



4th Quarter 2018
Earnings Release
Grupo Viva Aerobus

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



GRUPO VIVA AEROBUS ACHIEVES A 44% GROWTH RATE IN ITS TOTAL OPERATING REVENUE DURING 4Q18

Mexico City, February 27th, 2019 – 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 fourth quarter and full-year 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.

4Q18 Highlights

- Total operating revenue amounted to Ps.3,018 million, representing an increase of 44.0%, when compared to the Ps.2,096 million in 4Q17
- In 4Q18, capacity measured in available seat kilometers (ASK) totaled 3,341 million, a 30.8% growth when compared to the 2,555 million in 4Q17
- Revenue per available seat kilometer (RASK) during the fourth quarter was Ps.90 cents, a 10.1% increase when compared to the same period 2017
- 4Q18 cost per available seat kilometer (CASK) was Ps.73.2 cents, down 6.2% vs. the Ps.78.1 cents in 4Q17, mainly attributed to the ASK surge that allowed us to reach better economies and offset the increase in operating costs
- At quarter-end, load factor stood at 89.5%, down by 0.7 pp. when compared to the 90.2% in 4Q17
- 4Q18 EBITDAR amounted to Ps.1,450 million, recording a triple-digit annual growth rate, vs. the Ps.677 million registered in 4Q17; due to the significant rise in operating revenue and strong momentum in the economies of the operation that follows a higher scale of routes and passengers transported. EBITDAR Margin was 48.0%, up 15.8 p.p. vs. 4Q17
- 4Q18 Net income totaled Ps.487 million, higher than the Ps.20 million in 4Q17. 4Q18 Net Margin was 16.1%, up 15.2 p.p. vs. the 1.0% recorded in 4Q17
- As of December 31, 2018, cash and cash equivalents balance reached Ps.3,004 million, increasing 43.4% YoY when compared to the Ps.2,094 million recorded as of year-end 2017
- As of year-end 2018, Grupo Viva Aerobus' fleet was comprised by 31 aircraft (21 Airbus 320ceo and 10 Airbus 320neo); one of the most modern fleets in the world, with an average age of 3.8 years

Operational Considerations

- The *Direccion General de Aeronautica Civil* (General Direction of Civil Aviation or "DGAC", by its Spanish acronym) reported a 10.6% annual increase in domestic passenger traffic carried by Mexican airlines, from October to December 2018. In the same period, Viva Aerobus stood as the airline with the highest growth in both domestic and total passenger traffic, reaching growth rates of 19.6% and 23.1%, respectively
- During 2018, Viva Aerobus carried around 10.0 million passengers (+22.2% vs. 2017), and about 2.7 million in 4Q18 (+22.7% vs. 4Q17)
- It is worth noting the significant 18.4% share of domestic passengers (1.5 pp. above than the 16.9% in 2017), as it has become an underlying fundamental of Viva Aerobus for gaining ground from its competitors
- During 4Q18, the average cost per gallon of jet fuel stood at USD\$1.98 per gallon, a 5.5% increase when compared to the USD\$1.75 as of the end of 4Q17
- During the fourth quarter, the MXN depreciated 5.5% YoY against the USD, recording an average exchange rate of Ps.19.83/USD, from Ps.18.80/USD during 4Q17



Financial Information

Financial Indicators (MXN million)	4Q18	4Q17	Ch. %	2018	2017	Ch. %
Operating Revenue	3,018	2,096	44.0%	10,034	7,454	34.6%
EBITDAR	1,450	677	>100.0%	3,887	2,681	45.0%
EBITDAR Margin	48.0%	32.3%	15.8 p.p.	38.7%	36.0%	2.8 p.p.
Operating Income	571	101	>100.0%	947	832	13.8%
Operating Margin	18.9%	4.8%	14.1 p.p.	9.4%	11.2%	(1.7 p.p.)
Profit before income taxes (PBT)	487	9	>100.0%	666	733	(9.2%)
PBT Margin	16.1%	0.4%	15.7 p.p.	6.6%	9.8%	(3.2 p.p.)
Net Income	487	20	>100.0%	850	556	53.1%
Net Margin	16.1%	1.0%	15.2 p.p.	8.5%	7.5%	1.0 p.p.

