

A short, solid red horizontal line.

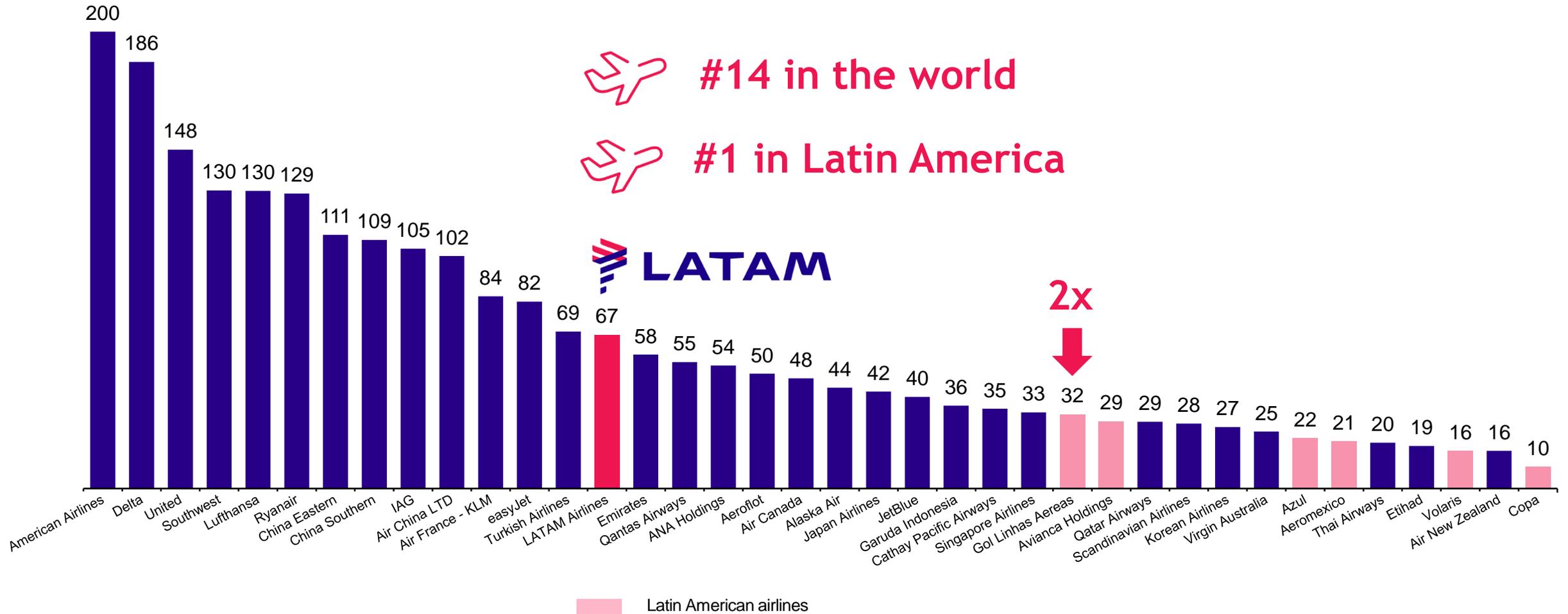
LATAM transformation process

A large, stylized white graphic in the bottom left corner, resembling a wing or a stylized letter 'L' with multiple segments.

Enrique Cueto
January 2019

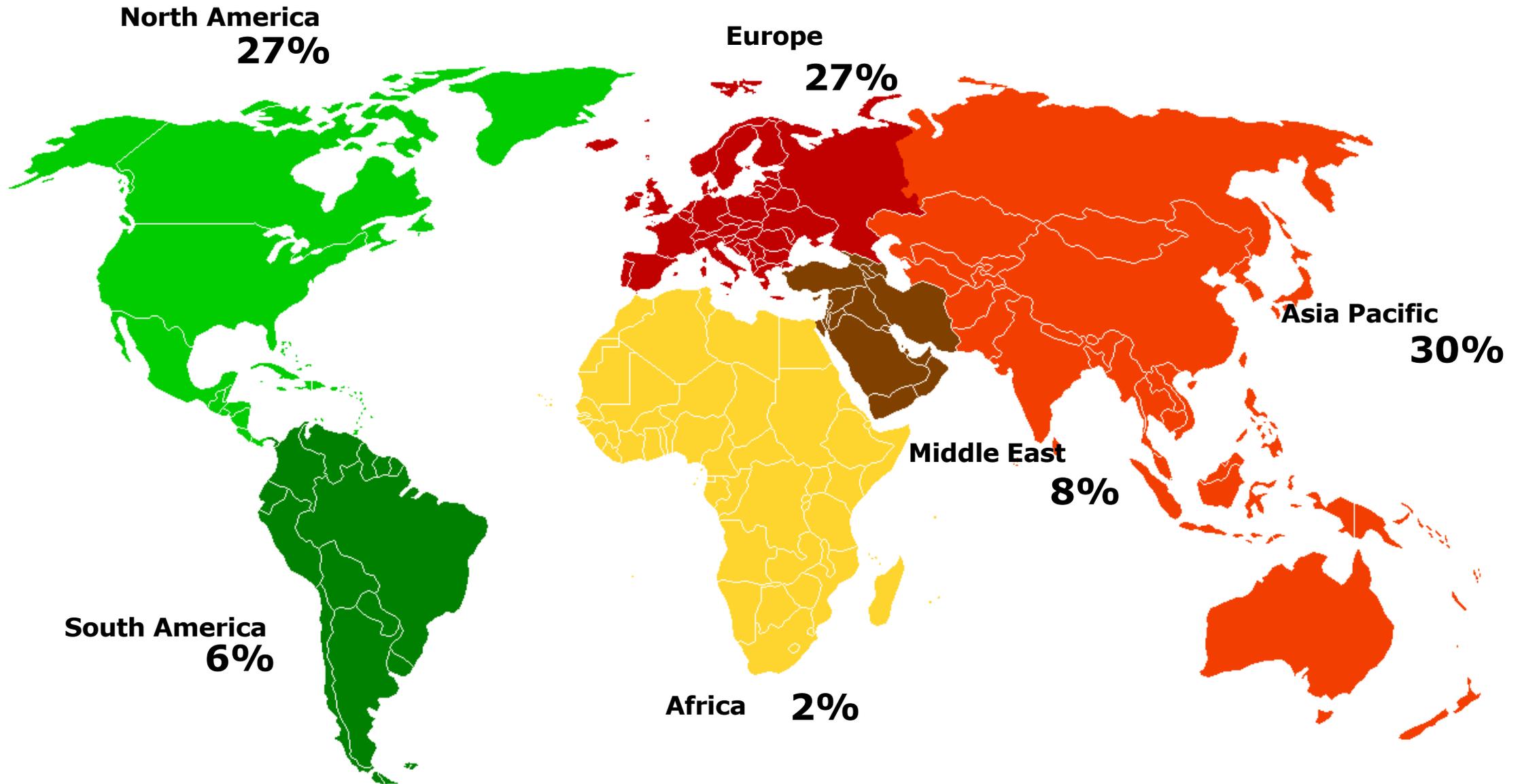
Amongst the largest airline groups in the world

