LAN TAM

— LATAM AIRLINES GROUP —

Third Quarter 2015 Results Presentation

November 2015

Q3 2015 Highlights

LATAM Airlines Group highlights

- Operating margin improvement driven by 14% decrease in cost per ASK equivalent excluding fuel
- TAM reduced domestic capacity and RASK improved by 11% (QoQ) and 6% (YoY) when measured in BRL
- Revised fleet plan 2016-2018 aiming to reduce fleet commitments by approximately US$3.0 billion
- Healthy balance sheet with US$1,542 million in cash and equivalents

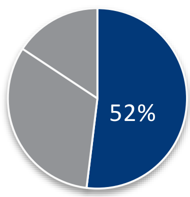
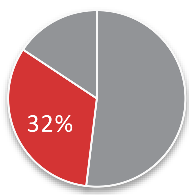
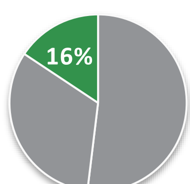
Challenging macroeconomic scenario

- Weak macroeconomic environment in the region, especially Brazil;
- Devaluations of Latin American currencies, mainly the Brazilian real, Colombian peso and Chilean peso which depreciated 56%, 54% and 17% respectively
- Weak cargo markets on the back of slowdown of economic growth
- Fuel prices decline by 42% vs. 3Q14

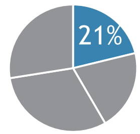
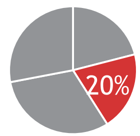
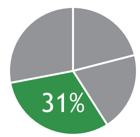
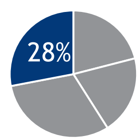
3Q15 Financial Summary

(US$ Millions)	3Q15	3Q14	Change	9M15	9M14	Change
Total Operating Revenues	2.515	3.141	-19,9%	7.719	9.366	-17,6%
Passenger	2.114	2.637	-19,8%	6.434	7.854	-18,1%
Cargo	310	410	-24,5%	995	1.256	-20,8%
Total Operating Costs	-2.394	-3.023	-20,8%	-7.354	-9.120	-19,4%
Operating Income	121	118	1,9%	365	246	48,1%
Operating Margin	4,8%	3,8%	1,0pp	4,7%	2,6%	2,1pp
Net Income	-113	-108	5,1%	-203	-208	-2,4%
EBITDAR	487	501	-2,8%	1.461	1.383	5,6%
EBITDAR Margin	19,4%	16,0%	3,4pp	18,9%	14,8%	4,2pp

LATAM Airlines Group Passenger Operations 3Q15

		Capacity (million ASK)	Traffic (million RPK)	Load Factor	RASK (US Cents)
Total		+5.0%	+4.3%	83.9% -0.6 pp	6.1 -23.7%
International (Long Haul & Regional)		+8.5%	+6.5%	86.0% -1.6pp	6.4 -17.1%
Domestic Brazil		-0.5%	+0.1%	81.9% +0.5 pp	5.7 -32.2%
SSC Domestic		+5.6%	+5.4%	81.4% -0.1 pp	8.1 -11.8%

Operating Costs during 3Q15

		3Q15 US$(mm)	3Q15 vs. 3Q14
Wages & Benefits		507	-16.5%
Aircraft Costs		489	-1.7%
Others		739	-15.1%
Operating Cost ex -fuel		1,735	-12.1%
Operating Cost per ASK-equivalent (US Cents)		*3.3*	*-14.7%*
Aircraft Fuel		659	-37.1%
Total Operating Cost		2,394	**-20.8%**
Operating Cost ASK-equivalent (US Cents)		*4.5*	***-23.1%***

Strengthening our operations between Latin America and the world

Strengthening the use of regional hubs

Sao Paulo

- Barcelona
- Toronto (Via NYC)
- Cancun
- Punta del Este
- Bogotá (Direct flight)
- Orlando (A350 XWB)
- Johannesburg