Operational Information

Operational Indicators	4Q18	4Q17	Ch. %	2018	2017	Ch. %
ASKs (million)	3,341	2,555	30.8%	12,111	9,386	29.0%
RPKs (million)	2,992	2,304	29.8%	10,903	8,435	29.3%
Total Passengers (thousands)	2,714	2,212	22.7%	10,015	8,196	22.2%
Load factor (%)	89.5%	90.2%	(0.7 p.p.)	90.0%	89.9%	0.2 p.p.
RASK (MXN cents)	90	82	10.1%	83	79	4.3%
Adjusted RASK* (MXN cents)	75	66	13.6%	68	63	7.6%
CASK (MXN cents)	73	78	(6.2%)	75	71	6.3%
Cost per seat (MXN cents)	804	806	(0.2%)	812	717	13.2%
CASK ex-fuel (MXN cents)	39	46	(13.9%)	43	46	(5.5%)
Adjusted CASK* (MXN cents)	61	63	(3.3%)	62	56	9.7%
Adjusted CASK* ex-fuel (MXN cents)	32	37	(11.2%)	35	36	(2.5%)
Stage Length (km)	1,098	1,032	6.4%	1,082	1,017	6.4%

*Adjusted to 1,609 km.

*Please refer to the glossary

Financial Ratios

Financial Ratios (times)	4Q18	4Q17	Ch. %	2018	2017	Ch. %
Cost-to-revenue ratio	81.1%	95.2%	(14.1 p.p.)	90.6%	88.8%	1.7 p.p.
Liquidity ratio*	0.58x	0.55x	0.03x	0.58x	0.55x	0.03x
Current ratio**	0.59x	0.56x	0.03x	0.59x	0.56x	0.03x
Total debt / Shareholder's Equity	1.08x	1.16x	(0.08x)	1.08x	1.16x	(0.08x)
Cash as % of LTM Revenue***	29.9%	28.1%	1.8 p.p.	29.9%	28.1%	1.8 p.p.
Adjusted Net Debt / EBITDAR	4.58x	4.30x	0.27x	4.58x	4.30x	0.27x

*Liquidity ratio = (Current Assets - Inventory) / Current Liabilities

**Current ratio = Current Assets / Current Liabilities

***Includes restricted cash



Message from Grupo Viva Aerobus' CEO

2018 was a remarkable year for Viva Aerobus. While maintaining our strength and stability in the industry, we beat our own records in terms of steady growth, result of the commitment we have assumed in promoting Mexico's connectivity. In this sense, for the first time, our offer exceeded the 100-route mark, having launched 20 new routes throughout the year. Thus, along with the incorporation of 9 Airbus 320 aircrafts, we increased by 29% our capacity measured in available seat kilometers, thus contributing to our passenger traffic in return. In this manner, during year 2018, we carried more than 10 million passengers who choose us as their flight option; the largest number of customers we have registered in a single year.

Likewise, we significantly advanced in our fleet expansion with the announcement of our second largest acquisition of aircrafts. Which embraces an over USD\$3.5 billion investment in 25 Airbus 321neo aircrafts and the conversion of 16 Airbus 320neo (from a prior order) to the new A321neo model (which reduce 15% of fuel consumption, with incremental capacity of 54 seats).

These achievements were accomplished amid a challenging environment in the sector, featured by a constant rise in the fuel price along with the presented FX volatility; proving, once again, the support and resilience of our ultra-low-cost business model that allows us to face and succeed in any harsh environment. Only through a disciplined operative efficiency and a unique value proposal (safety, reliability and low-costs), we have been able to earn the passenger's preference.

In this sense, we have become an industry benchmark in terms of growth for our sector. For the full-year 2018, we stood out as the airline with the highest load factor (90%) and largest increase in total passengers, with a 22.2% growth vs. 2017. The foregoing is reflected in Viva Aerobus strong financial performance, besting all other members of the industry and turning us into the most profitable Mexican airline. Total revenue increased 34.6%, highlighting the participation of the ancillary revenue (one of the highest worldwide), allowing us to offer very competitive prices, even after facing several fluctuations in key input costs and vital macroeconomic variables.

This financial strength was also presented in the results of the last quarter of the year. In 4Q18, total revenue reached Ps.3,018 million, a 44% growth when compared to 4Q17. Furthermore, we achieved a 22.7% increase in the number of passengers carried from October to December 2018, in comparison to the same period last year, with a load factor of 89.5%.