PAX carried 2017 (million)



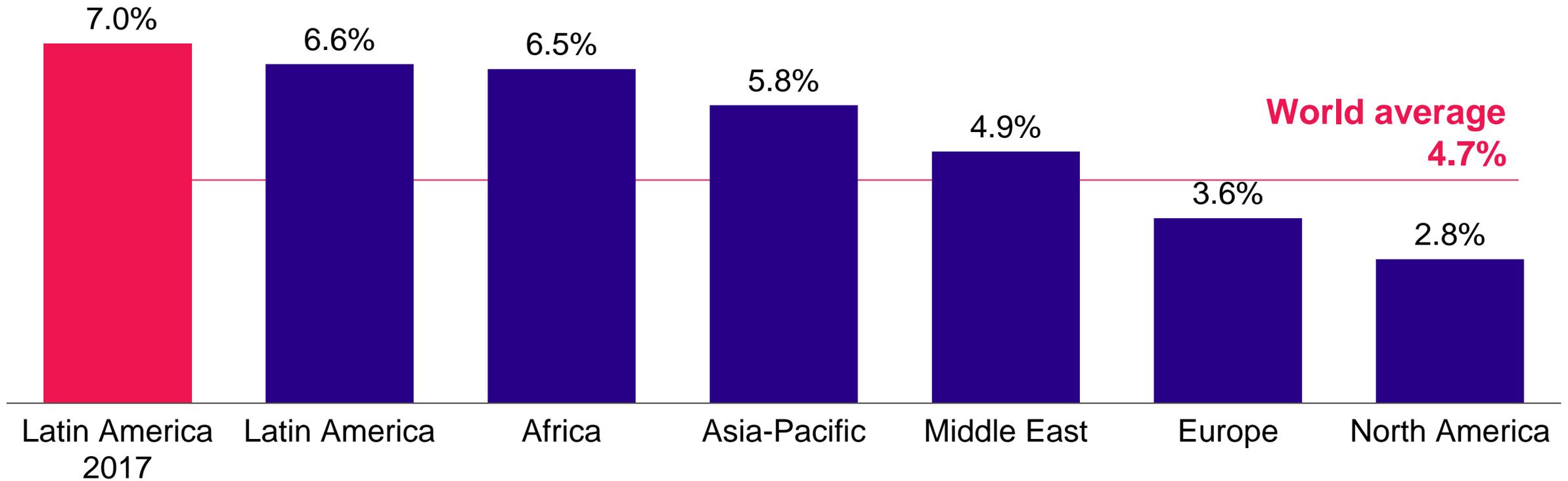
Data as of Dec 31, 2017 except for: Emirates, Qatar (LTM March 2018), Qantas, V. Australia (LTM June 2018).
Sources: Company's websites, Bloomberg

Large region, little traffic



Latin America is the region with the highest growth potential

RPKs growth 2018 – 2037



Our Mission

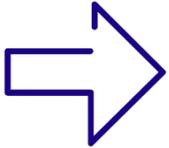
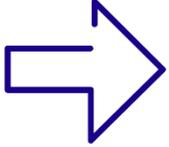
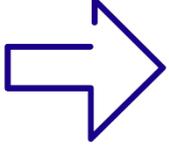
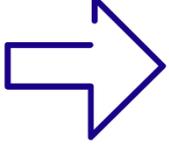


Regional leaders ensuring long term sustainability

Growth and profitability

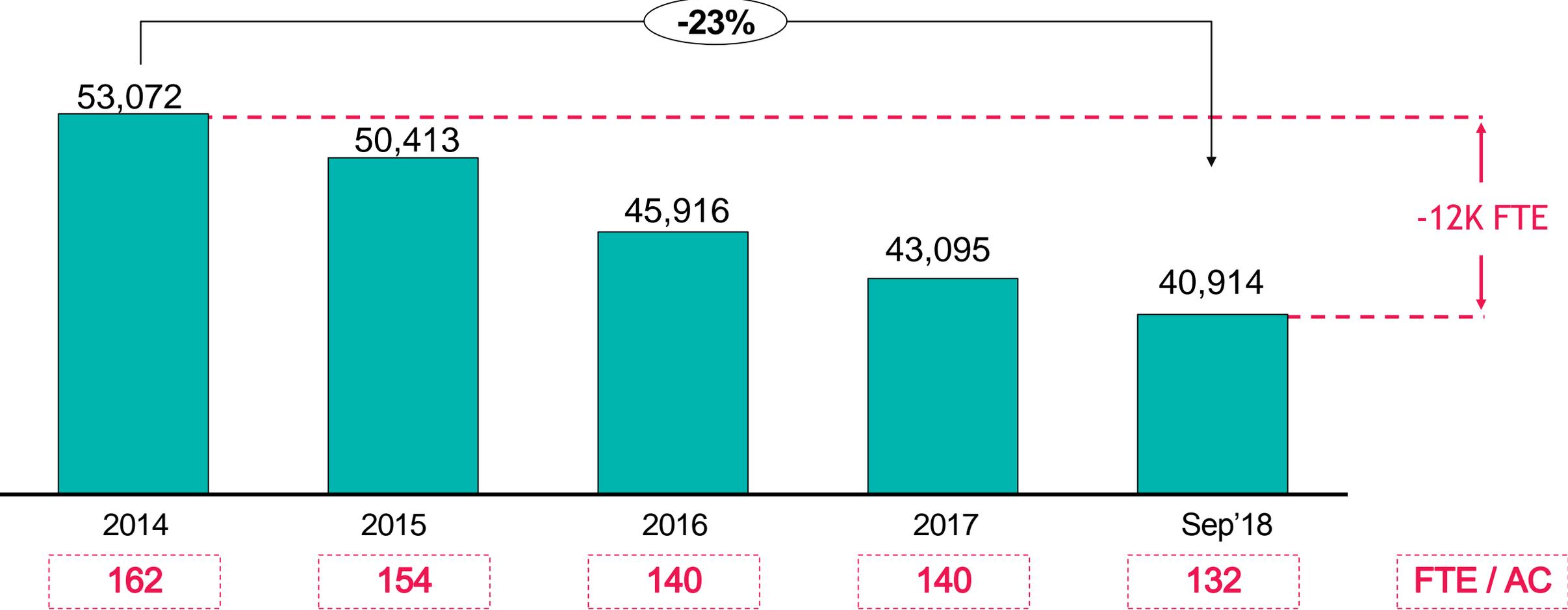
1	Safety & Security
2	Competitive Costs in all markets
3	Growth of Ancillaries & Cargo revenues
4	Continue growth of strong network
5	Become High Value Customer leader
6	Strong Frequent Flyer Program
7	Operational Excellence
8	Care of clients
9	Strong financials

