



## LATAM AIRLINES GROUP ANNOUNCES PRELIMINARY GUIDANCE FOR 2017

**Santiago, Chile, December 19, 2016**– LATAM Airlines Group S.A. and its subsidiaries, ("LATAM Airlines Group" or "the Company") (NYSE: LFL / IPSA: LAN), the leading airline group in Latin America, today reports its preliminary guidance for 2017.

Having reviewed our operational projections for 2017, the Company is estimating an operating margin for the full year 2017 in the range of 6% to 8%.

LATAM will review its guidance on a quarterly basis to incorporate any important changes in macroeconomic variables or operating performance.

Guidance		2016	2017
ASK Growth	International	3% - 5%	0% - 2%
	Brazil Domestic	(12%) - (10%)	(2%) - 0%
	Spanish Speaking Countries Domestic	6% - 8%	4% - 6%
	<b>TOTAL</b>	<b>(1%) - 1%</b>	<b>0% - 2%</b>
ATK Growth		(4%) - (2%)	(12%) - (10%)
Operating Margin		5.5% - 6.5%	6.0% - 8.0%
<b>Assumptions</b>			
Average exchange rate (BRL/USD)			3.30
Jet Fuel Price (US\$/bl)			64

### Note on Forward-Looking Statements

This report contains forward-looking statements. Such statements may include words such as "may" "will," "expect," "intend," "anticipate," "estimate," "project," "believe" or other similar expressions. Forward-looking statements are statements that are not historical facts, including statements about our beliefs and expectations. These statements are based on LATAM's current plans,, estimates and projections and, therefore, you should not place undue reliance on them. Forward-looking statements involve inherent known and unknown risks, uncertainties and other factors, many of which are outside of LATAM's control and difficult to predict. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. These factors and uncertainties include in particular those described in the documents we have filed with the U.S. Securities and Exchange Commission. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them, whether in light of new information, future events or otherwise.

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### **INVESTOR RELATIONS CONTACT INFORMATION**

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**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 LATAM Airlines Group (before LAN Airlines) and its affiliates in Peru, Argentina, Colombia and Ecuador, and LATAM Cargo and its affiliates, as well as TAM S.A. and its subsidiaries TAM Linhas Aereas S.A. (LATAM Airlines Brasil), including its business units TAM Transportes Aereos del Mercosur S.A., (LATAM 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 140 destinations in 25 countries and cargo services to about 140 destinations in 29 countries, with a fleet of 335 aircraft. In total, LATAM Airlines Group S.A. has more than 47.000 employees and its shares are traded in Santiago, as well as on the New York Stock Exchange, in the form of ADRs.

LATAM is the brand that has been adopted by the airline members of LATAM Airlines Group, and has started to implement the LATAM and LATAM Airlines brand to its customer contact points and aircraft, as part of a gradual roll-out that will last until 2019.

Each airline will continue to operate under their current brands and identities. For any inquiry of LAN or TAM, please visit [www.latam.com](http://www.latam.com). Further information at [www.latamairlinesgroup.net](http://www.latamairlinesgroup.net)