Adding to the 2018 momentum, we entered year 2019 with another relevant development: the successful issuance of long-term local notes (*Certificados Bursátiles* - CEBURES) on the Mexican Stock Exchange, for Ps.1,000 million, with a 5-year term. It is worth emphasizing that 50% of the raised proceeds will be committed to fully amortize our debt issued in 2015 ("VIVACB 15"), and the remaining portion will be used to push forward our strategic growth initiatives.

I do really appreciate the trust that investors and customers have placed in our Company, as it encourages us to keep working to serve Mexico. The commitment of all our associates, to whom I also thank for their professionalism, allows us to react and adapt to the traveler's growing needs. Therefore, in 2019, we will remain focused on improving our 100% customer-oriented service.

Gian Carlo Nucci
CEO of Grupo Viva Aerobus



Message from Viva Aerobus' CEO

4Q18 Highlights

During the last quarter of 2018, and within the framework of our 12th anniversary, celebrated on November 30, 2018, we strengthened our national and international market presence, following the inauguration of 8 new routes, each one operated with the cutting-edge Airbus 320 aircraft, that comprise our fleet, the most modern in Mexico. Moreover, we continued striving to distinguish ourselves, by the service we offer through the deployment of technological tools, automation of processes and simplification of our customers travel experience.

This quarter was marked by the launch of one of the routes most eagerly anticipated by our customers, Mexico City – New York, our second international route from the Mexico's capital. Continuing along this line, stepping up our efforts to continue bringing the two countries closer, we already operate routes to Cincinnati, Charlotte and Nashville from Cancun. And, with the purpose of optimally handling the demand during the peak season, we also opened the Monterrey – Los Angeles winter route.

Nationwide, we celebrated the launch of the Toluca – Cancun and Toluca – Monterrey routes. With those, more low-priced flight options were opened for the passengers in the metropolitan area of Valle de Mexico.

In this quarter, we also began operations in the Morelia – Tijuana, Mexico City – Zacatecas, Mexico City – Culiacan and Monterrey – Durango routes. Likewise, by the end of the year, we launched the Merida – Villahermosa route, positioning us as the airline that offers the largest number of flights from the International Airport of Merida. Meanwhile, we started commercial operations in the new Monterrey – Los Mochis and Monterrey – Ixtapa Zihuatanejo routes; the first one is a regular route, which will be inaugurated on April the 2nd, while the latter will offer flights during Easter holidays.

Each of these routes meets, without a doubt, the needs of our clients. In this context, listening to our target market has become not only a duty, but also an obsession for Viva Aerobus. We are focusing strongly on providing solutions to our customers' fundamental needs. As a matter of fact, we have given ourselves the task of implementing a number of improvements at each step of their travel. For example, we launched a pet friendly program, so that our passengers' best friend, their pet, now has a very important spot in our aircrafts, since their very arrival to the airport.

We have standardized the data of all our sales channels, making it much more accessible, so that our passengers always have clear information and, when arriving to the airport, they may enjoy all the benefits they acquired.

On the other hand, in addition to the more than 100 direct routes currently operated by us, we also offer connecting flights through the Terminal C at the Monterrey Airport. In this manner, our passengers can reach more destinations by connecting two flights through an easy, fast and economic way. For example, a passenger from Merida can travel to Tijuana with a connecting flight in Monterrey, cutting back time and saving a lot of money.

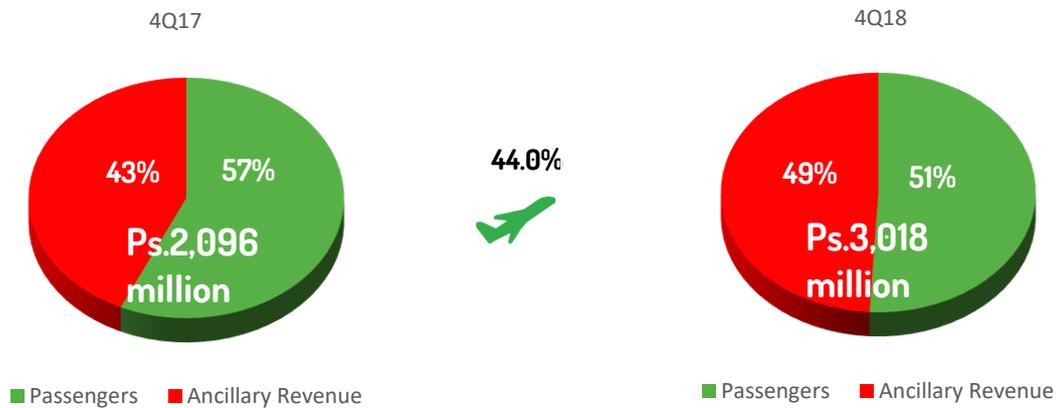
We feel very satisfied about these developments. These are unparalleled achievements in the industry, driven by our organizational vision: To be the preferred and fun airline of ultra-low-cost, most profitable of the Americas.