Safety and Security is the most important of our success factors

	<u>Safety KPIs</u>	<u>% change 2015-2018</u>
	Flight incidents	-64%
	Ground damage	-62%
	Injuries Rate	-39%
	SPI Maintenance	-34%

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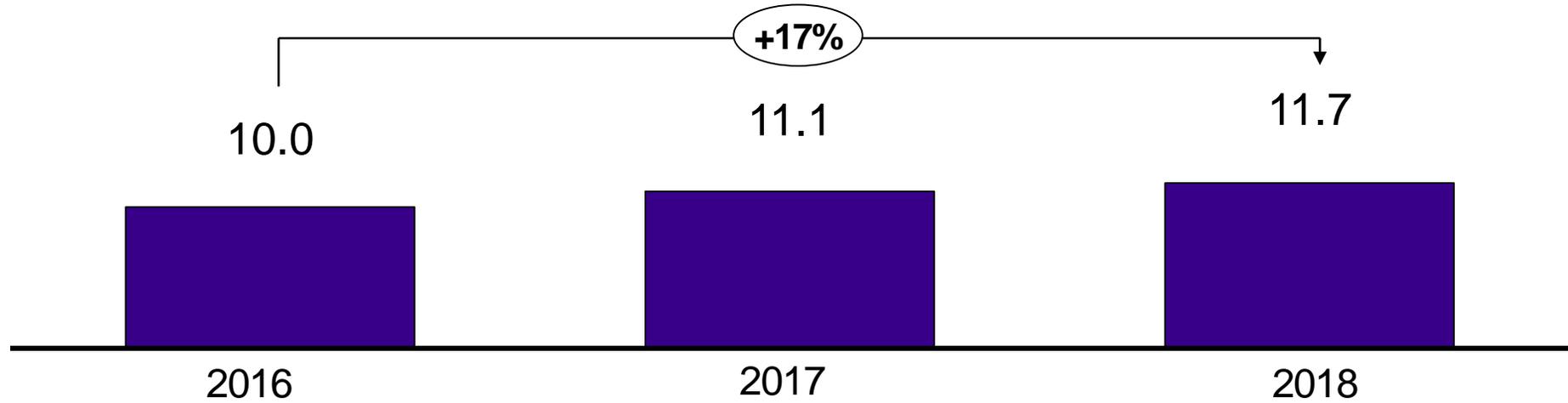
Number of employees



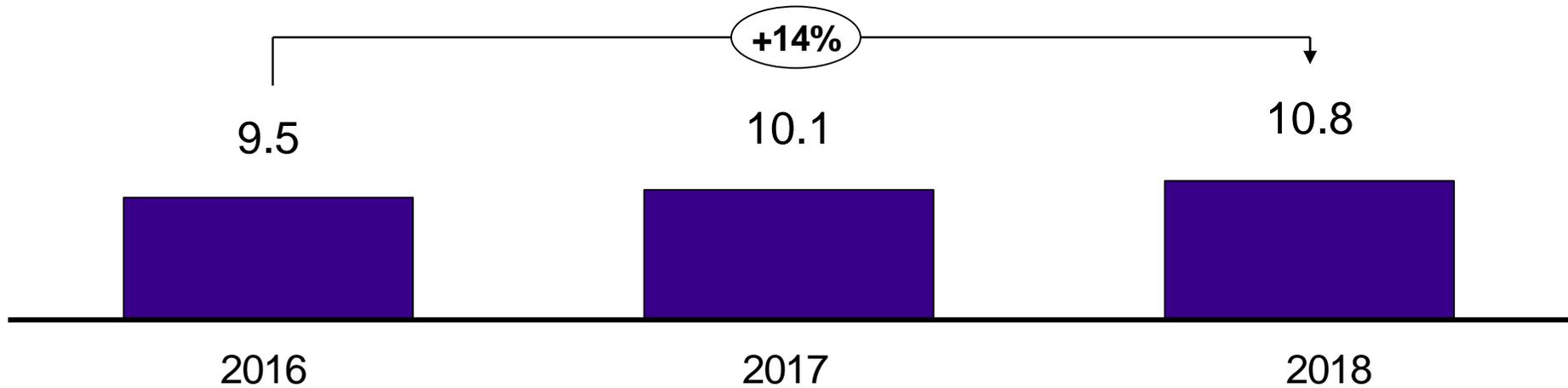
Source: Public Company filings

Aircraft utilization (hours/day)

