

Gol Intelligent Airlines Inc.  
Form 6-K  
November 07, 2016

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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 November, 2016**  
**(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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**Praça Comandante Linneu Gomes, Portaria 3, Prédio 24**  
**Jd. 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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## **GOL announces expansion of operating margin to 10% in 3Q16**

*Operating income was R\$233 million in the period*

**São Paulo, November 07, 2016 - GOL Linhas Aéreas Inteligentes S.A. (“GLAI”), (BM&FBOVESPA: GOLL4 and NYSE: GOL), (S&P: CCC, Fitch: CC and Moody’s: Caa3),** Brazil's largest air transportation and travel services group, with operation in passenger transportation, cargo transportation and coalition loyalty programs, announces today its consolidated results for the third quarter of 2016. All information is presented in accordance with International Financial Reporting Standards (IFRS) and in Brazilian Reals (R\$), and all comparisons are with the third quarter of 2015 unless otherwise stated.

### **Quarter highlights**

| In 3Q16, GOL’s capacity in the domestic and international markets, measured by ASK, reduced by 4.3% and 21.4%, respectively, over the same period in 2015, producing an overall GOL system reduction of 6.7%.

| In the same period, demand for the Company's seats, measured by RPK, decreased by 2.9% in the domestic market and 21.1% in the international market. In the overall GOL system, the decrease was 5.3%.

| In 3Q16, GOL’s total load factor increased by 1.2 percentage point over 3Q15, reaching 79.8%. The domestic market increase was 1.2 percentage point to 80.4%, while the international load factor climbed by 0.3 percentage points to 74.6%.

| The Company recorded third-quarter net revenue of R\$2.4 billion, 3.5% down in the annual comparison. Net revenue in the last twelve months was R\$9.9 billion.

| Ancillary and cargo revenues decreased by 1.5% over 3Q16 to R\$302.1 million, representing 12.6% of total net revenue. In the last twelve months, ancillary and cargo revenues totaled R\$1.2 billion.

| Third-quarter CASK, excluding fuel expenses and non-recurring events, recorded a year-over-year decline of 2.1%.

| Non-recurring gains from the anticipated return of aircraft under finance lease contracts were R\$13.6 million in 3Q16.

### **Contacts**

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### **Conference Calls**

Monday

November 7, 2016

### **Portuguese**

10:00 a.m. (Brazil)

07:00 a.m. (US EST)

Phone: +55 (11)  
3193-1001

+55 (11) 2820-4001

Code: GOL

| The operating result (EBIT) was R\$232.6 million in 3Q16, with a margin of 9.7%. EBITDA was R\$333.4 million, with a margin of 13.9%, and EBITDAR was R\$599.5 million, with a margin of 25.0%. The margin improvement was due to the capacity management, which drove an increase in yield, stronger currency and cost control.

Replay: +55 (11)  
3193-1012

Replay Code:  
7538496#

| Net income was R\$65.9 million in the third quarter and R\$1.1 billion year-to-date, versus respective losses of R\$2.1 billion and R\$3.2 billion in the same periods last year. EPS was R\$0.19 in 3Q16 and R\$3.26 in 9M16.

### English

11:30 a.m. (Brazil)

08:30 a.m. (US EST)

Phone: +1 (412)  
317-5453

Code: GOL

Replay: +1 (412)  
317-0088

Replay Code:  
10086669

| Financial leverage (adjusted gross debt/EBITDAR) ended the quarter at 7.2x, versus 8.4x at June 30, 2016.

### Live webcast

[www.voegol.com.br/ri](http://www.voegol.com.br/ri)

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| Net income was R\$65.9 million in the third quarter and R\$1.1 billion year-to-date, versus respective losses of R\$2.1 billion and R\$3.2 billion in the same periods last year. EPS was R\$0.19 in 3Q16 and R\$3.26 in 9M16.

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**GOL Linhas Aéreas Inteligentes S.A.**

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## **GOL announces expansion of operating margin to 10% in 3Q16**

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### **Message from Management**

GOL posted an operating margin of 9.7% in 3Q16, accompanied by an operating result (EBIT) of R\$232.6 million, due to the rationalization of capacity, which reduced the number of seats available for sale by 20.1%, leading to a 1.5% increase in yield, and the strict control over costs, which fell by 12.6%. In the year through September, EBIT was R\$498.3 million, with a margin of 6.9%, and net income reached R\$1.1 billion, representing a margin of 15.7%.

