



— LATAM AIRLINES GROUP —

First Quarter 2014 Results Presentation

May 2014

This presentation may include forward-looking comments regarding the Company's business outlook and anticipated financial and operating results. These expectations are highly dependent on the economy, the airline industry, commodity prices, international markets and external events. Therefore, they are subject to change and we undertake no obligation to publicly update or revise any forward looking statements to reflect events or circumstances that may arise after the date of this presentation. More information on the risk factors that could affect our results are contained on our Form 20-F for the year ended December 31, 2013.

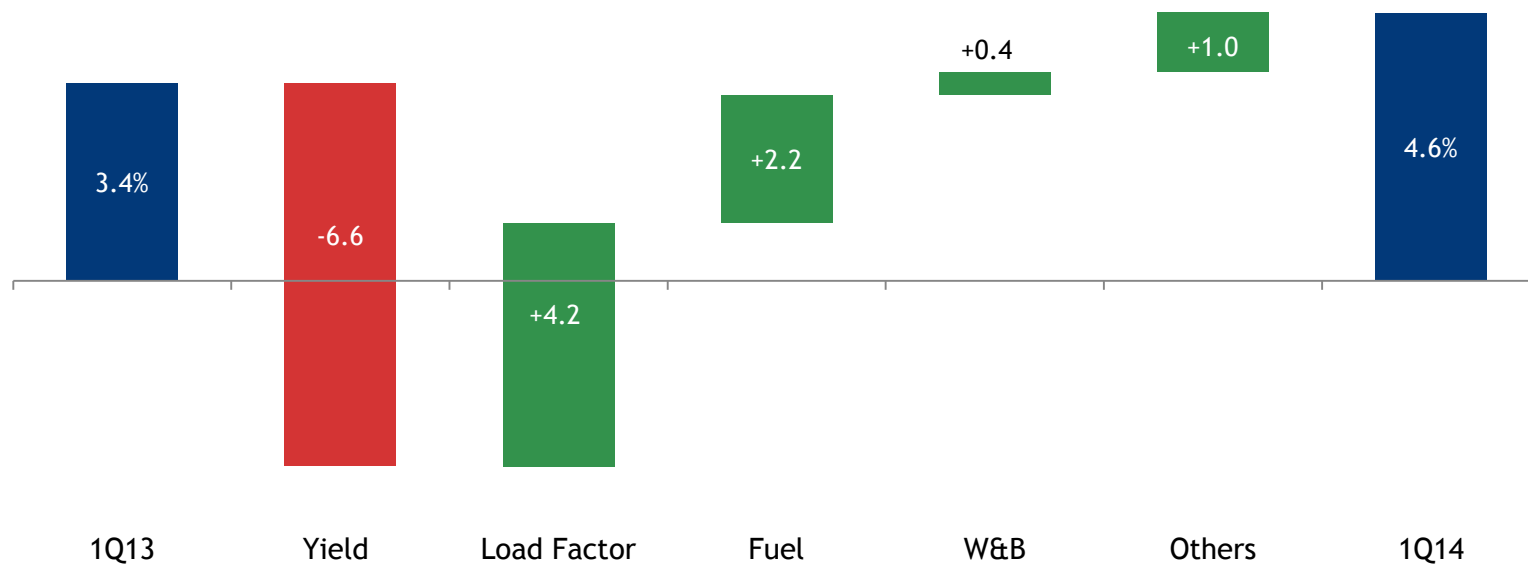
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LATAM Airlines Group: 1Q 2014 highlights

(US\$ Thousands)	1Q14	1Q13	Change
Total Operating Revenues	3,177	3,409	-6.8%
Operating Income	113	114	-1.4%
Operating Margin	3.5%	3.4%	0.2 pp
Operating Income excl. non-recurring costs*	147	114	28.5%
Operating Margin excluding non-recurrent costs*	4.6%	3.4%	1.3 pp
Net Income	-41	43	-196.7%
Net income excluding non-recurring costs*	81	43	88.7%
EBITDAR	486	512	-5.0%
EBITDAR Margin	15.3%	15.0%	0.3 pp
EBITDAR excl. non-recurring costs*	520	512	1.6%
EBITDAR Margin excluding non-recurrent costs *	16.4%	15.0%	1.4 pp

