



Volaris Reports First Quarter 2019 Results: 9.0% TRASM Increase, 5.8% Reduction of Unit Cost Excluding Fuel and Cash Flow Generation

Mexico City, Mexico, April 26, 2019 – Volaris* (NYSE: VLRS and BMV: VOLAR), the ultra-low-cost airline serving Mexico, the United States and Central America, today announced its financial results for the first quarter 2019.

The following financial information, unless otherwise indicated, is presented in accordance with International Financial Reporting Standards (IFRS).

First Quarter 2019 Highlights

- Total operating revenues were Ps.7,192 million for the first quarter, an increase of 22.9% year over year.
- Total ancillary revenues were Ps.2,563 million for the first quarter, an increase of 30.5% year over year. Total ancillary revenues per passenger for the first quarter reached Ps.517, increasing 12.1% year over year. Total ancillary revenues represented 35.6% of the total operating revenues for the first quarter 2019, increasing 2 percentage points with respect to the same period of last year.
- Total operating revenues per available seat mile (TRASM) totaled Ps.126.1 cents for the first quarter, an increase of 9.0% year over year.
- Operating expenses per available seat mile (CASM) were Ps.125.7 cents for the first quarter, a decrease of 0.7% year over year; with an average economic fuel cost per gallon of Ps.46.0 for the first quarter, an increase of 14.8% year over year.
- Operating expenses excluding fuel, per available seat mile (CASM ex fuel) reached Ps.78.6 cents for the first quarter, a decrease of 5.8% year over year.
- Operating income was Ps.26 million for the first quarter, an improvement compared with the operating loss of Ps.545 million for the same period of last year. Operating margin for the first quarter was 0.4%, an improvement in margin of 9.7 percentage points year over year.
- Net income was Ps.519 million (Ps.0.51 per share / US\$0.26 per ADS), with a net margin of 7.2% for the first quarter.
- At the close of the first quarter, the Mexican peso had appreciated 1.5% against the U.S. dollar with respect to the end of period exchange rate of the previous quarter (Ps.19.68 per US dollar). The Company booked a foreign exchange gain of Ps.1,154 million as a consequence of our U.S. dollar net monetary liability position, as result of the adoption of IFRS16.



- Net cash flow provided by operating activities was Ps.3,731 million, in conjunction with cash flow used in investing activities of Ps.379 million and in financing activities of Ps. 2,063 million. The negative net foreign exchange difference was Ps.82 million, with net cash generation in the first quarter of Ps.1,208 million. As of March 31, 2019, cash and cash equivalents were Ps.7,071 million.

Resilient Macroeconomics, Domestic Consumer Demand with Peso Depreciation and Fuel Price Pressures

- **Resilient macroeconomics and domestic consumer demand:** The macroeconomic indicators in Mexico during the first quarter were stable, with same store sales¹ increasing 2.1% year over year; remittances² increased 6.4% year over year during first two months of the year; and the Mexican Consumer Confidence Balance Indicator (BCC)³ increasing in the first quarter 36% year over year.
- **Air traffic volume increase:** The Mexican DGAC reported overall passenger volume growth for Mexican carriers of 5.6% year over year for the first two months of 2019; domestic overall passenger volume increased 5.3%, while international overall passenger volume remained at the same level.
- **Exchange rate volatility:** The Mexican peso depreciated 2.4% year over year against the US dollar, from an average exchange rate of Ps.18.76 pesos per US dollar in the first quarter 2018 to Ps.19.22 pesos per US dollar during the first quarter 2019. At the end of the first quarter, the Mexican peso appreciated 1.5% with respect to the end of period exchange rate of the previous quarter. The Company booked a foreign exchange gain of Ps.1,154 million as a consequence of our US dollar net monetary liability position, resulting from the adoption of IFRS16.
- **Higher fuel prices:** The average economic fuel cost per gallon increased 14.8% to Ps.46.0 per gallon (US\$2.4) in the first quarter 2019, year over year.

Passenger Traffic Stimulation, Further Ancillary Revenue Expansion, and Positive TRASM Growth

- **Passenger traffic stimulation:** Volaris booked 5.0 million passengers in the first quarter 2019, up 16.4% year over year. Volaris traffic (measured in terms of revenue passenger miles, or RPMs) increased 14.2% year over year. System load factor during the first quarter increased 1.0 percentage point to 83.2% year over year.

