3rd Quarter 2018

Earnings Release

Grupo Viva Aerobus

Enhancing air travel options through a strong focus on profitability and innovation

VIVA AEROBUS REPORTS GROWTH OF 25.8% IN TOTAL REVENUE & 20.5% IN PASSENGER TRAFFIC DURING 3Q18

Mexico City, October 24th, 2018 – Grupo Viva Aerobus, S.A. de C.V. ("Grupo Viva), holding of Aeroenlaces Nacionales, S.A. de C.V. ("VivaAerobus"), the carrier with the lowest costs in Latin America and rates comparable to bus transportation, announced today its earnings results for the third quarter 2018. The figures presented in this report have been prepared in accordance with the International Financial Reporting Standards (IFRS), and are expressed in current nominal Mexican Pesos, unless otherwise stated. Totals may slightly differ from individual sums due to rounding.

3Q18 Highlights

- 3Q18 Total Operating Revenue rose 25.8%, reaching Ps.2,818 million, vs. Ps.2,240 million recorded in 3Q17
- 3Q18 capacity measured in available seat kilometers (ASK) reached 3,305 million, up 24.9% vs. Ps.2,646 million in 3Q17
- 3Q18 revenue per available seat kilometer (RASK) was Ps.85 cents, a slight increase of 0.7% YoY
- Cost per available seat kilometer (CASK) increased from Ps.62 cents in 3Q17 to Ps.78 cents this quarter, following a higher passenger traffic and rising fuel costs (partially offset by the incorporation of cutting-edge aircrafts, with smart technologies in fuel consumption)
- 3Q18 load factor stood at 91.3%, 0.3 pp. higher than the 91.0% recorded in 3Q17
- 3Q18 EBITDAR amounted to Ps.978 million, down 3.5% when compared to the Ps.1,014 million in 3Q17. This variation is mainly attributed to the surge in fuel costs and higher expenditures in rents and maintenance. EBITDAR margin was 34.7%, 10.5 pp. lower than that in 3Q17
- 3Q18 Net Income was Ps.226 million, below the Ps.409 million recorded in 3Q17, negatively impacted by the abovementioned factors. 3Q18 net margin stood at 8.0% in 3Q18
- At quarter-end, the cash and cash equivalents balance were Ps.1,696 million, up 3.6% when compared to the Ps.1,636 million registered at the same period last year
- Grupo Viva Aerobus' fleet reached 27 aircraft as of quarter-end, comprised by 22 Airbus 320ceo and 5 Airbus 320neo. As of September 30, 2018, Viva Aerobus maintains one of the most modern fleets in the world, with an average age of 4.5 years

Operational Considerations

- The Direccion General de Aeronautica Civil (General Direction of Civil Aviation or "DGAC", by its Spanish acronym) reported an 8.6% annual growth in domestic passenger traffic carried by Mexican airlines from January to August 2018. In the same period, Viva Aerobus was the fastest growing airline in the industry, in terms of domestic and total passenger traffic, achieving growth rates of 18.3% and 20.9%, respectively
- YTD, Viva Aerobus carried more than 7.3 million passengers (+22.0% vs. the same period last year), and over 2.8 million during 3Q18 (+20.5% vs. 3Q17)
- A noteworthy development this quarter was the achievement of a 19.3% share of the passengers carried in the domestic market on August, allowing Viva Aerobus to beat some of its closest competitors for the first time. From January to August 2018, Viva Aerobus' domestic share stood at 18.1%, 1.5 pp. more than the 16.6% share recorded in the same period 2017
- At quarter-end, the average cost per gallon of jet fuel was USD$2.13 per gallon, a 34.8% increase when compared to the USD$1.58 at the end of September 2017
- In 3Q18, the MXN depreciated 6.38% YoY against the USD, from an average exchange rate of Ps.17.82/USD in 3Q17 to Ps.18.96/USD this quarter

Financial Information

Financial Indicators (MXN million)	3Q18	3Q17	Ch. %	9M18	9M17	Ch. %
Operating Revenue	2,818	2,240	25.8%	7,016	5,359	30.9%
EBITDAR	978	1,014	(3.5%)	2,437	2,004	21.6%
EBITDAR margin	34.7%	45.2%	(10.5 p.p.)	34.7%	37.4%	(2.7 p.p.)
Operating income	242	589	(58.9%)	376	732	(48.6%)
Operating margin	8.6%	26.3%	(17.7 p.p.)	5.4%	13.7%	(8.3 p.p.)
Profit before income taxes (PBT)	238	574	(58.4%)	179	724	(75.3%)
PBT margin	8.5%	25.6%	(17.1 p.p.)	2.6%	13.5%	(11.0p.p.)
Net Income	226	409	(44.7%)	364	536	(32.1%)
Net margin	8.0%	18.3%	(10.2 p.p.)	5.2%	10.0%	(4.8 p.p.)