Lima

- Antofagasta
- Orlando
- Montevideo
- Washington

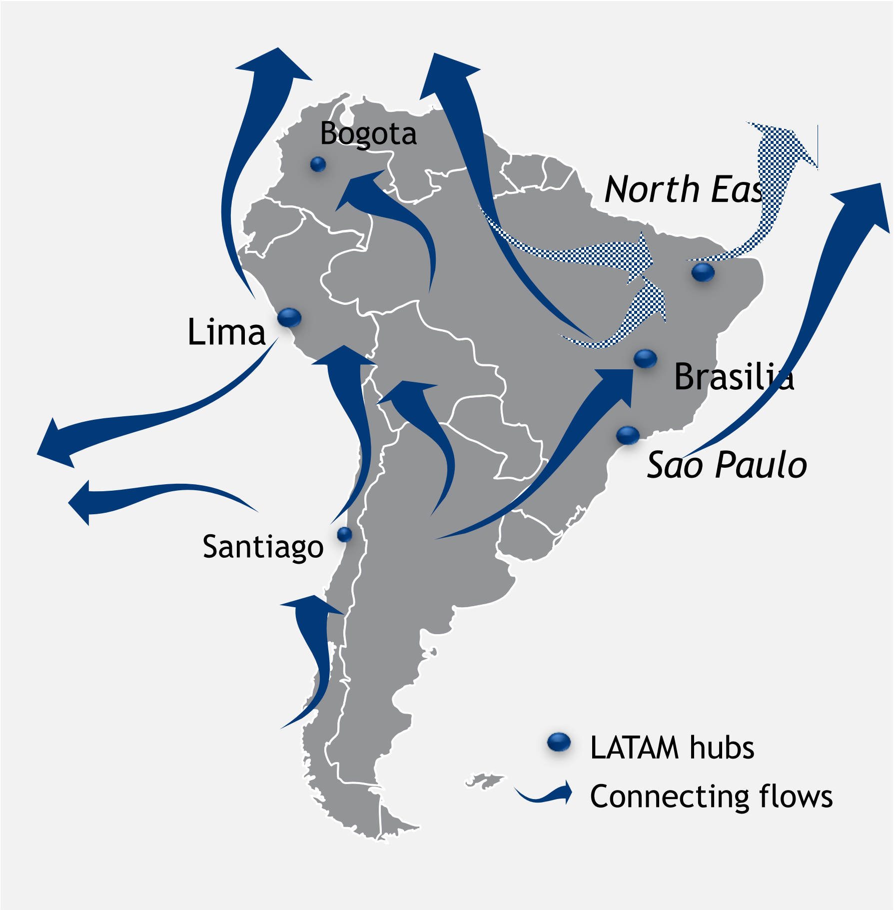
Brasilia

- Orlando
- Buenos Aires
- Punta Cana

Santiago

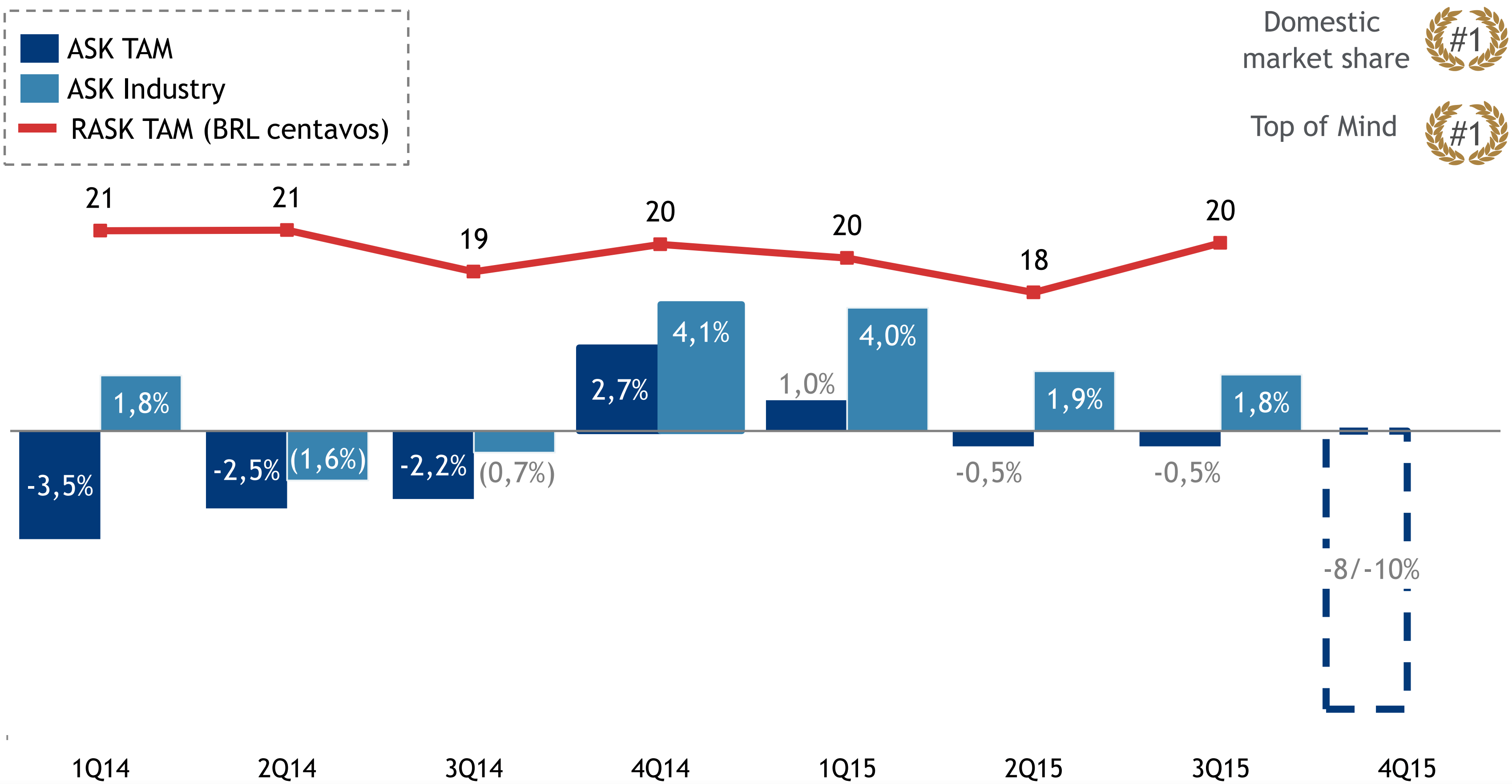
- Milan (Via GRU)

Map of LATAM's hubs



Brazil domestic passenger operations show improvements in RASK