¹ Source: Asociación Nacional de Tiendas de Autoservicio y Departamentales, A. C. (ANTAD)

² Source: Banco de México (BANXICO)

³ Source: Instituto Nacional de Estadística y Geografía (INEGI)



- **Positive TRASM growth:** For the first quarter 2019, TRASM increased 9.0% year over year. During the first quarter 2019, the total capacity, in terms of ASMs, increased 12.8% year over year.
- **Total ancillary revenue growth:** For the first quarter 2019, total ancillary revenues increased 30.5% year over year. Total ancillary revenues per passenger for the first quarter of 2019 increased 12.1% year over year. The total ancillary revenue generation continues to grow with new and matured products, appealing to customers' needs, representing 35.6% of total operating revenues for the first quarter, up 2 percentage points year over year.
- **New routes:** Volaris began operations in 16 new domestic routes from or to its focus cities Mexico City, Guadalajara, Tijuana and others. Additionally, Volaris launched 17 routes, 10 domestic (Mexico to Ciudad Juarez, Puerto Escondido and Durango; Queretaro to Chihuahua and Puerto Vallarta; Guadalajara to Durango and Queretaro; Monterrey to Oaxaca and Los Cabos; Ciudad Juarez to Chihuahua) and 7 international (Mexico and Guadalajara to El Salvador; Durango to Dallas; Puerto Vallarta to Phoenix; Queretaro to Chicago; Aguascalientes to Chicago (Midway); and Chihuahua to Albuquerque).

The Cost Control Discipline Offset Fuel Price Pressure and Peso Depreciation

- CASM and CASM ex fuel for the first quarter 2019 reached Ps.125.7 (US\$6.5 cents) and Ps.78.6 cents (US\$4.1 cents), respectively. This represented a decrease of 0.7% and 5.8%, respectively; mainly driven by tightening cost control discipline, despite the higher average economic fuel cost per gallon of 14.8% and an average exchange rate depreciation of 2.4%.

Young and Fuel-efficient Fleet

- During first quarter 2019, the Company incorporated one aircraft (A321 neo) to its fleet; during this quarter no redeliveries were registered. As of March 31, 2019, Volaris' fleet was composed of 78 aircraft (8 A319s, 55 A320s and 15 A321s), with an average age of 4.8 years. At the end of the first quarter 2019, Volaris' fleet had an average of 186 seats, 74% of which were in sharklet-equipped aircraft, and 22% were NEO.



Solid Balance Sheet and Good Liquidity

- Net cash flow provided by operating activities was Ps.3,731 million, in conjunction with cash flow used in investing activities of Ps.379 million and in financing activities of Ps. 2,063 million; negative net foreign exchange difference was Ps.82 million, while the net cash generation in the first quarter was Ps.1,208 million. As of March 31, 2019, cash and cash equivalents were Ps.7,071 million, representing 24.7% of last twelve months operating revenues. Volaris registered negative net debt (or a positive net cash position) of Ps.4,018 million (excluding lease liability recognized under IFRS16 adoption) and total equity of Ps.3,624 million.

Transition to IFRS 16

- The Company adopted IFRS 16 as of January 1st, 2019, using the full retrospective method. The cumulative effect of adopting IFRS 16 has been recognized as an adjustment to the opening balance as of January 1st, 2017 as an increase in assets and liabilities and an adjustment in the retained earnings. The full disclosure of this initial adoption is included in the Company's 2018 annual report.
- This quarterly earnings release includes supplemental information for comparable purposes, with recast 2018 figures with the IFRS 16 adoption effects and were derived from unaudited financial statements included in the quarterly reports on Form 6-K during the year ended as of December 31, 2018.
- Since all the aircraft and engine lease contracts are denominated in USDs, starting on March 25, 2019, the Company established a hedge on its USD denominated revenues using the lease liabilities denominated in USD as a hedge instrument. This hedging relationship is designated as a cash flow hedge of forecasted revenues to mitigate the volatility of the foreign exchange variation arising from the revaluation of its lease liabilities. The impact of this hedge will be presented as part of the total operating revenues; however, it was not material for the results of this first quarter.
- Additionally, on the same date, the Company established a hedge on a portion of its forecasted fuel expense using as hedge instrument a portion of its USD denominated monetary assets. This hedging relationship is designated as a cash flow hedge of forecasted fuel expense to mitigate the volatility of the foreign exchange variation arising from the revaluation of this portion of USD denominated monetary asset. The impact of this hedge will be presented as part of the total fuel expense; however, it was not material for the results of this first quarter.

