

# AEROMEXICO REPORTS 4Q18 RESULTS

Mexico City, Mexico, February 12<sup>th</sup>, 2019 - Grupo Aeromexico S.A.B. de C.V. ("Aeromexico") (BMV: AEROMEX), today reported its unaudited consolidated results for the fourth quarter 2018.

## KEY FINANCIAL HIGHLIGHTS FOR THE FOURTH QUARTER 2018

- Grupo Aeromexico's fourth quarter 2018 revenue reached \$18.5 billion pesos, a 9.8% year-on-year increase. During the quarter Revenue per ASK (RASK) increased by 6.5% compared to the same period of 2017.
- During the quarter CASK in pesos increased by 12.3% while CASK in dollars increased 7.6%, reflecting the negative impact of a 28.1% increase in peso denominated fuel prices and a 4.4% depreciation of the Mexican peso against the dollar. CASK excluding fuel in pesos increased by 7.1% while CASK excluding fuel in dollars increased 2.7%.
- During the fourth quarter of 2018 Grupo Aeromexico reported an operating profit, excluding special items, of \$120 million pesos, equating to an operating margin of 0.6%. This result excludes one-off costs related to Club Premier breakage adjustments and the negative accounting impact on the sale of Embraer aircraft, neither of which have a negative cash flow impact. Additionally, the company incurred one off costs related to its Optimization Plan including severance and other restructuring costs. Including these special items, the Company reported an operating loss of \$902 million pesos.
- For the fourth quarter 2018, Aeromexico reported a net profit excluding special items of \$371 million pesos. Including these special items, the Company reported a net loss of \$651 million pesos.
- For full year 2018, Grupo Aeromexico's revenue reached \$70.3 billion pesos, a 14.5% increase compared to the same period of 2017. Grupo Aeromexico delivered an operating profit excluding special items of \$1.0 billion pesos, equating to an operating margin of 1.5%. Including these effects, the Company reported an operating profit of \$9 million pesos. Aeromexico reported a net loss, excluding special items, of \$857 million pesos for the full year 2018. Including these special items, the Company reported a net loss of \$1.9 billion pesos.
- 2018 full year cash flow generation remained strong with \$2.3 billion pesos in incremental net cash flow generated from operating activities. Aeromexico's cash position as of December 31, 2018 was \$9.9 billion pesos. This brings Grupo Aeromexico's cash to last-twelve-month revenue ratio to 14.0%.
- During the quarter, the Company incorporated one aircraft into its fleet under an operating lease agreement. As of December 31<sup>st</sup>, 2018, Grupo Aeromexico's operating fleet comprised 130 aircraft.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Standards

All figures are expressed in millions of pesos unless otherwise indicated. Grupo Aeromexico's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The International Accounting Standard 1 (IAS 1) "Presentation of Financial Statements" establishes that in the Consolidated Statement of Comprehensive Income additional items, headings and subtotals can be presented when they are relevant to understanding the financial performance of the entity.

The following information provides an overview of selected consolidated financial and operating results, comparing the Company's unaudited consolidated financial statements for the fourth quarter 2018 with those of the fourth quarter 2017.

Aeromexico has adopted two new IFRSs: IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers.

IFRS 9 includes revised guidance for financial instruments classification and measurement, including a new model of expected credit losses to calculate the impairment of financial assets, and the new general requirements for hedge accounting. The Company has formally adopted hedge accounting in line with IFRS 9.

IFRS 15 establishes a five-step model to determine the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Company adopted IFRS 15 in its consolidated financial statements from January 1<sup>st</sup>, 2018, using the full retrospective method. The main financial reporting effects of implementing IFRS15 are detailed below:

- An increase in the passenger revenue account line primarily driven by various reclassifications in the other income account line, such as the reclassification of income for unused tickets (breakage) and income for complementary services (excess baggage and other passenger charges).
- This is partially offset by a decrease mainly driven from the reclassification of passenger compensation payments (previously recognized as an operating expense) and the reclassification of the cost per kilometers of Aeromexico's frequent flyer program (previously recognized in Other income).

Due to the retrospective adoption of IFRS 15, the following financial information has been restated to allow for comparison between periods. For further details please review our 2017 audited financial statements.

