



Earnings Report
2nd Quarter 2016
Grupo Viva Aerobus

Grupo Viva Aerobus announces results for the second quarter of 2016

Mexico City, Mexico, July 22, 2016- Grupo Viva Aerobus S.A. de C.V. ("Grupo Viva"), la 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, announces today its second quarter earnings for 2016. The figures contained in this report are presented in accordance with the International Financial Reporting Standards (IFRS) and are expressed in millions of Mexican pesos unless otherwise stated.

2016 Earnings Highlights

- Total operating revenues in 2016 increased 42.1% to Ps. 1,317.5 million from the same quarter in 2015.
- Capacity measures in available seat kilometers (ASKs) totaled 1,772.2 million, representing an increase of 34.4% from 2015.
- Revenue per available seat kilometer (RASK) in 2016 amounted to Ps. 74.3 cents, up 5.8% from 2015.
- Cost per available seat kilometer (CASK) was Ps. 67.4 cents, 3.7% below the Ps. 70.0 cents in 2015.
- EBITDAR in 2016 totaled Ps. 489.0 million, rising 121.4% from Ps. 220.9 million in 2015. EBITDAR margin in 2016 was 37.1%.
- Net income in 2016 amounted to Ps. 286.5 million while we recorded a loss of Ps. 0.1 million in 2015. The net income margin in the quarter was 21.7%.
- At the close of the second quarter of 2016, the balance of cash and cash equivalents was Ps. 2,108.9 million, compared to Ps. 985.2 million recorded at the close of the second quarter of 2015, representing a 114.1% growth.

- During the 2Q16, Grupo VivaAerobus added 2 new Airbus 320s to its fleet, closing the period with one of the most modern fleets in the world with 21 aircrafts, of which 19 Airbus 320s and 2 Boeing 737-300s, moving ahead to its goal of being an operator with a single type of aircrafts.

Juan Carlos Zuazua, CEO of Viva Aerobus, said: "Viva Aerobus´ team made this quarter the best second quarter in our history, which was enhanced by our transition fleet plan, which is already one of the youngest in the world, our continue focus on improving service to our passengers and by incorporating the latest technology in our systems.

"We increased the capacity and domestic passengers carried during the second quarter of the year, due to the successful implementation of the strategy of total renovation, which began with New Viva, as well as the work of all Viva Aerobus and our strict adherence to control costs. We will continue along this path to continue reporting operational and financial highlights".



Operation and Financial Highlights

Grupo Viva Aerobus, S.A. de C.V. y Subsidiarias

Financial and Operating Indicators

Period ended June 30, 2016

(Million of Mexican pesos)

	2Q16	2Q15	Var. %	Six months ended June 30, 2016	Six months ended June 30, 2015	Var. %
ASKs (million)	1,772.2	1,318.8	34.4%	3,197.9	2,479.0	29.0%
RPKs (million)	1,441.6	1,063.1	35.6%	2,609.6	1,981.7	31.7%
Total passengers (thousand)	1,409.2	1,123.8	25.4%	2,585.6	2,120.5	21.9%
Load factor	81.3%	80.6%	0.7 pp	81.6%	79.9%	1.7 pp
RASK (cents)	74.3	70.3	5.8%	77.8	69.7	11.6%
RASK adjusted*	59.0	53.8	9.8%	61.3	53.0	15.6%
CASK (cents)	67.4	70.0	-3.7%	68.4	69.7	-1.8%
Cost per seat	683.6	658.8	3.8%	684.3	648.6	5.5%
CASK ex-fuel	50.9	47.0	8.4%	53.0	46.7	13.4%
CASK adjusted*	53.5	53.5	0.0%	53.9	53.0	1.8%
CASK adjusted* ex-fuel	40.4	35.9	12.6%	41.8	35.6	17.5%
Stage length (km)	1,014.8	941.8	7.7%	1,000.2	931.1	7.4%
Operating revenues (million)	1,317.5	926.9	42.1%	2,486.6	1,727.5	43.9%
Operating income (million)	123.7	4.4	2687.4%	298.9	0.7	40016.8%
Operating margin	9.4%	0.5%	8.9 pp	12.0%	0.0%	12.0 pp
EBITDAR (million)	489.0	220.9	121.4%	980.4	420.2	133.3%
EBITDAR margin	37.1%	23.8%	13.3 pp	39.4%	24.3%	15.1 pp
PBT (million)	104.8	- 0.2	N/A	282.8	- 7.9	N/A
PBT margin	8.0%	0.0%	8.0 pp	11.4%	-0.5%	N.A.
Net Income (million)	286.5	- 0.1	N/A	494.5	- 5.5	N/A
Net income margin	21.7%	0.0%	21.8 pp	19.9%	-0.3%	N.A.

*CASK adjusted to 1,609 km.

Results summary

Revenues

(Ps. Million)	2016	2015	Var. %
Passengers	\$728.0	\$593.5	22.7%
Service charge and others	\$589.5	\$333.4	76.8%
Total operating revenues	\$1,317.5	\$926.9	42.1%

Operating revenues

Total operating revenues in 2016 increased 42.1%, to Ps. 1,317.5 million, of which, 55.3% were passenger's revenue at Ps. 728.0 million and the remaining 44.7% to service charge and others. This due to the increase in capacity and the rates.