*Non-recurrent costs related to fleet restructuring plan

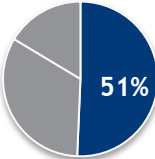

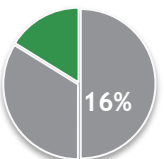

LATAM Airlines Group Operating Margin 1Q14



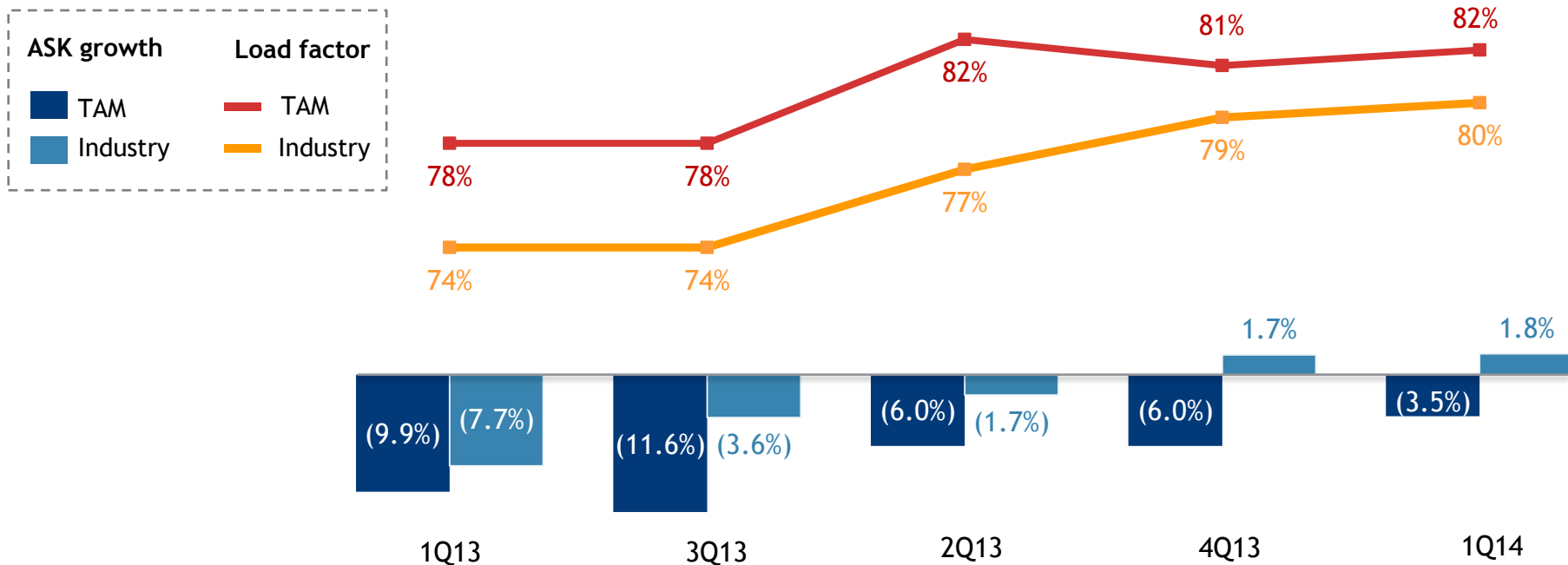
34,403	ASK (millions)	32,927	-4.3%
2.00	Brazilian real (US\$)	2.36	-18.5%
3.74	Fuel Price Ex-Hedge (US\$)	3.50	-6.5%
114	Op. Margin exc. non-recurring costs* (US\$ mm)	147	+28.5%

*Non-recurrent costs related to fleet restructuring

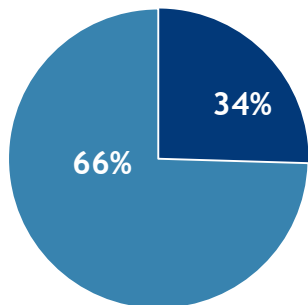
LATAM Airlines Group Passenger Operations 1Q14 - Revenue decreases 6.4%