From the first quarter of 2019, Aeromexico will adopt the updated IFRS 16. IFRS 16 provides a new accounting model for leases. The lessee will recognize their right of usage of an underlying asset, generating a liability for the outstanding lease obligation against which lease payments will be made. Current lease expenses will be replaced by depreciation and interest expense for leasing liabilities



Three Months Ended December 31 <sup>st</sup>				
Financial Highlights	2018	2017 Restated****	Var 2018 vs 2017	2017 As Originally Reported****
Total Revenue (MXP million)	18,462	16,819	9.8%	16,842
EBITDAR (MXP million) *	2,384	3,788	(37.1%)	3,764
EBITDAR Margin* (% of Revenue)	12.9%	22.5%	(9.6) p.p.	22.3%
Operating Profit / (Loss) (MXP million) Ex Special Items	120	826	(85.2%)	802
Operating Margin (% of Revenue) ** Ex Special Items	0.6%	4.9%	(4.3) p.p.	4.8%
Operating Profit / (Loss) (MXP million) *	(902)	826	NA	802
Operating Margin (% of Revenue) **	(4.9%)	4.9%	NA	4.8%
Consolidated Net Profit / (Loss) (MXP million) Ex Special Items	371	469	(21.0%)	465
Controlling Interest Net Margin (% of Revenue) Ex Special Items	2.0%	2.8%	NA	2.8%
Consolidated Net Profit/ (Loss) (MXP million)	(651)	469	NA	465
Controlling Interest Net Margin (% of Revenue)	(3.5%)	2.8%	NA	2.8%
Gain/(Loss) per share (MXP)	(0.94)	0.66	NA	0.67
Operating Highlights				
Total ASKs (millions)	13,304	12,910	3.1%	12,910
Total RPKs (millions)	10,883	10,463	4.0%	10,463
Load factor on scheduled flights (%)	81.8%	81.1%	0.7 p.p.	81.1%
Passengers ('000)	5,460	5,333	2.4%	5,333
On-Time departure performance within 15 minutes (%)	79.0%	77.0%	2.0 p.p.	77.0%
Total liters of fuel ('000)	442,659	435,837	1.6 %	435,837
Yield (pesos)***	1.468	1.388	5.7 %	1.388
Total revenue / ASK (pesos)	1.388	1.303	6.5 %	1.305
Passenger revenue / ASK (pesos)	1.178	1.106	6.5 %	1.106
Total cost / ASK (pesos)	1.403	1.249	12.3 %	1.253
Total cost / ASK (USD)	0.071	0.066	7.6 %	0.066
Total cost / ASK excluding fuel (pesos)	0.975	0.910	7.1 %	0.914
Total cost / ASK excluding fuel (USD)	0.049	0.048	2.7 %	0.048

Figures may not sum to total due to rounding. All numbers restated IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers.

\* This metric is not defined under IFRS but has been included for reference given its relevance to the Company's performance. EBITDAR is defined as earnings before interest, taxes, and depreciation, amortization, and rental costs.

\*\* Operating Income.

\*\*\* Estimated as passenger revenues divided by RPKs of itinerary flights.

\*\*\*\* For the period ended December 31, 2017, all numbers are presented as originally reported and restated due to the adoption of IFRS 15 Revenue from Contracts with Customers.