Investors are urged to carefully read the Company's periodic reports filed with or furnished to the Securities and Exchange Commission, for additional information regarding the Company.



Conference Call/Webcast Details:

Presenters for the Company: Mr. Enrique Beltranena, CEO
Mr. Holger Blankenstein, Airline EVP
Ms. Sonia Jerez Burdeus, VP & CFO

Date: Friday, April 26, 2019

Time: 10:00 am U.S. EDT (9:00 am Mexico City Time)

United States dial in (toll free): 1-877-830-2576

Mexico dial in (toll free): 001-800-514-6145

Brazil dial in (toll free): 0-800-891-6744

International dial in: + 1-785-424-1726

Participant passcode: VOLARIS (8652747)

Webcast will be available at: <https://webcasts.eqs.com/volaris20190426>

About Volaris:

*Controladora Vuela Compañía de Aviación, S.A.B. de C.V. ("Volaris" or the "Company") (NYSE: VLRS and BMV: VOLAR), is an ultra-low-cost carrier, with point-to-point operations, serving Mexico, the United States and Central America. Volaris offers low base fares to build its market, providing quality service and extensive customer choice. Since beginning operations in March 2006, Volaris has increased its routes from five to more than 182 and its fleet from four to 78 aircraft. Volaris offers more than 392 daily flight segments on routes that connect 40 cities in Mexico and 25 cities in the United States and Central America with the youngest fleet in Mexico. Volaris targets passengers who are visiting friends and relatives, cost-conscious business people and leisure travelers in Mexico and to select destinations in the United States and Central America. Volaris has received the ESR Award for Social Corporate Responsibility for eight consecutive years. For more information, please visit: www.volaris.com

Forward-looking Statements:

Statements in this release contain various forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which represent the Company's expectations, beliefs or projections concerning future events and financial trends affecting the financial condition of our business. When used in this release, the words "expects," "intends," "estimates," "predicts," "plans," "anticipates," "indicates," "believes," "forecast," "guidance," "potential," "outlook," "may," "continue," "will," "should," "seeks," "targets" and similar expressions are intended to identify forward-looking statements. Similarly, statements that describe the Company's objectives, plans or goals, or actions the Company may take in the future, are forward-looking statements. Forward-looking statements include, without limitation, statements regarding the Company's intentions and expectations regarding the delivery schedule of aircraft on order, announced new service routes and customer savings programs. Forward-looking statements should not be read as a guarantee or assurance of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Forward-looking statements are subject to a number of factors that could cause the Company's actual results to differ materially from the Company's expectations, including the competitive environment in the airline industry; the Company's ability to keep costs low; changes in fuel costs; the impact of worldwide economic conditions on customer travel behavior; the Company's ability to generate non-ticket revenues; and government regulation. Additional information concerning these, and other factors is contained in the Company's Securities and Exchange Commission filings. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements set forth above. Forward-looking statements speak only as of the date of this release. You should not put undue reliance on any forward-looking statements. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information, except to the extent required by applicable law. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

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Controladora Vuela Compañía de Aviación, S.A.B. de C.V. and Subsidiaries
Financial and Operating Indicators