WB

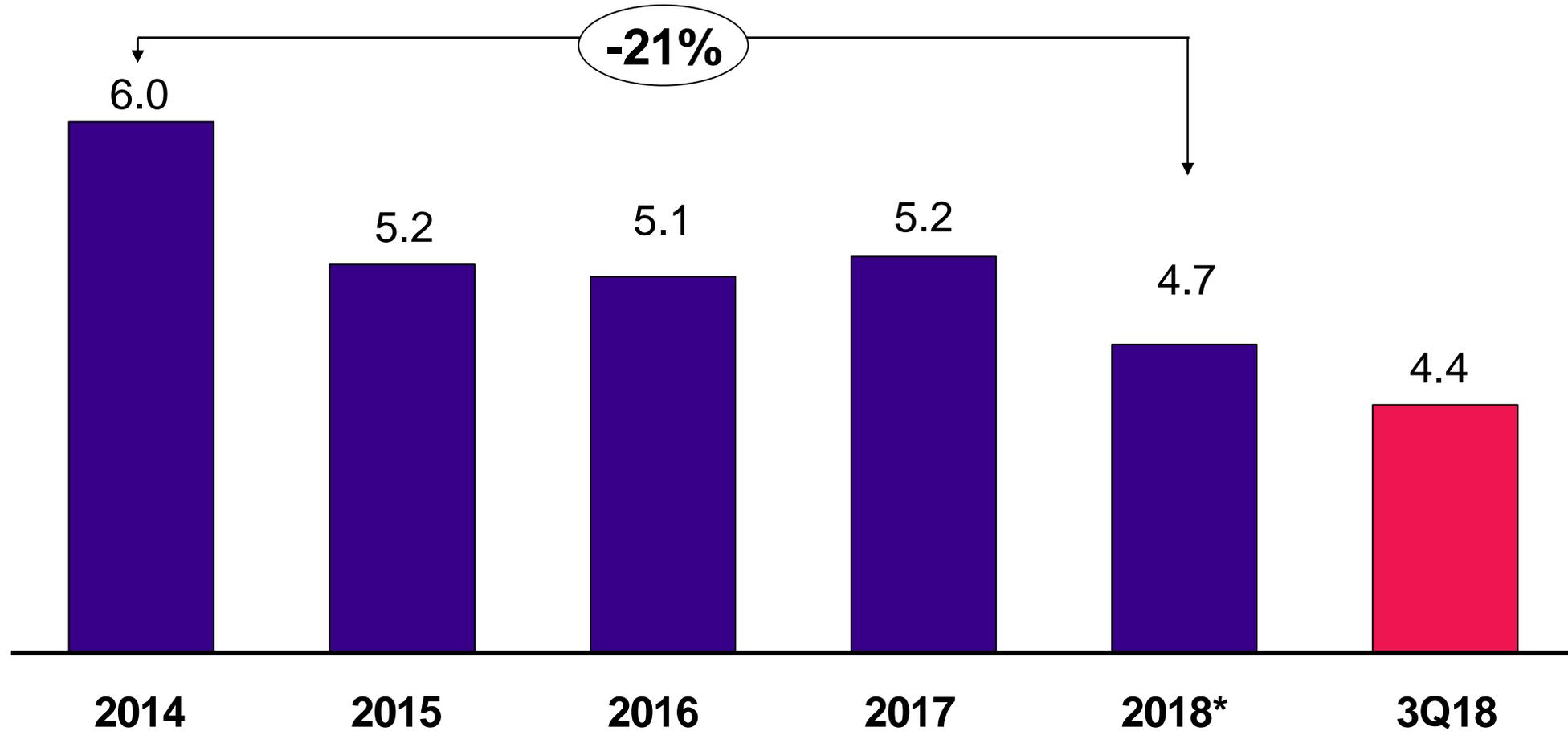


NB



We have delivered on cost initiatives

Consolidated CASK ex-fuel (US\$ cents)



(*): January - September 2018
Source: Public Company filings

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Ancillary revenues increased more than 50% since the implementation of our new sales model, while passengers benefit from lower fares

Changes & cancellation fees



Excess Weight



1st Bag



Seat selection



Upgrade Bid



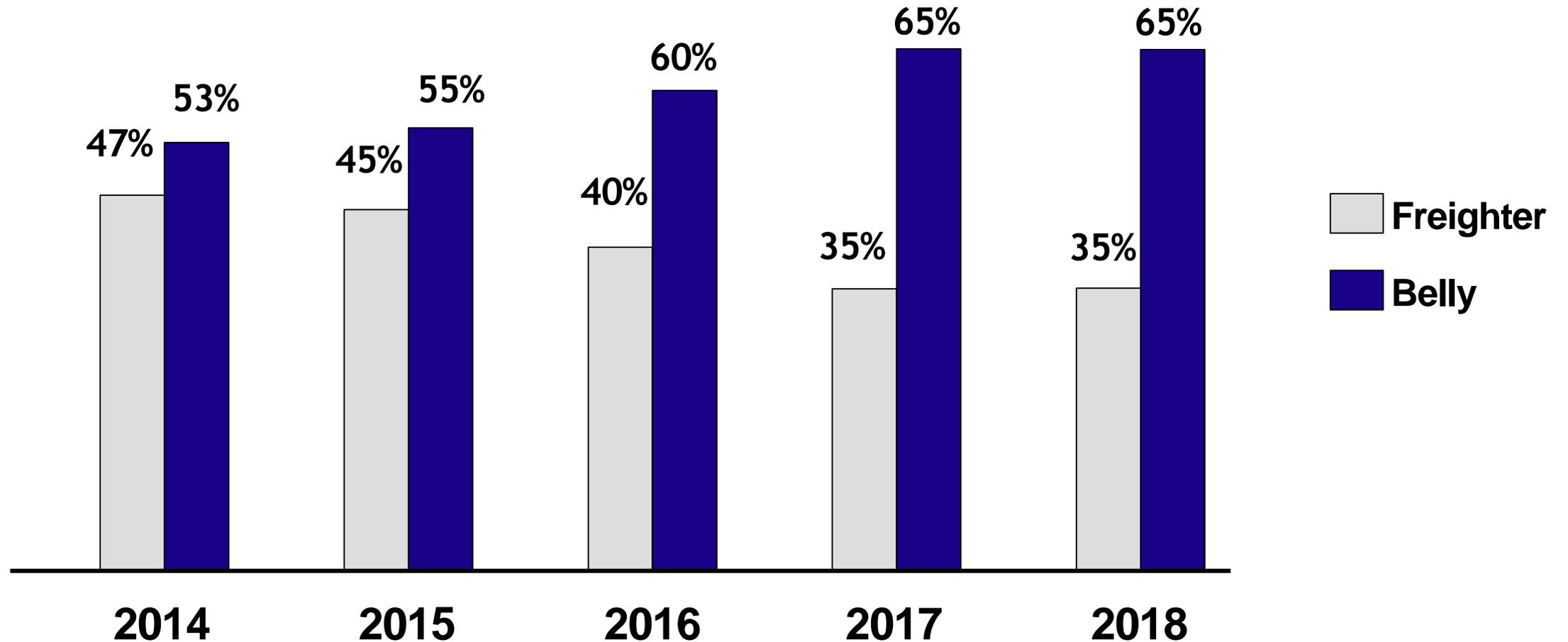
Same-day Flight Change



LATAM+ Seats



Improving competitiveness by improving the belly vs freighter mix

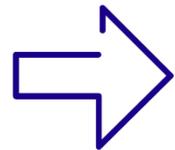


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Clear HUB strategy

HUB metrics

% change 2015-2018



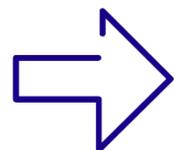
Routes from HUBs

+28%



% Total ASKs

+19%



Capacity share

GRU

 LATAM 33%

 GOL 10%

SCL

 LATAM 53%

 SLY 7%

LIM

 LATAM 44%

 Avianca 15%

Joint Business agreements with American Airlines and IAG

How does it work?