Operational Information

Operational Indicators	3Q18	3Q17	Ch. %.	9M18	9M17	Ch. %
ASKs (million)	3,305	2,646	24.9%	8,770	6,831	28.4%
RPKs (million)	3,016	2,407	25.3%	7,911	6,131	29.0%
Total passengers (thousands)	2,775	2,302	20.5%	7,301	5,984	22.0%
Load factor (%)	91.3%	91.0%	0.3 p.p.	90.2%	89.8%	0.5 p.p.
RASK (MXN cents)	85	85	0.7%	80	78	2.0%
Adjusted RASK* (MXN cents)	70	68	3.0%	65	62	5.2%
CASK (MXN cents)	78	62	24.9%	76	68	11.8%
Cost per seat (MXN cents)	841	644	30.6%	815	685	19.0%
CASK ex-fuel (MXN cents)	45	41	9.9%	45	46	(2.2%)
Adjusted CASK* (MXN cents)	64	50	27.7%	62	54	15.3%
Adjusted CASK* ex-fuel (MXN cents)	37	33	12.4%	37	36	0.9%
Stage length (km)	1,080	1,033	4.6%	1,076	1,011	6.5%

*Adjusted to 1,609 km.
*Please refer to the glossary

Financial Ratios

Financial Ratios (times)	3Q18	3Q17	Ch. %.	9M18	9M17	Ch. %
Cost-to-revenue ratio	91.4%	73.7%	17.7 p.p.	94.6%	86.3%	8.3 p.p.
Liquidity ratio*	0.38x	0.56x	(0.18x)	0.38x	0.56x	(0.18x)
Current ratio**	0.40x	0.57x	(0.18x)	0.40x	0.57x	(0.18x)
Total debt / Shareholders' Equity	1.40x	0.98x	0.42x	1.40x	0.98x	0.42x
Cash as % of LTM revenue***	18.4%	24.7%	(6.3 p.p.)	18.4%	24.7%	(6.3 p.p.)
Adjusted net debt / EBITDAR	5.95x	4.84x	1.11x	5.95x	4.84x	1.11x

*Liquidity ratio = (Current Assets – Inventory) / Current Liabilities
**Current ratio = Current Assets / Current Liabilities
***Includes restricted cash

Message from the CEO

In this second half of the year, we are moving forward at a strong footing towards the consolidation of our market positioning, and on the right path to fulfill all our objectives set for 2018.

Our solid business model, once again, provided us all the necessary backing to overcome the challenging environment that has prevailed in the sector, mainly due to the rising fuel prices, the depreciation of the Mexican peso against the US dollar and persistent inflationary pressures. Before this backdrop, we have achieved a cost per available seat kilometer of Ps.75.7 cents, one of the lowest among the world.

This satisfactory result has been possible thanks to our leading role as the Latin American airline with the lowest cost structure. With this, we can continue to offer comprehensive services focused on clients whose consumer choices are guided by the most competitive prices. The foregoing has been an instrumental factor to win passengers' preference, whose growing predilection has also been a critical pillar to face the challenges posed by the prevailing environment.

In this context, in this third quarter we recorded a 20.5% annual growth in passenger traffic, reaching more than 2.8 million passengers transported. Moreover, it is worth mentioning that we were the fastest growing Mexican carrier, in terms of domestic and total passenger traffic, from January to August 2018, according to the DGAC, with annual growth rates of 18.3% and 20.9%, respectively. On top of that, our load factor stood above 90%, one of the highest in the Americas.

The above provided a strong momentum to our total operating revenue, which rose 25.8% when compared to the same period 2017. On the one hand, passenger revenue amounted to Ps.1,520 million, i.e. a 13.7% growth versus the 3Q17. On the other, especially noteworthy was the increase of 43.7% in ancillary revenue, achieving a 43.7% participation in the consolidated operating revenue. These figures are the result of an offer that allows our clients to customize their travel experience, selecting the features of the flight according to their preferences and needs. Our goal is to empower air travelers to choose and pay only for what they need.

Although EBITDAR and Net Income were negatively affected by the higher operating expenses, mainly jet fuel, both posted positive figures, totaling Ps.978 million and Ps.226 million, respectively. We are committed to a highly efficient operation and all assertive strategies needed to cope with costs' challenges. Proof of it is our investment in aircrafts with greater fuel consumption efficiency and higher capacity, bearing in mind that, in mid-July, we announced the second largest acquisition of aircrafts in our history. By 2025, we will receive 80 new Airbus aircraft that will reduce fuel consumption by 15%, including 41 Airbus A321 with capacity for 240 passengers, 54 seats more than our aircrafts currently in service.

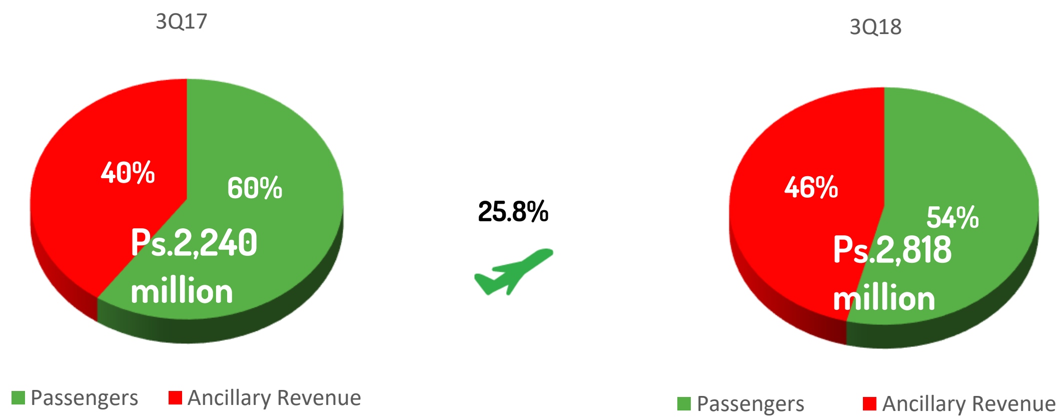
For these reasons, we are confident that we will keep gaining ground in the market and, above all, we will continue to achieve important milestones, as we have done this period. Only during the third quarter, we launched 10 new routes, thus exceeding, for the first time, the 100 routes mark, and announced our new connection flight services from the Monterrey hub. Additionally, in recent months we integrated new Airbus A320neo aircraft into our fleet, comprising today of a total of 30 aircraft, and, as a result, we increased our capacity measured in available seats by more than 20%.

