

**LATAM AIRLINES GROUP S.A. ANNOUNCES TERMINATION OF CASH TENDER OFFER  
FOR 7.375% SENIOR GUARANTEED NOTES DUE 2017 OF TAM CAPITAL INC. AND 8.375%  
SENIOR GUARANTEED NOTES DUE 2021 OF TAM CAPITAL 3 INC.**

*Santiago, Chile, October 20, 2016* - LATAM Airlines Group S.A. (NYSE: LFL / IPSA: LAN), TAM Capital Inc., TAM Capital 3 Inc. and Citigroup Global Markets Inc., as offeror, announced today the termination of the previously announced offer to purchase for cash (the “Tender Offer”) up to U.S.\$462,500,000 aggregate principal amount of TAM Capital Inc.’s 7.375% Senior Guaranteed Notes due 2017 (the “2017 Notes”) and TAM Capital 3 Inc.’s 8.375% Senior Guaranteed Notes due 2021 (the “2021 Notes” and, together with the 2017 Notes, the “Notes”). All Notes tendered in the Tender Offer will be returned promptly to the respective holders thereof without any action required on the part of the holders. No consideration will be paid in the Tender Offer for any tendered Notes.

The Tender Offer was subject to the conditions set forth in the Offer to Purchase, dated October 5, 2016, certain of which were not satisfied. This press release confirms the termination of the Tender Offer.

The Information and Tender Agent for the Tender Offer was Global Bondholder Services Corporation. To contact the Information and Tender Agent, banks and brokers may call collect (212) 430-3774, and others may call U.S. toll-free: (866) 470-3700. The Information and Tender Agent’s email is [contact@gbsc-usa.com](mailto:contact@gbsc-usa.com).

The sole Dealer Manager for the Tender Offer was Citigroup Global Markets Inc. Any questions or requests for assistance may be directed to the Dealer Manager at collect: (212) 723-6106 or U.S. toll-free: (800) 558-3745. In addition, holders may contact their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Tender Offer.

This notice does not constitute or form part of any offer or invitation to purchase, or any solicitation of any offer to sell, the Notes or any other securities in the United States or any other country, nor shall it or any part of it, or the fact of its release, form the basis of, or be relied on or in connection with, any contract therefor.

**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 Argentina, Chile, Colombia, Ecuador and Peru, 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 138 destinations in 31 countries, with a fleet of 330 aircraft as of June 30, 2016. In total, LATAM Airlines Group S.A. has approximately 48,000 employees and its shares are traded in Santiago, as well as on the New York Stock Exchange, in the form of ADRs.

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**INVESTOR RELATIONS CONTACT INFORMATION**

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