Revenue sharing

Metal neutral

Integrated network
management

Passenger and cargo

What are the benefits?

+420 destinations

More direct routes

Higher utilization

Next steps?

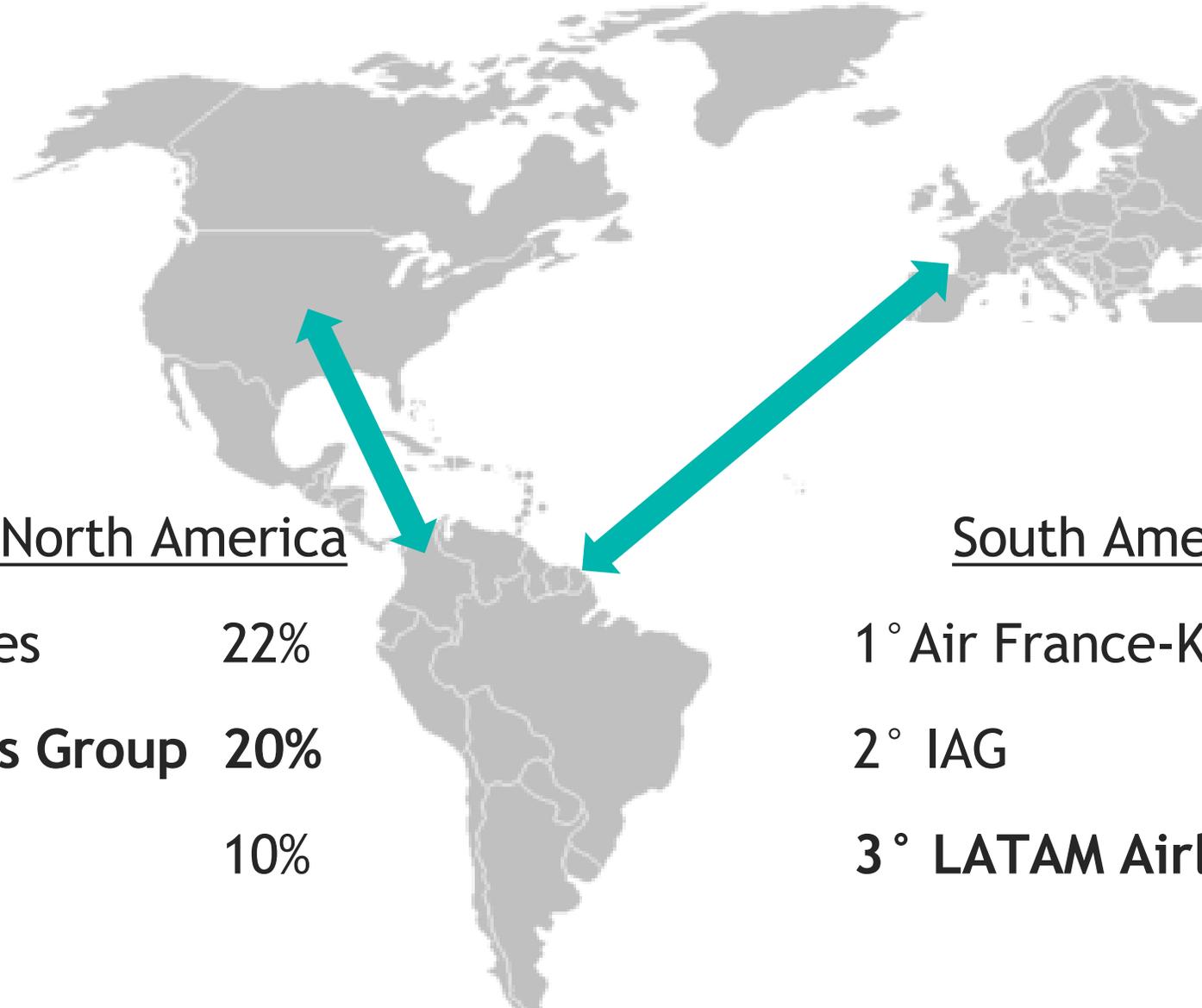
Supreme Court of Chile

American Airlines:
DoT in the US

IAG: evaluating
implementation



Capacity share



South America - North America

1° American Airlines	22%
2° LATAM Airlines Group	20%
3° United	10%

South America - Europe

1° Air France-KLM	21%
2° IAG	18%
3° LATAM Airlines Group	12%

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Asiento
Assento

LATAM+

Exclusivo *Filas 1 a 7*

New Cabin Experience

VIP Lounges

Wi-Fi On Board / WIFE

New Food on Board

Seat Assignment Process

New FFP categories

Stronger Network

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Integration of the loyalty programs across our network



Benefits from potential Multiplus transaction

+30 million members

2x the size of next regional FFP

4th Largest FFP in the world



Revenue management



CRM and Data Analytics



Synergies



Unified value proposition

- 1 Safety & Security
- 2 Competitive Costs in all markets
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- 7 **Operational Excellence**
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On-time performance

TOP 20 MEGA AIRLINES BY OTP

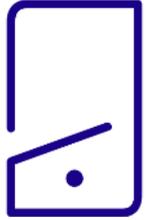


January 2019

Rank	Coverage	Airline name	Code	OTP 2018
1	90.7%	LATAM Airlines Group	LA	85.60%
2	89.6%	All Nippon Airways	NH	84.43%
3	97.6%	Japan Airlines	JL	83.99%
4	99.5%	Delta Air Lines	DL	83.08%
5	99.6%	Alaska Airlines	AS	82.61%
6	87.4%	IndiGo	6E	81.70%
7	99.5%	Southwest	WN	78.20%
8	99.6%	United Airlines	UA	78.06%
9	99.7%	American Airlines	AA	77.65%
10	98.3%	British Airways	BA	75.78%

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Focus on customer experience



