



Morgan Stanley 11th Annual Latin America Executive Conference

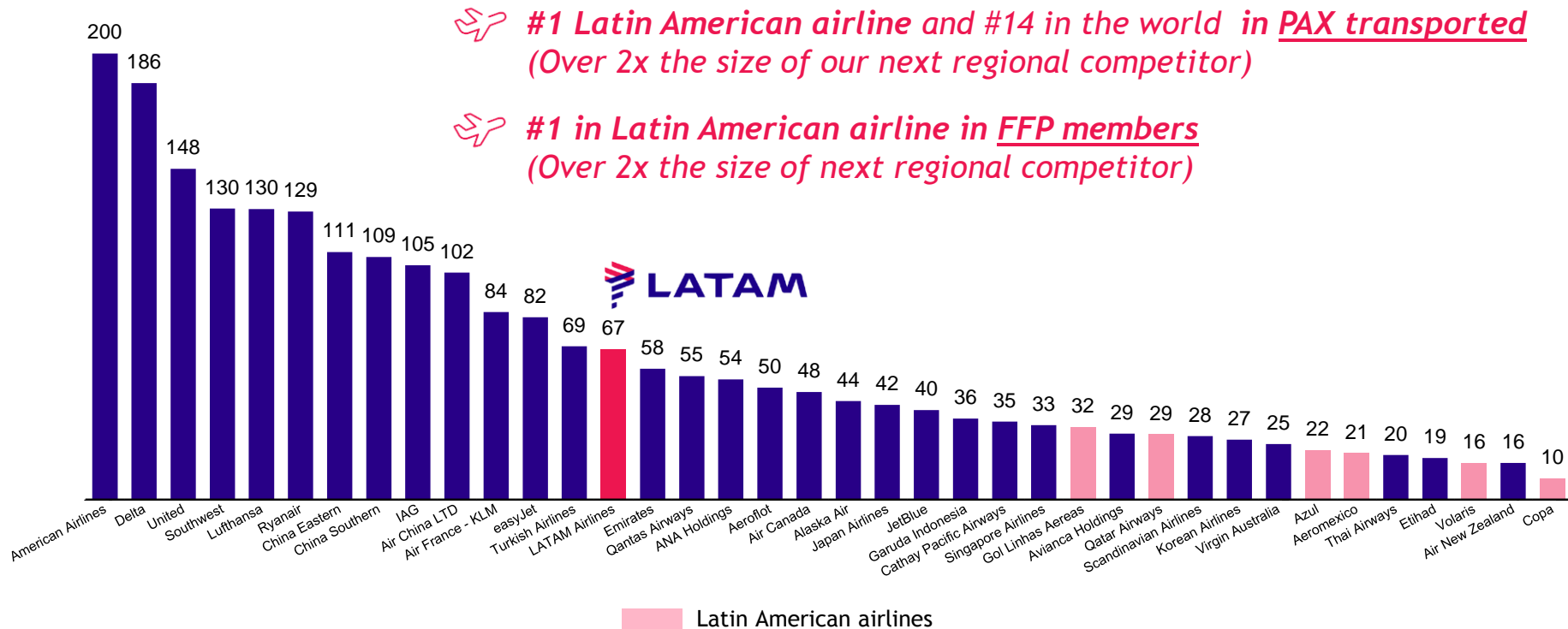
Miami, January 2019

This presentation may include forward-looking comments regarding the Company's business outlook and anticipated financial and operating results. These expectations are highly dependent on the economy, the airline industry, commodity prices, international markets and external events. Therefore, they are subject to change and we undertake no obligation to publicly update or revise any forward looking statements to reflect events or circumstances that may arise after the date of this presentation. More information on the risk factors that could affect our results are contained on our Form 20-F for the year ended December 31, 2017.

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Amongst the largest airline groups in the world

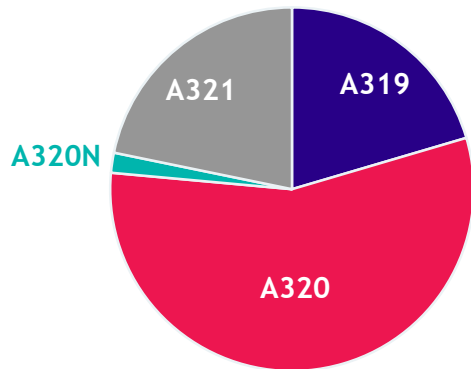
PAX carried 2017 (million)



