

LATAM Airlines Group reports preliminary monthly statistics for July 2014

Santiago, Chile, August 8, 2014– 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, today reported its preliminary monthly traffic statistics for July 2014 compared to July 2013.

System passenger traffic decreased by 1.4% while capacity decreased by 3.2%. As a result, the Company's load factor for the month increased 1.6 points to 84.7%. International passenger traffic accounted for approximately 51% of the month's total passenger traffic.

Domestic passenger traffic in LATAM Airlines Group's Spanish speaking operations (Chile, Argentina, Peru, Ecuador and Colombia) rose 5.0%, while capacity increased by 2.1%. As a consequence, the domestic passenger load factor increased 2.2 points to 80.9%.

Domestic passenger traffic in Brazil decreased by 7.8%, while capacity decreased by 7.0%. As a consequence, the domestic Brazil passenger load factor decreased 0.7 points to 83.8%.

International passenger traffic increased by 1.3%, while capacity decreased by 2.2%. Accordingly, the international passenger load factor for the month increased 3.0 points to 86.6%. International traffic includes international operations of both LAN and TAM on regional and long haul routes.

Cargo traffic for LATAM decreased 0.4% as capacity decreased 5.3%. As a consequence, the cargo load factor increased 2.8 points to 57.4%. The decrease in cargo capacity is a result of a decreased availability in the bellies of passenger aircraft in addition to a reduced freighter operation. Cargo traffic decrease was driven by weaker imports into Latin America.

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 135 destinations in 23 countries and cargo services to about 134 destinations in 23 countries, with a fleet of 338 aircraft. In total, LATAM Airlines Group S.A. has around 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.

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

Notes

- (1) Domestic SSC = Domestic passenger operations in Spanish speaking countries carried by LAN. Passenger statistics include domestic operations in Chile, Peru, Argentina, Ecuador and Colombia.
- (2) Domestic Brazil = Domestic passenger operations of TAM in Brazil.
- (3) International = International passenger operations of LAN and TAM.

INVESTOR RELATIONS CONTACT INFORMATION

LATAM Airlines Group S.A.
Investor Relations
investor.relations@lan.com
Tel: (56-2) 565-8785
www.latamairlinesgroup.net

	2014	July 2013	% Change	2014	Year to Date Ended July 2013	% Change
--	------	--------------	----------	------	---------------------------------	----------

LATAM AIRLINES PASSENGER OPERATIONS

REVENUE PASSENGER KILOMETERS (millions)

SYSTEM	9,529	9,664	-1.4%	62,277	61,816	0.7%
DOMESTIC SSC ⁽¹⁾	1,507	1,435	5.0%	9,586	9,107	5.3%
DOMESTIC BRAZIL ⁽²⁾	3,152	3,419	-7.8%	20,295	20,415	-0.6%
INTERNATIONAL ⁽³⁾	4,871	4,810	1.3%	32,396	32,295	0.3%

AVAILABLE SEAT KILOMETERS (millions)

SYSTEM	11,249	11,620	-3.2%	75,136	77,450	-3.0%
DOMESTIC SSC ⁽¹⁾	1,863	1,823	2.1%	12,018	11,676	2.9%
DOMESTIC BRAZIL ⁽²⁾	3,760	4,045	-7.0%	24,888	25,832	-3.7%
INTERNATIONAL ⁽³⁾	5,626	5,752	-2.2%	38,229	39,942	-4.3%

PASSENGER LOAD FACTOR

SYSTEM	84.7%	83.2%	1.6 pp	82.9%	79.8%	3.1 pp
DOMESTIC SSC ⁽¹⁾	80.9%	78.7%	2.2 pp	79.8%	78.0%	1.8 pp
DOMESTIC BRAZIL ⁽²⁾	83.8%	84.5%	-0.7 pp	81.5%	79.0%	2.5 pp
INTERNATIONAL ⁽³⁾	86.6%	83.6%	3.0 pp	84.7%	80.9%	3.9 pp

PASSENGERS BOARDED (thousands)

SYSTEM	5,929	6,155	-3.7%	38,578	38,347	0.6%
DOMESTIC SSC ⁽¹⁾	1,858	1,793	3.6%	11,626	11,249	3.4%
DOMESTIC BRAZIL ⁽²⁾	2,891	3,171	-8.8%	19,087	19,214	-0.7%
INTERNATIONAL ⁽³⁾	1,180	1,191	-1.0%	7,865	7,883	-0.2%

LATAM AIRLINES CARGO OPERATIONS

REVENUE TON KILOMETERS (Cargo) (millions)

SYSTEM	346	348	-0.4%	2,468	2,565	-3.8%
--------	-----	-----	-------	-------	-------	-------

AVAILABLE TON KILOMETERS (Cargo) (millions)

SYSTEM	603	637	-5.3%	4,194	4,501	-6.8%
--------	-----	-----	-------	-------	-------	-------

CARGO LOAD FACTOR

SYSTEM	57.4%	54.6%	2.8 pp	58.9%	57.0%	1.9 pp
--------	-------	-------	--------	-------	-------	--------