



## **LATAM AIRLINES GROUP S.A. ANNOUNCES PROPOSED OFFERING OF SENIOR UNSECURED NOTES**

**Santiago, Chile, October 6, 2016** – LATAM Airlines Group S.A. and its affiliates ("LATAM Airlines Group" or the "Company") (NYSE: LFL / IPSA: LAN), the leading airline group in Latin America, announced today that LATAM Finance Limited (the "Issuer"), an exempted company incorporated in the Cayman Islands with limited liability and wholly owned by LATAM Airlines Group S.A., intends to offer (the "Offering") Senior Notes (the "New Notes"). The New Notes will be unconditionally and irrevocably guaranteed by LATAM Airlines Group S.A. (the "Guarantor").

A portion of the Notes will be used to refinance the existing 7.375% Senior Guaranteed Notes due 2017 of TAM Capital Inc. (the "2017 Notes") and 8.375% Senior Guaranteed Notes due 2021 of TAM Capital 3 Inc. (the "2021 Notes"). As part of the refinancing, Citigroup Global Markets Inc. (the "Offeror") has launched a cash tender offer (the "Tender Offer") for up to U.S.\$462,500,000 aggregate principal amount (subject to increase by the Offeror, the "Aggregate Maximum Tender Amount") of the outstanding 2017 Notes and 2021 Notes, subject to (i) purchase in accordance with the acceptance priority level, (ii) a tender cap on the 2021 Notes of U.S.\$262,500,000 (the "2021 Notes Tender Cap") and (iii) possible proration, as described in the Offer Documents (as defined below). Any remaining proceeds from the New Notes sold in the Offering that are not exchanged for 2017 Notes and/or 2021 Notes will be used for general corporate purposes.

The New Notes will be senior unsecured obligations of the Issuer and the Guarantor. The Offering is subject to customary conditions, and there can be no assurances that the Offering will be consummated.

The Notes have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any other jurisdiction. As a result, they may not be offered or sold in the United States or to any U.S. persons except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes will be offered only to qualified institutional buyers pursuant to Rule 144A under the Securities Act and to non-U.S. persons outside the United States under Regulation S under the Securities Act.

This news release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities. The Offering will be made only by means of the confidential offering memorandum.

The Tender Offer is being made only pursuant to the terms and conditions set forth in an offer to purchase dated October 5, 2016 (the "Offer to Purchase") and the related letter of transmittal and consent (the "Letter of Transmittal" and, together with the Offer to Purchase, the "Offer Documents"), which have been sent to holders of the 2017 Notes and the 2021 Notes. This news release is not an offer to purchase or a solicitation of an offer to sell with respect to any securities. The Tender Offer is made only by, and pursuant to the terms of, the Offer Documents. In addition, this news release does not constitute a notice of redemption of the 2017 Notes or the 2021 Notes or an obligation to issue a notice of redemption.

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### **INVESTOR RELATIONS CONTACT INFORMATION**

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### **Forward-Looking Statements**

This notice includes and references “forward-looking statements” within the meaning of the Private Securities U.S. federal securities laws. These statements may relate to, among other things, the Company’s business strategy, goals and expectations concerning its market position, future operations, margins and profitability.

Although the Company believes the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect.

The matters discussed in these forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results and trends to differ materially from those made, projected, or implied in or by the forward-looking statements depending on a variety of uncertainties or other factors.

The Company undertakes no obligation to update any of its forward-looking statements.

### **About LATAM Airlines Group S.A.**

LATAM Airlines Group S.A. is the new name given to LAN Airlines S.A. as a result of its association with TAM S.A. LATAM Airlines Group S.A. now includes LAN Airlines and its affiliates in Argentina, Chile, Colombia, Ecuador and Peru, and LAN Cargo and its affiliates, as well as TAM S.A. and its subsidiaries TAM Linhas Aereas S.A., including its business units TAM Transportes Aereos del Mercosur S.A., (TAM Airlines (Paraguay)) and Multiplus S.A. This association creates one of the largest airline groups in the world in terms of network connections, providing passenger transport services to about 135 destinations in 23 countries and cargo services to about 138 destinations in 31 countries, with a fleet of 330 aircraft as of June 30, 2016. In total, LATAM Airlines Group S.A. has approximately 48,000 employees and its shares are traded in Santiago, as well as on the New York Stock Exchange, in the form of ADRs.

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