Fleet: One of the most modern in Latin America & the world

310 operating aircraft¹ with an average age of ~8 years

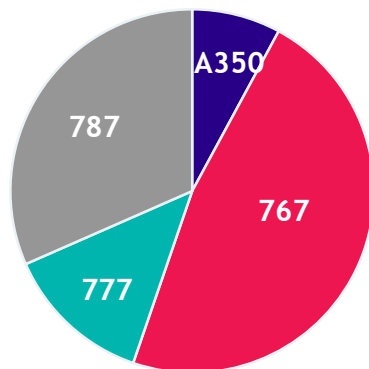
Narrow body: 225



Airbus A320N



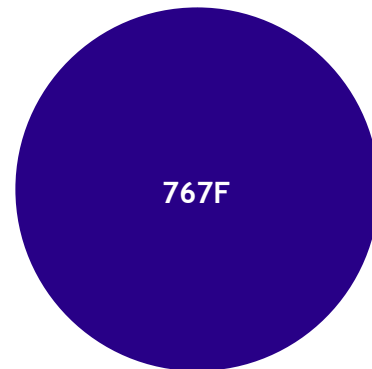
Wide body (PAX): 76



Boeing 787-9



Wide body (Cargo): 9

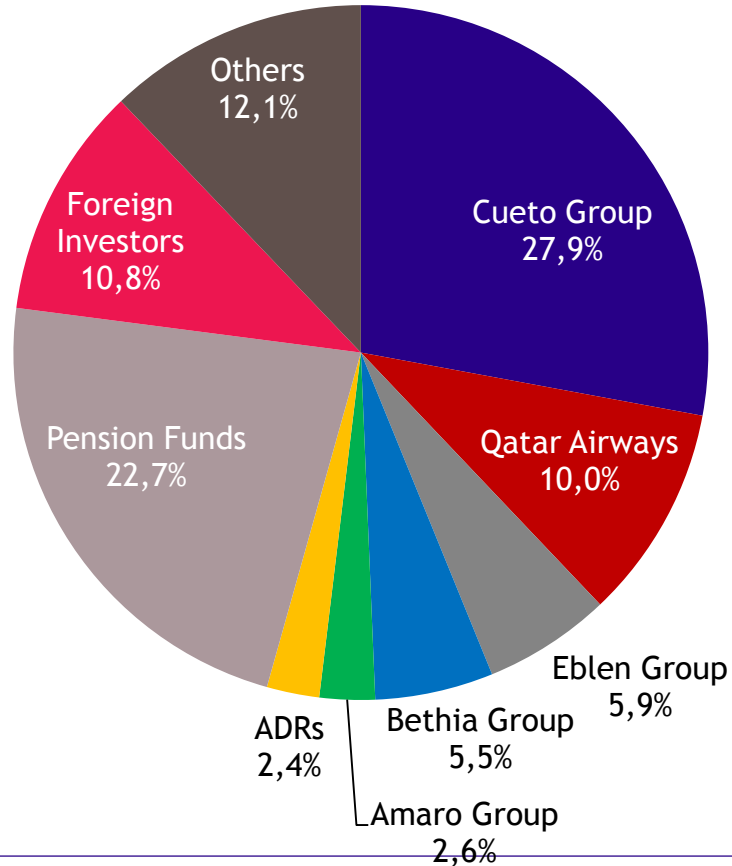


Boeing 767F



Ownership structure

As of December 31st, 2018



Unique leadership position and leading regional presence as a key competitive advantage

1st


AIRLINES CHILE

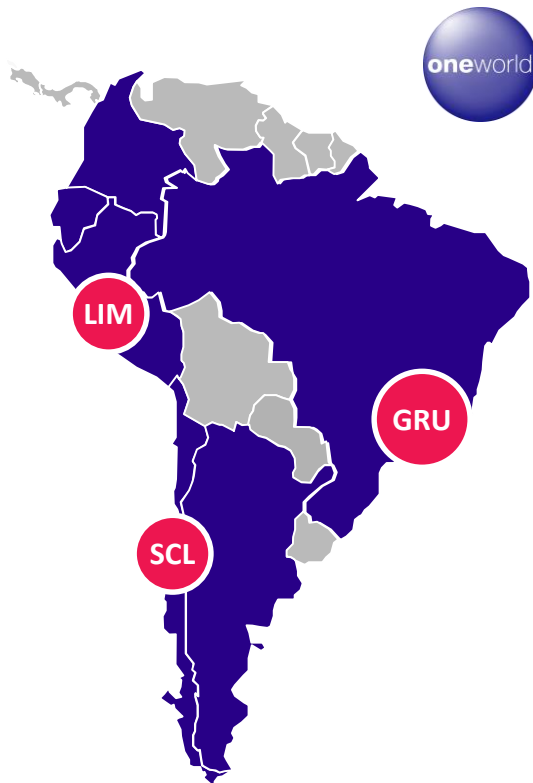
64%

market share¹


AIRLINES PERU

59%

market share²



2nd


AIRLINES BRAZIL

32%

market share¹


AIRLINES COLOMBIA

19%

market share¹


AIRLINES ARGENTINA

17%

market share²


AIRLINES ECUADOR

29%

market share³

1. Market Share (RPK) : Sep 2018 (JAC Chile, ANAC Brazil, Aeronáutica Civil Colombia)

2. Market Share (PAX): Sep 2018 (Ministry of Transportation Peru, EANA Argentina) |

3. Market Share (ASK): Sep 2018 (Dio Mi)

Unique leadership position and leading regional presence as a key competitive advantage

Within South America



AIRLINES

45%

market share

1st

South America - Asia Pacific



AIRLINES

52%

market share

1st

South America - North America & the Caribbean



AIRLINES

20%

market share

1st

South America - Europe

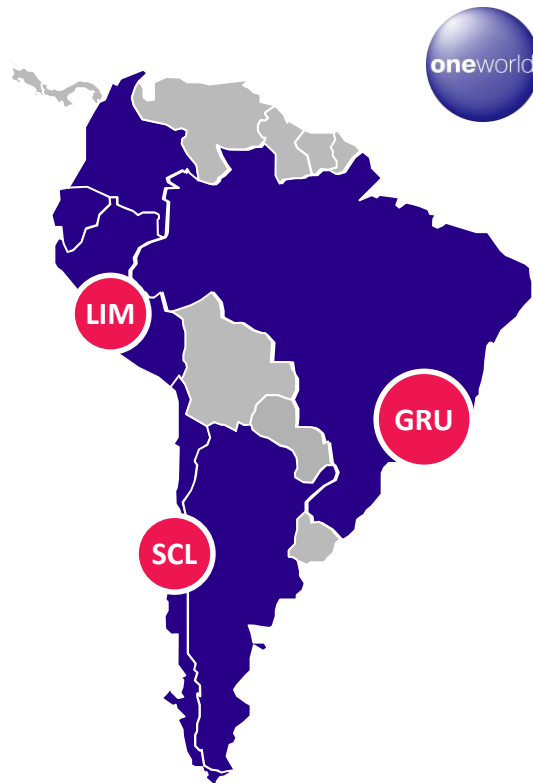


AIRLINES

13%

market share

3rd



LATAM is competing effectively in domestic markets with its New Sales Model and continues to expand the model to international flights