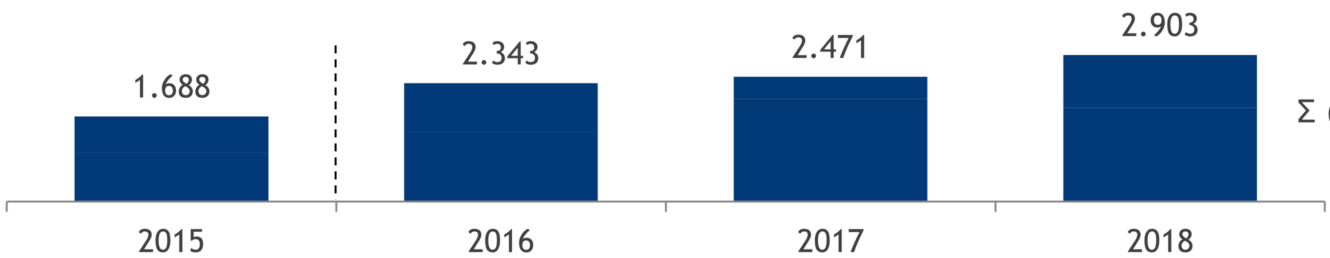
Revenues per ASK increased by 6% (YoY) and 11% (QoQ)



Source: ANAC, Company information

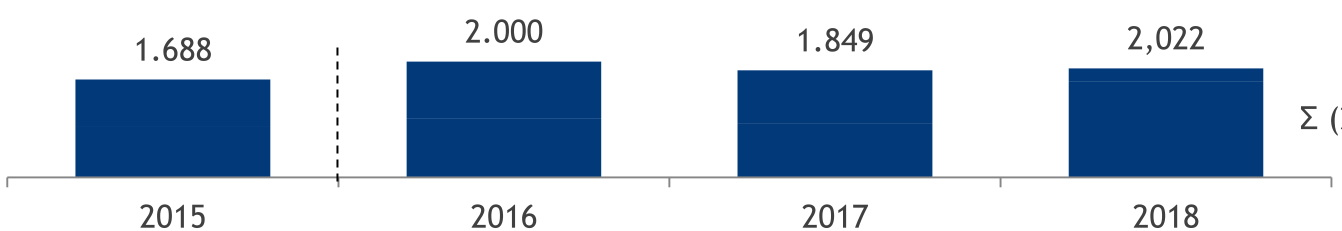
Revised fleet commitments 2016-2018

Fleet Commitments, January 2015 (20F 2014)



