigated by our hedging programs. For the fourth quarter, we expect non-fuel CASK to be in the range of R\$9.2 -9.7 cents.

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 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.

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 anticipated 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, the lowest fares and high quality passenger service.

| <b>Financial Outlook (US GAAP)</b> | <b>2007 (full year)</b> |                            |
|------------------------------------|-------------------------|----------------------------|
|                                    | <b>Preliminary</b>      | <b>Revised</b>             |
| ASK Growth                         | +/- 30%                 | +/- <b>45%</b>             |
| Average Load Factor                | +/- 75%                 | +/- <b>75%</b>             |
| Net Revenues (billion)             | +/- R\$ 5.4             | +/- <b>R\$ 5.6</b>         |
| Non-fuel CASK (R\$)                | +/- 9 cents             | +/- <b>9 cents</b>         |
| Operating Margin                   | +/- 26%                 | +/- <b>23%</b>             |
| Earnings per Share                 | R\$ 5.10 - R\$ 5.60     | <b>R\$ 5.20 - R\$ 5.65</b> |

**SOCIAL RESPONSIBILITY**

In 3Q06, GOL was involved in social and cultural activities focusing on children, health and education, with organizations such as Fundação Boldrini (Boldrini Foundation), Pastoral da Criança (Children's Mission), Instituto Criar de TV e Cinema (Creating TV and Movies Institute), Expedição Vagalume (Firefly Expedition), and made investments in local music shows, national cinema and theatre. Total contributions to social activities were approximately R\$1mm during the quarter.

As presented in our Value Added Statements, GOL distributed a total value-added of R\$323mm to employees, government, financiers, lessors, and shareholders, and re-invested R\$222mm.

## GLOSSARY OF INDUSTRY TERMS

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

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

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

**Load factor** represents the percentage of aircraft seating capacity that is actually utilized (calculated by dividing RPK by ASK).

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

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

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

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

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

**Operating revenue per available seat kilometer (RASK)** represents operating revenues divided by available seat kilometers.

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

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

**Operating Data**

US GAAP - Unaudited

|  | 3Q06       | 3Q05       | % Change |
|--|------------|------------|----------|
| Revenue Passengers (000)   | 4,791      | 3,509      | 36.5%    |
| Revenue Passengers Kilometers (RPK) (mm)                             | 4,107      | 2,627      | 56.3%    |
| Available Seat Kilometers (ASK) (mm)                                 | 5,210      | 3,565      | 46.1%    |
| Load factor  | 78.8%      | 73.7%      | +5.1 pp  |
| Break-even load factor   | 61.8%      | 54.3%      | +7.5 pp  |
| Aircraft utilization (block hours per day)                           | 14.3       | 13.9       | 2.9%     |
| Average fare   | R\$ 217.94 | R\$ 195.08 | 11.7%    |
| Yield per passenger kilometer (cents)                                | 24.60      | 25.33      | -2.9%    |
| Passenger revenue per available set kilometer (cents)                | 19.39      | 18.66      | 3.9%     |
| Operating revenue per available seat kilometer (RASK) (cents)        | 20.79      | 19.54      | 6.4%     |
| Operating cost per available seat kilometer (CASK) (cents)           | 16.31      | 14.41      | 13.2%    |
| Operating cost, excluding fuel, per available seat kilometer (cents) | 9.44       | 8.56       | 10.3%    |
| Number of Departures   | 42,514     | 32,249     | 31.8%    |
| Average stage length (km)  | 821        | 731        | 12.3%    |
| Avg number of operating aircraft during period                       | 51.3       | 36.3       | 41.3%    |
| Full-time equivalent employees at period end                         | 8,045      | 4,678      | 72.0%    |
| % of Sales through website during period                             | 80.1%      | 81.3%      | -1.2 pp  |
| % of Sales through website and call center during period             | 91.5%      | 93.3%      | -1.8 pp  |
| Average Exchange Rate <sup>(1)</sup>                                 | R\$ 2.17   | R\$ 2.34   | -7.3%    |
| End of period Exchange Rate <sup>(1)</sup>                           | R\$ 2.17   | R\$ 2.23   | -2.7%    |
| Inflation (IGP-M) <sup>(2)</sup>                                     | 0.8%       | -1.5%      | +2.3 pp  |
| Inflation (IPCA) <sup>(3)</sup>                                      | 0.5%       | 0.8%       | -0.3 pp  |
| WTI (avg. per barrel, US\$) <sup>(4)</sup>                           | \$70.48    | \$63.18    | 11.6%    |