Key differentiators



International connectivity



Key slots at most important airports



Frequent Flyer Program



LATAM
Domestic Markets

9M18 LATAM
Dom Pax
growth YoY¹



+747,687 pax

Market Share²
Dec'17 vs
Sept'18

64%
Stable

59%
↑

19%
↓

29%
↓

17%
Stable

32%
Stable

LATAM
Load Factor

83% 82%

83% 83%

83% 82%

82% 85%

80% 79%

80% 82%

81% 82%

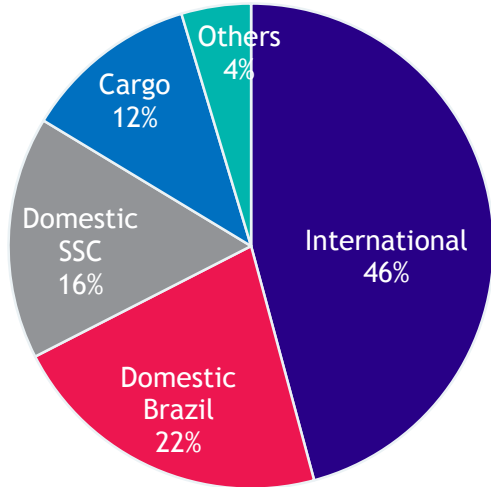
■ 9M18 ■ 9M17

¹ Source: JAC Chile, EANA Argentina, ANAC Brazil, DGAC Colombia, Ministerio de Transportes Peru, LATAM estimates for Ecuador

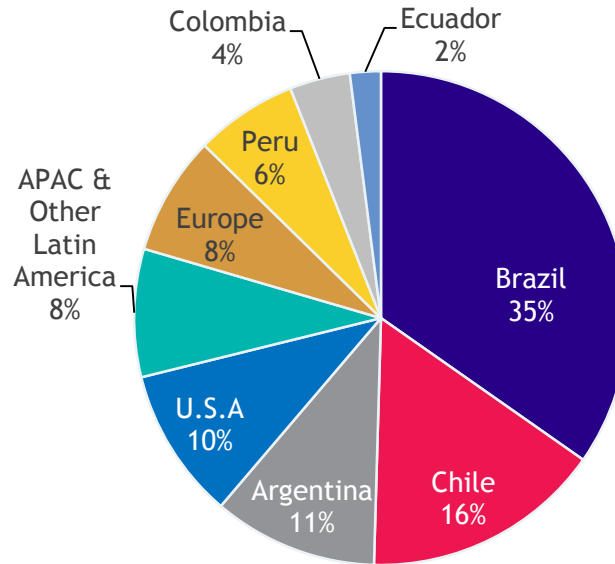
² RPK for Chile, Colombia and Brazil; Pax for Peru and Argentina; ASK for Ecuador