Juan Carlos Zuazua
CEO of Viva Aerobus



Income Statement Analysis (P&L)

Consolidated Revenue

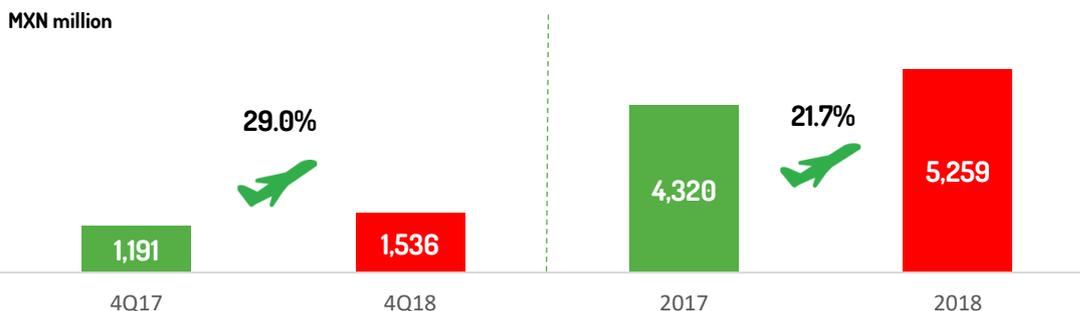


During 4Q18, total operating revenue amounted to Ps.3,018 million, an annual growth of 44.0% when compared to the Ps.2,096 million reached in 4Q17, driven by December's strong results, as 44.1% of quarter's total revenue was recorded this month, mainly following: i) the continuous expansion of our portfolio of routes and destinations, which for the first time comprised a routes supply that exceeds the 100 mark, ii) the steady integration of brand new aircrafts to our fleet (one of the most efficient and modern in LatAm); and, iii) a solid increase in the passenger traffic along the quarter.

Total operating revenue of the quarter was comprised of a 50.9% share in passenger revenue and 49.1% in ancillary revenue.

For the full-year 2018, operating revenue recorded a 34.6% annual increase vs. the Ps.7,455 million of 2017, amounting to Ps.10,034 million, mainly derived from i) an annual growth of 29.0% in ASK, which boosted ii) a 22.2% expansion in passenger traffic, surpassing for the first time the 10 million mark. Breaking down FY 2018 total operating revenue, it was comprised by a 52.4% share of passenger revenue and 47.6% of ancillary revenue (one of world's highest).

Passenger Revenue



4Q18 Passenger revenue totaled Ps.1,536 million, a 29.0% increase when compared to the Ps.1,191 million in 4Q17, as a result of the fleet and routes portfolio expansion, which coupled with a high operational efficiency, led to record a solid increase in the passenger traffic this quarter.

In this regard, as we move forward in the consolidation of our leadership and brand positioning along the different locations of opening routes, we will be able to offer better fares, and step up both loyalty and customer base, thus increasing our revenue in return.