Twelve Months Ended December 31 <sup>st</sup>				
Financial Highlights	2018	2017 Restated****	Var 2018 vs 2017	2017 As Originally Reported****
Total Revenue (MXP million)	70,264	61,381	14.5%	61,481
EBITDAR (MXP million) *	12,566	14,836	(15.3%)	14,823
EBITDAR Margin* (% of Revenue)	17.9%	24.2%	(6.3) p.p.	24.1%
Operating Profit (MXP million) * Exc Special Items	1,031	3,124	(67.0)%	3,110
Operating Margin (% of Revenue) ** Exc Special Items	1.5%	5.1%	(3.6) p.p.	5.1%
Operating Profit (MXP million) *	9.0	3,124	(99.7)%	3,110
Operating Margin (% of Revenue) **	0.0%	5.1%	(5.1) p.p.	5.1%
Consolidated Net Loss (MXP million) Exc Special Items	(857)	(69)	NA	18
Controlling Interest Net Margin (% of Revenue) Exc Special Items	(1.2)%	(0.1)%	NA	0.0%
Consolidated Net Loss (MXP million)	(1,879)	(69)	NA	18
Controlling Interest Net Margin (% of Revenue)	(2.7)%	(0.1)%	NA	0.0%
Gain/(Loss) per share (MXP)	(2.70)	(0.10)	NA	0.03
Operating Highlights				
Total ASKs (millions)	52,934	48,906	8.2%	48,906
Total RPKs (millions)	43,438	39,836	9.0%	39,836
Load factor on scheduled flights (%)	82.1%	81.5%	0.6 p.p.	81.5%
Passengers ('000)	21,878	20,666	5.9%	20,666
On-Time departure performance within 15 minutes (%)	84.0%	80.0%	4.0 p.p.	80.0%
Total liters of fuel ('000)	1,761,238	1,661,504	6.0 %	1,661,504
Yield (pesos)***	1.388	1.335	4.0 %	1.335
Total revenue / ASK (pesos)	1.327	1.255	5.8 %	1.257
Passenger revenue / ASK (pesos)	1.119	1.066	5.0 %	1.066
Total cost / ASK (pesos)	1.321	1.221	8.1 %	1.224
Total cost / ASK (USD)	0.069	0.065	6.3 %	0.065
Total cost / ASK excluding fuel (pesos)	0.938	0.915	2.6 %	0.917
Total cost / ASK excluding fuel (USD)	0.049	0.048	0.9 %	0.049

Figures may not sum to total due to rounding. All numbers restated IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers

\* This metric is not defined under IFRS but has been included for reference given its relevance to the Company's performance. EBITDAR is defined as earnings before interest, taxes, and depreciation, amortization, and rental costs.

\*\* Operating Income.

\*\*\* Estimated as passenger revenues divided by RPKs of itinerary flights.

\*\*\*\* For the period ended December 31, 2017, all numbers are presented as originally reported and restated due to the adoption of IFRS 15 Revenue from Contracts with Customers.



## Market Conditions

Grupo Aeromexico operated in an environment characterized by the following market conditions during the fourth quarter of 2018:

- **Increase in Mexican peso-denominated fuel prices.** Due to a higher dollar denominated fuel price and the impact of exchange rate depreciation, fourth quarter 2018 market fuel prices denominated in pesos increased by 28.1% year-on-year.
- **Exchange rate depreciation.** Compared to the fourth quarter of 2017, the Mexican peso depreciated an average of 4.4% relative to the U.S. dollar, from an average exchange rate of \$18.99 pesos to \$19.82 pesos per dollar. By the end of the fourth quarter of 2018, the peso had appreciated by 0.1% year-on-year relative to the dollar, from \$19.66 pesos to \$19.65 pesos per dollar.
- **Inflation.** The annual inflation rate as of December 2018 was 4.83%<sup>1</sup>. This pressured a number of peso cost line items.
- **Moderate economic activity.** The Mexican Global Economic Activity Indicator (IGAE) increased by 2.1% year-on-year from January to November 2018<sup>2</sup>.
- **Increased passenger traffic in the Mexican airline industry.** Total Mexican market air passenger traffic increased at a rate of 6.9%<sup>3</sup> during the January – December 2018 period. Domestic passenger traffic increased 9.5%, while international passenger traffic increased 5.4% compared to the January – December 2017 period.

## Revenue

Fourth quarter 2018 revenues reached \$18.5 billion pesos, a 9.8% increase compared to the same period last year. This was primarily due to an increase in passenger and ancillary revenue.

Total ASKs increased by 3.1% during the fourth quarter of 2018 compared to the same period last year, mainly driven by Aeromexico's upgauging strategy that allows the Company to incorporate more cost-efficient aircraft while ensuring a better customer experience. International ASKs increased by 2.7% while domestic capacity increased by 3.9% year-on-year.

The increase in ASKs resulted from the following fleet changes: the addition of two Boeing 787-9s, five Boeing 737-8 MAX and one Embraer 190. These additions were partially offset by the redelivery of three Boeing 777s, two Boeing 737-800s, three Boeing 737-700s and one Embraer-170, resulting in a net decrease of one aircraft versus a year ago. International ASKs accounted for 71.8% of Grupo Aeromexico's total ASKs, the same as the fourth quarter of 2017.

