

Gol Intelligent Airlines Inc.  
Form 6-K  
May 09, 2018

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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 May, 2018**  
**(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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(Free translation into English from original previously issued in Portuguese)

**Individual and consolidated  
Interim Financial Information  
for the quarter ended March 31, 2018**

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

March 31, 2018

with review report of independent auditors

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## **Gol Linhas Aéreas Inteligentes S.A.**

### **Individual and consolidated interim financial information**

**March 31, 2018**

#### **Contents**

Management report	01
Comments on business projection trends	06
Report of the Statutory Audit Committee (CAE)	07
Declaration of the officers on the interim financial information	08
Declaration of the officers on the independent auditors review report on the interim financial information	09
Report on the review of interim financial information	10
Statements of financial position	12
Statements of income	14
Statements of comprehensive income	15
Statements of changes in equity	16
Statements of cash flows	18
Statements of value added	20
Notes to the interim financial information	21

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## Management report

We are proud of the continuing improvement in our results, which we believe is proof that our strategy of offering a differentiated, high quality product while relentlessly focusing on cost efficiency, is bearing fruit. We remain focused on offering the best experience in air transportation, providing punctual, exclusive services to our customers on new, modern aircraft that connect our main markets with the most convenient schedules. Our entertainment platform is the most complete and modern in Latin America with live on-board television and on-demand internet. The fleet has been retrofitted with eco-leather seats, and on-board Wi-Fi. We also offer our customers selfie check-in, GOL+Conforto seats, and an expanded menu of on-board products, while maintaining low-fare leadership.

We maintained our on-time leadership in Brazil for the 20th consecutive quarter (according to Infraero) in 1Q18: 93.7% of GOL's flights (over 64,000 in the quarter) took off on schedule.

We expect to continually drive our efficiency and technology advantages this year, and we look forward to incorporating the new Boeing 737 MAX 8s in the second half of 2018. With a range of up to 6,500 km, the new 737 MAX 8 aircraft will allow GOL to offer non-stop flights from Brazil to anywhere in Latin America, as well as to our recently announced destinations in Florida.

In January, GOL began the sale of tickets to Miami and Orlando, its first destinations in the United States. The new service will be flown by our new Boeing 737 MAX 8 aircraft, and will start on November 4th of this year, with departures from Brasília and Fortaleza; these cities were chosen for their privileged geographic locations and connectivity with other GOL markets. Customers will have at their disposal all the convenience and comfort already offered on the Company's flights, including in-flight internet and entertainment, leather seats with ample leg room, and free on-board drinks and meals.

GOL was the lowest operating cost airline in the region for the 17th consecutive year, a result of our simplified, standardized fleet (lower crew costs, intelligent spare parts management and best-in-class maintenance), and our lean and productive operations with reduced fixed costs. In 1Q18, aircraft utilization was 12.9 block hours per day (a 5.2% increase over 1Q17), and our load factor increased by 0.8 pp, reaching 80.4%. Our operating efficiency and cost advantage support our position as the #1 airline in Brazil,

We continued to effectively protect the company's margins by managing capacity, yields and hedging. In the 1Q18 compared to 4Q17 the average price of jet fuel increased by 7.4% and we increased domestic capacity by 0.8%, increased PRASK by 11.5%, and realized R\$19 million of positive results through fuel hedging.

We continue to reduce our cost of financing and improve our liquidity and leverage profile. On January 30, 2018, GOL subsidiary GOL Finance priced an additional issue (re-tap offering) in the amount of US\$150 million of our Senior Notes due in 2025, with a coupon of 7.0% per year. In addition, we partially acquired our Senior Notes due 2020 (through a tender offer), and paid out the redemption of our Senior Notes due 2018, 2020, 2021 e 2028. As of March 31, 2018, our net debt (ex-perpetual bonds) to LTM EBITDA ratio improved to 2.5x, and our total liquidity was R\$3.1 billion.

