

TDLC APPROVED A SETTLEMENT AGREEMENT BETWEEN THE FNE AND LATAM AIRLINES GROUP

Santiago, Chile, December 22, 2015 - LATAM Airlines Group S.A. and its subsidiaries, ("LATAM Airlines Group" or "the Company") (NYSE: LFL / IPSA: LAN / Bovespa: LATM33), the leading airline group in Latin America, announced today that in relation to the requirement presented by the FNE ("FNE" - Fiscalía Nacional Económica) to the TDLC ("TDLC" - Tribunal de Defensa de la Libre Competencia), LATAM Airlines Group S.A ("LATAM") informs that it has reached a settlement agreement with FNE which has been approved by TDLC, ending the judgment.

According to the agreement, LATAM and FNE have solved out the discrepancies that gave rise the requirement. As a result, the agreement does not imply fines for LATAM or the recognition of any infraction, but the partial cancellations of 4 codeshare agreements that FNE estimated for certain companies of the LATAM Group could not keep, due to the resolution that approved the LAN and TAM concentration operation. Likewise, according to the agreement, the airlines of the LATAM Group may keep the codeshare agreements with airlines from the Asian continent and another codeshare agreement for routes in Argentina, which were originally, objected by the FNE in the requirement.

It is important to highlight, that due to the strengthening of the business alliances with other airlines –such as interline agreements, codeshare or the participation in the oneworld alliance - which added to the 140 airports that offer the present network of the LATAM Airlines Group, the company is able to transport their passengers to all destinations around the world.

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 LAN Airlines and its affiliates in Peru, Argentina, Colombia and Ecuador, and LAN Cargo and its affiliates, as well as TAM S.A. and its subsidiaries TAM Linhas Aereas S.A., including its business units TAM Transportes Aereos del Mercosur S.A., (TAM 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 24 countries and cargo services to about 144 destinations in 26 countries, with a fleet of 318 aircraft. In total, LATAM Airlines Group S.A. has approximately 53,000 employees and its shares are traded in Santiago, as well as on the New York Stock Exchange, in the form of ADRs, and Sao Paulo Stock Exchange, in the form of BDRs.

LATAM Airlines Group announced that LATAM is the new brand for LAN Airlines, TAM Airlines and Affiliates. LATAM Airlines Group is currently working on the gradual roll-out of the new corporate brand image. The first changes will be visible starting in the first half of 2016.

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

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