Unaudited (In Mexican pesos, except otherwise indicated)	Three months ended March 31, 2019 (US Dollars)*	Three months ended March 31, 2019	Three months ended March 31, 2018 (Adjusted)	Variance (%)
Total operating revenues (millions)	371	7,192	5,850	22.9%
Total operating expenses (millions)	370	7,166	6,395	12.1%
EBIT (millions)	1	26	(545)	NA
EBIT margin	0.4%	0.4%	(9.3%)	9.7 pp
Depreciation and amortization	67	1,292	1,071	20.6%
Aircraft and engine rent expense	12	227	317	(28.4%)
Net income (millions)	27	519	461	12.5%
Net income margin	7.2%	7.2%	7.9%	(0.7) pp
Income per share:				
Basic (pesos)	0.03	0.51	0.46	12.5%
Diluted (pesos)	0.03	0.51	0.46	12.5%
Income per ADS:				
Basic (pesos)	0.26	5.13	4.56	12.5%
Diluted (pesos)	0.26	5.13	4.56	12.5%
Weighted average shares outstanding:				
Basic	-	1,011,876,677	1,011,876,677	0.0%
Diluted	-	1,011,876,677	1,011,876,677	0.0%
Available seat miles (ASMs) (millions) (1)	-	5,704	5,055	12.8%
Domestic	-	3,971	3,446	15.2%
International	-	1,733	1,609	7.7%
Revenue passenger miles (RPMs) (millions) (1)	-	4,744	4,155	14.2%
Domestic	-	3,386	2,902	16.7%
International	-	1,358	1,253	8.4%
Load factor (2)	-	83.2%	82.2%	1.0 pp
Domestic	-	85.3%	84.2%	1.1 pp
International	-	78.6%	77.9%	0.7 pp
Total operating revenue per ASM (TRASM) (cents) (1) (5)	6.5	126.1	115.7	9.0%
Total ancillary revenue per passenger (4)	26.7	517	461	12.1%
Total operating revenue per passenger (5)	74.8	1,449	1,372	5.6%
Operating expenses per ASM (CASM) (cents) (1) (5)	6.5	125.7	126.5	(0.7%)
Operating expenses per ASM (CASM) (US cents) (3) (5)	-	6.5	6.7	(3.8%)
CASM ex fuel (cents) (1) (5)	4.1	78.6	83.5	(5.8%)
CASM ex fuel (US cents) (3) (5)	-	4.1	4.4	(8.8%)
Booked passengers (thousands) (1)	-	4,962	4,263	16.4%
Departures (1)	-	32,198	28,188	14.2%
Block hours (1)	-	82,848	77,244	7.3%
Fuel gallons consumed (millions)	-	58.3	54.3	7.5%
Average economic fuel cost per gallon	2.4	46.0	40.1	14.8%
Aircraft at end of period	-	78	70	11.4%
Average aircraft utilization (block hours)	-	12.7	13.2	(3.7%)
Average exchange rate	-	19.22	18.76	2.4%
End of period exchange rate	-	19.38	18.34	5.6%

*Peso amounts were converted to U.S. dollars at end of period exchange rate for convenience purposes only

(1) Includes schedule + charter

(2) Includes schedule

(5) Not include natural hedge

(3) Dollar amounts were converted at average exchange rate of each period

(4) Includes "other passenger revenues" and "non-passenger revenues"

Controladora Vuela Compañía de Aviación, S.A.B. de C.V. and Subsidiaries
Consolidated Statement of Operations

Unaudited (In millions of Mexican pesos)	Three months ended March 31, 2019 (US Dollars) *	Three months Ended March 31, 2019	Three months ended March 31, 2018 (Adjusted)	Variance (%)
Operating revenues:				
Passenger revenues	360	6,976	5,610	24.4%
Fare revenues	239	4,629	3,886	19.1%
Other passenger revenues ⁽¹⁾	121	2,347	1,724	36.1%
Non-passenger revenues	11	216	240	(10.0%)
Other non-passenger revenues ⁽¹⁾	8	154	192	(19.7%)
Cargo	3	62	49	28.0%
Total operating revenues	371	7,192	5,850	22.9%
Other operating income	-	-	(1)	(100%)
Total Fuel expense, net	138	2,683	2,175	23.4%
Depreciation and amortization	67	1,292	1,071	20.6%
Landing, take-off and navigation expenses	64	1,232	1,124	9.6%
Salaries and benefits	44	852	746	14.1%
Maintenance expenses	18	353	346	2.0%
Sales, marketing and distribution expenses	14	271	357	(24.1%)
Aircraft and engine rent expense	12	227	317	(28.4%)
Other operating expenses	13	256	258	(0.7%)
Operating expenses	370	7,166	6,395	12.1%
Operating income (loss)	1	26	(545)	NA
Finance income	2	38	34	12.2%
Finance cost	(26)	(503)	(395)	27.2%
Exchange gain, net	60	1,154	1,564	(26.2%)
Comprehensive financing result	36	689	1,202	(42.7%)
Income before income tax	37	715	658	8.7%
Income tax expense	(10)	(196)	(196)	(0.2%)
Net income	27	519	461	12.5%

* Peso amounts were converted to U.S. dollars at end of period exchange rate for convenience purposes only.