		<u>Pax Capacity</u> (million ASK)	<u>Pax Traffic</u> (million RPK)	<u>Pax Load Factor</u>	<u>RASK</u> (US Cents)
<u>International</u> (Long Haul & Regional)		-7.6%	-2.8%	+4.1 pp	7.8 +0.0%
<u>Domestic Brazil</u>		-3.5%	+0.7%	+3.4 pp	8.9 -1.0%
<u>SSC Domestic</u>		+5.4%	+6.7%	+1.0 pp	9.1 -4.5%
<u>Total</u>		-4.3%	-0.2%	+3.4 pp	8.2 -2.2%

Domestic Brazil: Successful turnaround with RASK +17% in the 1Q14¹



Domestic Corporate market share²



1Q14 vs 1Q13
+ 20% in revenues

TAM leads the industry in the corporate segment, increasing our market share leveraged by strategic and tactical commercial processes

Source: ANAC, ABRACORP
 (1) RASK increase in BRL
 (2) % ticket revenues in BRL

International Passenger: Rationalization of operations

Key strategic decisions led to an improved performance and set the foundations for success in the current context



★ Capacity adjustment



★ Strengthen Sao Paulo Hub at Guarulhos Airport



★ Fleet efficiency and product competitiveness



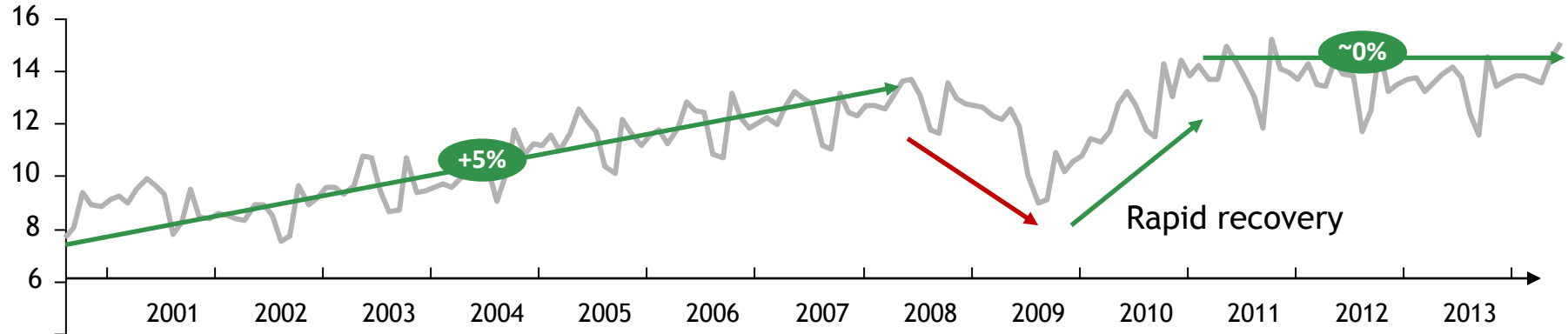
★ LATAM in oneworld and codeshare with American Airlines

We foresee challenges in 2014



LATAM Airlines Group Cargo Operations 1Q14 - Revenue decreases 12.5%

GLOBAL AIR FREIGHT TRAFFIC (RTK)



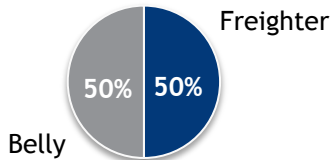
Cargo Revenues

Cargo Capacity (million ATK)

Cargo Traffic (million RTK)