Σ (2016-2018) =US$7,7bn

Current Fleet Commitments[1], November 2015

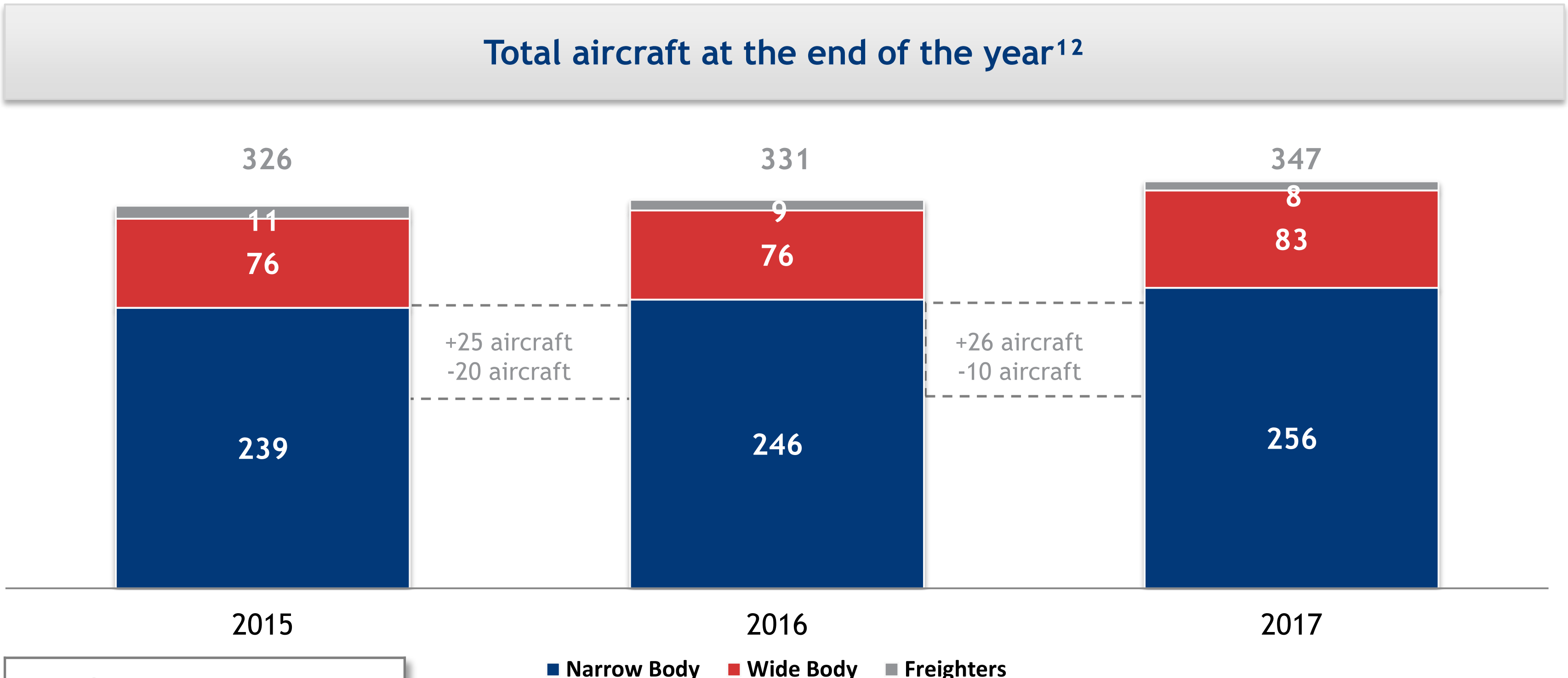


Σ (2016-2018) =US$5,9bn

Fleet Commitments Reduction (US$mm)	342	622	881	1,845

[1]The plan above may vary as the Company advances with its ongoing negotiations.