The Group benefits from a diversified source of revenue

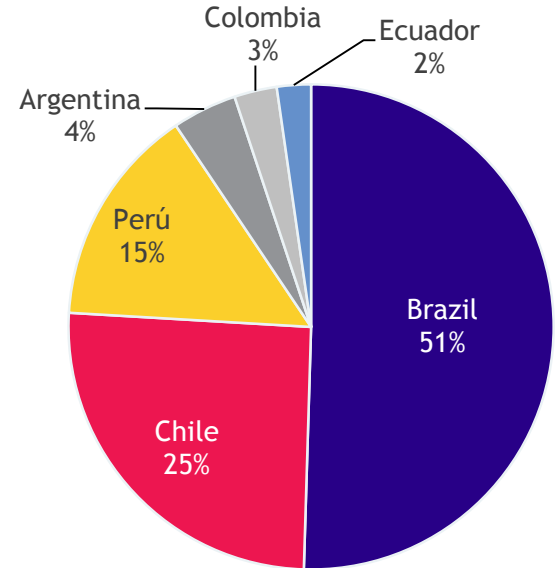
LTM Revenue by Business Unit



LTM Revenue by Point of Sale



LTM ASK by Country



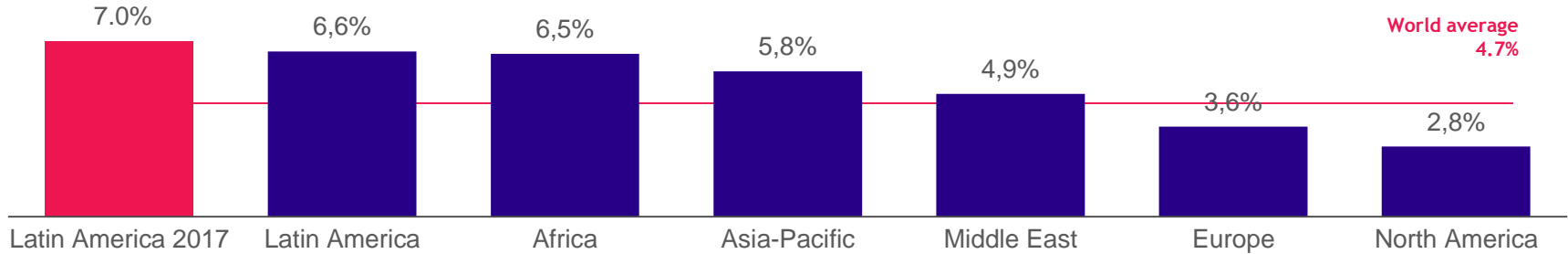
Total revenue = US\$10.3 bn

Total ASK = 141.0 bn

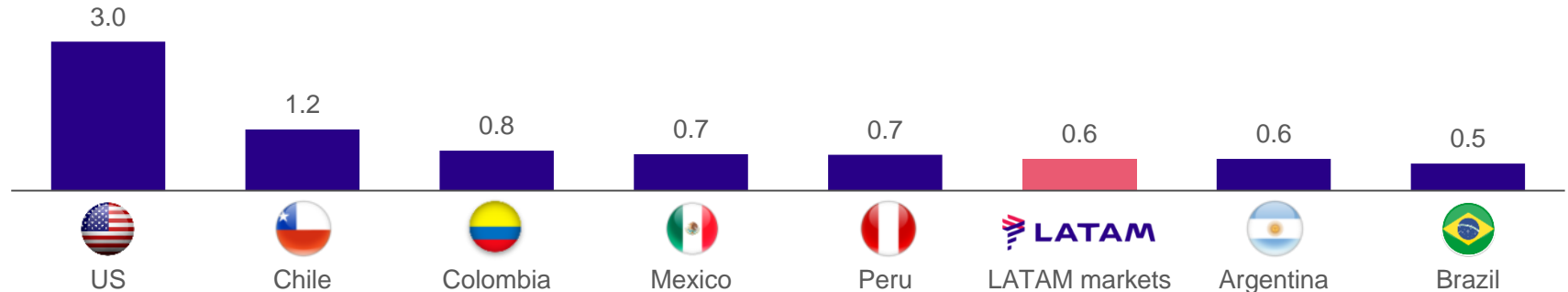
Latin America offers significant growth potential

Latin America will grow in line with other emerging markets, and faster than Europe or the US

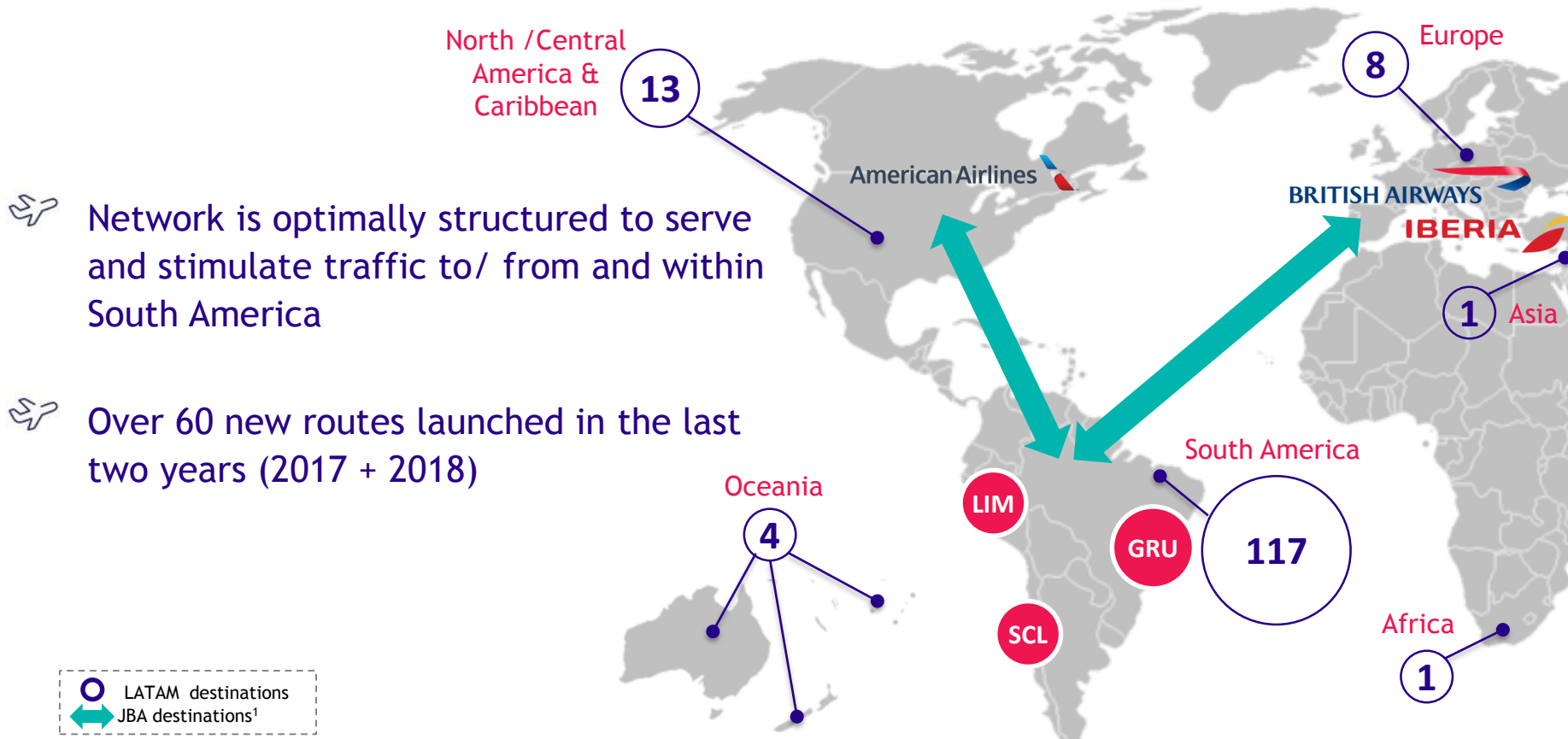
RPKs growth 2018 - 2037



Trips per capita 2017



Latin America's strongest network supported by strong alliances



JBA with American Airlines and IAG approved in Chile

What are the benefits?

Expands network offering more than 420 destinations in both JBA

High potential to develop new routes, more frequencies and new destinations

More flights, seamless connections, better schedules and fares between SA-US/Canada and SA-EU

How does it work?

Revenue sharing agreement

Metal neutral agreement

Integrated network management between SA-US/Canada¹ and SA-EU²

All passenger and cargo traffic between SA-US/Canada¹ and SA-EU²

Next steps?