⁽¹⁾ The figures of 1Q 2018 includes a reclassification from "other non-passenger revenues" to "Other passenger revenues" of Ps.77 million, as result of the IFRS 15 adoption.



Controladora Vuela Compañía de Aviación, S.A.B. de C.V. and Subsidiaries
Reconciliation of total ancillary revenue per passenger

The following table shows quarterly additional detail about the components of total ancillary revenue:

Unaudited (In millions of Mexican pesos)	Three months ended March 31, 2019 (US Dollars)*	Three months ended March 31, 2019	Three months ended March 31, 2018 (Adjusted)	Variance (%)
Other passenger revenues ⁽¹⁾	121	2,347	1,724	36.1%
Non-passenger revenues ⁽¹⁾	11	216	240	(10.0%)
Total ancillary revenues	132	2,563	1,964	30.5%
Booked passengers (thousands)	-	4,962	4,263	16.4%
Total ancillary revenue per passenger	26.7	517	461	12.1%

* Peso amounts were converted to U.S. dollars at end of period exchange rate for convenience purposes only.

⁽¹⁾ The figures of 1Q 2018 includes a reclassification from "other non-passenger revenues" to "Other passenger revenues" of Ps.77 million, as result of the IFRS 15 adoption.

Controladora Vuela Compañía de Aviación, S.A.B. de C.V. and Subsidiaries
Consolidated Statement of Financial Position

(In millions of Mexican pesos)	March 31, 2019 Unaudited (US Dollars)*	March 31, 2019 Unaudited	December 31, 2018 (Adjusted)
Assets			
Cash and cash equivalents	365	7,071	5,863
Accounts receivable	91	1,754	1,467
Inventories	15	296	297
Prepaid expenses and other current assets	30	588	443
Financial instruments	3	67	62
Guarantee deposits	32	615	791
Total current assets	536	10,390	8,923
Rotable spare parts, furniture and equipment, net	312	6,052	5,782
Right of use assets	1,668	32,334	31,986
Intangible assets, net	9	170	179
Deferred income taxes	145	2,817	2,864
Guarantee deposits	343	6,639	6,337
Other assets	9	174	155
Other accounts receivable	4	74	74
Total non-current assets	2,490	48,260	47,378
Total assets	3,026	58,650	56,301
Liabilities			
Unearned transportation revenue	214	4,142	2,439
Accounts payable	47	911	1,103
Accrued liabilities	135	2,619	2,318
Lease liabilities	230	4,448	4,970
Other taxes and fees payable	159	3,074	1,932
Income taxes payable	-	2	4
Financial instruments	-	3	123
Financial debt	86	1,661	1,212
Other liabilities	2	46	26
Total short-term liabilities	872	16,905	14,127
Financial debt	72	1,392	2,311
Accrued liabilities	7	134	137
Lease liabilities	1,803	34,936	34,586
Other liabilities	18	357	328
Employee benefits	1	19	18
Deferred income taxes	66	1,282	1,096
Total long-term liabilities	1,967	38,121	38,476
Total liabilities	2,839	55,026	52,603
Equity			
Capital stock	153	2,974	2,974
Treasury shares	(6)	(122)	(123)
Contributions for future capital increases	-	-	-
Legal reserve	15	291	291
Additional paid-in capital	94	1,830	1,837
Retained earnings	(36)	(689)	(1,208)
Accumulated other comprehensive losses	(34)	(659)	(73)
Total equity	187	3,624	3,698
Total liabilities and equity	3,026	58,650	56,301
Total shares outstanding fully diluted		1,011,876,677	1,011,876,677

* Peso amounts were converted to U.S. dollars at end of period exchange rate for convenience purposes only



Controladora Vuela Compañía de Aviación, S.A.B. de C.V. and Subsidiaries
Consolidated Statement of Cash Flows – Cash Flow Data Summary