Aiming to ensure a better flight experience for our customers, in August 2016 we launched the GOL Premium Lounge in Guarulhos International Airport in São Paulo. The new VIP lounge has modern and distinctive spaces specially designed to provide clients with increased ease and convenience. We will be inaugurating two more lounges, in the Galeão Airport in Rio de Janeiro, by 1Q17.

On October 4, we undertook the first commercial flight in South America with internet on board on the Congonhas-Brasilia-Congonhas route. The Company's entire fleet will be equipped with this service by October 2018.

We announced the expansion of our codeshare agreement with Copa Airlines and Aeromexico, as well as a new partnership with Emirates. As a result, passengers served by these companies will only have to check-in themselves and their baggage once and will be able to take advantage of an extensive route network. Customers will also benefit from being able to accumulate miles and redeem tickets through loyalty programs.

We deepened our activities with Smiles in order to provide more benefits and amenities to customers, exemplified by the expansion of miles accumulation to promotional fares. In addition, customers entitled to a category upgrade during the year and who accumulate more qualifying miles than necessary will be entitled to carry the surplus forward to the following year, helping them maintain their category or possibly entitling them to a new upgrade.

We concluded our service to the Olympic Summer Games held in Rio de Janeiro in August and September with absolute success. All in all, we carried more than 7,200 athletes, 5,604 passengers with reduced mobility or special needs, and 49 delegations. The launch of the accessibility ramp, the improvements in our processes and procedures and the excellence of our service, as well as the high level of security in our operations represent the medals we won in the Games and which we will wear with great pride!

I would like to thank all the organizations and our Team of Eagles who played a vital role in helping us get through this period of rapid economic change. We are convinced we will arise from this arduous and complex process even stronger, more efficient and fully prepared for a new cycle in Brazil's economy.

**Paulo Sérgio Kakinoff**

CEO of GOL Linhas Aéreas Inteligentes S.A.

**GOL Linhas Aéreas Inteligentes S.A.**

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**GOL announces expansion of operating margin to 10% in 3Q16***Operating income was R\$233 million in the period***Operating and financial indicators**

<b>RPK GOL – Total</b>	<b>9,173</b>	9,684	<b>-5.3%</b>	<b>26,766</b>	28,970	<b>-7.6%</b>
RPK GOL - Domestic	<b>8,193</b>	8,441	<b>-2.9%</b>	<b>23,801</b>	25,486	<b>-6.6%</b>
RPK GOL - International	<b>980</b>	1,243	<b>-21.1%</b>	<b>2,966</b>	3,484	<b>-14.9%</b>
<b>ASK GOL – Total</b>	<b>11,502</b>	12,321	<b>-6.7%</b>	<b>34,529</b>	37,224	<b>-7.2%</b>
ASK GOL – Domestic	<b>10,188</b>	10,650	<b>-4.3%</b>	<b>30,536</b>	32,376	<b>-5.7%</b>
ASK GOL - International	<b>1,313</b>	1,672	<b>-21.4%</b>	<b>3,994</b>	4,848	<b>-17.6%</b>
<b>GOL Load Factor - Total</b>	<b>79.8%</b>	78.6%	<b>1.2 p.p</b>	<b>77.5%</b>	77.8%	<b>-0.3 p.p</b>
GOL Load Factor - Domestic	<b>80.4%</b>	79.3%	<b>1.2 p.p</b>	<b>77.9%</b>	78.7%	<b>-0.8 p.p</b>
GOL Load Factor - International	<b>74.6%</b>	74.4%	<b>0.3 p.p</b>	<b>74.3%</b>	71.9%	<b>2.4 p.p</b>
Revenue Passengers - Pax on board ('000)	<b>8,120.9</b>	9,775.1	<b>-16.9%</b>	<b>24,516.7</b>	29,284.3	<b>-16.3%</b>
Aircraft Utilization (Block Hours/Day)	<b>11.4</b>	11.2	<b>2.2%</b>	<b>11.0</b>	11.3	<b>-3.5%</b>
Departures	<b>62,492</b>	78,578	<b>-20.5%</b>	<b>197,654</b>	236,525	<b>-16.4%</b>
Average Stage Length (km)	<b>1,081</b>	936	<b>15.6%</b>	<b>1,030</b>	933	<b>10.4%</b>
Fuel consumption (mm liters)	<b>341</b>	387	<b>-11.7%</b>	<b>1,038</b>	1,160	<b>-10.5%</b>
Full-time employees (at period end)	<b>15,136</b>	16,702	<b>-9.4%</b>	<b>15,136</b>	16,702	<b>-9.4%</b>
Average Operating Fleet	<b>112</b>	128	<b>-13.0%</b>	<b>119</b>	128	<b>-7.1%</b>
Net YIELD (R\$ cents)	<b>22.89</b>	22.54	<b>1.5%</b>	<b>23.65</b>	21.60	<b>9.5%</b>
Net PRASK (R\$ cents)	<b>18.25</b>	17.72	<b>3.0%</b>	<b>18.33</b>	16.81	<b>9.0%</b>
Net RASK (R\$ cents)	<b>20.88</b>	20.21	<b>3.3%</b>	<b>20.86</b>	19.14	<b>9.0%</b>
CASK (R\$ cents)	<b>18.84</b>	20.13	<b>-6.4%</b>	<b>19.40</b>	19.37	<b>0.2%</b>
CASK ex-fuel (R\$ cents)	<b>13.04</b>	13.45	<b>-3.1%</b>	<b>13.56</b>	12.84	<b>5.6%</b>
CASK (R\$ cents) adjusted <sup>4</sup>	<b>18.96</b>	20.12	<b>-5.7%</b>	<b>20.00</b>	19.42	<b>3.0%</b>
CASK ex-fuel (R\$ cents) adjusted <sup>4</sup>	<b>13.15</b>	13.44	<b>-2.1%</b>	<b>14.16</b>	12.89	<b>9.8%</b>
Average Exchange Rate <sup>1</sup>	<b>3.2460</b>	3.5380	<b>-8.3%</b>	<b>3.5519</b>	3.1604	<b>12.4%</b>
End of period Exchange Rate <sup>1</sup>	<b>3.2462</b>	3.9729	<b>-18.3%</b>	<b>3.2462</b>	3.9729	<b>-18.3%</b>
WTI (avg. per barrel, US\$) <sup>2</sup>	<b>44.9</b>	46.5	<b>-3.4%</b>	<b>41.4</b>	51.0	<b>-18.8%</b>
Price per liter Fuel (R\$) <sup>3</sup>	<b>1.96</b>	2.13	<b>-8.0%</b>	<b>1.94</b>	2.10	<b>-7.3%</b>
Gulf Coast Jet Fuel (avg. per liter, US\$) <sup>2</sup>	<b>0.34</b>	0.38	<b>-11.0%</b>	<b>0.31</b>	0.43	<b>-26.5%</b>