LATAM's revised fleet plan

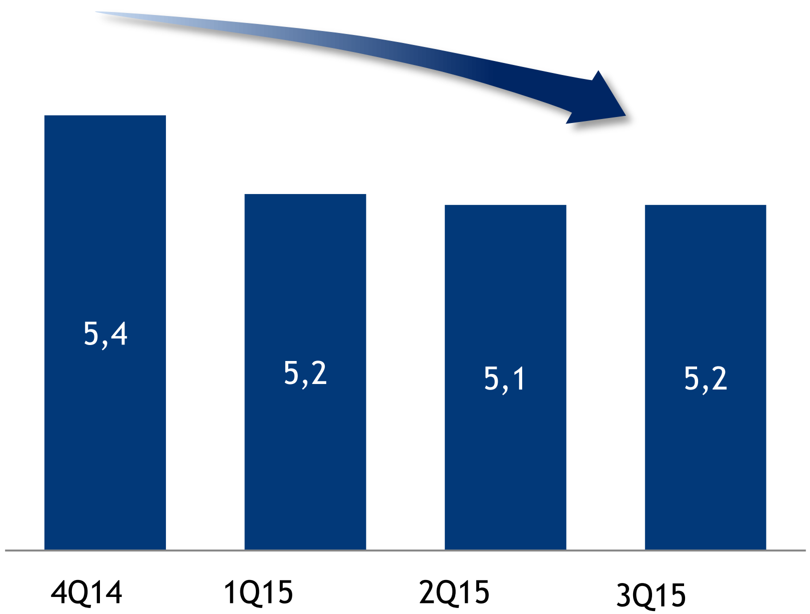


Fleet Commitments (US$mm)		
1,688	2,000	1,849

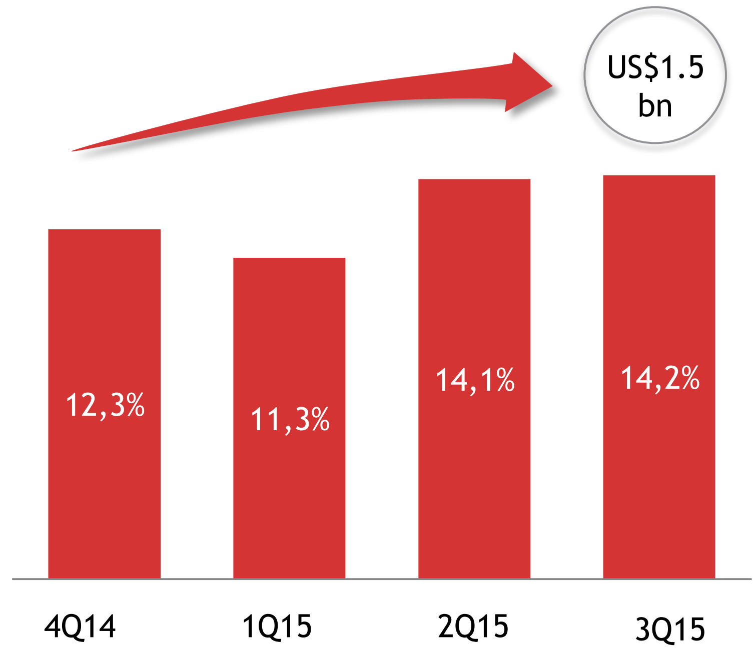
[1] This fleet plan doesn't include three 767-300Fs and one 777-200F that LATAM is currently leasing to a third party.
[2] The plan above may vary as the Company advances with its ongoing negotiations.