Fourth quarter 2018 passenger ticket revenue reached \$15.7 billion pesos, a 9.8% year-on-year increase. Domestic passenger ticket revenue totaled \$6.2 billion pesos and international passenger ticket revenue reached \$9.4 billion pesos. Fourth quarter 2018 passenger ticket revenue on international flights represented 60.2% of total passenger ticket revenue, with domestic passenger ticket revenue accounting for 39.8%.

Ancillary passenger revenue amounted to \$1.5 billion pesos, an increase of 34.6% compared to the fourth quarter of 2017. This was due to the Company's ongoing strategy of offering more options for personalization, including upgrades and seat selection.

Total passenger revenue, which has been reported based on IFRS 15 to include ancillary passenger revenues and passenger ticket revenue, reached \$17.2 billion pesos during the fourth quarter of 2018,

<sup>1</sup> BANXICO December 2018

<sup>2</sup> INEGI, December 2018.

<sup>3</sup> DGAC, December 2018.

an 11.7% increase year-on-year. This was partially offset by the reduction of \$131 million pesos in other revenues not related to passenger services. Grupo Aeromexico transported 5 million 460 thousand passengers, a 2.4% increase compared to the fourth quarter of 2017. The number of passengers on international routes increased by 1.3%, while the number of passengers on domestic routes increased by 3.0% compared to the fourth quarter of 2017.

Fourth quarter cargo revenue was flat year-on-year at \$1.2 billion pesos.

Total Revenue per ASK and yield increased by 6.5% and 5.7% respectively compared to the fourth quarter of 2017, reflecting the increased attractiveness of Aeromexico's global network and connecting proposition as Mexico's only full-service network carrier. With this result the Company has delivered 4 consecutive quarters of RASK expansion.

During 2018, total revenue reached \$70.3 billion pesos, a 14.5% increase compared to the same period of 2017. This was primarily due to an increase in passenger and ancillary revenue.

## Operating Expenses

Fourth quarter 2018 operating expenses, including aircraft leases, depreciation and amortization, totaled \$19.4 billion pesos, a 21.1% year-on-year increase primarily due to higher peso-denominated fuel prices, exchange rate depreciation and increased capacity.

Fourth quarter fuel expenses amounted to 5.7 billion pesos, a 30.1% year-on-year increase driven by the increase of 28.1% in peso-denominated fuel prices per liter and growth in the operation of 3.1%.

Grupo Aeromexico maintains its hedging policy aimed at mitigating the risk of fuel price increases for 2019, using call and call spread options equivalent to 50% of the Company's estimated fuel consumption.

Fourth quarter consolidated unit cost (CASK) in Mexican pesos increased 12.3% year-on-year. CASK in US dollars increased by 7.6% year-on-year. Fourth quarter 2018 peso-denominated CASK excluding fuel increased 7.1% year-on-year, while CASK excluding fuel in dollar terms increased by 2.7%, year-on-year.

Fourth quarter 2018 salaries and related expenses increased by 9.9%, year-on-year. This primarily resulted from the Company's upgauging strategy and capacity growth of 3.1%, plus macroeconomic factors including a 4.4% depreciation in the Mexican Peso and inflation at 4.83%, as well as severance costs associated with Aeromexico's Optimization Plan.

Fourth quarter 2018 maintenance expenses increased by 18.2% year-on-year, resulting from the depreciation of the peso, the increase in operations and seasonality in the maintenance plan with respect to 2017.

Communications and traffic expenses increased year-on-year by 12.2%, reflecting increased international flying and exchange rate depreciation.

Fourth quarter 2018 sales and administrative expenses reached \$1.8 billion pesos, a 2.7% year-on-year increase, primarily due to growth in sales and operations.

The effects from Associated Companies resulted in an expense of \$388 million pesos during the fourth quarter of 2018. This result reflects one-off non-cash charges related to Club Premier breakage adjustments of \$592 million pesos, due to greater engagement of Club Premier customers in the loyalty program. As a premium revenue carrier, this greater engagement enhances loyalty to the airline.

Other income/costs (net) amounted to a 308 million peso cost during the fourth quarter of 2018, primarily due to a one-off non-cash accounting adjustment resulting from the sale of 3 Embraer 170 and 12 E145 aircraft (\$385 million pesos). This adjustment resulted from the differences in book value versus market value and the acceleration of maintenance amortizations on these aircraft.