Digital

- Mobile app
- LATAM Play



Airports

- +600 kiosks
- Self-bag tag
- Bag track



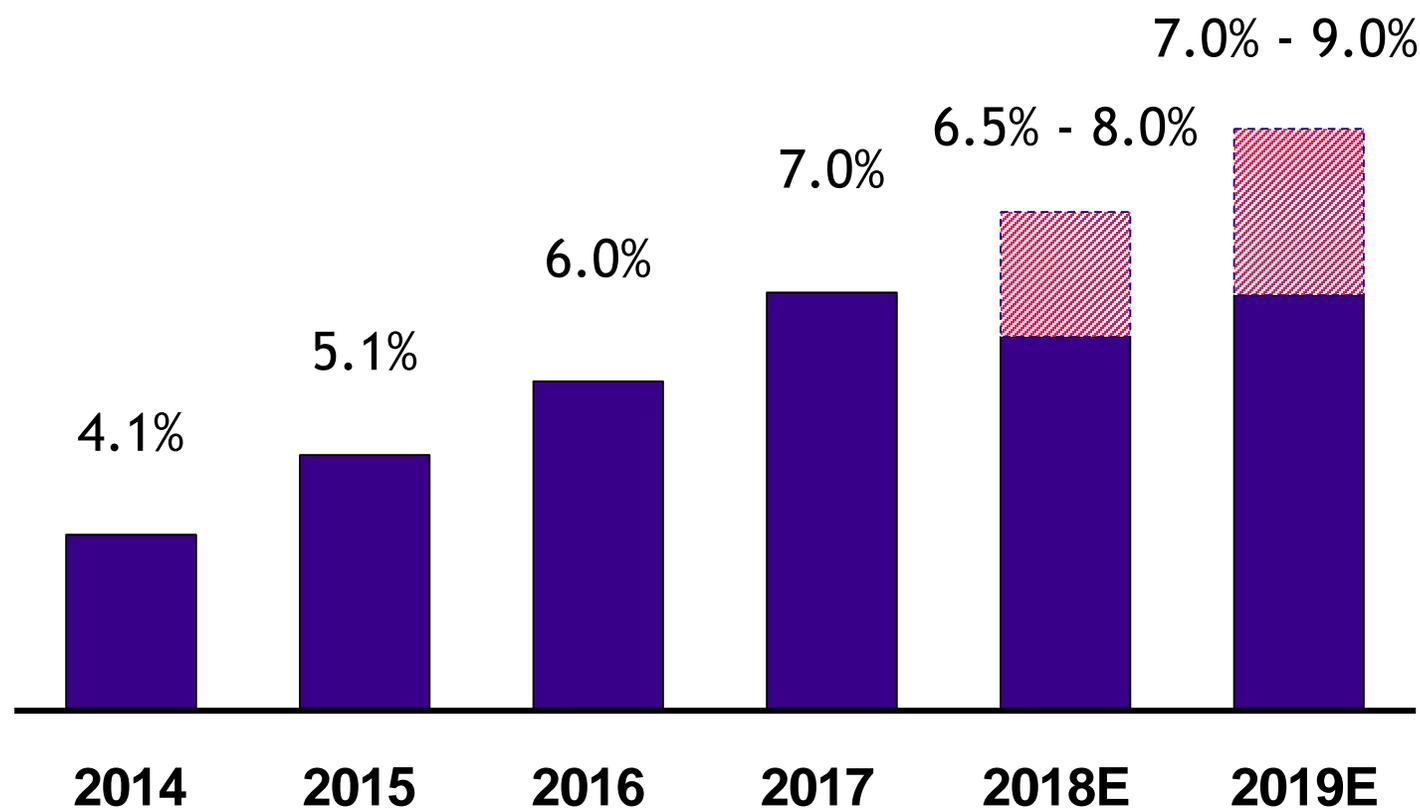
On-board

- Cabins investment
- Mercado LATAM
- New menu LH flights

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We have consistently delivered operating margin improvements since 2014

EBIT Margin (%)



Challenges 2018

- Higher fuel price
- Currencies devaluation
- Cabin crew strike in Chile
- Truckers strike in Brazil
- Engine maintenance