Appealed by certain third parties to the Supreme Court of Chile

Pending the authorization from the DoT in the US for the JBA with American

For the JBA with IAG (British and Iberia) we are evaluating its implementation



American Airlines



BRITISH AIRWAYS

IBERIA



¹ Except Argentina, Ecuador, Venezuela and Bolivia

² Except Venezuela

We are transforming our cabin experience



22 Wide-body aircrafts



150 Narrow-body aircrafts



New fleet deliveries (NB and WB)



Total investment of US\$400 million in Cabin retrofits over the next three years



News seat design and LOPA¹, improved comfort, better options & flexibility



First aircraft delivered by the end of 2018 / start of 2019

LATAM adjusts its fleet commitments

Right-sized Fleet plan

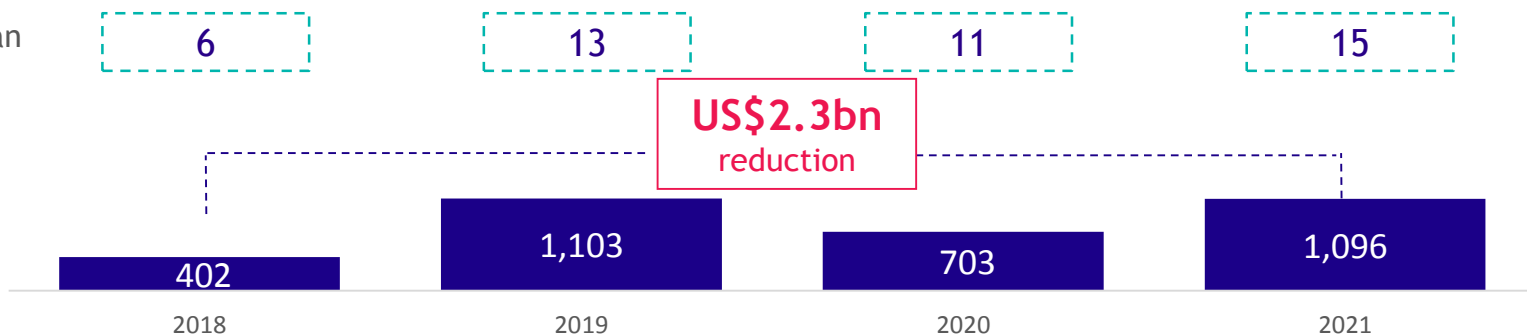
US\$ million

aircraft deliveries

Previous Plan

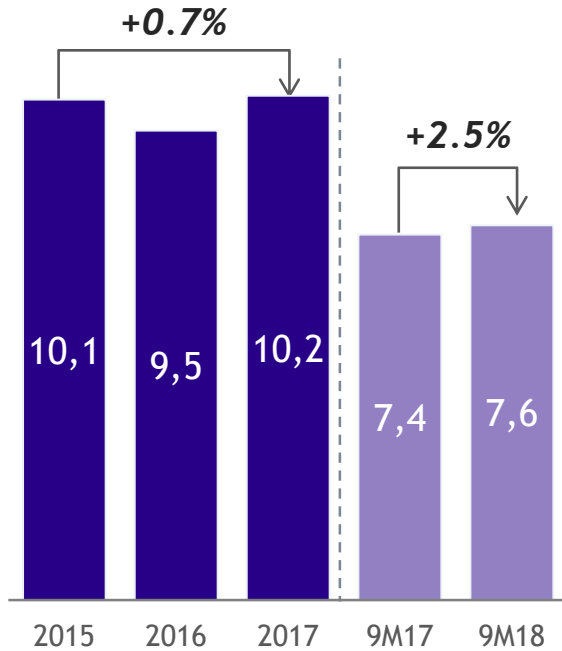


Current Plan

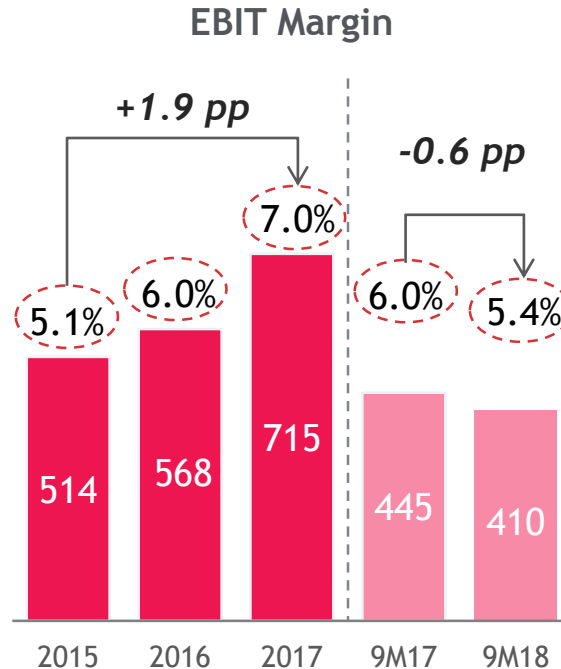


Results reflect the resilience of our business model

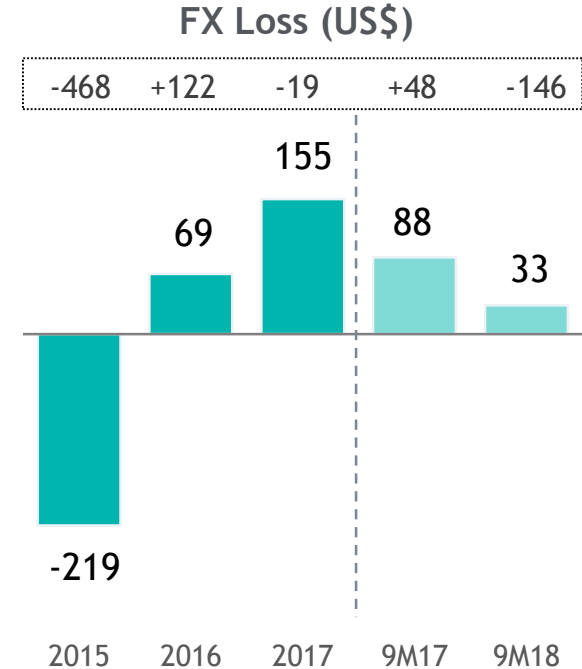
Operating Revenues (US\$Bn)