<sup>(1)</sup> Source: Brazilian Central Bank<sup>(2)</sup> Source: Fundação Getulio Vargas<sup>(3)</sup> Source: IBGE<sup>(4)</sup> Source: Bloomberg

**Consolidated Statement of Operations**

US GAAP - Unaudited

R\$ 000

|  | <b>3Q06</b>      | <b>3Q05</b>    | <b>% Change</b> |
|--|------------------|----------------|-----------------|
| <b>Net operating revenues</b>                          |                  |                |                 |
| Passenger  | R\$ 1,010,178    | R\$ 665,374    | 51.8%           |
| Cargo and Other  | 72,793           | 31,284         | 132.7%          |
| <b>Total net operating revenues</b>                    | <b>1,082,971</b> | <b>696,658</b> | <b>55.5%</b>    |
| <b>Operating expenses</b>                              |                  |                |                 |
| Salaries, wages and benefits                           | 111,709          | 66,060         | 69.1%           |
| Aircraft fuel  | 357,711          | 208,711        | 71.4%           |
| Aircraft rent  | 67,498           | 62,135         | 8.6%            |
| Sales and marketing                                    | 126,041          | 80,439         | 56.7%           |
| Landing fees   | 50,181           | 24,190         | 107.4%          |
| Aircraft and traffic servicing                         | 45,129           | 25,869         | 74.5%           |
| Maintenance materials and repairs                      | 31,990           | 5,951          | 437.6%          |
| Depreciation   | 16,716           | 8,523          | 96.1%           |
| Other operating expenses                               | 42,933           | 31,557         | 36.0%           |
| <b>Total operating expenses</b>                        | <b>849,908</b>   | <b>513,435</b> | <b>65.5%</b>    |
| <b>Operating income</b>                                | <b>233,063</b>   | <b>183,223</b> | <b>27.2%</b>    |
| <b>Other income (expense)</b>                          |                  |                |                 |
| Interest expenses                                      | (24,497)         | (8,812)        | 178.0%          |
| Capitalized interest                                   | 9,149            | 5,258          | 74.0%           |
| Exchange variation loss                                | (4,153)          | (54)           | 7590.7%         |
| Interest income  | 42,578           | 36,710         | 16.0%           |
| Other gains (losses)                                   | (2,084)          | (6,407)        | -67.5%          |
| <b>Total Other income (expense)</b>                    | <b>20,993</b>    | <b>26,695</b>  | <b>-21.4%</b>   |
| <b>Income before income taxes</b>                      | <b>254,056</b>   | <b>209,918</b> | <b>21.0%</b>    |
| Income taxes   | (64,050)         | (71,728)       | -10.7%          |
| <b>Net income</b>                                      | <b>190,006</b>   | <b>138,190</b> | <b>37.5%</b>    |
| <b>Earnings per share, basic</b>                       | R\$ 0.97         | R\$ 0.71       | 36.6%           |
| <b>Earnings per share, diluted</b>                     | R\$ 0.97         | R\$ 0.70       | 38.6%           |
| <b>Earnings per ADS, basic - US Dollar</b>             | \$0.45           | \$0.32         | 40.6%           |
| <b>Earnings per ADS, diluted - US Dollar</b>           | \$0.45           | \$0.32         | 40.6%           |
| <b>Basic weighted average shares outstanding (000)</b> | 196,206          | 195,269        | 0.5%            |

|  |         |         |      |
|--|---------|---------|------|
| <b>Diluted weighted average shares outstanding (000)</b> | 196,288 | 196,050 | 0.1% |
|--|---------|---------|------|