Ancillary Revenue

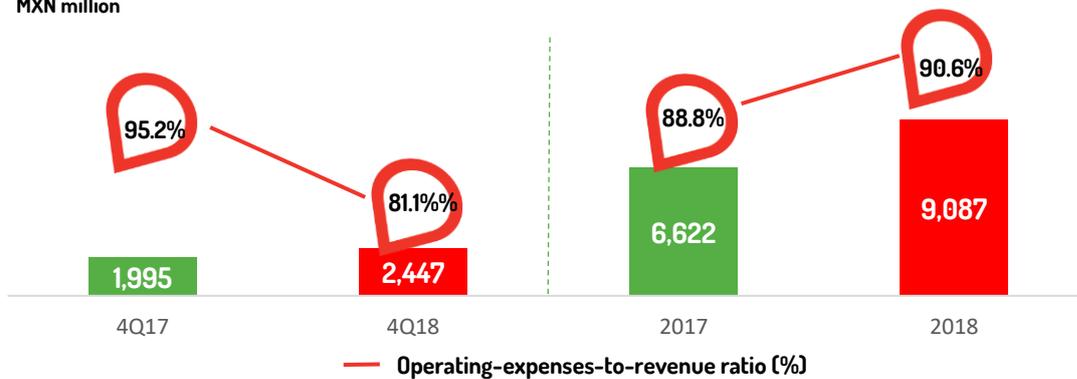
MXN million



Ancillary revenue reached Ps.1,482 million on fourth quarter, an annual growth of 63.8% vs. the Ps.905 million in 4Q17, driven by our successful fare unbundling strategy that offers our customers the option to select the services they require according to their needs. In this regard, Viva Aerobus stands out when compared to other Airlines worldwide, given its high share of ancillary revenue.

Operating Expenses

MXN million



At quarter-end, total operating expenses rose 22.6%, reaching Ps.2,447 million, vs. the Ps.1,995 million in 4Q17. In contrast, the operating-expenses-to-revenue ratio, decreased 14.1 pp., from 95.2% in 4Q17 to 81.1% in 4Q18. CASK, excluding fuel, totaled Ps.39.3 cents during 4Q18, down 13.9% vs. the Ps.45.7 cents in 4Q17.

The total operating expenses increase follows a 5.5% rise in jet fuel prices vs. 4Q17, recording an average price of USD \$1.98 per gallon during the quarter, coupled with the expansion of our aircraft fleet (reflected in higher rents and maintenance), and an incremental base of associates salaries and benefits, result of the incorporation of administrative, operative and flight staff (related to a larger operational scale).

It is worth noting that, in order to mitigate fuel price risk, Viva Aerobus complies with 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.

As a non-recurring event and taking advantage of the fuel prices drop recorded as of the beginning of 1Q19, we extended our hedging period by fixing the prices of a fraction of our 1Q20 exposure.

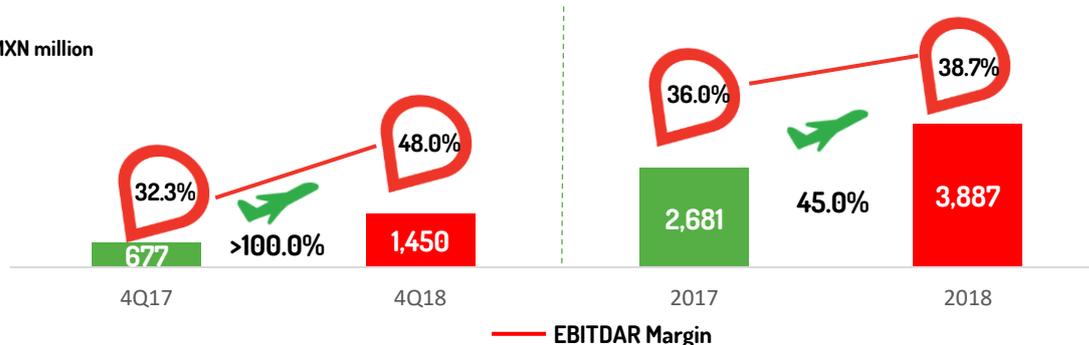
In particular, the Company contracts hedging instruments underlying by the jet fuel "JF54", with levels of coverage starting at USD\$2.26 per gallon up to USD\$1.82 per gallon. This risk management policy allows the Company to benefit from the price reductions of jet fuel, while maintaining the hedging coverage and limiting the maximum losses on the premium paid for these options.



(MXN million)	4Q18	4Q17	Ch. %.	2018	2017	Ch. %.
Fuel	1,134	829	36.8%	3,850	2,330	65.3%
Maintenance	149	87	71.3%	547	347	57.8%
Salaries, wages and other benefits	293	231	26.9%	1,171	872	34.2%
Selling, administrative & advertising expenses	346	244	41.9%	1,344	1,023	31.5%
Other operating expenses	(355)	28	(>100.0%)	(765)	202	(>100.0%)
Rents	771	486	58.8%	2,512	1,576	59.4%
Depreciation and amortization	108	90	19.2%	428	273	57.0%
Total operating expenses	2,447	1,995	22.6%	9,087	6,622	37.2%
Operating-expenses-to-revenue ratio (%)	81.1%	95.2%	(14.1 p.p.)	90.6%	88.8%	1.7 p.p.

