



LATAM AIRLINES HAS REACHED AGREEMENTS WITH THE UNITED STATES DEPARTMENT OF JUSTICE (DOJ) AND THE U.S. SECURITIES AND EXCHANGE COMMISSION (SEC)

Santiago, Chile 25 July 2016 - LATAM Airlines Group announced that it has reached voluntary agreements with the Securities and Exchange Commission ("SEC") and the Department of Justice ("DOJ") to resolve inquiries into payments LAN Airlines S.A. ("LAN") made 10 years ago in 2006-2007 to a consultant on labor matters in Argentina.

After an exhaustive investigation in which the Company actively cooperated, both agencies concluded in relation to the 2006-2007 consultant payments that the Company did not comply with the provisions of the U.S. Foreign Corrupt Practices Act (FCPA) that require the Company to keep accurate books and records and to establish and maintain adequate internal controls.

The agreement with the DOJ provides for a total fine of \$12.75 million and the agreement with the SEC provides for a payment of \$6.7 million plus interest.

Additionally, LATAM has agreed to retain an independent compliance monitor for a period of 27 months.

As has been communicated in its corporate financial reports, the company has cooperated fully with relevant authorities throughout this process.

LATAM and its senior management reaffirm its commitment to complying with the laws of all of the countries where the Group operates. From the time this event occurred, the company has taken action and made significant improvements in its Compliance structure and its internal accounting controls.

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 138 destinations in 25 countries and cargo services to about 140 destinations in 29 countries, with a fleet of 323 aircraft. In total, LATAM Airlines Group S.A. has approximately 50.000 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 new brand that has been adopted by the airline members of LATAM Airlines Group. The group has started to implement the LATAM brand to its customer contact points and aircraft, and will continue implementing LATAM in its products and services as part of a gradual roll-out that will last approximately three years

Each airline will continue to operate under their current brands and identities. For any inquiry of LAN or TAM, please visit www.latam.com, respectively. Further information at www.latamairlinesgroup.net

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