We are about to celebrate our 12th anniversary and, with it, many more achievements will come. We will continue to strive to ensure that Viva Aerobus holds onto its position as the fastest growing carrier and as the best air travel option in the market.

Gian Carlo Nucci
CEO of Grupo Viva Aerobus

Income Statement Analysis (P&L)

Consolidated Revenue

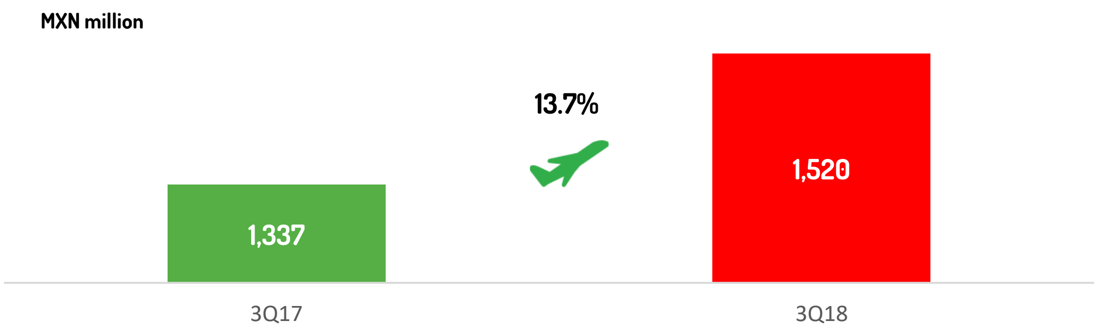


3Q18 total operating revenue amounted to Ps.2,818 million, up 25.8% when compared to the Ps.2,240 million recorded in 3Q17, attributed to: i) the successful implementation of our global pricing strategy, which allow us to offset the decrease in the fares paid per passenger through a better mix in ancillary revenue, thus achieving a 19.2% growth in average ancillary revenue per passenger; and, ii) our continuous growth in passenger traffic, which posted a 20.5% annual growth driven by the enhancement of our portfolio of routes and destinations that during the quarter exceeded the 100 routes.

In 3Q18, 53.9% of the operating revenue derived from passenger revenue, while the remaining 46.1% corresponded to ancillary revenue.

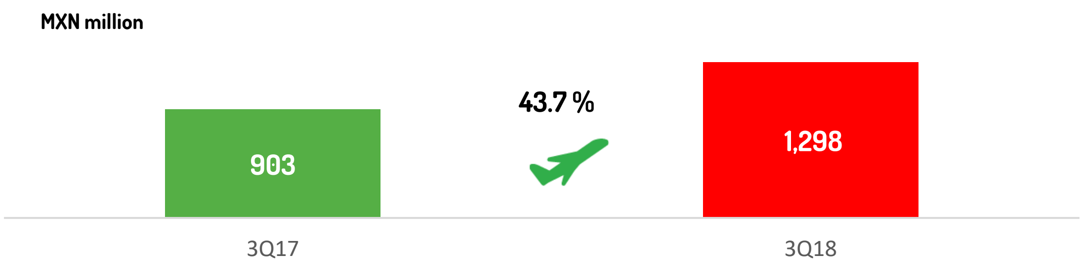
YTD, operating revenue recorded an annual growth of 30.9%, from Ps.5,359 million in the same period last year to Ps.7,016 million this quarter. This performance was mainly derived from: i) a 29.0% growth in revenue passenger kilometers (RPKS); and to a lesser extent by ii) a 5.2% increase in adjusted operating revenue per available seat kilometer (adjusted RASK). YTD ancillary revenue increased 47.7%, representing 47% of the operating revenue, being this proportion one of the highest in the world.

Passenger Revenue



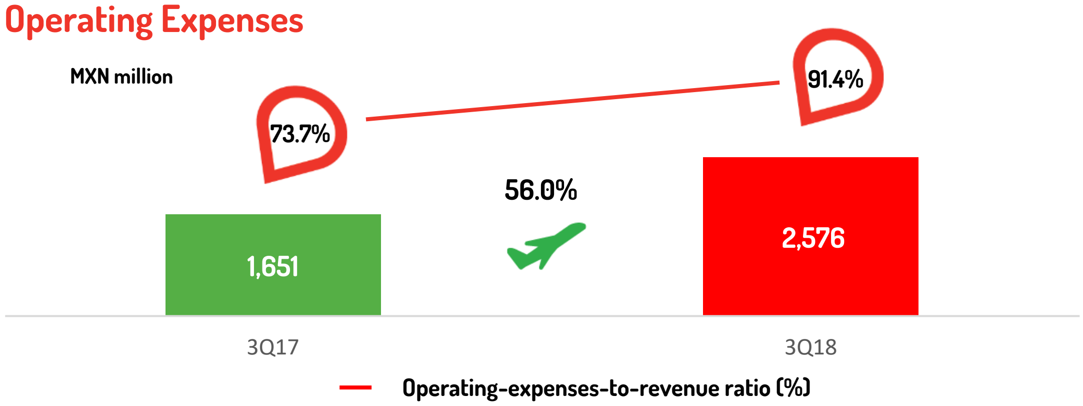
In 3Q18, passenger revenue reached Ps.1,520 million, i.e., 13.7% higher than the Ps.1,337 million recorded in 3Q17, following the enhancement of our portfolio of routes, hand in hand with a highly efficient operation, which has enabled us to increase our fleet's passenger traffic. We anticipate achieving higher fares, and therefore a larger revenue, as our leadership and brand awareness consolidate among the new routes.

