



LATAM AIRLINES GROUP AND QATAR AIRWAYS SIGN AGREEMENT

Qatar Airways to acquire up to 10% of LATAM's total shares through a capital increase

Farnborough, England, 12 July 2016 – LATAM Airlines Group S.A., Latin America's leading airline group, and world-class airline Qatar Airways, both members of the **oneworld** alliance, announced today that they have entered into a subscription agreement providing for Qatar Airways to acquire up to 10% of LATAM's total shares, which will be acquired in connection with a capital increase.

As provided for in the subscription agreement, LATAM Airlines Group will hold an Extraordinary Shareholders Meeting no later than September 2, 2016 to propose a capital increase in the amount of US\$613 million through the issuance of new shares at a price of US\$10 per share.

The announcement was made at the Farnborough International Air Show in England, by both airlines' CEOs: Akbar Al Baker, Group Chief Executive of Qatar Airways and Enrique Cueto, CEO of LATAM Airlines Group.

*"LATAM represents an exciting opportunity to invest and support the development of our long-term relationship. As a leading airline in Latin America, and key member of **oneworld**, this investment provides potential opportunities for Qatar Airways' global network, alongside our successful investment in IAG,"* said His Excellency Mr. Akbar Al Baker, Group Chief Executive of Qatar Airways.

*"We are proud to announce Qatar Airways as a new shareholder of LATAM, reaffirming our bond as existing members of the **oneworld** alliance. This investment recognizes LATAM's achievements and supports our project for the future. In addition to strengthening our financial position, it will allow us to explore new opportunities for connectivity with Asia and the Middle East, as well as other potential areas of cooperation",* said Enrique Cueto, CEO of LATAM Airlines Group.

The companies expect the transaction to be completed within the fourth quarter of 2016. Qatar Airways was advised by HSBC Bank plc, Weil, Gotshall & Manges LLP and Carey whilst LATAM Airlines Group S.A. was advised by JP Morgan, Claro & Cía y Sullivan & Cromwell.

Notice

This press release does not constitute an offer to sell, or a solicitation of offers to purchase or subscribe for, securities in the United States. The securities referred to herein have not been, and will not be, registered under the Securities Act of 1933, as amended, and may not be offered, exercised or sold in the United States absent registration or an applicable exemption from registration requirements.

INVESTOR RELATIONS CONTACT INFORMATION

LATAM Airlines Group S.A.
investorRelations@lan.com
Tel: (56-2) 2565-8785
www.latamairlinesgroup.net



About Qatar Airways

Qatar Airways, the national carrier of the State of Qatar, is one of the fastest growing airlines operating one of the youngest fleets in the world. Now in its 19th year of operations, Qatar Airways has a modern fleet of 186 aircraft flying to more than 150 key business and leisure destinations across six continents. Qatar Airways won Airline of the Year, Best Business Class Airline Seat and Best Airline in the Middle East at the 2015 Skytrax Awards.

This is the third time the airline won the accolade of Airline of the Year. Qatar Airways is a member of the oneworld global alliance. The award-winning alliance was named the World's Best Airline Alliance

2015 by Skytrax for the third year running. Qatar Airways was the first Gulf carrier to join global airline alliance, oneworld, enabling its passengers to benefit from more than 1,000 airports in more than 150 countries, with 14,250 daily departures.

In 2015 Qatar Airways launched Oryx One, an enhanced interface for its inflight entertainment system, increasing the number of movies and TV shows on board from 950 to up to 3,000. Passengers flying on Qatar Airways flights served by its B787, A350, A380, A319 as well as select A320 and A330 aircraft can also stay in touch with their friends and family around the world by using the five-star airline's on-board Wi-Fi and GSM service.

Qatar Airways is one of the world's leaders in sponsoring global sporting events, including the strategic team sponsorships of FC Barcelona and Al-Ahli Saudi Arabia FC. Qatar Airways' strategy reflects the values of sports as a means of bringing people together, something at the core of the airline's own brand message - Going Places Together.

Qatar Airways Cargo, the world's third largest cargo carrier, serves more than 50 exclusive freighter destinations worldwide via its Doha hub and also delivers freight to more than 150 key business and leisure destinations globally on 186 aircraft. The Qatar Airways Cargo fleet now includes eight Airbus 330Fs, nine Boeing 777 freighters and two Boeing 747 freighters.

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