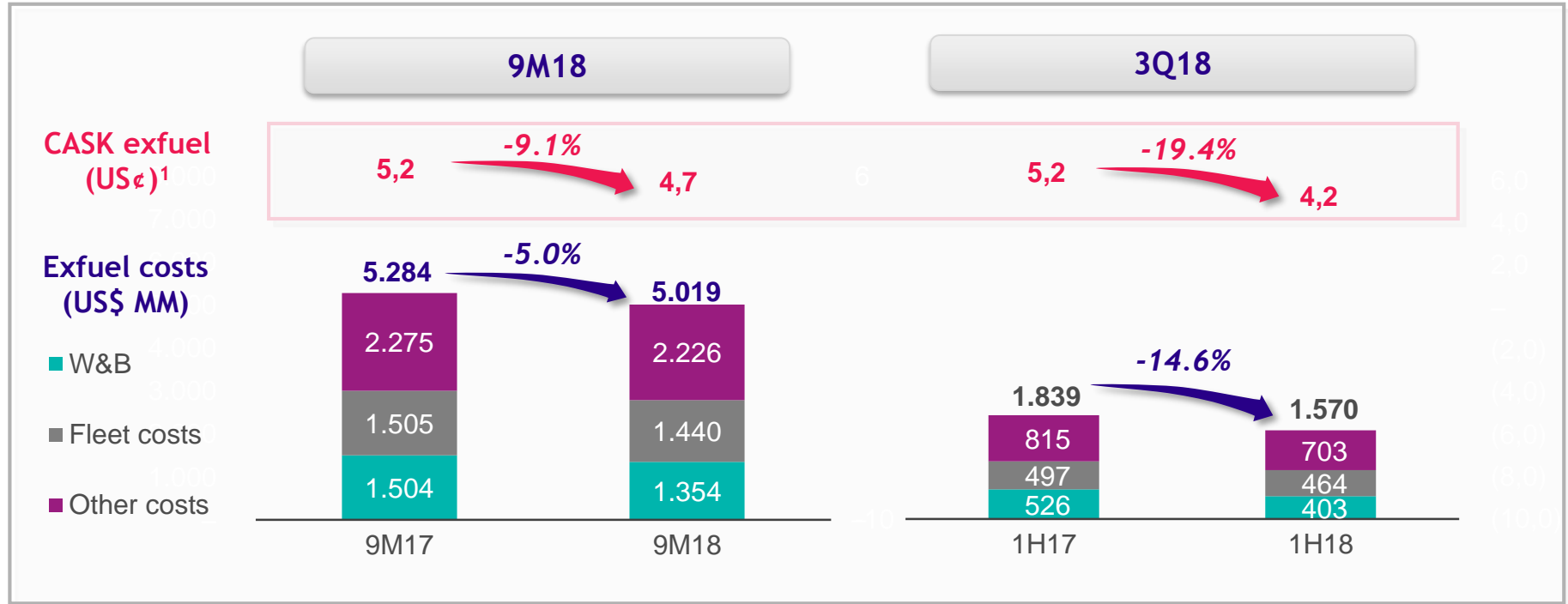
EBIT (US\$mm)



Net income (US\$mm)



Efficiency initiatives bearing fruit



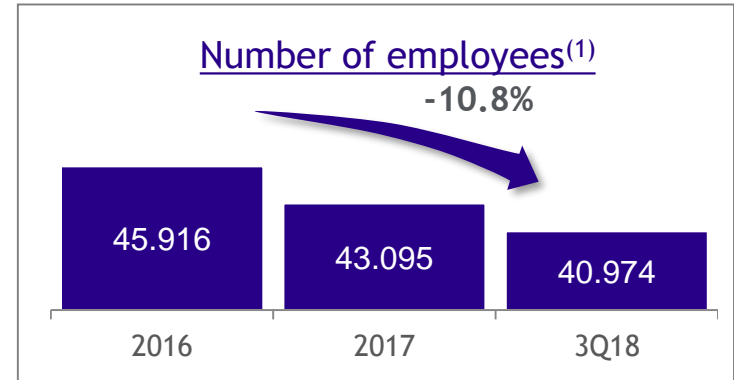
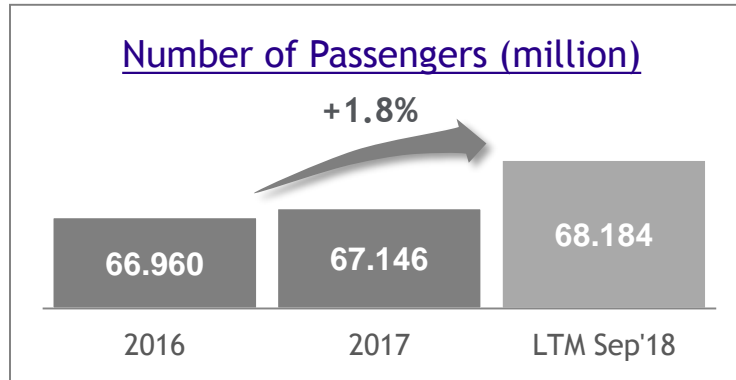
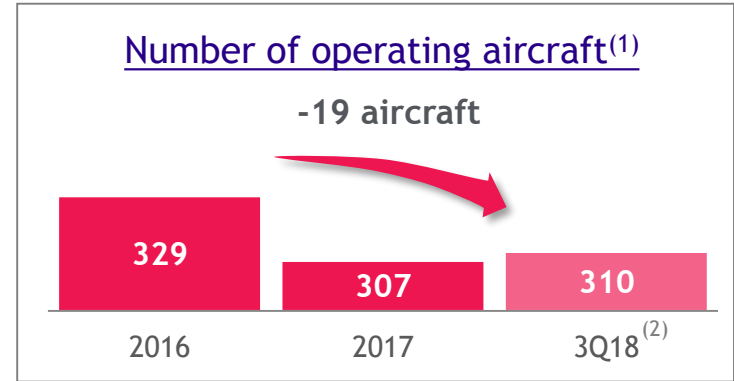
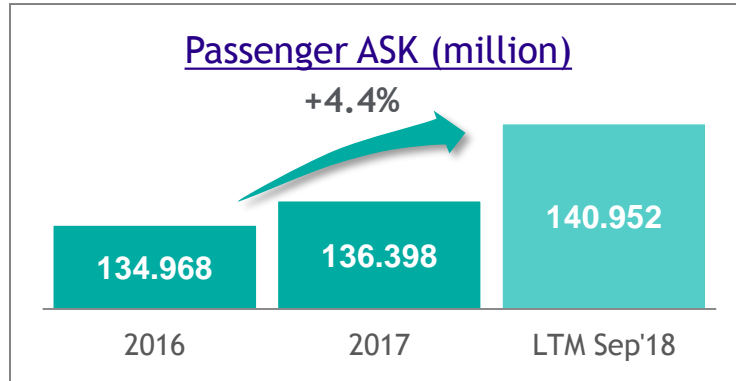
CASK 9M18:
-1.3%