EBITDAR

MXN million



At quarter-end, EBITDAR achieved a triple-digit growth rate, totaling Ps.1,450 million, from the Ps.677 million recorded in the same period last year, in line with the increase in operating revenue and achievement of greater economies of scale, which allow us to more than offset the effect of certain increments in operating expenses. Meanwhile, EBITDAR Margin surged from 32.3% in 4Q17 to 48.0% in 4Q18, up 15.8 pp.

For the full-year 2018, EBITDAR amounted to Ps.3,887 million, up 45.0%, from Ps.2,681 million in 2017.

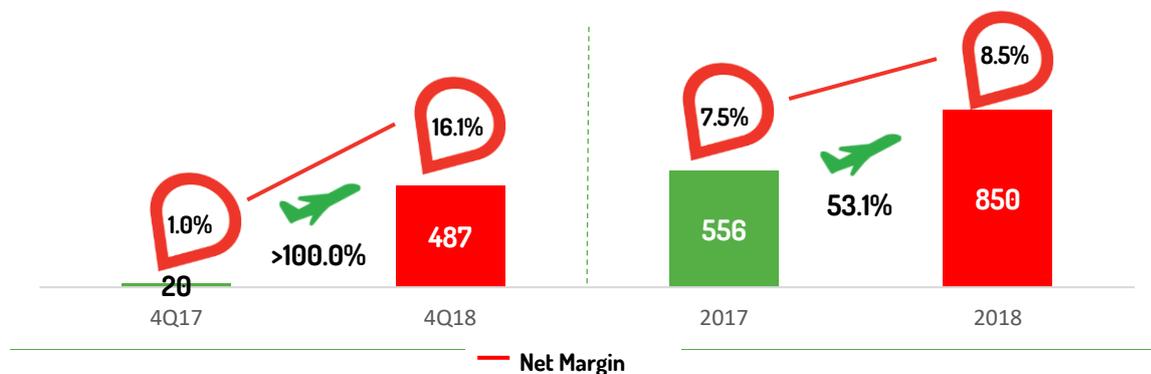
(MXN million)	4Q18	4Q17	Ch. %.	2018	2017	Ch. %.
Operating income	571	101	>100.0%	947	832	13.8%
Depreciation and amortization	108	90	19.2%	428	273	57.0%
Rents	771	486	58.8%	2,512	1,576	59.4%
EBITDAR	1,450	677	>100.0%	3,887	2,681	45.0%
EBITDAR margin	48.0%	32.3%	15.8 p.p.	38.7%	36.0%	2.8 p.p.

Income tax

4Q18 tax benefit amounted to Ps.238 thousand, vs. the Ps.11 million tax benefit recorded in the same period last year. During year 2018, Grupo Viva Aerobus registered a Ps.185 million tax benefit, positively compared to the Ps.177 million income tax recorded in 2017.

Net Income (Loss)

MXN million



In 4Q18, net income recorded a triple-digit growth rate, reaching Ps.487 million, from Ps.20 million in 4Q17. 4Q18 Net margin stood at 16.1%.

For the full-year 2018, net income surged by 53.1% vs. 2017, amounting to Ps.850 million, boosted by the strong performance of the year-end.

(MXN million)	4Q18	4Q17	Ch. %.	2018	2017	Ch. %.
Net Income (Loss)	487	20	>100.0%	850	556	53.1%
Net margin	16.1%	1.0%	15.2 p.p.	8.5%	7.5%	1.0 p.p.

FINANCIAL POSITION

Cash & Cash Equivalents

The cash & cash equivalents (including restricted cash) went from Ps.2,094 million in December 31, 2017 to Ps.3,004 million as of quarter-end, increasing 43.4%. 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.