## Operational and Financial Indicators

<b>RPK GOL – Total</b>	<b>9,989</b>	<b>9,561</b>	<b>4.5%</b>
RPK GOL – Domestic	8,694	8,507	2.2%
RPK GOL – International	1,295	1,055	22.8%
<b>ASK GOL – Total</b>	<b>12,421</b>	<b>12,019</b>	<b>3.3%</b>
ASK GOL – Domestic	10,780	10,690	0.8%
ASK GOL – International	1,641	1,329	23.5%
<b>GOL Load Factor – Total</b>	<b>80.4%</b>	<b>79.6%</b>	<b>0.8 p.p</b>
GOL Load Factor – Domestic	80.7%	79.6%	1.1 p.p
GOL Load Factor – International	78.9%	79.4%	-0.5 p.p
Average Fare (R\$)	334.72	295.88	13.1%
Revenue Passengers - Pax on board ('000)	8,362	8,210	1.8%
Aircraft Utilization (block hours/day) <sup>5</sup>	12.9	12.3	5.2%
Departures	64,545	64,100	0.7%
Total Seats ('000)	10,816	10,734	0.8%
Average Stage Length (km)	1,142	1,102	3.6%
Fuel Consumption (mm liters)	364	353	3.2%
Full-time Employees (at period end)	15,043	15,051	-0.1%
Average Operating Fleet <sup>6</sup>	111	111	-0.4%
On-time Departures	93.7%	94.6%	-0.9 p.p
Flight Completion	97.8%	98.8%	-1.0 p.p
Passenger Complaints (per 1000 pax)	1.92	1.43	34.2%
Lost Baggage (per 1000 pax)	2.04	2.17	-6.2%
Net YIELD (R\$ cents)	28.02	25.41	10.3%
Net PRASK (R\$ cents)	22.53	20.21	11.5%
Net RASK (R\$ cents)	23.87	21.57	10.7%
CASK (R\$ cents) <sup>4</sup>	19.80	19.44	1.9%
CASK ex-fuel (R\$ cents) <sup>4</sup>	12.69	13.32	-4.8%
CASK ex-fuel and net gains on aircraft (R\$ cents)	13.35	13.32	0.2%
Breakeven Load Factor	66.7%	71.7%	-5.0 p.p
Average Exchange Rate <sup>1</sup>	3.2433	3.1451	3.1%
End of period Exchange Rate <sup>1</sup>	3.3238	3.1684	4.9%
WTI (avg. per barrel. US\$) <sup>2</sup>	62.89	51.78	21.5%
Price per liter Fuel (R\$) <sup>3</sup>	2.43	2.08	16.5%
Gulf Coast Jet Fuel (avg. per liter. US\$) <sup>2</sup>	0.50	0.40	25.9%

1. Source: Brazil's Central Bank; 2. Source: Bloomberg; 3. Fuel expenses/liters consumed; 4. Including results on the return of aircraft under finance lease contracts, sale-leaseback transactions; 5. Change on methodology from flight hours to block hours per day between 1Q17 and 2Q17; 5. and 6. Average operating fleet excluding sub-leased aircraft and those under MRO. \* 1Q17 results have been restated based on IFRS 15. Certain variation calculations in this report may not match due to rounding.

## **Domestic market – GOL**

GOL's domestic supply increased by 0.8% in 1Q18 over 1Q17. Demand increased by 2.2% in 1Q18, and load factor reached 80.7%, an increase of 1.1 p.p. when compared to 1Q17.

GOL transported 7.7 million domestic passengers in the quarter, representing an increase of 0.9% when compared with the same period in 2017. The Company is the leader in transported passengers in Brazil's domestic aviation market.

2

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## International market - GOL

GOL's international supply increased by 23.5% in the quarter compared to 1Q17. International demand increased 22.8% in 1Q18 when compared to 1Q17. International load factor in 1Q18 was 78.9%, decreasing 0.5 p.p. over 1Q17. During the quarter, GOL transported 0.6 million passengers in the international market, an increase of 16.4% when compared to the first quarter of 2017.

## Volume of Departures and Total seats - GOL

The total volume of GOL departures was 64,500, an increase of 0.7% in 1Q18 over 1Q17. The total number of seats available to the market was 10.8 million in the first quarter of 2018, an increase of 0.8% over the same period of 2017.

## PRASK, Yield and RASK

Net PRASK increased by 11.5% in the quarter when compared to 1Q17, reaching 22.53 cents (R\$), driven by a growth in net passenger revenue of 15.2% in the quarter. GOL's Net RASK was 23.87 cents (R\$) in 1Q18, an increase of 10.7% over 1Q17. Net yield increased by 10.3% in 1Q18 compared to 1Q17, reaching 28.02 cents (R\$), driven by a 13.1% increase in GOL's average fare.