Total costs 9M18:
+3.1%

CASK 3Q18:
-8.9%

Total costs 3Q18:
-3.5%

Profitable and selective growth

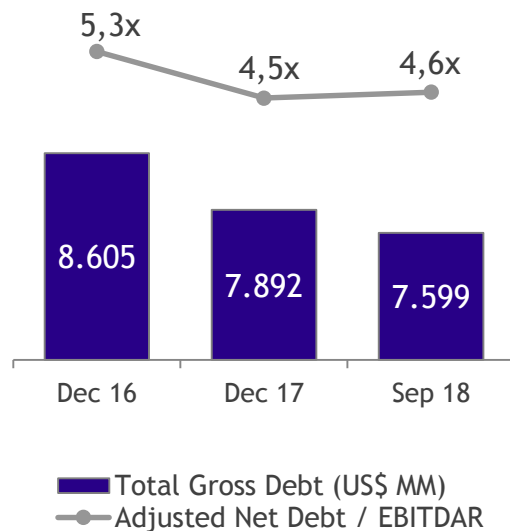


(1) End of period

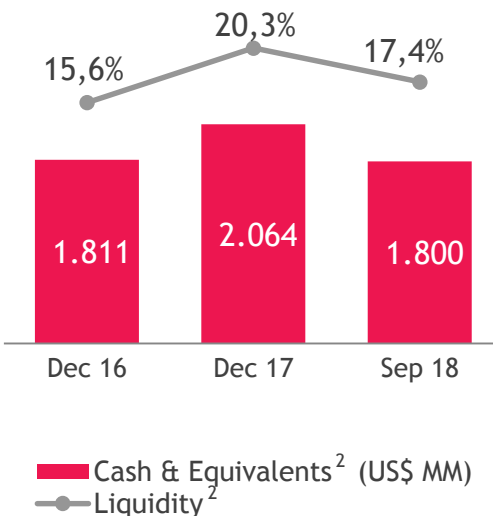
(2) Excluding 2 Airbus A330 and 2 Boeing 777 leased to Wamos Air and Boeing respectively

Improved leverage and liquidity structure

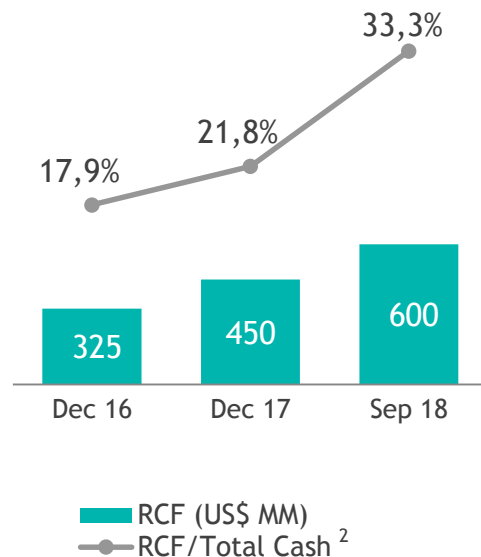
Adjusted Net Debt¹/EBITDAR LTM



Cash and Equivalents² as % of LTM revenues



Revolving Credit Facility³



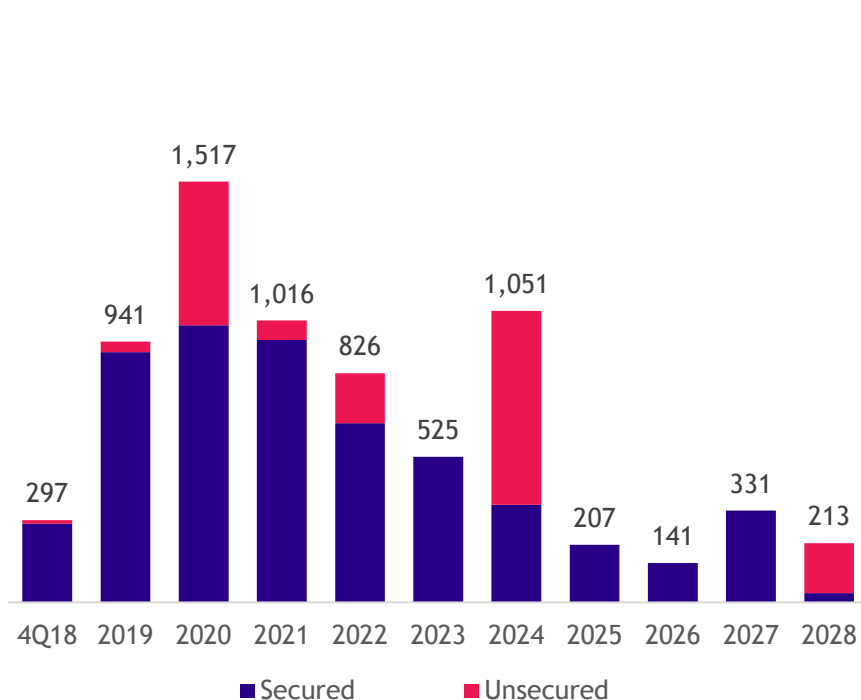
1. Adjusted for the capitalization of operating leases (7x yearly expense)