MXN million



Guarantee deposits and prepaid expenses

As of December 31, 2018, guarantee deposits and prepaid expenses (short- and long-term) grew 25.2%, stood at Ps.3,766 million, vs. the Ps.3,007 million registered during the same period last year. 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)	Dec-18	Dec-17	Ch. %.
Bank debt (mostly for PDP financing)	1,637	1,496	9.5%
Debt securities	1,574	1,106	42.3%
Short-term	2,785	1,865	49.3%
Long-term	427	738	(42.1%)
Gross debt	3,212	2,602	23.4%
Net debt*	208	508	(59.0%)

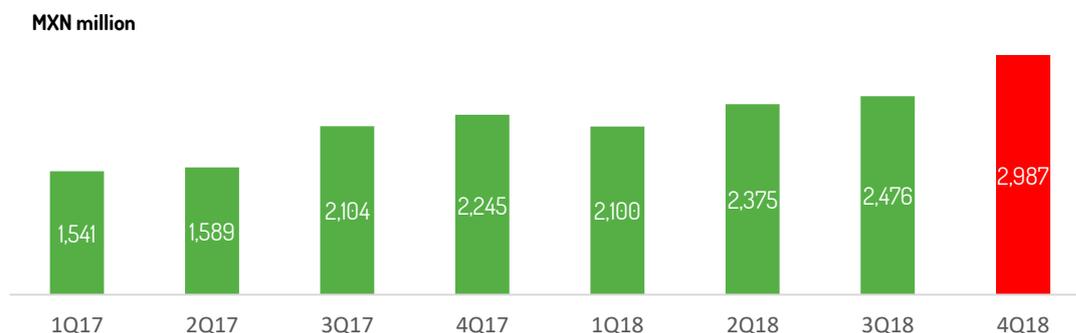
*Includes restricted cash

The Company's total debt, as of year-end, totaled Ps.3,212 million, posting an increase of 23.4% vs. that recorded as of December 31, 2017, 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). Total debt was composed of Ps.1,574 million in debt securities and Ps.1,637 million in bank debt, for the advance payments of aircrafts, whose repay sources will be given by sale & lease operations that will be conducted at the delivery date of the aircrafts, thus minimizing the inherent risk attached to any debt repayment.

The Company's leverage ratio was 2.44 times as of year-end 2018, down 0.32 times when compared to the 2.76 times recorded as of year-end 2017.

	Dec-18	Dec-17	Ch.
Total Liabilities / Shareholders' Equity	2.44x	2.76x	(0.32x)
Adjusted Net Debt / EBITDAR	4.58x	4.30x	0.27x

Shareholders' Equity



As of December 31, 2018, shareholders' equity amounted to Ps.2,987 million, from the Ps.2,245 million at the end of 4Q17, posting an increase of 33.0%.

Fleet

Aircraft	December 2018	September 2018	December 2017
 Airbus 320ceo	21	22	22
 Airbus 320neo	10	5	2

Grupo Viva Aerobus counted on a fleet of 31 aircraft (21 Airbus 320ceo and 10 Airbus 320neo) as of December 31, 2018. During 4Q18, the Company removed 1 aircraft (model A320ceo) and incorporated 5 Airbus 320neo, corresponding to the order placed in 2013. Consequently, the net change vs. 3Q18 was 4 aircraft, going from 27 to 31.

As a result of the ongoing growth of the fleet, the available seats per kilometer (ASKs) recorded an increase of 29.0% over the LTM, thus bolstering Viva Aerobus' operating capacity.

Likewise, towards year 2019, we will receive 8 new aircrafts (Airbus 320 model); reaffirming our commitment to the comfort and security of our passengers through the progress of our fleet's enhancement.

It is worth highlighting that the fleet of Viva Aerobus will move forward in its renovation process, at least towards year-end 2025, when we will receive the remaining aircrafts out of the 80 aircraft request made in 2018, thus allowing us to deliver accretive results in the Mexican market, through the efficiencies gained from the incorporation of these aircrafts.

Fixed-income Analysts

Institution	Credit Rating	Analyst	Email
HR Ratings	HR AA (E) – HR3	Samuel Egure-Lascano	samuel.egurelascano@hrratings.com
Verum	AA/M (e) – 2/M	Jonathan Felix	jonathan.felix@verum.mx

About Grupo Viva Aerobus

Grupo Viva Aerobus is the holding Company of several subsidiaries, including the Viva Aerobus airline

About VivaAerobus

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 31 Airbus 320, in 104 routes to 45 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; which in 2018, enabled Viva to carry more than 10 million passengers in one year for the first time since its foundation.

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.