Unaudited (In millions of Mexican pesos)	Three months ended March 31, 2019 (US Dollars)*	Three months ended March 31, 2019	Three months ended March 31, 2018 (Adjusted)
Net cash flow provided by operating activities	193	3,731	2,404
Net cash flow used in investing activities	(20)	(379)	(313)
Net cash flow used in financing activities	(106)	(2,063)	(1,246)
Increase in cash and cash equivalents	67	1,290	844
Net foreign exchange differences	(4)	(82)	(478)
Cash and cash equivalents at beginning of period	303	5,863	6,951
Cash and cash equivalents at end of period	365	7,071	7,317

* Peso amounts were converted to U.S. dollars at end of period exchange rate for convenience purposes only

The following table shows adjusted balances after the adoption of IFRS 16 "Leases", on the quarterly statements of operations for each quarter of 2018. These recast amounts were derived from unaudited financial statements included in the quarterly reports on Form 6-K during the year ended December 31, 2018.

Unaudited	Three months ended March 31, 2018 (Adjusted)	Three months ended June 30, 2018 (Adjusted)	Three months ended September 30, 2018 (Adjusted)	Three months ended December 31, 2018 (Adjusted)	Full Year 2018 (Adjusted)
(In millions of Mexican pesos)					
Operating revenues:					
Passenger revenues	5,610	5,990	7,138	7,643	26,381
Fare revenues	3,886	4,137	5,096	5,370	18,488
Other passenger revenues ⁽¹⁾	1,724	1,853	2,042	2,273	7,892
Non-passenger revenues	240	240	179	265	924
Other non-passenger revenues ⁽¹⁾	192	187	124	194	697
Cargo	49	53	55	71	227
Total operating revenues	5,850	6,230	7,317	7,908	27,305
Other operating income	(1)	(231)	(243)	(147)	(622)
Fuel	2,175	2,445	2,631	2,885	10,135
Landing, take-off and navigation expenses	1,124	1,149	1,149	1,157	4,579
Depreciation and amortization	1,071	1,136	1,162	1,256	4,625
Salaries and benefits	746	750	834	795	3,125
Sales, marketing and distribution expenses	357	382	340	422	1,501
Maintenance expenses	346	376	388	387	1,499
Aircraft and engine rent expense	317	105	215	55	692
Other operating expenses	258	283	239	277	1,058
Operating expenses	6,395	6,395	6,715	7,087	26,592
Operating (loss) income	(545)	(165)	602	821	713
Operating margin	(9.3%)	(2.6%)	8.2%	10.4%	2.6%
Finance income	34	37	37	45	153
Finance cost	(395)	(439)	(487)	(478)	(1,798)
Exchange gain (loss), net	1,564	(1,926)	1,395	(1,137)	(106)
Comprehensive financing result	1,202	(2,328)	945	(1,570)	(1,751)
Income (loss) before income tax	658	(2,493)	1,547	(749)	1,038
Income tax (expense) benefit	(196)	728	(442)	187	277
Net income (loss)	461	(1,765)	1,105	(562)	(761)
Earnings (loss) per share:					
Basic (pesos)	0.46	(1.74)	1.09	(0.56)	(0.75)
Diluted (pesos)	0.46	(1.74)	1.09	(0.56)	(0.75)
Earnings (loss) per ADS:					
Basic (pesos)	4.56	(17.44)	10.92	(5.55)	(7.52)
Diluted (pesos)	4.56	(17.44)	10.92	(5.55)	(7.52)

⁽¹⁾ The annual figures of 2018 include a reclassification from "other non-passenger revenues" to "Other passenger revenues" of Ps.271 million, as result of the IFRS 15 adoption.

The following table shows quarterly adjustments made due to the adoption of IFRS 16 "Leases", on the statements of operations for 2018.