Fourth quarter aircraft leasing expenses totaled \$2.0 billion, a 7.7% increase compared to the fourth quarter 2017. Fourth quarter depreciation and amortization expenses totaled \$1.3 billion, a 16.4% increase compared to the fourth quarter of 2017, due to the Company's strategy of gradually moving to a more balanced fleet portfolio of owned versus leased aircraft and the exchange rate depreciation.

During 2018, total operating expenses including leases and depreciation reached \$70.3 billion pesos, a 20.6% year-on-year increase. CASK in US dollars increased by 6.3% year-on-year while US dollar denominated CASK excluding fuel increased 0.9% year-on-year. CASK expressed in pesos increased 8.1%, while CASK excluding fuel expressed in pesos increased by 2.6% year-on-year.

## EBITDAR

For the fourth quarter 2018, Aeromexico reported EBITDAR excluding special items of \$3.4 billion pesos, an EBITDAR margin of 18.5%. Including special items, the Company reported EBITDAR of \$2.4 billion pesos, a 12.9% EBITDAR margin.

During 2018, EBITDAR excluding special items reached \$13.6 billion pesos, a 19.3% EBITDAR margin. Including special items, EBITDAR reached \$12.6 billion pesos, a 17.9% EBITDAR margin.

## Operating Income

During the fourth quarter of 2018 Grupo Aeromexico reported an operating profit, excluding special items, of \$120 million pesos, equating to an operating margin of 0.6%. This result excludes one-off costs related to Club Premier breakage adjustments and the negative accounting impact on the sale of Embraer aircraft, neither of which have a negative cash flow impact. Additionally, the Company incurred one-off costs related to its Optimization Plan. Including these special items, the Company reported an operating loss of \$902 million pesos.

For 2018, the company registered an operating profit, excluding special items, of \$1.0 billion pesos, equating to an operating margin of 1.5%. Including special items, the Company reported an operating profit of \$9 million pesos.

## Net Income

During the fourth quarter of 2018, Aeromexico reported a net profit excluding special items of \$371 million pesos. Including these special items, the Company reported a net loss of \$651 million pesos.

In the quarter the Company recorded net \$309 million pesos of exchange-related gains as the functional currency positive adjustments were higher than the negative impact of exchange rate related operating adjustments.

For the full year of 2018, the Company reported a net loss, excluding special items of \$857 million pesos. Including special items, the net loss reached \$1.9 billion pesos.



## Comments to the Consolidated Statements of Financial Position and Cash Flow

Grupo Aeromexico ended the fourth quarter 2018 with a cash balance of \$9.9 billion pesos, equivalent to 14.0% of total annual revenues.

Net cash flow from operating activities was \$984 million pesos.

Net cash flow used in investing activities amounted to \$631 million pesos. Majority stockholders' equity was \$11.7 billion pesos at the end of fourth quarter 2018.

Net cash flow from operating activities for the full year was \$2.3 billion pesos.

### Cash flow summary (Millions of pesos)

Description	4Q18	FY 2018
Cash and cash equivalents at the beginning of the period	11,154	11,401
Net cash flow from operating activities	984	2,298
Net cash flow from investing activities	(631)	(2,354)
Net cash flow from financing activities	(1,607)	(1,477)
Increase in cash and cash equivalents	(1,254)	(1,533)
Effect of exchange rate changes on cash and cash equivalents	(32)	0
Net increase/(decrease) in cash and cash equivalents	(1,286)	(1,533)
Cash and cash equivalents at the end of period	9,868	9,868

As of December 31<sup>st</sup>, 2018, Grupo Aeromexico had a total of 690,376,493 common shares outstanding, with 50,051,007 shares repurchased by the Company as part of its share repurchase program. The Company also had a total of 25,422,593 treasury shares outstanding.





## Fleet

Grupo Aeromexico retired one Embraer-170 its fleet during the fourth quarter of 2019 and added a Boeing 737- MAX 8.

As at December 31<sup>st</sup>, 2018, Grupo Aeromexico's operating fleet comprised 130 aircraft with an average age of 8.6 years.