Other revenues

Other revenues amounted to Ps. 589.5 million in 2016, increasing 76.8% from the same last year period at Ps. 333.4 million.

Expenses

(Ps. Million)	2016	2015	Var. %
Total operating expenses	\$1,193.8	\$922.5	29.4%

Total expenses

Total operating expenses in 2016 totaled Ps. 1,193.8 million, increasing 29.4% from Ps. 992.5 million recorded in the same last year period. This due to the rental fee of the renovation of the fleet.



EBITDAR

(Ps. Million)	2016	2015	Var. %
EBITDAR	\$489.0	\$220.0	121.4%
EBITDAR margin %	37.1%	23.8%	13.3pp

At the close of 2Q16 EBITDAR amounted to Ps. 489.0 million, representing a substantial increase of 121.4% when compared to Ps. 220.9 million in 2Q15. EBITDAR margin in 2Q16 was 37.1%.

Net Income (Loss)

(Ps. Million)	2016	2015	Var. %
Net income (loss)	\$286.5	-\$0.1	N.A.
Net income margin	21.7%	0.0%	N.A.

Net income at the close of 2Q16 amounted to Ps. 286.5 million, while we recorded a loss of Ps. 0.1 million in 2Q15. The net income margin for the quarter was 21.7%.

BALANCE SHEET

Assets

(Ps. Million)	Jun 2016	Jun 2015	Var. %
Current Assets	\$2,590.5	\$1,295.3	100.0%
Non-current Assets	\$2,370.0	\$2,767.9	-14.4%
Total Assets	\$4,960.5	\$4,063.1	22.1%

Current Assets [Cash and cash equivalents, etc.]

At the close of June 30, 2016, the cash and cash equivalent balance increased 114.1% to Ps. 2,108.9 million, compared to Ps. 985.2 million at the close of June 30, 2015.

Non-current Assets [Property, plant and equipment, deposits and other non-current assets]

At the close of June 30, 2016, deposits in guarantee and pre-paid expenses decreased 33.2% to Ps. 1,398.2 million, compared to Ps. 2,091.9 million at the close of 2015.

Liabilities

(Ps. Million)	Mar 2016	Mar 2015	Var. %
Short-term liabilities	\$2,238.5	\$2,483.0	-9.8%
Long-term liabilities	\$1,332.7	\$1,190.5	11.9%
Total Liabilities	\$3,571.2	\$3,673.5	-2.8%

Short-term liabilities [Loans and borrowings, accounts receivables, wages, taxes to be paid, etc.]

Short-term loans and borrowing declined 63.9% between the second quarter of 2015 and the second quarter of 2016, dropping from Ps. 1,042.2 million to Ps. 376.0 million.

Long-term liabilities [Long-term loans and borrowings, other accounts receivables, provisions]

The long-term liabilities rose 11.5% between June 30, 2015 and June 30, 2016, increasing from Ps. 1,028.6 million to Ps. 1,146.7 million.

Stockholders' equity

Total stockholders' equity increased 256.6% to Ps. 1,389.3 million at the close of June 30, 2016 compared to Ps. 389.6 million at the close of June 30, 2015.



FLEET

Operating Fleet

Aircraft	Jun 2016	Jun 2015	Var. %
Boeing 737-300	2	15	-86.7%
Airbus 320	19	5	280.0%

At the close of June 30, 2016, Grupo VivaAerobus had a fleet of 21 aircraft, of which two are Boeing 737-300s and 19 are Airbus 320s. The current fleet reflects our transition plan which will lead VivaAerobus to be an operator with a single type of aircraft.

Relevant Corporate Events

RELEVANT EVENT #1

During the second quarter of 2016 Viva Aerobus received two new Airbus A320 aircraft with the FAA registry XA - VAU and XA - VAT, amounting to 19 Airbus 320 and 2 Boeing 737-300.

RELEVANT EVENT #2

During the second quarter of 2016, Viva Aerobus successfully implemented the passenger reservation system Navitaire, which allows a better management of reservations, and GoNow system which allows a simpler and orderly documentations.

As a technological platform, Navitaire provides Viva Aerobus the opportunity to tap into new markets, while improving its pricing strategy and generating additional revenue. Moreover, it allows to offer better connectivity with global agencies, as well as between airlines and between shared codes and self-Service passenger's integration.

RELEVANT EVENT #3

During the second quarter of 2016, Viva Aerobus began operations in five new routes: Mexico City - Villahermosa, Mexico City - Tuxtla Gutierrez, Mexico City - Los Cabos, Mexico City - Chihuahua, and Guadalajara - Chihuahua.