Ancillary Revenue



3Q18 ancillary revenue totaled Ps.1,298 million, an increase of 43.7% vs. the Ps.903 million recorded in 3Q17, following our successful fare unbundling strategy that offers our customers the option to select the services they require according to their needs. Derived from the foregoing, we achieved a higher participation of ancillary revenue in the total consolidated revenue compared to other airlines worldwide; allowing us to preserve attractive fares, and consequently a high level of loyalty amongst our client's base.

Operating Expenses



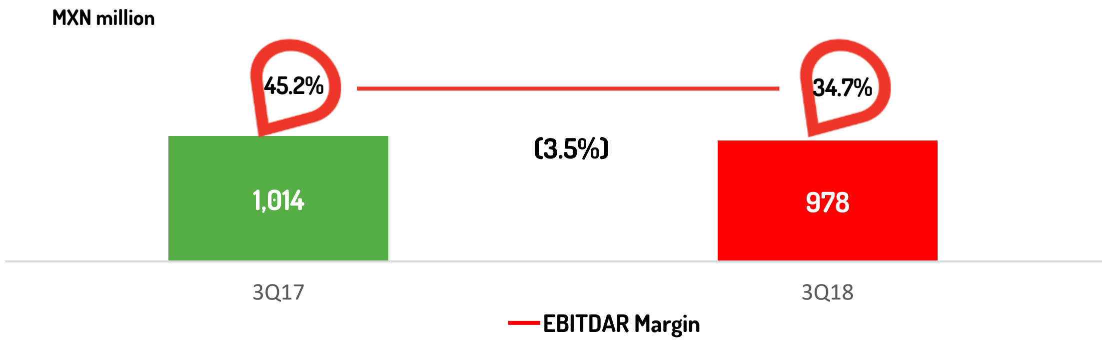
At quarter-end, the operating expenses increased 56.0%, reaching Ps.2,576 million, compared to the Ps.1,651 million recorded in 3Q17. Meanwhile, the operating-expenses-to-revenue ratio rose 17.7 pp., from 73.7% in 3Q17 to 91.4% at the end of 3Q18. CASK, excluding fuel, went from Ps.40.8 cents in 3Q17 to Ps.44.8 cents this quarter, an increase of 9.9%.

Total operating expenses continued increasing, mainly following: i) the rising jet fuel prices, which reached USD$2.13 per gallon at quarter-end, i.e., 34.8% higher than the USD$1.58 recorded in 3Q17; and, to a lesser extent, ii) the increase in the fleet over the last twelve months, which is reflected in higher rents and maintenance (given the addition of new aircrafts), as well as incremental salaries, wages and other benefits that matches our larger operational scale, following the incorporation of administrative, operative and flight staff (including captains, first officers and flight attendants). Amid this context, it is important to point out that we have started to operate flights with connections and accomplished the startup of the Tijuana's headquarters; seeking to boost our operating revenue.

It is important to note that, in order to mitigate fuel price risk, Viva Aerobus follows a risk management policy that uses a portfolio of instruments composed by forwards, call and call spread options to hedge approximately 50% of its forecasted jet fuel requirements for the following two months, 40% for the third month, 30% for the fourth month, continuing iteratively until reaching 5% of the forecasted consumption for the twelfth month. In particular, the Company contracts hedging instruments underlying by the jet fuel "JF54", with levels of coverage starting at USD $2.07 per gallon up to USD $2.55 per gallon. This risk management policy allows the Company to benefit from the price reductions of jet fuel, while maintaining the hedging coverage and limiting the maximum losses on the premium paid for these options.

(MXN million)	3Q18	3Q17	Ch. %.	9M18	9M17	Ch. %.
Fuel	1,094	572	91.3%	2,715	1,501	81.0%
Maintenance	142	83	70.9%	398	260	53.2%
Salaries, wages and other benefits	320	225	42.6%	877	641	36.8%
Selling, administrative & advertising expenses	325	268	21.0%	998	779	28.2%
Other operating expenses	(42)	79	(>100.0%)	(410)	175	(>100.0%)
Rents	628	340	84.8%	1,740	1,090	59.7%
Depreciation and amortization	108	85	28.1%	321	182	75.7%
Total operating expenses	2,576	1,651	56.0%	6,640	4,627	43.5%
Operating-expenses-to-revenue ratio (%)	91.4%	73.7%	17.7 p.p.	94.6%	86.3%	8.3 p.p.