### Operating Fleet

Fleet	4Q17	1Q18	2Q18	3Q18	4Q18
<b>B-777</b>	3	0	0	0	0
<b>B-787</b>	15	16	17	17	17
<b>B-737-700</b>	16	15	15	13	13
<b>B-737-800</b>	38	38	38	36	36
<b>B-737-8 MAX</b>	0	1	2	4	5
<b>Aeromexico</b>	<b>72</b>	<b>70</b>	<b>72</b>	<b>70</b>	<b>71</b>
<b>E-170</b>	13	13	13	13	12
<b>E-190</b>	46	47	48	47	47
<b>Aeromexico Connect</b>	<b>59</b>	<b>60</b>	<b>61</b>	<b>60</b>	<b>59</b>
<b>Grupo Aeromexico</b>	<b>131</b>	<b>130</b>	<b>133</b>	<b>130</b>	<b>130</b>



## Conference Call Details

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<ul style="list-style-type: none"><li>• <b>DATE</b></li></ul>	<b>February 13<sup>th</sup>, 2019</b> 11:00 AM ET / 10:00 AM Mexico City time/ 10:00 AM Central Time	<ul style="list-style-type: none"><li>• <b>SPEAKERS</b></li></ul>	Andrés Conesa Labastida <b>CEO</b>  Ricardo Sánchez Baker <b>CFO</b>
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## Consolidated Statement of Comprehensive Income

Millions of pesos	Three months Ended December 31st						
	2018	%	2017 Restated	%	VAR	2017 Originally Reported	%
<b>Total Revenue</b>	<b>18,462</b>	<b>100.0%</b>	<b>16,819</b>	<b>100.0%</b>	<b>9.8%</b>	<b>16,842</b>	<b>100.0%</b>
Domestic Passenger Ticket Revenue	6,241	33.8%	5,859	34.8%	6.5%	5,859	34.8%
International Passenger Ticket Revenue	9,436	51.1%	8,418	50.0%	12.1%	8,418	50.0%
Ancillary Passenger Revenue	1,547	8.4%	1,150	6.8%	34.6%	0	0.0%
<b>Total Passenger Ticket Revenue</b>	<b>17,224</b>	<b>93.3%</b>	<b>15,426</b>	<b>91.7%</b>	<b>11.7%</b>	<b>14,277</b>	<b>84.8%</b>
Air Cargo	1,177	6.4%	1,200	7.1%	(1.9%)	1,200	7.1%
Charter Flights	1	0.0%	3	0.0%	(48.0%)	3	0.0%
<b>Other Revenues</b>	<b>59</b>	<b>0.3%</b>	<b>190</b>	<b>1.1%</b>	<b>(68.9%)</b>	<b>1,363</b>	<b>8.1%</b>
<b>Operating Costs</b>	<b>13,579</b>	<b>73.5%</b>	<b>11,411</b>	<b>67.8%</b>	<b>19.0%</b>	<b>11,454</b>	<b>68.0%</b>
Salaries and Related Costs	3,576	19.4%	3,254	19.3%	9.9%	3,254	19.3%
Aircraft Fuel	5,692	30.8%	4,376	26.0%	30.1%	4,376	26.0%
Maintenance	1,425	7.7%	1,206	7.2%	18.2%	1,208	7.2%
Aircraft, Communication and Traffic Services	2,406	13.0%	2,144	12.7%	12.2%	2,185	13.0%
Passenger Services	480	2.6%	430	2.6%	11.5%	430	2.6%
<b>Selling &amp; Administrative Expenses</b>	<b>1,804</b>	<b>9.8%</b>	<b>1,756</b>	<b>10.4%</b>	<b>2.7%</b>	<b>1,760</b>	<b>10.5%</b>
Effects from Associated Companies	388	2.1%	(144)	-0.9%	NA	(144)	-0.9%
Other income / costs (net)	308	1.7%	8	0.0%	NA	8	0.0%
<b>Total Operating Expenses</b>	<b>16,078</b>	<b>87.1%</b>	<b>13,031</b>	<b>77.5%</b>	<b>23.4%</b>	<b>13,078</b>	<b>77.7%</b>
<b>EBITDAR</b>	<b>2,384</b>	<b>12.9%</b>	<b>3,788</b>	<b>22.5%</b>	<b>(37.1%)</b>	<b>3,764</b>	<b>22.3%</b>
Aircraft Leasing	1,985	10.8%	1,844	11.0%	7.7%	1,844	10.9%
<b>EBITDA</b>	<b>399</b>	<b>2.2%</b>	<b>1,945</b>	<b>11.6%</b>	<b>(79.5%)</b>	<b>1,920</b>	<b>11.4%</b>
Depreciation & Amortization	1,302	7.0%	1,118	6.6%	16.4%	1,118	6.6%
<b>Total Expenses</b>	<b>19,364</b>	<b>104.9%</b>	<b>15,993</b>	<b>95.1%</b>	<b>21.1%</b>	<b>16,040</b>	<b>95.2%</b>
<b>Operating Profit ( Loss)</b>	<b>(902)</b>	<b>-4.9%</b>	<b>826</b>	<b>4.9%</b>	<b>NA</b>	<b>802</b>	<b>4.8%</b>
Financial Income and Losses	832	4.5%	496	3.0%	67.7%	476	2.8%
Exchange Rate Impact	(309)	(1.7%)	(207)	(1.2%)	49.5%	(207)	(1.2%)
Financial Net Costs	524	2.8%	290	1.7%	80.7%	270	1.6%
<b>Income Before Taxes</b>	<b>(1,426)</b>	<b>(7.7%)</b>	<b>537</b>	<b>3.2%</b>	<b>NA</b>	<b>533</b>	<b>3.2%</b>
Taxes	(774)	(4.2%)	67	0.4%	NA	67	0.4%
<b>Net Income</b>	<b>(651)</b>	<b>(3.5%)</b>	<b>469</b>	<b>2.8%</b>	<b>NA</b>	<b>465</b>	<b>2.8%</b>

