

GRUPO VIVA AEROBUS INCREASED BY 35% ITS TOTAL OPERATING REVENUE IN THE FIRST HALF OF 2018

Mexico City, July 26, 2018. - Grupo Viva Aerobus, holding company of Viva Aerobus, Mexico's ultra-low-cost airline, reported a 35% increase in its total operating revenue for the first half of 2018, compared to the same period of 2017, reaching \$ 4,198 million pesos. In addition, the airline also achieved a 23% growth in its total operating revenue in 2Q2018, in contrast to 2Q2017, totaling 2,238 million pesos.

These results were driven by the growth in passenger traffic, load factor and increases in unit revenues of the airline; along with the strengthening of operational efficiencies in benefit of costs.

Grupo Viva Aerobus also generated a 47% growth in EBITDAR (Earnings Before Interest, Taxes, Depreciation, Amortization, and Rent) corresponding to the 1H2018, with a total of 1,459 million pesos, compared to 1H2017; as well as an increase of 32% in EBITDAR of 2Q2018, in contrast to 2Q2017, totaling 926 mdp.

Additionally, the company recorded an increase in its net income for the 2Q2018 of 17%, reaching 174 million pesos with a net margin of 8%. Likewise, it reported an increase, year-on-year, in its net income belonging to 1H2018 of 9%, reaching 137 million pesos. These as a result of a safe and reliable service at the best price, characteristics which boosted the preference of travelers.

From April to June, the airline achieved an 18% growth in terms of passengers, transporting more than 2.4 million customers this quarter, also achieving a 92% load factor, one of the highest in the world.

"Besides closing the quarter with solid results that demonstrate the strength of our business model, we are proud to continue our expansion in benefit of a truly accessible connectivity; constantly seeking to improve our value proposal for clients, offering them the best service and the best prices. Furthermore, we started July firmly with the announcement of the second largest purchase of aircraft in our history", said Gian Carlo Nucci, CEO of Grupo Viva Aerobus.

Additionally, in its earnings report corresponding to the **2Q2018**, Grupo Viva Aerobus shows the following:

- **Total operating revenue ended at 2,238 million pesos, an increase of 23%** compared to the 2Q2017. From this total, **passenger revenues represented 51%** and reported a **growth of 7%** compared to 2Q2017, reaching **1,130 million pesos**. Ancillary revenue represented 49% of total operating revenue and also **increased by 47%** compared to 2Q2017, reaching **1,108 million pesos**.
- The **available seat kilometers (ASKs)** reached **2,840 million**; which represents an **increase in terms of capacity of 25%** compared to 2Q2017.
- The **cost per available seat-kilometer (CASK)**, excluding fuel, decreased 23%, going from 49 cents (Mexican currency) in 2Q2017 to 38 cents in 2Q2018 (Mexican currency). In this way, it was possible to compensate the increase in fuel's price without transferring the costs to tickets.
- **Operating expenses** reached \$1,965 million pesos, 23% higher than those recorded in 2Q2017. This variation is directly related to the increase in the price of fuel; which at quarter-end was USD\$2.09, 49.2% above the USD\$1.40 in 2Q17.

During 2Q2018, Grupo Viva Aerobus launched 6 new regular routes and started to fly 4 new domestic routes, operated with one of the youngest fleets in Mexico and in the world. Its fleet is integrated of 26 aircraft: 22 Airbus 320ceo and 4 Airbus 320neo. Additionally, at the beginning of 3Q2018, Grupo Viva Aerobus announced the purchase of 25 new Airbus A321neo aircraft and requested the upconversion of 16 A320neo, corresponding to a previous order, to the A321neo model.



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 26 Airbus A320, including four A320neo, in 95 routes to 41 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.

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