

BRAZILIAN AUTHORITY APPROVES JBA BETWEEN LATAM AND IAG

Brasilia, Brazil, 8 March 2017 – The administrative court of economic defense of the CADE (Administrative Council for Economic Defense) in Brazil today approved the Joint Business Agreement (JBA) between LATAM Airlines Group and International Airlines Group (IAG), representing the final stage of its evaluation process that began in June 2016.

During the review, the CADE evaluated the scope of the agreement in terms of free competition and the benefits that it will bring to passengers, including improved connectivity, an expansion of the destination network and reduced prices.

"We're very pleased that the CADE has approved the agreement between LATAM and IAG. This is great news for Brazil, as passengers will be able to enjoy the benefits of better connectivity, new routes, greater competition and lower prices for travel between Brazil and Europe, which will also increase tourism and bilateral trade. This decision adds to the many approvals of this type of agreement globally and reaffirms the conclusion of free competition authorities about the benefits that they bring for both passengers and countries' economies," said **Enrique Cueto, CEO of LATAM Airlines Group**.

The approval granted by the Brazilian authority includes two types of commitments. First, LATAM is committed to launch two new routes between Brazil and Europe to improve connectivity and the travel alternatives between the two regions.

Second, a measure regarding the capacity offered between London and São Paulo, the transfer of slots as well as access to interline distribution for any new operator wanting to fly said route.

All the commitments will last for between seven and 10 years, during which time there will be an independent consultant who will review the fulfilment of these measures.

The company is confident that – like the CADE – the competition authorities of other jurisdictions will evaluate and take into account the substantial benefits that these agreements bring to passengers. Likewise, it reiterates that such agreements are part of the development of air transport to provide better quality services and lower prices, helping to promote tourism in the region.

LATAM will continue to actively collaborate with the relevant authorities and provide all background information necessary.

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About LATAM Airlines Group S.A

LATAM Airlines Group is Latin America's leading airline group with one of the largest route networks in the world, offering air services to around 140 destinations in 25 countries, and is present in six domestic markets in Latin America: Argentina, Brazil, Chile, Colombia, Ecuador and Peru, in addition to its international operations in Latin America, Europe, the United States, the Caribbean, Oceania and Africa.

The company Employing over 46,000 people worldwide, operating more than 1,400 flights per day and transporting 67 million passengers per year.

LATAM Airlines Group has one of the youngest and most modern fleets in the world. Its 317 aircraft average an age of less than seven years and feature the latest variants including the Boeing 787, Airbus A350, A321 and A320neo.

LATAM Airlines Group (formerly LAN Airlines) comprises subsidiaries in Peru, Argentina, Colombia and Ecuador as well as LATAM CARGO and its subsidiaries; in addition to TAM S.A and its subsidiaries, TAM Linhas Aéreas S.A. (LATAM Airlines Brasil) and its business units TAM Transportes Aéreos Del Mercosur S.A. (LATAM Airlines Paraguay) and Multiplus S.A.

LATAM is the brand adopted by LATAM Airlines Group member airlines and is being rolled-out in its products and services, as part of a gradual integration plan.

LATAM Airlines Group is the only airlines group in Latin America and one of two worldwide to be part of the Dow Jones Sustainability 'World' Index. In 2016, it was recognized by the index for sustainable practices, based on economic, social and environmental criteria, for the third consecutive year.

LATAM Airlines Group shares are traded on the Santiago Stock Exchange and the New York Stock Exchange in the form of ADRs.

For any commercial or brand related query, visit www.latam.com. Further financial information is available via www.latamairlinesgroup.net