**Consolidated Balance Sheet**

US GAAP - Unaudited

R\$ 000

|   | September 30,<br>2006 | June 30, 2006    |
|---|-----------------------|------------------|
| <b>ASSETS</b>                                     | <b>3,849,202</b>      | <b>3,264,329</b> |
| <b>Current Assets</b>                             | <b>2,712,884</b>      | <b>1,969,399</b> |
| Cash and cash equivalents                         | 270,397               | 233,994          |
| Short-term investments                            | 1,335,797             | 1,021,330        |
| Receivables less allowance                        | 694,276               | 555,706          |
| Inventories                                       | 74,419                | 49,060           |
| Pre-delivery deposits                             | 62,688                | -                |
| Aircraft and engine maintenance deposits          | 113,058               | -                |
| Recoverable taxes and deferred tax                | 42,314                | 23,007           |
| Prepaid expenses                                  | 26,876                | 47,572           |
| Other current assets                              | 93,059                | 38,730           |
| <b>Property and Equipment, net</b>                | <b>765,220</b>        | <b>802,841</b>   |
| Pre-delivery deposits                             | 453,109               | 518,523          |
| Flight equipment                                  | 316,777               | 265,677          |
| Other property and equipment                      | 118,736               | 125,657          |
| Less accumulated depreciation                     | (123,402)             | (107,016)        |
| <b>Other Assets</b>                               | <b>371,098</b>        | <b>492,089</b>   |
| Deposits for aircraft leasing contracts           | 41,919                | 32,044           |
| Prepaid aircraft and engine maintenance           | 283,840               | 421,661          |
| Other   | 45,339                | 38,384           |
| <b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>       | <b>3,849,202</b>      | <b>3,264,329</b> |
| <b>Current Liabilities</b>                        | <b>828,142</b>        | <b>588,386</b>   |
| Accounts payable                                  | 119,616               | 46,502           |
| Salaries, wages and benefits                      | 86,427                | 64,389           |
| Sales tax and landing fees                        | 91,162                | 88,556           |
| Air traffic liability                             | 311,439               | 229,696          |
| Short-term borrowings                             | 117,731               | 107,409          |
| Dividends Payable                                 | 62,962                | 27,836           |
| Deferred credit                                   | 7,852                 | -                |
| Other accrued liabilities                         | 26,807                | 23,998           |
| Current portion of long-term debt                 | 4,146                 | -                |
| <b>Long Term Liabilities</b>                      | <b>862,843</b>        | <b>638,629</b>   |
| Long term debt                                    | 750,635               | 565,895          |
| Deferred income taxes, net                        | 30,978                | 47,399           |
| Deferred gains on sale and leaseback transactions | 53,786                | -                |
| Other   | 27,444                | 25,335           |
| <b>Shareholder's Equity</b>                       | <b>2,158,217</b>      | <b>2,037,314</b> |
| Preferred shares (no par value)                   | 846,125               | 845,691          |
| Common shares (no par value)                      | 41,500                | 41,500           |
| Additional paid in capital                        | 35,257                | 34,982           |
| Appropriated retained earnings                    | 39,577                | 39,577           |
| Unappropriated retained earnings                  | 1,197,718             | 1,069,809        |
| Accumulated other comprehensive gain              | (1,960)               | 5,755            |