## Consolidated Statement of Comprehensive Income

Millions of pesos	Twelve months Ended December 31st						
	2018	%	2017 Restated	%	VAR	2017 Originally Reported	%
<b>Total Revenue</b>	<b>70,264</b>	<b>100.0%</b>	<b>61,381</b>	<b>100.0%</b>	<b>14.5%</b>	<b>61,481</b>	<b>100.0%</b>
Domestic Passenger Ticket Revenue	23,947	34.1%	21,929	35.7%	9.2%	21,929	35.7%
International Passenger Ticket Revenue	35,283	50.2%	30,184	49.2%	16.9%	30,184	49.1%
Ancillary Passenger Revenue	5,300	7.5%	4,078	6.6%	30.0%	0	0.0%
<b>Total Passenger Ticket Revenue</b>	<b>64,531</b>	<b>91.8%</b>	<b>56,191</b>	<b>91.5%</b>	<b>14.8%</b>	<b>52,113</b>	<b>84.8%</b>
Air Cargo	4,701	6.7%	4,346	7.1%	8.2%	4,346	7.1%
Charter Flights	29	0.0%	49	0.1%	(40.7%)	49	0.1%
<b>Other Revenues</b>	<b>1,003</b>	<b>1.4%</b>	<b>796</b>	<b>1.1%</b>	<b>26.1%</b>	<b>4,973</b>	<b>8.1%</b>
<b>Operating Costs</b>	<b>50,207</b>	<b>71.5%</b>	<b>41,407</b>	<b>67.5%</b>	<b>21.3%</b>	<b>41,588</b>	<b>67.6%</b>
Salaries and Related Costs	13,860	19.7%	12,224	19.9%	13.4%	12,224	19.9%
Aircraft Fuel	20,235	28.8%	14,992	24.4%	35.0%	14,992	24.4%
Maintenance	4,952	7.0%	4,521	7.4%	9.5%	4,528	7.4%
Aircraft, Communication and Traffic Services	9,289	13.2%	8,087	13.2%	14.9%	8,262	13.4%
Passenger Services	1,870	2.7%	1,583	2.6%	18.1%	1,583	2.6%
<b>Selling &amp; Administrative Expenses</b>	<b>7,147</b>	<b>10.2%</b>	<b>6,613</b>	<b>10.8%</b>	<b>8.1%</b>	<b>6,546</b>	<b>10.6%</b>
<b>Effects from Associated Companies</b>	<b>28</b>	<b>0.0%</b>	<b>(477)</b>	<b>-0.8%</b>	<b>NA</b>	<b>(477)</b>	<b>-0.8%</b>
<b>Other income / costs (net)</b>	<b>316</b>	<b>0.4%</b>	<b>(998)</b>	<b>-1.6%</b>	<b>NA</b>	<b>(998)</b>	<b>-1.6%</b>
<b>Total Operating Expenses</b>	<b>57,698</b>	<b>82.1%</b>	<b>46,545</b>	<b>75.8%</b>	<b>24.0%</b>	<b>46,659</b>	<b>75.9%</b>
<b>EBITDAR</b>	<b>12,566</b>	<b>17.9%</b>	<b>14,836</b>	<b>24.2%</b>	<b>(15.3%)</b>	<b>14,823</b>	<b>24.1%</b>
Aircraft Leasing	7,757	11.0%	7,542	12.3%	2.9%	7,542	12.3%
<b>EBITDA</b>	<b>4,809</b>	<b>6.8%</b>	<b>7,295</b>	<b>11.9%</b>	<b>(34.1%)</b>	<b>7,281</b>	<b>11.8%</b>
Depreciation & Amortization	4,800	6.8%	4,171	6.8%	15.1%	4,171	6.8%
<b>Total Expenses</b>	<b>70,255</b>	<b>100.0%</b>	<b>58,258</b>	<b>94.9%</b>	<b>20.6%</b>	<b>58,371</b>	<b>94.9%</b>
<b>Operating Profit ( Loss)</b>	<b>9</b>	<b>0.0%</b>	<b>3,124</b>	<b>5.1%</b>	<b>NA</b>	<b>3,110</b>	<b>5.1%</b>
Financial Income and Losses	3,343	4.8%	2,771	4.5%	20.7%	2,669	4.3%
Exchange Rate Impact	(204)	(0.3%)	491	0.8%	NA	491	0.8%
Financial Net Costs	3,139	4.5%	3,261	5.3%	(3.7%)	3,160	5.1%
<b>Income Before Taxes</b>	<b>(3,131)</b>	<b>(4.5%)</b>	<b>(137)</b>	<b>(0.2%)</b>	<b>NA</b>	<b>(50)</b>	<b>(0.1%)</b>
Taxes	(1,252)	(1.8%)	(68)	(0.1%)	NA	(68)	(0.1%)
<b>Net Income</b>	<b>(1,879)</b>	<b>(2.7%)</b>	<b>(69)</b>	<b>(0.1%)</b>	<b>NA</b>	<b>18</b>	<b>0.0%</b>