Unaudited (In millions of Mexican pesos)	Full Year 2018 (Reported)	Three months ended March 31, 2018	Three months ended June 30, 2018	Three months ended September 30, 2018	Three months ended December 31, 2018	Full Year 2018 (Adjusted)
Operating revenues:						
Passenger revenues	26,381	-	-	-	-	26,381
Fare revenues	18,488	-	-	-	-	18,488
Other passenger revenues ⁽¹⁾	7,892	-	-	-	-	7,892
Non-passenger revenues	924	-	-	-	-	924
Other non-passenger revenues ⁽¹⁾	227	-	-	-	-	227
Cargo	697	-	-	-	-	697
Total operating revenues	27,305	-	-	-	-	27,305
Other operating income	(622)	-	-	-	-	(622)
Fuel	10,135	-	-	-	-	10,135
Aircraft and engine rent expense	6,315	(1,278)	(1,400)	(1,378)	(1,567)	692
Landing, take-off and navigation expenses	4,583	(1)	(1)	(1)	(1)	4,579
Salaries and benefits	3,125	-	-	-	-	3,125
Maintenance expenses	1,518	(4)	(5)	(5)	(5)	1,499
Sales, marketing and distribution expenses	1,501	-	-	-	-	1,501
Other operating expenses	1,130	(17)	(18)	(18)	(19)	1,058
Depreciation and amortization	501	939	1,012	1,047	1,126	4,625
Operating expenses	28,186	(361)	(412)	(355)	(466)	26,592
Operating (loss) income	(881)	361	412	355	466	713
Operating margin	(3.2%)					2.6%
Finance income	153	-	-	-	-	153
Finance cost	(120)	(361)	(408)	(423)	(486)	(1,798)
Exchange (loss) gain, net	(72)	2,255	(2,581)	1,814	(1,521)	(106)
Comprehensive financing result	(40)	1,894	(2,989)	1,391	(2,007)	(1,751)
(Loss) income before income tax	(921)	2,255	(2,577)	1,746	(1,541)	(1,038)
Income tax benefit (expense)	238	(676)	775	(523)	463	277
Net (loss) income	(683)	1,579	(1,802)	1,223	(1,078)	(761)
Basic (loss) earnings per share	(0.67)	1.56	(1.78)	1.21	(1.07)	(0.75)
Diluted (loss) earnings per share	(0.67)	1.56	(1.78)	1.21	(1.07)	(0.75)

⁽¹⁾ The annual figures of 2018 include a reclassification from "other non-passenger revenues" to "Other passenger revenues" of Ps.271 million, as result of the IFRS 15 adoption.

Controladora Vuela Compañía de Aviación, S.A.B. de C.V. and Subsidiaries

The following table shows balances before the adoption of IFRS 16 "Leases", on the quarterly statements of operations for each quarter of 2018.

Unaudited	Three months ended March 31, 2018 (Reported)	Three months ended June 30, 2018 (Reported)	Three months ended September 30, 2018 (Reported)	Three months ended December 31, 2018 (Reported)	Full Year 2018 (Reported)
(In millions of Mexican pesos)					
Operating revenues:					
Passenger revenues	5,610	5,990	7,138	7,643	26,381
Fare revenues	3,886	4,137	5,096	5,370	18,489
Other passenger revenues ⁽¹⁾	1,724	1,853	2,042	2,273	7,892
Non-passenger revenues	240	240	179	265	924
Other non-passenger revenues ⁽¹⁾	192	187	124	194	697
Cargo	49	53	55	71	227
Total operating revenues	5,850	6,230	7,316	7,909	27,305
Other operating income	(1)	(231)	(243)	(147)	(622)
Fuel	2,175	2,445	2,631	2,885	10,135
Aircraft and engine rent expense	1,596	1,504	1,593	1,622	6,315
Landing, take-off and navigation expenses	1,125	1,150	1,150	1,158	4,583
Salaries and benefits	746	750	834	795	3,125
Sales, marketing and distribution expenses	357	382	340	422	1,501
Maintenance expenses	351	381	393	392	1,518
Other operating expenses	274	301	257	297	1,130
Depreciation and amortization	132	124	115	130	501
Operating expenses	6,757	6,805	7,070	7,554	28,186
Operating (loss) income	(906)	(575)	246	355	(881)
Operating margin	(15.5%)	(9.2%)	3.4%	4.5%	(3.2%)
Finance income	34	37	37	45	153
Finance cost	(34)	(31)	(64)	8	(120)
Exchange (loss) gain, net	(691)	653	(419)	384	(73)
Comprehensive financing result	(691)	660	(446)	437	(40)
(Loss) income before income tax	(1,597)	85	(200)	792	(921)
Income tax benefit (expense)	479	(47)	81	(276)	238
Net (loss) income	(1,118)	38	(119)	516	(683)
(Loss) earnings per share:					
Basic (pesos)	(1.10)	0.04	(0.12)	0.51	(0.67)
Diluted (pesos)	(1.10)	0.04	(0.12)	0.51	(0.67)
(Loss) earnings per ADS:					
Basic (pesos)	(11.05)	0.38	(1.18)	5.10	(6.75)
Diluted (pesos)	(11.05)	0.38	(1.18)	5.10	(6.75)