**Consolidated Statement of Cash Flows**

US GAAP - Unaudited

R\$ 000

|  | <b>3Q06</b>      | <b>3Q05</b>      | <b>% Change</b> |
|--|------------------|------------------|-----------------|
| <b>Cash flows from operating activities</b>                          |                  |                  |                 |
| Net income (loss)  | 190,006          | 138,190          | 37.5%           |
| Adjustments to reconcile net income provided by operating activities |                  |                  |                 |
| Depreciation and amortization  | 19,589           | 5,170            | 278.9%          |
| Provision for doubtful accounts receivable                           | 4,168            | 1,172            | 255.6%          |
| Deferred income taxes  | (8,530)          | 7,506            | nm              |
| Capitalized interest   | (16,854)         | (14,382)         | 17.2%           |
| Changes in operating assets and liabilities                          |                  |                  |                 |
| Receivables  | (142,738)        | (33,007)         | 332.4%          |
| Inventories  | (33,736)         | (19,645)         | 71.7%           |
| Accounts payable and other accrued liabilities                       | 99,945           | 1,412            | 6978.3%         |
| Deposits for aircraft and engine maintenance                         | 24,763           | (31,440)         | nm              |
| Air traffic liability  | 81,743           | 3,042            | 2587.1%         |
| Dividends  | 92,771           | 60,013           | 54.6%           |
| Other liabilities, net   | 4,961            | 62,492           | -92.1%          |
| Net cash provided by (used in) operating activities                  | <b>316,088</b>   | <b>180,523</b>   | <b>75.1%</b>    |
| <b>Cash flows from investing activities</b>                          |                  |                  |                 |
| Deposits for aircraft leasing contracts                              | (9,875)          | 8                | nm              |
| Acquisition of property and equipment                                | (45,450)         | (16,748)         | 171.4%          |
| Pre-delivery deposits  | 19,580           | (149,181)        | nm              |
| Changes in short-term securities                                     | (314,467)        | (4,252)          | 7295.7%         |
| Net cash used in investing activities                                | <b>(350,212)</b> | <b>(170,173)</b> | <b>105.8%</b>   |
| <b>Cash flows from financing activities</b>                          |                  |                  |                 |
| Short term borrowings, net   | 10,322           | (57,879)         | nm              |
| Long term borrowings, net  | 188,886          | -                | nm              |
| Issuance of preferred shares   | (1,977)          | -                | nm              |
| Others, net  | (6,961)          | (5,880)          | 18.4%           |
| Dividends paid   | (119,743)        | (60,003)         | 99.6%           |
| Net cash provided by financing activities                            | <b>70,527</b>    | <b>(123,762)</b> | <b>-157.0%</b>  |
| <b>Net increase in cash and cash equivalents</b>                     | <b>36,403</b>    | <b>(113,412)</b> | <b>-132.1%</b>  |
| Cash and cash equivalents at beginning of the period                 | 233,994          | 174,307          | 34.2%           |
| Cash and cash equivalents at end of the period                       | <b>270,397</b>   | <b>60,895</b>    | <b>344.0%</b>   |
| <br>   |                  |                  |                 |
| Cash, cash equiv. and ST invest. at beg. of the period               | <b>1,255,324</b> | <b>942,786</b>   | <b>33.2%</b>    |
| Cash, cash equiv. and ST invest. at end of the period                | <b>1,606,194</b> | <b>833,626</b>   | <b>92.7%</b>    |
| <br>   |                  |                  |                 |
| <b>Supplemental disclosure of cash flow information</b>              |                  |                  |                 |
| Interest paid net of amount capitalized                              | 24,497           | (1,521)          | nm              |

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|                              |        |        |       |
|------------------------------|--------|--------|-------|
| Income taxes paid            | 87,994 | 61,555 | 43.0% |
| Accrued capitilized interest | 16,854 | 14,382 | 17.2% |

**Consolidated Statement of Operations**

BR GAAP - Unaudited

R\$ 000

|   | <b>3Q06</b>      | <b>3Q05</b>     | <b><u>% Change</u></b> |
|---|------------------|-----------------|------------------------|
| <b>Net operating revenues</b>                             |                  |                 |                        |
| Passenger   | R\$ 1,010,178    | R\$ 665,374     | 51.8%                  |
| Cargo and Other   | 72,793           | 31,284          | 132.7%                 |
| <b>Total net operating revenues</b>                       | <b>1,082,971</b> | <b>696,658</b>  | <b>55.5%</b>           |
| <b>Operating expenses</b>                                 |                  |                 |                        |
| Salaries, wages and benefits                              | 111,432          | 64,803          | 72.0%                  |
| Aircraft fuel   | 357,711          | 208,711         | 71.4%                  |
| Aircraft rent   | 80,978           | 62,135          | 30.3%                  |
| Supplementary rent  | -                | 31,825          | -100.0%                |
| Sales and marketing                                       | 126,041          | 80,439          | 56.7%                  |
| Landing fees  | 50,181           | 24,190          | 107.4%                 |
| Aircraft and traffic servicing                            | 45,129           | 25,869          | 74.5%                  |
| Maintenance materials and repairs                         | 41,267           | 5,951           | 593.4%                 |
| Depreciation and amortization                             | 16,473           | 8,721           | 88.9%                  |
| Other operating expenses                                  | 19,432           | 33,340          | -41.7%                 |
| <b>Total operating expenses</b>                           | <b>848,644</b>   | <b>545,984</b>  | <b>55.4%</b>           |
| <b>Operating income</b>                                   | <b>234,327</b>   | <b>150,674</b>  | <b>55.5%</b>           |
| <b>Other expense</b>                                      |                  |                 |                        |
| Financial income (expense), net                           | 670              | 20,348          | -96.7%                 |
| <b>Non-operating income</b>                               | <b>75,118</b>    | <b>-</b>        | <b>nm</b>              |
| <b>Income before income taxes</b>                         | <b>310,115</b>   | <b>171,022</b>  | <b>81.3%</b>           |
| Income taxes current                                      | (86,621)         | (61,055)        | 41.9%                  |
| Income taxes deferred                                     | (20,766)         | 6,831           | -404.0%                |
| <b>Net income before interest on shareholder's equity</b> | <b>202,728</b>   | <b>116,798</b>  | <b>73.6%</b>           |
| Reversal of interest on shareholder's equity              | 29,504           | -               | nm                     |
| <b>Net income</b>   | <b>232,232</b>   | <b>116,798</b>  | <b>98.8%</b>           |
| <b>Earnings per share</b>                                 | <b>R\$ 1.18</b>  | <b>R\$ 0.60</b> | <b>96.7%</b>           |
| <b>Earnings per ADS - US Dollar</b>                       | <b>\$0.55</b>    | <b>\$0.26</b>   | <b>111.5%</b>          |
| <b>Number of shares at end of period (000)</b>            | <b>196,206</b>   | <b>195,269</b>  | <b>0.5%</b>            |