We adjusted our fleet commitments

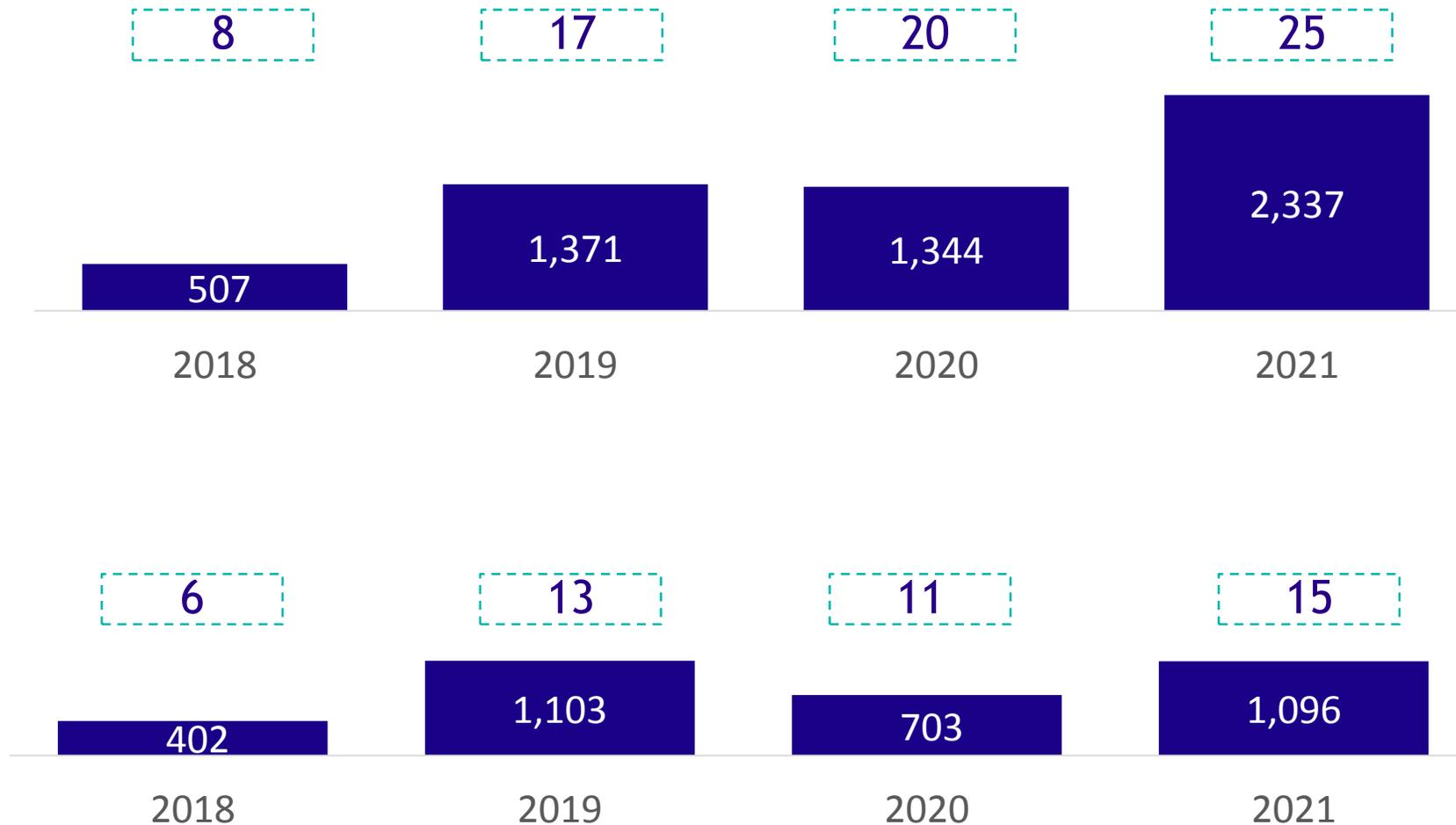
Right-sized Fleet plan

US\$ million

August 2018

Current Plan

aircraft deliveries



US\$2.3bn
reduction

We are transforming our cabin experience



22 Wide-body aircrafts



150 Narrow-body aircrafts



New fleet deliveries: NB, WB



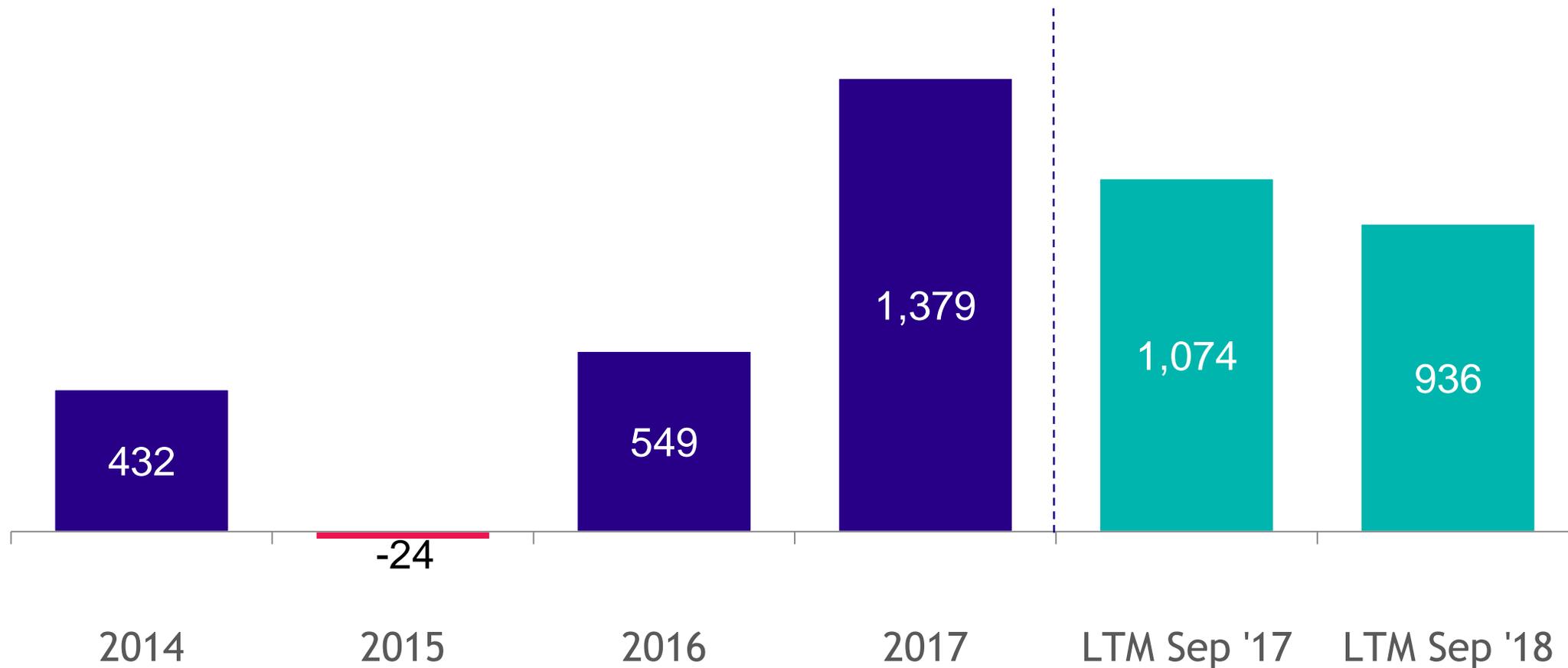
Total investment of US\$400 million in Cabin retrofits



News seat design and LOPA. Comfort, Segmentation & Efficiency

Significant free cash flow generation over the last three years

Free cash flow⁽¹⁾ (USD million)