EBITDAR



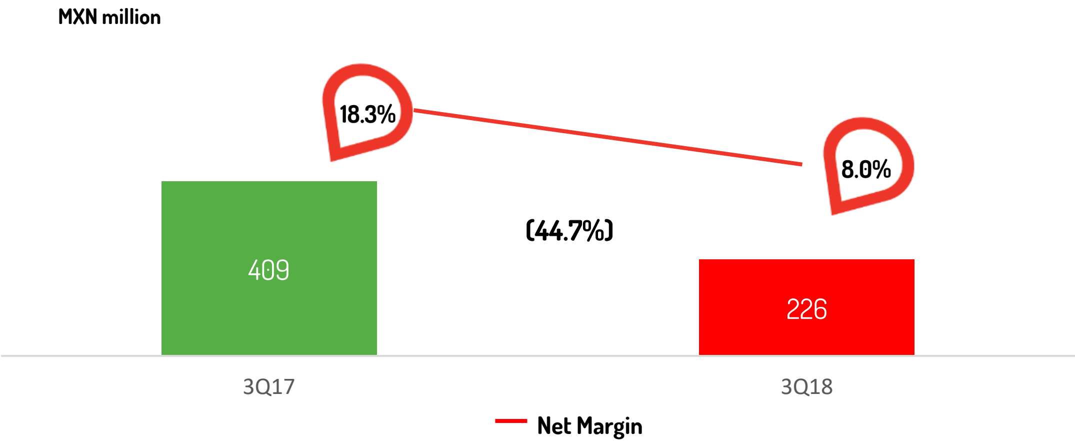
3Q18 EBITDAR reached Ps.978 million, a decrease of 3.5% when compared to the Ps.1,014 million recorded in 3Q17, as we were able to offset rising fuel prices through a larger revenue base. In line with the foregoing, 3Q18 EBITDAR margin fell from 45.2% in 3Q17 to 34.7%, down 10.5 pp.

(MXN million)	3Q18	3Q17	Ch. %.	9M18	9M17	Ch. %.
Operating income	242	589	(58.9%)	376	732	(48.6%)
Depreciation and amortization	108	85	28.1%	321	182	75.7%
Rents	628	340	84.8%	1,740	1,090	59.7%
EBITDAR	978	1,014	(3.5%)	2,437	2,004	21.6%
EBITDAR margin	34.7%	45.2%	(10.5 p.p.)	34.7%	37.4%	(2.7 p.p.)

Income tax

At quarter-end, income tax was Ps.12 million, compared to the Ps.165 million recorded in the same period last year. YTD, Grupo Viva Aerobus registered a tax benefit of Ps.185 million, vs. a Ps.188 million income tax recorded in the same period 2017.

Net Income (Loss)



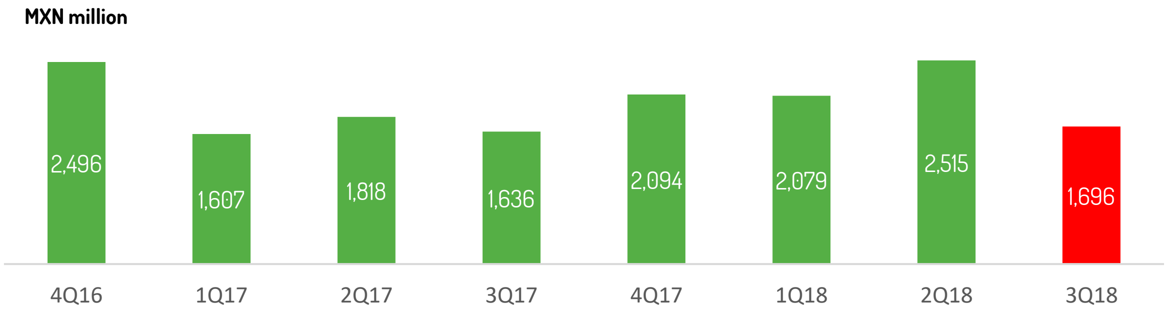
3Q18 net income decreased 44.7%, to Ps.226 million from Ps.409 million in 3Q17. Accumulated net income as of September 30, 2018, totaled Ps.364 million. 3Q18 net margin stood at 8.0%.

(MXN million)	3Q18	3Q17	Ch. %.	9M18	9M17	Ch. %.
Net Income (Loss)	226	409	(44.7%)	364	5356	(32.1%)
Net margin	8.0%	18.3%	(10.2 p.p.)	5.2%	10.0%	(4.8 p.p.)

FINANCIAL POSITION

Cash & Cash Equivalents

As of September 30, 2018, cash & cash equivalents (including restricted cash) totaled Ps.1,696 million, up 3.6% when compared to the Ps.1,636 million registered in the same period 2017. In this regard, the Company seeks to maintain a conservative cash balance to ensure the financial stability required to face any contingency and maximize the productive use of its assets.



Guarantee deposits and prepaid expenses

At the end of 3Q18, guarantee deposits and prepaid expenses increased 49.6%, reaching Ps.4,241 million, vs. the Ps.2,834 million recorded in the same period last year, in line with a larger aircraft fleet. It is important to note that this increase is mainly due to the settlements made on pre-delivery payments, according to the agreed schedule with Airbus

Financial Debt

(MXN million)	Sep-18	Sep-17	Ch. %.
Bank debt (mostly for PDP financing)	1,793	1,053	70.3%
Debt securities	1,684	1,012	66.4%
Short-term	2,847	1,104	>100.0%
Long-term	629	961	(34.5%)
Gross debt	3,477	2,065	68.4%
Net debt*	1,781	429	>100.0%