**Consolidated Balance Sheet**

BR GAAP - Unaudited

R\$ 000

|  | September 30,<br>2006 | June 30, 2006    |
|--|-----------------------|------------------|
| <b>ASSETS</b>  | <b>3,532,500</b>      | <b>2,944,136</b> |
| <b>Current Assets</b>                                  | <b>2,616,429</b>      | <b>1,974,924</b> |
| Cash and cash equivalents                              | 666,778               | 448,315          |
| Short term investments                                 | 939,417               | 807,008          |
| Receivables less allowance                             | 694,276               | 555,706          |
| Inventories  | 74,419                | 49,060           |
| Pre-delivery deposits for flight equipment             | 62,688                | -                |
| Deferred taxes and carryforwards                       | 58,916                | 46,036           |
| Prepaid expenses                                       | 26,876                | 47,572           |
| Other current assets                                   | 93,059                | 21,227           |
| <b>Non-Current Assets</b>                              | <b>916,071</b>        | <b>969,212</b>   |
| Deposits   | 41,919                | 49,549           |
| Deferred taxes and carryforwards                       | 50,692                | 65,481           |
| Investments  | 2,340                 | 2,396            |
| Pre-delivery deposits for flight equipment             | 453,109               | 518,523          |
| Property and equipment                                 | 312,111               | 284,318          |
| Other  | 55,900                | 48,945           |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>            | <b>3,532,500</b>      | <b>2,944,136</b> |
| <b>Current liabilities</b>                             | <b>833,967</b>        | <b>595,344</b>   |
| Suppliers payable                                      | 119,616               | 46,502           |
| Payroll and related charges                            | 71,396                | 58,389           |
| Taxes and contributions payable                        | 67,871                | 71,836           |
| Sales tax and landing fees                             | 36,991                | 16,720           |
| Air traffic liability                                  | 311,439               | 229,696          |
| Short-term borrowings                                  | 123,914               | 107,409          |
| Dividends and interest on shareholder's equity payable | 62,962                | 27,836           |
| Other current liabilities                              | 39,778                | 36,956           |
| <b>Non-current liabilities</b>                         | <b>778,079</b>        | <b>591,230</b>   |
| Long-term debt   | 750,635               | 565,895          |
| Accounts payable and provisions                        | 27,444                | 25,335           |
| <b>Shareholders' Equity</b>                            | <b>1,920,454</b>      | <b>1,757,562</b> |
| Capital  | 993,654               | 993,181          |
| Capital reserves                                       | 89,556                | 89,556           |
| Earnings reserves                                      | 510,983               | 485,744          |
| Retained earnings                                      | 328,221               | 183,326          |
| Total comprehensive income, net of taxes               | (1,960)               | 5,755            |