## Consolidated Statement of Financial Position

ITEMS	As of December 31st		VAR 2018 vs 2017 Restated		December 2017 Originally Reported
	2018	December 2017 Restated			
			\$	%	
<b>Assets</b>					
Cash & Cash Equivalents	7,687	9,344	(1,657)	(17.7)	9,344
Restricted Cash	1,480	842	638	75.8	842
Financial Assets & Short Term Investments	701	1,214	(513)	(42.3)	1,214
Derivative Financial Assets	52	137	(85)	(62.0)	462
Accounts Receivable Net	6,851	5,841	1,010	17.3	5,841
Related Parties	80	221	(141)	(63.8)	221
Prepaid Expenses	795	749	46	6.1	749
Inventories	1,548	1,493	55	3.7	1,493
<b>Total Current Assets</b>	<b>19,194</b>	<b>19,841</b>	<b>(647)</b>	<b>(3.3)</b>	<b>20,166</b>
Net Fixed Assets	40,371	39,607	764	1.9	39,607
Others	17,276	16,827	449	2.7	17,124
<b>Total Assets</b>	<b>76,841</b>	<b>76,275</b>	<b>566</b>	<b>0.7</b>	<b>76,897</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Financial	8,604	7,377	1,227	16.6	7,377
Operating	24,214	23,583	631	2.7	25,814
<b>Total Current Liabilities</b>	<b>32,818</b>	<b>30,960</b>	<b>1,858</b>	<b>6.0</b>	<b>33,191</b>
<b>Long Term Liabilities</b>					
Financial	28,021	26,988	1,033	3.8	26,988
Operating	4,348	4,185	163	3.9	3,726
<b>Total Long Term Liabilities</b>	<b>32,369</b>	<b>31,173</b>	<b>1,196</b>	<b>3.8</b>	<b>30,714</b>
<b>Total Liabilities</b>	<b>65,187</b>	<b>62,133</b>	<b>3,054</b>	<b>4.9</b>	<b>63,905</b>
<b>Stockholders Equity</b>	<b>11,654</b>	<b>14,142</b>	<b>(2,488)</b>	<b>(17.6)</b>	<b>12,992</b>
<b>Total Liabilities and Stockholders Equity</b>	<b>76,841</b>	<b>76,275</b>	<b>566</b>	<b>0.7</b>	<b>76,897</b>

