

GRUPO VIVA AEROBUS INCREASED BY 23% ITS OPERATING REVENUE IN 2017

Mexico City, February 22, 2018.- Grupo Viva Aerobus, holding company of Viva Aerobus, Mexico's ultra-low-cost airline, reported a 23% increase in its annual operating revenue regarding 2017, reaching \$ 7,666 million pesos compared to \$6,215 million pesos achieved in 2016.

During 2017, more than 8.1 million passengers were transported, an increase of 29% compared to 2016 and a load factor of 90%. Additionally, throughout 2017, Viva Aerobus opened 23 new routes, closing the year with 88 routes to 37 different destinations. These results were driven by the preference of the travelers given the attractiveness of the most competitive prices in the market and its strategy of constant expansion.

Moreover, Viva Aerobus reported a growth of 22% in passenger traffic during the 4Q2017 compared to the 4Q2016, having transported more than 2.2 million passengers with a load factor of 90%. This resulted in an increase of 18% in its total operating revenue in the 4Q2017 with a total of \$ 2,180 million pesos compared to the total of \$1,849 million pesos reported in the 4Q2016.

Additionally, in its earnings report corresponding to **2017 and to the 4Q2017**, Grupo Viva Aerobus shows the following:

On the annual results of 2017

- In 2017, passenger revenue showed a growth of 18% vs. 2016, standing at \$4,320 million pesos, thus representing 55% of total operating revenue. Ancillary revenue reached \$ 3,346 million pesos, an increase of 31% compared to 2016.
- Available seats - kilometers reached 9,386 million, a 24% increase in Viva Aerobus capacity compared to 2016.
- Operating expenses reached \$7,030 million pesos, 27% higher than those recorded in 2016. This increase is mainly due to higher operation capacity and rising jet fuel. However, Viva Aerobus continued to attain higher operating efficiencies for the full-year 2017, as reflected on the 8% annual decrease in the CASK adjusted excluding fuel metric. These with the aim of continue offering the most competitive prices for the benefit of passengers.
- At the end of 2017, EBITDAR reached \$2,484 million pesos, with a margin of 32%. This represented a decrease of 4% compared to the previous year, explained by the higher fuel prices and maintenance expenses.
- Net income for 2017 was \$564 million pesos, with a net margin of 7%. It meant a decrease of 25% compared to 2016 attributed to a lower exchange rate gain.

On the results of the fourth quarter 2017

- In 4Q17, passenger revenue showed a growth of 22% vs. 4Q2016, standing at \$1,191 million pesos, which represents a 53% of total operating revenue. Ancillary revenue reached \$989 million pesos, an increase of 14% compared to 4Q16.
- The available seat kilometers reached 2,555 million; which represents an increase of 21% compared to 4Q2016.
- Operating expenses reached \$2,135 million pesos, 13% higher than those recorded in 4Q2016. This increase is mainly due to higher operation capacity and rising jet fuel. However, Viva Aerobus, following



a strict operational efficiency, reduced by 24% the CASK adjusted excluding fuel metric in order to maintain the most competitive prices in the market.

- In 4Q2017, EBITDAR reached \$ 622 million pesos with a margin of 29%. This represented a decrease of 16% compared to 4Q2016 attributable, mainly, to higher fuel prices and maintenance costs.
- Net income for 4Q2017 reached \$28 million pesos, with a profit margin of 1%. This implied a decrease of 85% compared to 2016, resulting from a lower exchange rate gain.

"We will continue working relentlessly to achieve the highest operational efficiency and provide an over-the-top service to our customers. Thanks to the trust that Mexican travelers placed on us, I am confident that we will continue to make progress in achieving one of our main objectives: to transform Viva Aerobus into the lowest cost, most preferred, enjoyable and profitable airline in the Americas", mentioned Gian Carlo Nucci, general director of Grupo Viva Aerobus and Grupo IAMSA.

About Grupo Viva Aerobus

It is the holding of several companies, including the airline Viva Aerobus.

Viva Aerobus is Mexico's low-cost airline. It started operations in 2006 and today operates the youngest Latin American fleet with 23 Airbus A320, including two A320neo, in 88 routes to 37 destinations. With a clear vision to give 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.

Contact

Carla Núñez Gómez
Investor Relations
ir@vivaaerobus.com
carla.nunez@vivaaerobus.com

Alfredo Nava Escárcega
Treasurer Officer and Investor
Relations
alfredo.nava@vivaaerobus.com