**Consolidated Statements of Cash Flows**

BR GAAP - Unaudited

R\$ 000

|   | <b>3Q06</b>     | <b>3Q05</b>     |
|---|-----------------|-----------------|
| <b>Cash flows from operating activities</b>                           |                 |                 |
| Net income (loss)   | 232,232         | 116,798         |
| Adjustments to reconcile net income provided by operating activities: |                 |                 |
| Depreciation and amortization   | 16,472          | 8,721           |
| Provision for doubtful accounts receivable                            | 3,207           | 486             |
| Deferred income taxes   | 20,766          | (6,831)         |
| Capitalized interest  | (5,914)         | (4,644)         |
| Changes in operating assets and liabilities                           |                 |                 |
| Receivables   | (141,777)       | (32,321)        |
| Inventories   | (25,359)        | (7,632)         |
| Prepaid expenses, other assets and recoverable taxes                  | (139,636)       | 15,928          |
| Accounts payable and long-term vendor payable                         | 73,114          | 1,922           |
| Operating leases payable  | -               | (1,058)         |
| Air traffic liability   | 81,743          | 2,533           |
| Taxes payable   | (3,965)         | 2,948           |
| Payroll and related charges   | 13,007          | 15,135          |
| Provision for contingencies   | 2,109           | 5,707           |
| Interest on shareholder's capital                                     | 5,078           | -               |
| Other liabilities   | 23,093          | (4,891)         |
| <b>Net cash provided by (used in) operating activities</b>            | <b>154,170</b>  | <b>112,801</b>  |
| <b>Cash flows from investing activities</b>                           |                 |                 |
| Short term borrowings, net  | (132,409)       | 67,238          |
| Investments   | 56              | (250)           |
| Deposits for aircraft leasing contracts                               | 7,630           | 4,150           |
| Pre-delivery deposits   | 65,414          | (149,181)       |
| Acquisition of property and equipment                                 | (38,351)        | (16,954)        |
| Deferred acquisition  | -               | (1,849)         |
| <b>Net cash used in investing activities</b>                          | <b>(97,660)</b> | <b>(96,846)</b> |
| <b>Cash flows from financing activities</b>                           |                 |                 |
| Borrowings, net   | 201,245         | (57,878)        |
| Capital integralization   | 473             | -               |
| Total comprehensive income, net of taxes                              | (7,715)         | -               |
| Dividends paid  | (32,050)        | -               |
| <b>Net cash provided by financing activities</b>                      | <b>161,953</b>  | <b>(57,878)</b> |
| <b>Net increase in cash and cash equivalents</b>                      | <b>218,463</b>  | <b>(41,923)</b> |
| Cash and cash equivalents at beginning of the period                  | 448,315         | 324,957         |
| Cash and cash equivalents at end of the period                        | 666,778         | 283,034         |



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|   |        |        |
|---|--------|--------|
| Goodwill reserve                        | 13,624 | -      |
| Interest paid net of amount capitalized | 24,497 | 8,812  |
| Income taxes paid                       | 72,921 | 57,391 |

**16.01 OTHER INFORMATION CONSIDERED MATERIAL BY THE COMPANY****Shareholders of Gol Linhas Aéreas Inteligentes S.A. holding more than 5% of the voting capital, up to the individual level, on September 30 2006:**

| Shareholders                  | Common Shares      | %             | Preferred Shares  | %             | Total              | %             |
|-------------------------------|--------------------|---------------|-------------------|---------------|--------------------|---------------|
| FIP ASAS                      | 107,590,772        | 100.00        | 31,715,638        | 35.79         | 139,306,410        | 71.00         |
| Gilder, Gagnon, Howe & Co.*   | -                  | -             | 12,011,118        | 13.55         | 12,011,118         | 6.12          |
| Wellington Management Co. LLP | -                  | -             | 10,083,767        | 11.38         | 10,083,767         | 5.14          |
| *<br>Other                    | 20                 | -             | 34,805,151        | 39.28         | 34,805,171         | 17.74         |
| <b>Total</b>                  | <b>107,590,792</b> | <b>100.00</b> | <b>88,615,674</b> | <b>100.00</b> | <b>196,206,466</b> | <b>100.00</b> |

\*Institution headquartered overseas, last information available at August 2006.