⁽¹⁾ The annual figures of 2018 include a reclassification from "other non-passenger revenues" to "Other passenger revenues" of Ps.271 million, as result of the IFRS 15 adoption.

Controladora Vuela Compañía de Aviación, S.A.B. de C.V. and Subsidiaries
Consolidated Statement of Financial Position

The following table shows annual adjustments made due to the adoption of IFRS 16 “Leases”, on the Consolidated Statement of Financial Position as of December 31, 2018.

(In millions of Mexican pesos)	December 31, 2018 (Reported)	IFRS 16 Adjustments	December 31, 2018 (Adjusted)
Assets			
Cash and cash equivalents	5,863	-	5,863
Accounts receivable	1,467	-	1,467
Inventories	297	-	297
Prepaid expenses and other current assets	710	(267)	443
Financial instruments	62	-	62
Guarantee deposits	791	-	791
Total current assets	9,190	(267)	8,923
Rotable spare parts, furniture and equipment, net	5,782	-	5,782
Right of use assets	-	31,986	31,986
Intangible assets, net	179	-	179
Deferred income taxes	593	2,271	2,864
Guarantee deposits	6,337	-	6,337
Other assets	155	-	155
Other accounts receivable	74	-	74
Total non-current assets	13,121	34,257	47,378
Total assets	22,311	33,990	56,301
Liabilities			
Unearned transportation revenue	2,439	-	2,439
Accounts payable	1,103	-	1,103
Accrued liabilities	2,318	-	2,318
Lease liabilities	-	4,970	4,970
Other taxes and fees payable	1,932	-	1,932
Income taxes payable	4	-	4
Financial instruments	123	-	123
Financial debt	1,212	-	1,212
Other liabilities	118	(92)	26
Total short-term liabilities	9,249	4,878	14,127
Financial debt	2,311	-	2,311
Accrued liabilities	137	-	137
Lease liabilities	-	34,586	34,586
Other liabilities	328	-	328
Employee benefits	18	-	18
Deferred income taxes	1,096	-	1,096
Total long-term liabilities	3,890	34,586	38,476
Total liabilities	13,139	39,464	52,603
Equity			
Capital stock	2,974	-	2,974
Treasury shares	(123)	-	(123)
Contributions for future capital increases	-	-	-
Legal reserve	291	-	291
Additional paid-in capital	1,837	-	1,837
Retained earnings	4,266	(5,474)	(1,208)
Accumulated other comprehensive losses	(73)	-	(73)
Total equity	9,172	(5,474)	3,698
Total liabilities and equity	22,311	33,990	56,301
Total shares outstanding fully diluted		1,011,876,677	1,011,876,677

Controladora Vuela Compañía de Aviación, S.A.B. de C.V. and Subsidiaries
Consolidated Statement of Cash Flows – Cash Flow Data Summary

The following table shows first quarter adjustments made due to the adoption of IFRS 16 “Leases”, on the Consolidated Statement of Cash Flow for the three months ended March 31, 2018.

Unaudited	Three months ended March 31, 2018	Adjustments	Three months ended March 31, 2018
(In millions of Mexican pesos)	(Reported)		(Adjusted)
Net cash flow provided by operating activities	1,093	1,311	2,404
Net cash flow used in investing activities	(313)	-	(313)
Net cash flow provided by (used in) financing activities	65	(1,311)	(1,246)
Increase in cash and cash equivalents	844	-	844
Net foreign exchange differences	(478)	-	(478)
Cash and cash equivalents at beginning of period	6,951	-	6,951
Cash and cash equivalents at end of period	7,317	-	7,317