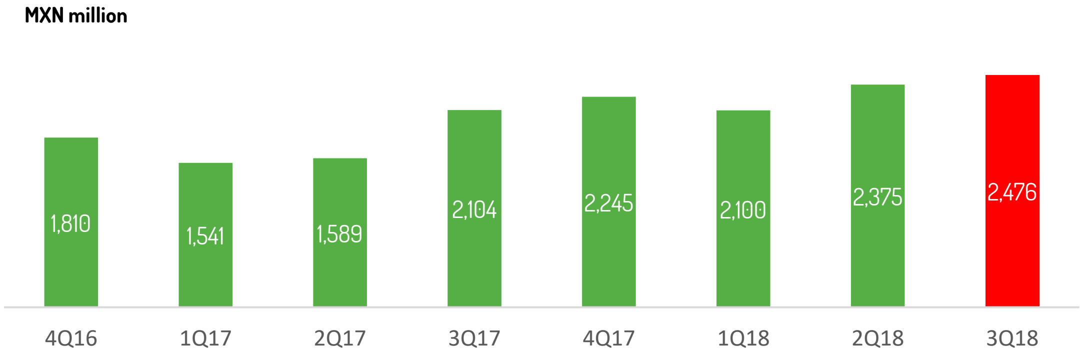
*Includes restricted cash

As of September 30, 2018, the Company's total debt amounted to Ps.3,477 million, 68.4% higher than the figure registered in the same period last year, attributed to the placement of short-term local notes at the beginning of the year and drawn credit lines used to settle pre-delivery payments (PDPs). The total debt is comprised of Ps.1,684 million in debt securities and Ps.1,793 million in bank debt for the advance payments of aircrafts, whose repay sources will be constituted by sale & lease operations that will be conducted at the delivery date of such aircrafts. Consequently, the repayment of the bank debt does not represent any liability for the Company's cash flow.

As of September 30, 2018, the Company's leverage ratio was 2.80 times, higher than the 2.39 times recorded at the end of September 2017.

	Sep-18	Dec-17	Sep-17
Total liabilities / Shareholders' Equity	2.80x	2.76x	2.39x
Adjusted net debt / EBITDAR	5.95x	4.64x	4.84x

Shareholders' Equity



At quarter-end, shareholders' equity increased 17.7%, totaling Ps.2,476 million, from the Ps.2,104 million recorded as of September 30, 2017.

Fleet

Aircraft	September 2018	June 2018	September 2017
Airbus 320ceo	22	22	21
Airbus 320neo	5	4	2

As of September 30, 2018, Grupo Viva Aerobus had a fleet of 27 aircraft, comprised of 22 Airbus 320ceo and 5 Airbus 320neo. In this quarter, the Company received 1 Airbus 320neo aircraft, corresponding to the order placed in 2013, so the net change against 2Q18 was 1 aircraft, going from 26 to 27.

As a result of the continuous growth of our fleet, the available seats per kilometer (ASKs) recorded an increase of 28.4% YTD, thus bolstering Viva Aerobus' operating capacity.

Likewise, in October, we have received 3 new aircrafts, Airbus 320neo, and we are expecting to receive another 2 during the remainder of 2018. This will represent the achievement of a significant milestone for our Company, while complying with our commitment for having the most modern and efficient fleet of Mexico.

It is important to underscore that Grupo Viva Aerobus will continue to strengthen its fleet, expecting to reach a fleet size of around 69 aircraft by 2025 (net of the addition of new aircrafts and the retirement of others by its aging level as of that date) year in which the order made over the 2Q18 will be delivered in full. The addition of new aircrafts is aimed at generating significant fuel consumption efficiencies that will be translated into higher operating savings, as well as a higher comfort level and more attractive fares for our final customers.

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Recent Developments

During the quarter, Viva Aerobus continued enhancing its footprint along the segment of airline carriers in Mexico towards the upscale of its fleet and expansion of routes and services. In this regard, just this period, the airline launched 10 new routes, announced its second largest aircraft acquisition, started operations in 3 new routes, announced its new service of flights with connections and increase its number of flights per week in the route Bajio – Ciudad Juarez.

- On July 04th, 2018, Viva Aerobus and Puebla's Ministry of Culture and Tourism celebrated the economic and touristic stimulus brought by the new routes, Puebla-Puerto Vallarta and Puebla-Guadalajara. Puebla – Puerto Vallarta started operation on July 7th, with 2 flights per week, while Puebla – Guadalajara startup was on September 5th, with 3 flights per week.
- On July 05th, 2018, Viva Aerobus launched its new route Morelia – Tijuana, the second route from/to Morelia announced this year. This new route will begin operations on October 26th with three flights a week. Prices for this route start at Ps.1,198 per one-way trips. In this route, Viva Aerobus will offer more than 60 thousand seats during the first 12 months of operation.
- On July 12th, 2018, Viva Aerobus reaffirmed its commitment in improving air connectivity in Mexico through its arrival to Toluca, making it the 41st destination of the Company and adding two new domestic routes to its offer of flights: Toluca – Cancun and Toluca – Monterrey. Both routes began operations on October 19th. The Toluca – Cancun route has 3 weekly flights, with prices starting from Ps.898 per one-way trips. On the other hand, Toluca – Monterrey offers 4 weekly flights, with prices starting from Ps.748. Therefore, in these two routes, more than 150,000 seats will be available for travelers in the first year of service.
- On July 18th, 2018, Viva Aerobus announced the second biggest acquisition of aircrafts, with the purchase of 25 Airbus A321neo. This order is added to the existing order made in 2013, with final deliveries expected for 2025. Additionally, Viva Aerobus converted 16 A320neo aircrafts corresponding to the previous order to the A321neo model. The list price of this operation is USD$3.5 billion.
- On July 31st, 2018, Viva Aerobus announced the increase in frequencies on its Bajio – Ciudad Juarez route, going from 4 to 7 flights per week, starting in November. This additional frequency strengthens the leadership of Viva Aerobus in Ciudad Juarez as the coleader airline with the largest number of destinations from this city.
- On August 15th, 2018, Viva Aerobus announced an 18% increase in the number of available seats from / to Monterrey in the first half of the year, operating more than 1,600 flights per month during the same period. As a result, Viva Aerobus further strengthens its presence in this city, offering the highest number of destinations from Monterrey, with a total of 30 routes.
- On August 29th, 2018, Viva Aerobus announced its sponsorship, for the second consecutive year, to "Luzia: Asi Soñamos Mexico", a Cirque du Soleil show, reinforcing its support to promote some of the most significant cultural events in Mexico, thus supporting this way the tourism in Mexico.
- On September 13th, 2018, Viva Aerobus announced the launching of two new regular routes Mexico City – Culiacan and Merida – Villahermosa. The Mexico City – Culiacan route will start operations on December 13, with four weekly flights and prices starting from Ps.748 per one-way trip; while Merida – Villahermosa will follow two days after, starting on December 15th, with two weekly frequencies and prices starting at Ps.698. With the opening of the last route, Viva Aerobus consolidates its position as the leading carrier in Merida and Villahermosa, offering 6 different destinations from each city.
- On September 13, 2018, Viva Aerobus announced the launching of two new seasonal routes, Monterrey – Los Angeles and Puebla – Tuxtla Gutierrez, aimed at meeting our clients' air transportation needs during the high demand at the end of the year. Both routes will start operations on December 13th, the first will be available