## Total Fleet

<b>Boeing 737-NGs</b>	<b>118</b>	<b>124</b>	<b>-6</b>	<b>119</b>	<b>-1</b>
737-800 NG	92	96	-4	92	0
737-700 NG	26	28	-2	27	-1
Financial Leasing (737-NG)	29	31	-2	31	-2
Operating Leasing (373-NG)	89	93	-4	88	1

At the end of 1Q18, GOL's total fleet was 118 Boeing 737-NG aircraft, with 117 aircraft in operation and one aircraft was sub-leased to another airline. At the end of March 2017, of a total of 124 Boeing 737-NG aircraft, GOL was operating 116 aircraft on routes. Of the eight remaining aircraft, four were in the process of being returned to lessors and four were sub-leased to other airlines.

GOL has 89 aircraft under operating leasing arrangements and 29 aircraft under financial lease structures. 29 aircraft in the fleet have a purchase option at the end of their lease contracts.



The average age of the fleet was 9.5 years at the end of 1Q18. The Company has 120 firm Boeing 737 MAX 8 acquisition orders, allowing for complete fleet renewal by 2028. The first Boeing 737 MAX 8 aircraft is expected to be received by the Company in July 2018.

<b>Operating Fleet (End of the year)</b>	121	124	128		
Aircraft Commitments (R\$ million)*	-	1,122.9	4,559.9	39,622.9	45,305.7
Pre-Delivery Payments (R\$ million)	243.0	542.0	683.9	5,150.0	6,618.9

\* Considers aircraft list price

The Company maintains standards of excellence in its maintenance procedures, both with regards to its equipment and in the provision of services to other operators and to its partner Delta. This is supported through certifications by regulatory agencies including ANAC (Brazil's National Civil Aviation Agency), the US FAA (Federal Aviation Administration), and recently EASA (European Aviation Safety Agency), the aeronautical regulator of the European community. These certifications ratify the high standard in aircraft and component maintenance services that reaffirm GOL's commitment to ensuring that its processes, manuals and maintenance training programs are in line with aviation global best practices.

## Glossary of industry terms

- | **AIRCRAFT LEASING:** an agreement through which a company (the lessor), acquires a resource chosen by its client (the lessee) for subsequent rental to the latter for a determined period.
- | **AIRCRAFT UTILIZATION:** the average number of hours operated per day by the aircraft.
- | **AVAILABLE SEAT KILOMETERS (ASK):** the aircraft seating capacity multiplied by the number of kilometers flown.
- | **AVAILaBLE FREIGHT TONNE KILOMETER (AFTK):** cargo capacity in tonnes multiplied by number of kilometers flown.
- | **AVERAGE STAGE LENGTH:** the average number of kilometers flown per flight.
- | **BLOCK HOURS:** the time an aircraft is in flight plus taxiing time.
- | **BREAKEVEN LOAD FACTOR:** the passenger load factor that will result in passenger revenues being equal to operating expenses.
- | **BRENT:** oil produced in the North Sea, traded on the London Stock Exchange and used as a reference in the European and Asian derivatives markets.
- | **CHARTER:** a flight operated by an airline outside its normal or regular operations.
- | **EBITDAR:** earnings before interest, taxes, depreciation, amortization and rent. Airlines normally present EBITDAR, since aircraft leasing represents a significant operating expense for their business.
- | **FREIGHT LOAD FACTOR (FLF):** percentage of cargo capacity that is actually utilized (calculated dividing FTK by AFTK)
- | **FREIGHT TONNE KILOMETERS (FTK):** weight of revenue cargo in tonnes multiplied by number of kilometers flown by such tonnes.
- | **LESSOR:** the party renting a property or other asset to another party, the lessee.
- | **LOAD FACTOR:** the percentage of aircraft seating capacity that is actually utilized (calculated by dividing RPK by ASK).
- | **LONG-HAUL FLIGHTS:** long-distance flights (in GOL's case, flights of more than four hours' duration).
- | **OPERATING COST PER AVAILABLE SEAT KILOMETER (CASK):** operating expenses divided by the total number of available seat kilometers.

| **OPERATING COST PER AVAILABLE SEAT KILOMETER EX-FUEL (CASK EX-FUEL):** operating cost divided by the total number of available seat kilometers excluding fuel expenses.

| **OPERATING REVENUE PER AVAILABLE SEAT KILOMETER (RASK):** total operating revenue divided by the total number of available seat kilometers.

| **PASSENGER REVENUE PER AVAILABLE SEAT KILOMETER (PRASK):** total passenger revenue divided by the total number of available seat kilometers.

| **REVENUE PASSENGERS:** the total number of passengers on board who have paid more than 25% of the full flight fare.

| **REVENUE PASSENGER KILOMETERS (RPK):** the sum of the products of the number of paying passengers on a given flight and the length of the flight.

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