**Quotaholders of the Investment Fund in Holdings ASAS up to the individual level, on September 30, 2006:**

| Quotaholders                   | Quotes        | %             |
|--------------------------------|---------------|---------------|
| Henrique Constantino           | 9,587         | 25.00         |
| Ricardo Constantino            | 9,587         | 25.00         |
| Joaquim Constantino Neto       | 9,587         | 25.00         |
| Constantino de Oliveira Junior | 9,587         | 25.00         |
| <b>Total</b>                   | <b>38,348</b> | <b>100.00</b> |

**Table indicating the direct and indirect stake of the Controlling Shareholder, Board of Directors and Board of Executive Officers of Gol Linhas Aéreas Inteligentes S.A. on September 30, 2006:**

| Shareholders            | Common Shares      | %             | Preferred Shares  | %             | Total              | %             |
|-------------------------|--------------------|---------------|-------------------|---------------|--------------------|---------------|
| Controlling Shareholder | 107,590,772        | 100.00        | 31,715,638        | 35.79         | 139,306,410        | 70.99         |
| Board Members           | 20                 | -             | 1,857,705         | 2.10          | 1,857,725          | 0.95          |
| Fiscal Council Members  | -                  | -             | -                 | -             | -                  | -             |
| Executive Officers      | -                  | -             | 853,312           | 0.96          | 853,312            | 0.44          |
| Market                  | -                  | -             | 54,189,019        | 61.15         | 54,189,019         | 27.62         |
| <b>Total</b>            | <b>107,590,792</b> | <b>100.00</b> | <b>88,615,674</b> | <b>100.00</b> | <b>196,206,466</b> | <b>100.00</b> |

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On September 30, 2006 the number of outstanding shares was 54,189,019 corresponding to 27.62% of the total shares.

The Company has an Audit Council. The Company does not have a Fiscal Council.

The Company is in accordance with the rules issued by the National Monetary Council, by the Central Bank of Brazil and by the Securities and Exchange Commission, as well as the other rules applicable to the operation of the general capital markets, in addition to those in the Regulation, in the Agreement of Adoption of Differentiated Practices of Corporate Governance Level 2 of BOVESPA and in the Regulation of Arbitration of the Market Arbitration Chamber.

**Table indicating the direct and indirect stake of the Controlling Shareholder, Board of Directors and Board of Executive Officers of Gol Linhas Aéreas Inteligentes S.A. on September 30, 2005:**

| Shareholders                   | Common Shares      | %             | Preferred Shares  | %            | Total              | %            |
|--------------------------------|--------------------|---------------|-------------------|--------------|--------------------|--------------|
| <b>Controlling Shareholder</b> | <b>109,448,477</b> | <b>100.00</b> | <b>34,845,638</b> | <b>40.60</b> | <b>144,294,115</b> | <b>73.90</b> |
| <b>Board Members</b>           | <b>14</b>          | <b>-</b>      | <b>-</b>          | <b>-</b>     | <b>14</b>          | <b>-</b>     |
| <b>Other</b>                   | <b>-</b>           | <b>-</b>      | <b>6,000</b>      | <b>0.01</b>  | <b>6,000</b>       | <b>-</b>     |
| <b>Market</b>                  | <b>6</b>           | <b>-</b>      | <b>50,968,919</b> | <b>59.39</b> | <b>50,968,925</b>  | <b>26.10</b> |
| Total                          | 109,448,497        | 100.00        | 85,820,557        | 100.00       | 195,269,054        | 100.00       |

On September 30, 2005 the number of outstanding shares was 50,968,919 corresponding to 26.10% of the total shares.

**SPECIAL REVIEW REPORT**

The Board of Directors and Shareholders  
Gol Linhas Aéreas Inteligentes S.A.

1. We have performed a special review of the Quarterly Information - ITR of Gol Linhas Aéreas Inteligentes S.A. and subsidiaries for the quarter ended September 30 2006, comprising the balance sheets of the parent company and consolidated and the respective statements of income, the performance report and relevant information prepared in accordance with the accounting practices adopted in Brazil.

2. We conducted our review in accordance with standards of IBRACON – Brazilian Institute of Independent Auditors, coupled with the Federal Accounting Council, consisting mainly of: (a) inquiry and discussion with the managers in charge of the Company's accounting, financial and operating areas in relation to the main criteria adopted in the preparation of the Quarterly Information; and (b) review of information and subsequent events which have or may have relevant effects on the financial situation and operations of the Company.

3. Based on our special review, we are not aware of any material modification that should be made to the Quarterly Information referred to above for them to be in conformity with the accounting practices adopted in Brazil, in accordance with the rules issued by the Brazilian Securities and Exchange Commission, specifically applicable to the preparation of the Quarterly Information.

São Paulo, October 19, 2006

ERNST & YOUNG  
Auditores Independentes S.S.  
CRC-2SP015199/O-1

Maria Helena Pettersson  
Accountant CRC-1SP119891/O-0

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