until January 2nd, at prices starting from USD $118 in one-way trip, while the last one will be available until January 3rd with tickets starting at Ps.898.

- On September 25th, 2018, Viva Aerobus announced three new flights from Cancun to the United States, in joint venture with the tour operator Vacation Express, surpassing by the first time the 100 routes mark: 101 straight routes to 43 destinations. The new routes are Cancun – Cincinnati, Cancun – Charlotte, and Cancun – Nashville; offering one flight per week in each of these new routes. The Cancun – Cincinnati route will start operations on December 1st, while the others will follow on February 16th, 2019.
- On September 26, 2018, Viva Aerobus announced that, as of October 1st, it will start operating its new connecting flights, offering the option to stop at the Monterrey International Airport. As a result of this initiative, the Company continues to exponentially expand its geographic footprint, connecting its routes network with over 30 destination from its headquarters in Nuevo Leon.

Fixed-income Analysts

Institution	Credit Rating	Analyst	Email
HR Ratings	HR AA (E) – Stable HR2	Humberto Patiño	humberto.patino@hrratings.com
Verum	2/M	Jonathan Félix	jonathan.felix@verum.mx

About Grupo Viva Aerobus

Grupo Viva Aerobus ("Grupo Viva"), holding of Aeroenlaces Nacionales, S.A. de C.V. ("Viva Aerobus"). Viva Aerobus is Mexico's low-cost airline. It started operations in 2006 and today operates one of the most modern Latin American fleet with 27 Airbus A320, including 5 A320neo, in 101 routes to 43 destinations. With a clear vision of giving all people the opportunity to fly, Viva Aerobus has democratized the airline industry with the lowest rates in México and the lowest costs in Latin America, making their flights the best value offer.

Passengers Segment

The passengers segment targets the large Mexican market of price-sensitive leisure passengers and passengers visiting friends and relatives ("VFRs"), as well as business travelers from small and medium enterprises ("SMEs"), and have a particular focus on travelers currently traveling by bus, to create opportunities for travelers to trade up from long distance bus travel to air travel. For this purpose, we leverage our long-term, strategic relationship with Grupo IAMSA, which serves millions of bus passengers each year.

Ancillary Services Segment

The ancillary services segment seeks to maximize the satisfaction level of passengers traveling with Viva Aerobus by offering a broad portfolio of products and services adaptable to the unique needs of each client.

Forward-looking Statements

This earnings release may contain forward-looking statements that reflect the vision of the Company's management and are not based on historical facts. Grupo Viva Aerobus cautions readers that the statements or estimations herein contained, or stated by the Company's management team, are subject to risks and uncertainties that might change from time to time as a result of a number of factors that are out of the Company's control.

Glossary

ASKs: Stands for "available seat kilometers" and represents aircraft seating capacity multiplied by the number of kilometers the seats are flown.

CASK: Stands for "cost per available seat kilometer" and represents operating expenses divided by available seat kilometers (ASKs).

CASK ex-fuel: Represents operating expenses other than fuel divided by available seat kilometers (ASKs).

EBITDAR: Stands for "Earnings before interest, taxes, depreciation, amortization, and restructuring and rent costs" and it is calculated as revenue minus expenses, excluding interests, depreciation, amortization, restructuring and rental costs.

Load Factor: Represents the percentage of aircraft seating capacity that is currently used and is calculated by dividing revenue passenger kilometers (RPKs) by available seat kilometers (ASKs).

RASK: Stands for "operating revenue per available seat kilometer" and represents operating revenue divided by available seat kilometers.

RPKs: Stands for "revenue passenger kilometers" and represents the number of kilometers flown by passengers.

Aircraft utilization: Represents the average number of block hours operated every day for each aircraft.