2. Including RCF

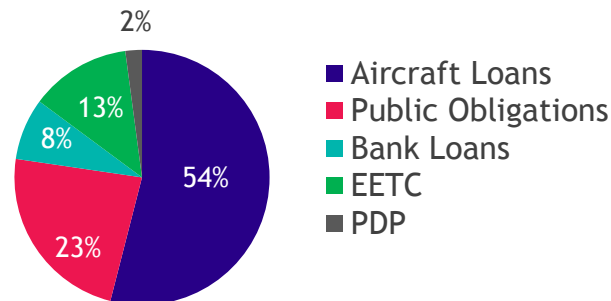
3. Subject to borrowing base availability

Extended debt maturity profile and low cost of debt

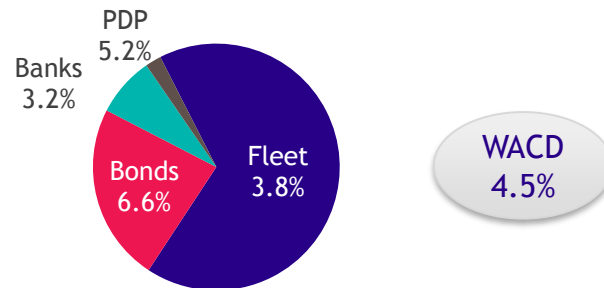
Debt maturity profile (US\$MM) as of September 30, 2018¹



Debt by type as of September 30, 2018²



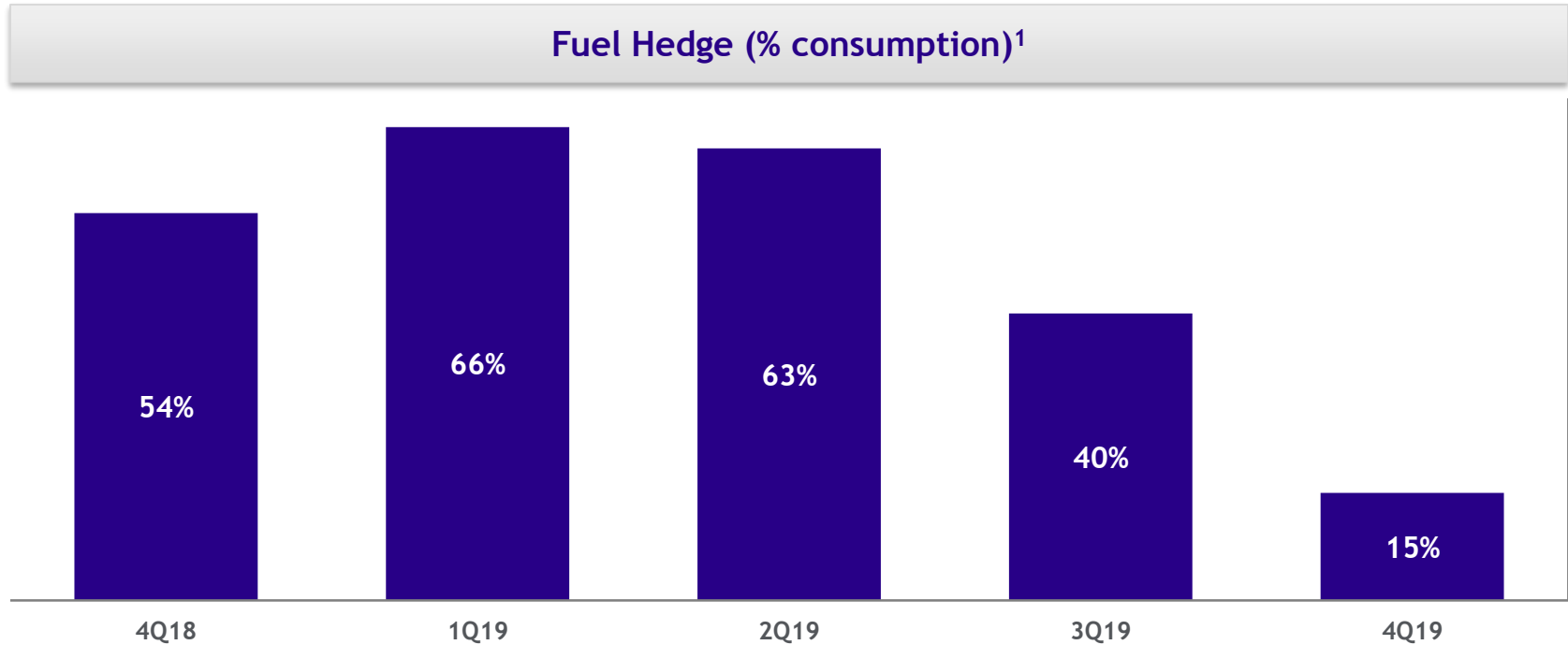
Cost of debt as of September 30, 2018²






1. The debt maturity profile does not include PDP and short term rolling debt. Source: 3Q18 Conference Call presentation

2. Source: 3Q18 Financial Statements

Hedging strategy to protect medium term operational margin



| | | 2018E | 2019E |
|---|-------------------------------------|-------------|----------|
| Passenger (ASK)  | International | 6.1% | 3% - 5% |
| | Domestic Brazil | 3.7% | 2% - 4% |
| | Domestic Spanish Speaking Countries | 3.5% | 8% - 10% |
| | Total | 5.0% | 4% - 6% |
| Cargo (ATK)  | | 4.3% | 1% - 3% |
| Operating Margin (%)  | | 6.5% - 8.0% | 7% - 9% |



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Miami, January 2019