1. Source: Central Bank; 2. Source: Bloomberg; 3. Fuel expenses/liters consumed; 4. Excluding non-recurring results on return of aircraft under finance lease contracts and sale-leaseback transactions; \*Certain variation calculations in this report may not match due to rounding..

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### **Domestic market – GOL**

Domestic supply decreased by 4.3% in the quarter and 5.7% from January to September of 2016 compared to the same period of 2015, reflecting the network adjustments in May 2016 with the aim of reducing supply about 8% over the year.

Domestic demand decreased by 2.9% in 3Q16 and 6.6% in 9M16, resulting in a domestic load factor of 80.4%, a increase of 1.2 p.p. compared to 3Q15, and 77.9%, a decrease of 0.8 p.p. compared to 9M15.

GOL transported 7.7 million passengers in the domestic market in the quarter, representing a decrease of 16.9% when compared to the same period in 2015. The Company maintained its leadership position in the number of transported passengers in Brazil's domestic aviation market.

### **International market - GOL**

GOL's international supply decreased 21.4% in the quarter and 17.6% in 9M16, compared to 2015. International demand showed a decrease of 21.1% between July and September, registering load factor of 74.6%, and, in 9M16, a decrease of 14.9%, leading the international load factor to 74.3%.

During the quarter, GOL transported 469.4 thousand passengers in the international market, 16.5% less than in 2015. For 9M16, the Company transported 1,431.6 thousand passengers, a decrease of 10.8% compared to the same period in 2015.

### **Volume of departures and Total seats - GOL**

The volume of departures in the overall system was reduced by 20.5% and 16.4% in the third quarter and 9M16, respectively. The total number of seats available of the market fell 20.1% in 3Q16 and 16.2% in the nine months of 2016.

### **PRASK, Yield and RASK**

Net PRASK grew by 3.0% and 9.0%, RASK improved 3.3% and 9.0% and yield increased by 1.5% and 9.5%, in comparison with 3Q15 and 9M15, respectively. It is worth noting the ASK decreased 6.7% in the quarter and 7.2% from January to September of 2016.



