



Santiago, July 18, 2016

Mr. Carlos Pavez Tolosa  
Commissioner  
Securities and Insurance Commission  
Avda. Libertador Bernardo O'Higgins 1449  
Present

Ref.: Reports Material Fact

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Dear commissioner:

In accordance with Articles 9 and 10 of the Securities Market Law, and pursuant to General Regulation No. 30, duly authorized by the Board in the extraordinary session held on July 18, 2016, the following is reported as a Material Fact of LATAM Airlines Group S.A. ("LATAM Airlines" or the "Company"), Securities Registry No. 306:

The Board of Directors of LATAM Airlines resolved to convene an Extraordinary Shareholders Meeting on August 18, 2016, to propose a capital increase of US\$613,164,240 issuing 61,316,424 new shares of common stock, all ordinary, with no par value, at a price per share of US\$10, authorizing the Company to place the remaining unsubscribed shares after the expiration of the option subscription period to Qatar Airways.

The citation notices and letters, as well as the background of the proposals put to the vote, will be published, made available and sent to shareholders under the terms provided by the Chilean Corporate Laws.

Yours sincerely,

**Juan Carlos Menció**  
**Vicepresident - Legal**  
**LATAM Airlines Group S.A.**