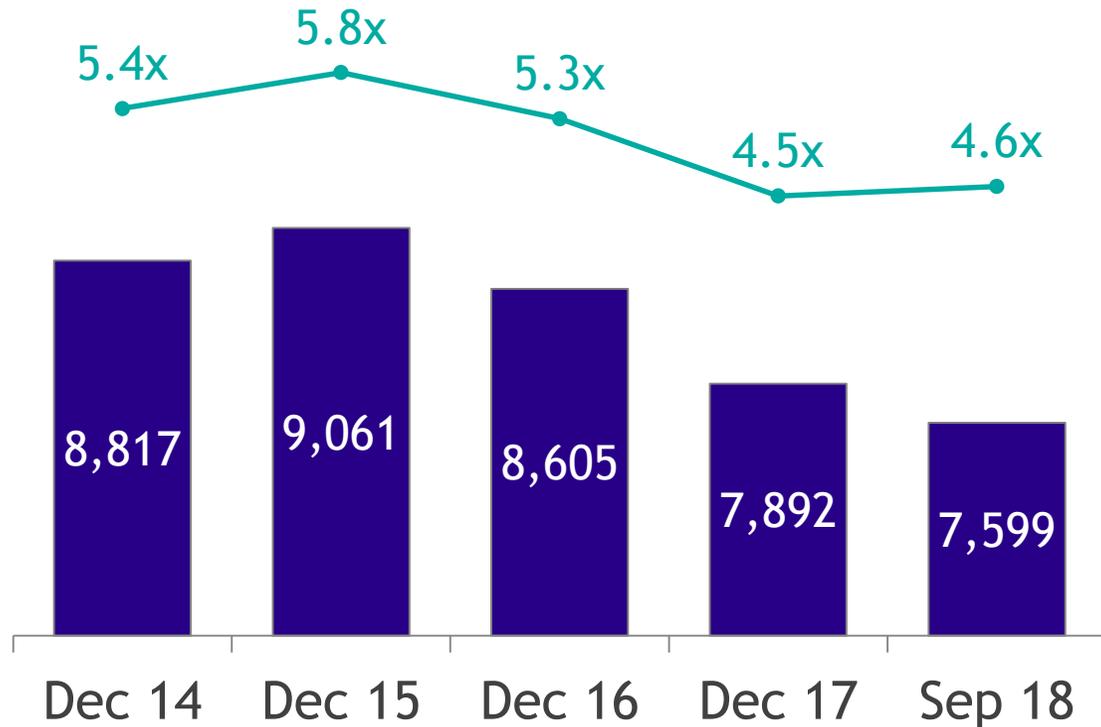


(1) Cash flow from operating activities - Cash flow used in investing activities

Source: Public Company filings

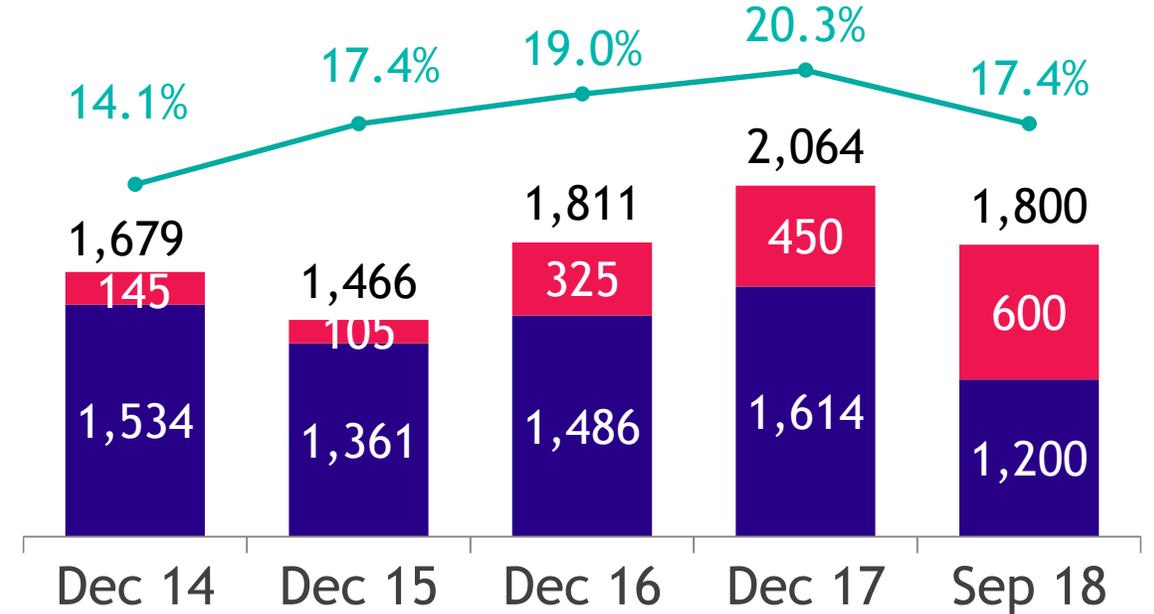
Strengthening our balance sheet

Adjusted Net Debt⁽¹⁾/EBITDAR LTM



■ Total Gross Debt (US\$ MM) — Adjusted Net Debt / EBITDAR

Cash & Equivalents as % of LTM revenues



■ Cash (US\$ MM) ■ Committed Lines & RCF (US\$ MM)

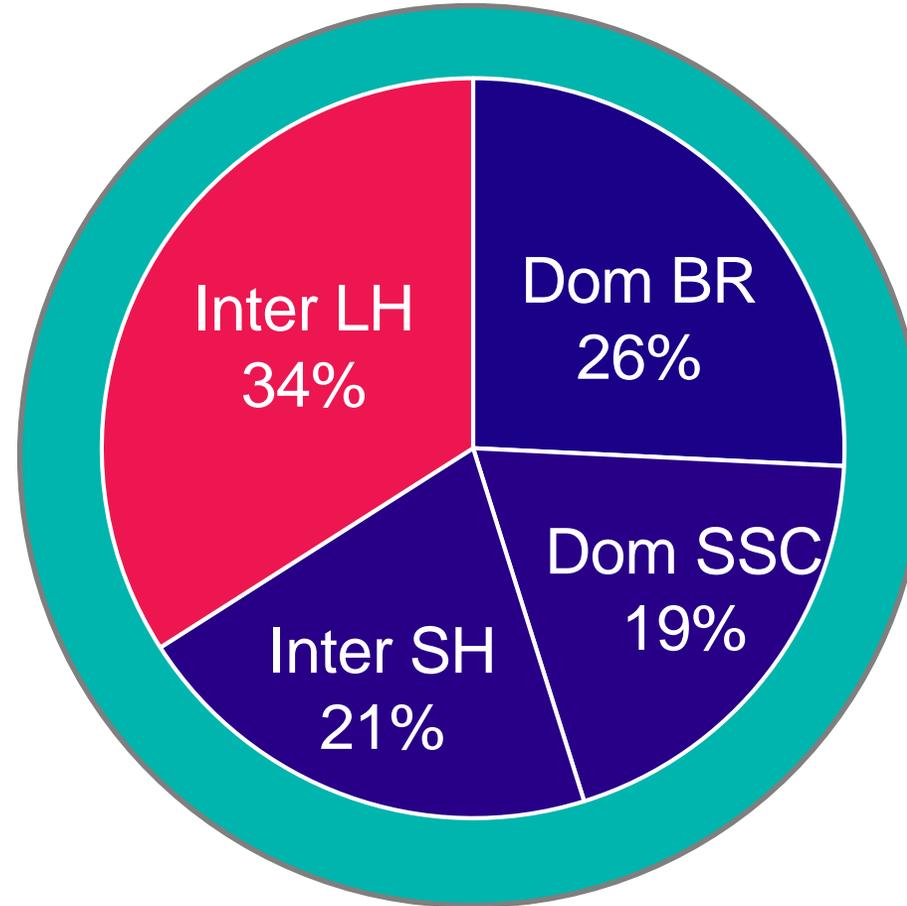
(1) Adjusted for the capitalization of operating leases (7x yearly expense)

Source: Public Company filings

Passenger Revenue Breakdown¹

Long Haul Strategy

1. Network
2. JBAs
3. HVC proposition



Short Haul Strategy

1. Cost efficiency
2. Ancillary
3. Segmentation

Safety and security

Strong financials

Strong FFP

Operational excellence

Care of clients