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Financial Statements

Income Statement*

Grupo Viva Aerobus, S.A. de C.V. y Subsidiarias
Consolidated Statement of Comprehensive Income
Three- and nine-months period ended September 30, 2018 and 2017
(Thousands of Mexican pesos)

MXN thousand	3Q18	3Q17	Ch. %.	9M18	9M17	Ch. %.
Operating Revenue						
Passengers	1,519,755	1,337,127	13.7%	3,722,822	3,129,043	19.0%
Ancillary revenue	1,298,233	903,324	43.7%	3,293,013	2,229,747	47.7%
Total Revenue	2,817,988	2,240,451	25.8%	7,015,835	5,358,790	30.9%
Operating Expenses						
Fuel	1,094,334	572,010	91.3%	2,715,390	1,500,585	81.0%
Maintenance	142,252	83,254	70.9%	397,958	259,711	53.2%
Salaries, wages and other benefits	320,209	224,524	42.6%	877,279	641,268	36.8%
Selling, administrative and advertising expenses	325,007	268,499	21.0%	998,026	778,550	28.2%
Other operating expenses	(42,183)	78,597	(>100.0%)	(410,020)	174,665	(>100.0%)
EBITDAR	978,369	1,013,567	(3.5%)	2,437,202	2,004,011	21.6%
Rents	627,634	339,545	84.8%	1,740,347	1,089,755	59.7%
EBITDA	350,735	674,022	(48.0%)	696,855	914,256	(23.8%)
Depreciation and amortization	108,338	84,582	28.1%	320,611	182,446	75.7%
Operating Income	242,397	589,440	(58.9%)	376,244	731,810	(48.6%)
Comprehensive Financial Result	(3,931)	(15,635)	(>74.9%)	(197,156)	(7,938)	>100.0%
Net income before taxes	238,466	573,805	(58.4%)	179,088	723,872	(75.3%)
Income taxes	(12,188)	(164,500)	(92.6%)	184,508	(188,305)	(>100.0%)
Consolidated Net Income	226,278	409,305	(44.7%)	363,596	535,567	(32.1%)

***Income Statement Notes:**

- Since January 1st, 2018 we assume IFRS 15 "Revenue from contracts with clients", in accordance with this policy, the entity recognizes an income when the control from a good or service has passed to the client (the agreed performance duty has been completed). The assumption of this policy does not have an important effect in the entity's consolidated income statements.
- As of March 31st, 2018, the entity reported as selling, administrative and advertising expenses, the expenses for luggage services and passengers review; those are presented as service and other charges. The figure reclassified from service charges and passengers review from January 1st to September 30th, 2018 and 2017 amounted to Ps.116 million and Ps.91 million, respectively.
- As of March 31st, 2018, the entity reported as selling, administrative and advertising expenses, commissions from credit cards, that are accrued on interest income (expenses). The figure reclassified from credit card's commissions from January 1st to September 30th, 2018 and 2017 accounted Ps.184 million and Ps.142 million, respectively.
- As of March 31st, 2018, the entity reported as service and other charges, the sales income from sales and rents in return of aircrafts; the management decide to record it as other income (expenses), net. The figure reclassified for the aircrafts' sales from January 1st to June 30th, 2018 and 2017 accounted Ps.542 million and Ps.32 million, respectively.

Balance Sheet

Grupo Viva Aerobus, S.A. de C.V. y Subsidiarias
Consolidated Statement of Financial Position
As of September 30, 2018 and 2017 and December 31, 2017
(Thousands of Mexican Pesos)

MXN thousand	As of September 30, 2018	As of September 30, 2017	As of December 31, 2017 (non-audited)	Ch. % Sep´18 vs Sep´17	Ch. % Sep´18 vs Dec´17
Assets					
Cash and cash equivalents	1,695,624	1,635,999	2,094,123	3.6%	(19.0%)
Accounts receivable and others	402,640	121,369	268,999	>100.0%	49.7%
Inventories	94,563	61,149	83,467	54.6%	13.3%
Prepayments for maintenance	799,455	587,917	685,008	36.0%	16.7%
Guarantee deposits and prepaid expenses	4,240,628	2,833,911	3,007,262	49.6%	41.0%
Operating equipment, furniture and equipment, net	1,169,093	1,073,432	1,325,899	8.9%	(11.8%)
Derivative financial instruments	53,522	37,316	344,870	43.4%	(84.5%)
Deferred income taxes	379,229	264,449	125,146	43.4%	>100.0%
Other assets	562,260	512,462	511,489	9.7%	9.9%
Total Assets	9,397,014	7,128,004	8,446,263	31.8%	11.3%
Liabilities					
Short-term financial debt	2,847,181	1,104,391	1,864,726	>100.0%	52.7%
Accounts payable	814,081	433,272	780,236	87.9%	4.3%
Accrued liabilities	363,720	406,046	631,833	(10.4%)	(42.4%)
Operative allowances	1,538,438	1,510,830	1,498,911	1.8%	2.6%
Air traffic liability	443,745	388,852	342,623	14.1%	29.5%
Long-term financial debt	629,445	960,571	737,698	(34.5%)	(14.7%)
Prepayments for services	155,754	74,335	83,728	>100.0%	86.0%
Other liabilities	128,620	145,338	261,057	(11.5%)	(50.7%)
Total Liabilities	6,920,984	5,023,635	6,200,812	37.8%	11.6%
Shareholders' equity					
Capital stock	522,187	552,187	552,187	0.0%	0.0%
Other capital accounts	114,489	150,697	269,242	(24.0%)	(57.5%)
Retained profits	1,809,354	1,401,485	1,424,022	29.1%	27.1%
Total stockholders' equity	2,476,030	2,104,369	2,245,451	17.7%	10.3%
Total liabilities and stockholders' equity	9,397,014	7,128,004	8,446,263	31.8%	11.3%