FINANCIAL STATEMENTS

Income Statement

Grupo Viva Aerobus, S.A. de C.V. y Subsidiarias
 Consolidated Statement of Comprehensive Income
 Period ended June 30, 2016
 (Million of Mexican pesos)

	2Q16	2Q15	Var. %	Six months ended June 30, 2016	Six months ended June 30, 2015	Var. %
Operating revenues:						
Passengers	728.0	593.5	22.7%	1,414.2	1,069.4	32.2%
Service charge and others	589.5	333.4	76.8%	1,072.4	658.1	62.9%
Total operating revenues	1,317.5	926.9	42.1%	2,486.6	1,727.5	43.9%
Operating expenses, excluding non trading items:						
Fuel	291.2	303.1	-3.9%	492.4	567.8	-13.3%
Maintenance	64.4	41.4	55.6%	126.1	75.0	68.2%
Rents	342.1	159.8	114.1%	643.2	320.4	100.7%
Other expenses, net	496.0	418.2	18.6%	926.1	763.5	21.3%
Total operating expenses, excluding non trading items	1,193.8	922.5	29.4%	2,187.7	1,726.8	26.7%
Operating income	123.7	4.4	2687.4%	298.9	0.7	40016.8%
Total interest income, net	- 19.0	- 4.6	313.1%	- 16.0	- 8.6	86.1%
Net income before taxes on profits	104.8	- 0.2	N/A	282.8	- 7.9	N/A
Income taxes (expenses)	10.6	0.0	28559.5%	7.1	2.3	N/A
Other integral results	171.1	-	N/A	218.8	-	N/A
Consolidated net and comprehensive profit	286.5	- 0.1	N/A	494.5	- 5.5	N/A

Balance Sheet

Grupo Viva Aerobus, S.A. de C.V. y Subsidiarias

Consolidated Statement of Financial Position

Period ended June 30, 2016

(Million of Mexican pesos)

	Six months ended June 30, 2016	Six months ended June 30, 2015	Var. %
Assets			
Current assets	2,590.5	1,295.3	100.0%
Cash and cash equivalents	2,108.9	985.2	114.1%
Accounts receivable and others	126.9	128.6	-1.3%
Guarantee deposits and prepaid expenses	155.9	79.8	95.3%
Other current assets	198.9	101.7	95.5%
Non-current assets	2,370.0	2,767.9	-14.4%
Guarantee deposits and prepaid expenses	1,398.2	2,091.9	-33.2%
Other non-current assets	971.8	676.0	43.8%
Total Assets	4,960.5	4,063.1	22.1%
Liabilities and Stockholder's Equity			
Current liabilities	2,238.5	2,483.0	-9.8%
Loans and borrowings	376.0	1,042.2	-63.9%
Air traffic liability	575.9	351.1	64.0%
Other short-term liabilities	1,286.6	1,089.7	18.1%
Long-term liabilities	1,332.7	1,190.5	11.9%
Loans and borrowings	1,146.7	1,028.6	11.5%
Other long-term liabilities	186.0	161.9	14.9%
Total liabilities	3,571.2	3,673.5	-2.8%
Stockholders' equity			
Capital stock	552.2	552.2	0.0%
Other capital accounts	356.7	26.3	1256.5%
Retained profits (loss)	480.5	188.9	-354.3%
Total stockholders' equity	1,389.3	389.6	256.6%
Total liabilities and stockholders' equity	4,960.5	4,063.1	22.1%

Cash Flow Statement

Grupo Viva Aerobus, S.A. de C.V. y Subsidiarias

Consolidated Statement of Cash Flow

Period ended June 30, 2016

(Million of Mexican pesos)

	2Q16	2Q15	Var. %	Six months ended June 30, 2016	Six months ended June 30, 2015	Var. %
Net cash from operating activities	371.9	419.2	-11.3%	530.3	213.4	148.5%
Net cash used in investing activities	130.2	-221.8	N.A.	201.4	-835.8	N.A.
Net cash used in financing activities	-224.7	92.8	142.2%	-432.6	1,090.9	N.A.
Effects of exchange rate fluctuations on cash and cash equivalents	8.3	1.5	453.8%	9.4	1.8	421.0%
Net increase in cash and cash equivalent	285.8	106.1	169.3%	308.4	470.3	-34.4%
Cash and cash equivalents at beginning of period	1,823.1	879.0	107.4%	1,800.5	514.9	249.7%
Cash and cash equivalents at end of period	2,108.9	985.2	114.1%	2,108.9	985.2	114.1%

Investor RELATIONS

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Glossary

ASKs: Available seat kilometers represents aircraft seating capacity multiplied by the number of kilometers the seats are flown.

CASK: Cost per available seat kilometer 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: Income before taxes, depreciation and amortization. It is calculated as revenues minus expenses, excluding taxes, interests, depreciation, amortization, restructuring and rental costs.

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

PDP Facility: Pre-delivery payments, corresponds to an agreement to finance the purchase of aircraft.

RASK: Operating revenue per available seat kilometer represents operating revenue divided by available seat kilometers.

RPKs: Revenue passenger kilometers represent the number of kilometers flown by revenue passengers.

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

Forward Looking Statements

This press release can include forward-looking statements. Said statements are not based on historic information but rather on the vision of the current administration. The reader must understand that said statements or estimates imply risks and uncertainties that can change as a result of various factors that are not under the company's control.



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