Investor Relations

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Financial Statements

Income Statement*

Grupo Viva Aerobus, S.A. de C.V. and Subsidiaries
 Consolidated Statement of Comprehensive Income
 Three-and twelve-months period ended December 31, 2018 and 2017
 (Thousands of Mexican Pesos)

(MXN thousand)	4Q18	4Q17	Ch. %.	2018	2017	Ch. %.
Operating Revenue						
Passengers	1,535,856	1,191,045	29.0%	5,258,678	4,320,088	21.7%
Ancillary revenue	1,482,310	904,886	63.8%	4,775,323	3,134,633	52.3%
Total Revenue	3,018,166	2,095,931	44.0%	10,034,001	7,454,721	34.6%
Operating Expenses						
Fuel	1,134,185	828,933	36.8%	3,849,575	2,329,518	65.3%
Maintenance	149,448	87,238	71.3%	547,406	346,949	57.8%
Salaries, wages and other benefits	293,473	231,199	26.9%	1,170,752	872,467	34.2%
Selling, administrative and advertising expenses	346,162	243,969	41.9%	1,344,188	1,022,519	31.5%
Other operating expenses	(355,274)	27,772	(>100.0%)	(765,294)	202,437	(>100.0%)
EBITDAR	1,450,172	676,820	>100.0%	3,887,374	2,680,831	45.0%
Rents	771,279	485,763	58.8%	2,511,626	1,575,518	59.4%
EBITDA	678,893	191,057	>100.0%	1,375,748	1,105,313	24.5%
Depreciation and amortization	107,810	90,465	19.2%	428,421	272,911	57.0%
Operating Income	571,083	100,592	>100.0%	947,327	832,402	13.8%
Comprehensive Financial Result	(84,464)	(91,425)	(7.6%)	(281,620)	(99,363)	>100.0%
Net income before taxes	486,619	9,167	>100.0%	665,707	733,039	(9.2%)
Income taxes	238	10,902	(97.8%)	184,747	(177,403)	(>100.0%)
Consolidated Net Income	486,857	20,069	>100.0%	850,453	555,636	53.1%

***Income Statement Notes:**

- Since January 1, 2018 we adopted IFRS 15 "Revenue from contracts with clients", in accordance with this standard, 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 standard does not have a significant effect in the entity's consolidated income statements.
- As of March 31, 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.
- As of March 31, 2018, the entity reported as selling, administrative and advertising expenses, commissions from credit cards, that are now accrued on interest income (expenses).
- As of March 31, 2018, the entity reported as service and other charges, the income from sales and rents in return of aircrafts; the management decide to record it as other income (expenses), net.

Balance Sheet

Grupo Viva Aerobus, S.A. de C.V. and Subsidiaries

Consolidated Statement of Financial Position

As of December 31, 2018 and 2017

(Thousands of Mexican Pesos)

MXN thousand	As of December 31, 2018	As of December 31, 2017	Ch. %
Assets			
Cash and cash equivalents	3,003,653	2,094,123	43.4%
Accounts receivable and others	458,684	268,999	70.5%
Inventories	99,016	83,467	18.6%
Prepayments for maintenance	918,320	685,008	34.1%
Guarantee deposits and prepaid expenses	3,765,760	3,007,262	25.2%
Operating equipment, furniture and equipment, net	1,058,387	1,325,899	(20.2%)
Derivative financial instruments	14,278	344,870	(95.9%)
Deferred income taxes	380,279	125,146	>100.0%
Other assets	578,963	511,489	13.2%
Total Assets	10,277,340	8,446,263	21.7%
Liabilities			
Short-term financial debt	2,784,570	1,864,726	49.3%
Accounts payable	1,077,244	780,236	38.1%
Accrued liabilities	399,006	631,833	(36.8%)
Operative allowances	1,850,361	1,498,911	23.4%
Air traffic liability	483,937	342,623	41.2%
Long-term financial debt	427,317	737,698	(42.1%)
Prepayments for services	165,448	205,387	(19.4%)
Other liabilities	102,262	139,398	(26.6%)
Total Liabilities	7,290,145	6,200,812	17.6%
Shareholders' equity			
Capital stock	552,187	552,187	0.0%
Other capital accounts	88,729	190,312	(53.4%)
Retained profits	2,346,279	1,502,952	56.1%
Total stockholders' equity	2,987,195	2,245,451	33.0%
Total liabilities and stockholders' equity	10,277,340	8,446,263	21.7%