LATAM’s key credit metrics

Adjusted Net Debt[1]/EBITDAR LTM



Cash and Equivalents as % of LTM revenues

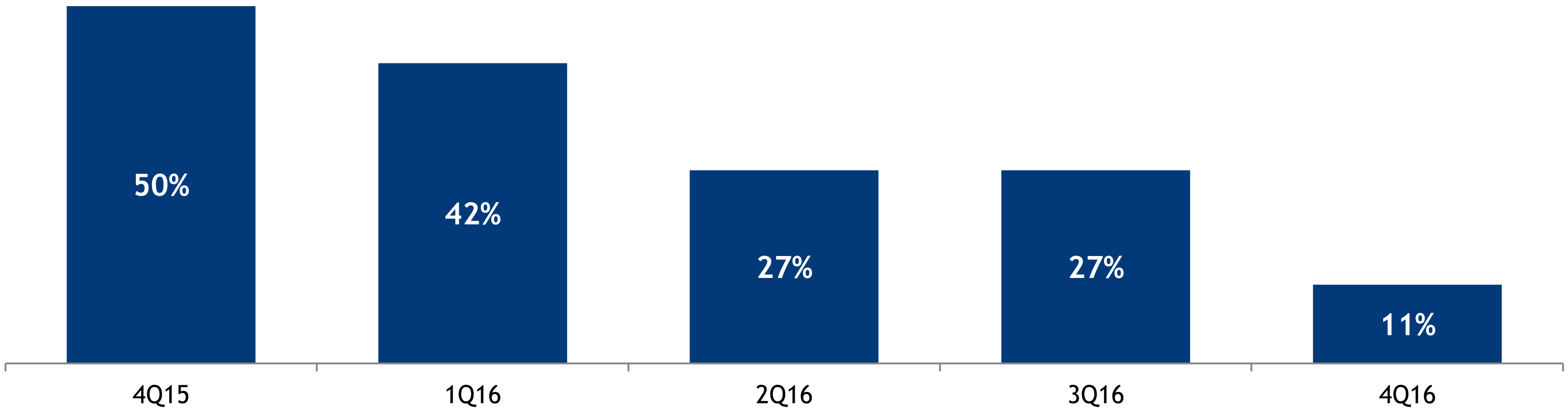


- ✓ LATAM continues working to maintain US$1.5 billion in cash and cash equivalents
- ✓ LATAM is revising its fleet and non-fleet capital expenditures for the next three years (2016-2018).

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

Managing Oil Price Exposure and FX Risk Exposure

LATAM has hedged 42%[1] of its estimated fuel consumption for the next year[2]



- Regarding BRL exposure, the Company has a financial hedge of **US$415** mm (90% of the net Brazilian exposure of the next six months)

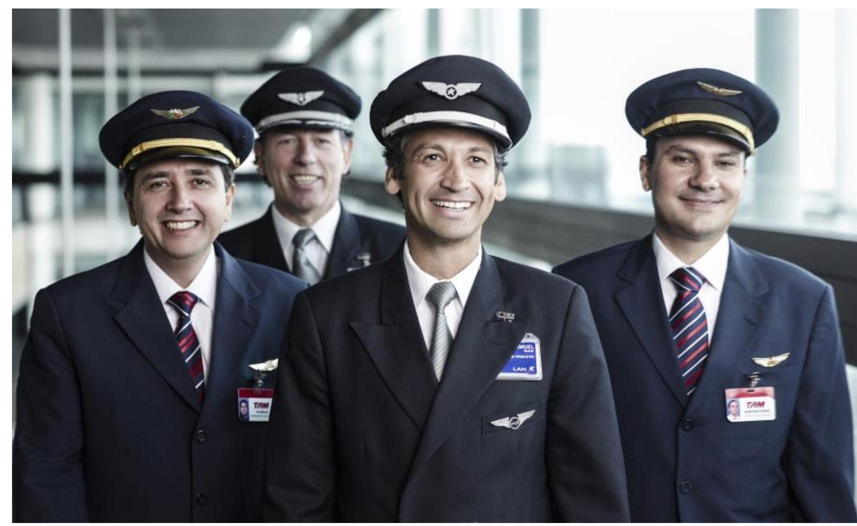
1. Hedge between Oct-2015 and Sept-2016 (twelve months)
2. Company estimates as of November 9th, 2015.

Guidance 2015 and 2016

Guidance		2015	2016
ASK Growth	International (Long Haul & Regional)	4% - 6%	4% - 6%
	Brazil Domestic	(2%)-(4%)	(9%) –(6%)
	SSC domestic	4% - 6%	6% - 8%
	TOTAL	2% - 4%	0% - 3%
ATK Growth		(2%) - 0%	(2%) - 0%
Operating Margin		**~3.5% / 5%**	

✓ For 2016, the Company will continue to review capacity in markets where demand has been most impacted during this year, but at the same time will continue to pursue growth opportunities in specific markets.

Thank you



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