Cargo Load Factor

Cargo Operation






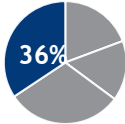
-6.6%

-2.4%

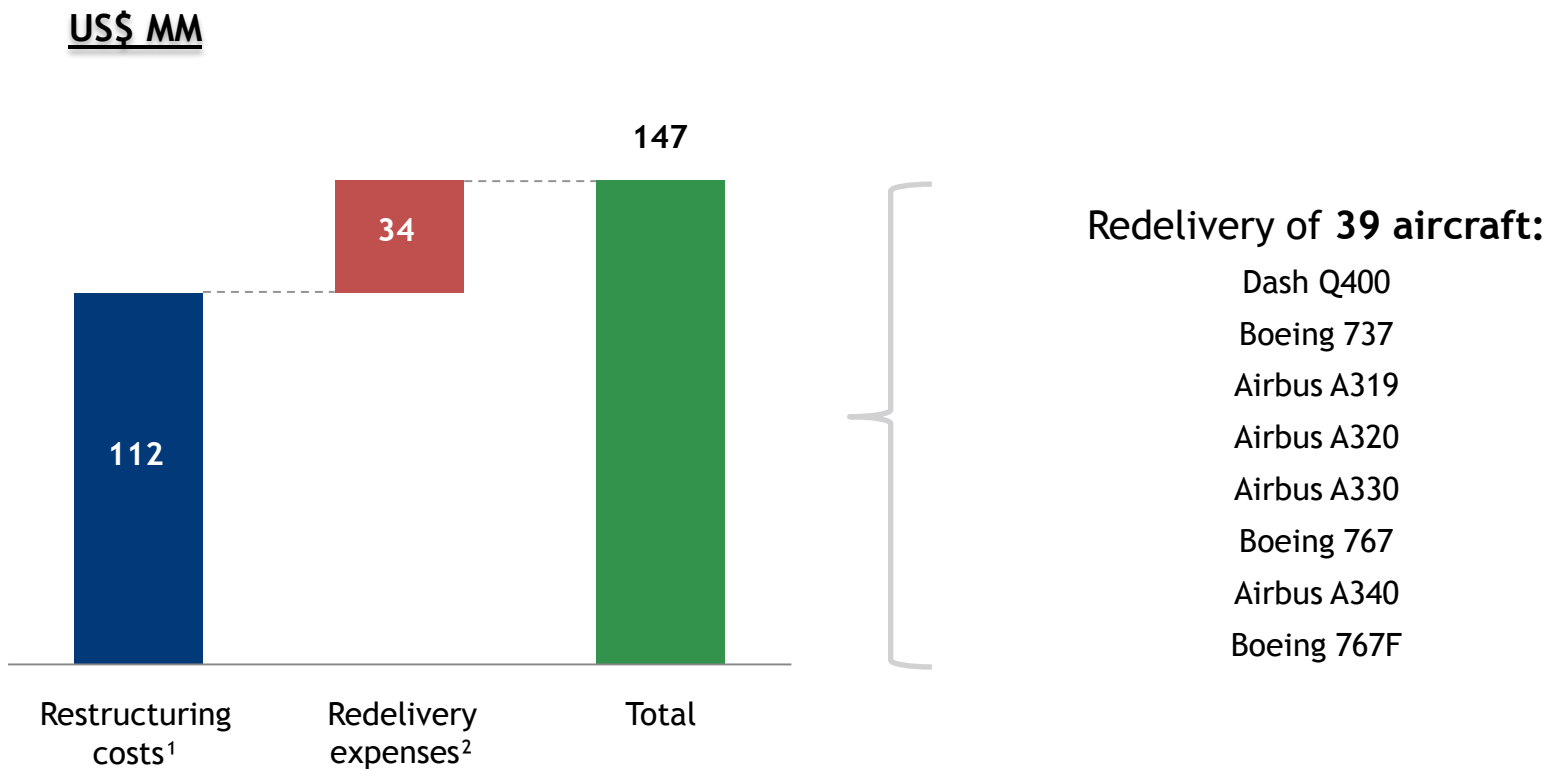
+2.5 pp

✈	<u>Yield based on RTKs (US cents)</u>	37.6	-10.4%
✈	<u>Revenue s per ATK (US cents)</u>	22.0	-6,3%

Reduction in operating costs during 1Q14

		<u>US\$ (mm)</u>	<u>Variation vs 1Q13</u>
<u>Wages & Benefits</u>		600	-2.9%
<u>Aircraft Costs excl. non recurring costs*</u>		470	-7.1%
<u>Others</u>		811	-4.9%
<hr/>			
<u>Operating Cost ex -fuel</u>		1,951	-4.8%
<u>Operating Cost per ASK-equivalent (US Cents)</u>		3.7	+0.3%
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<u>Aircraft Fuel</u>		1,080	-13.2%
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<u>Total Operating Cost</u>		3,031	-8.0%
<u>Operating Cost ASK-equivalent (US Cents)</u>		5.8	-3.0%

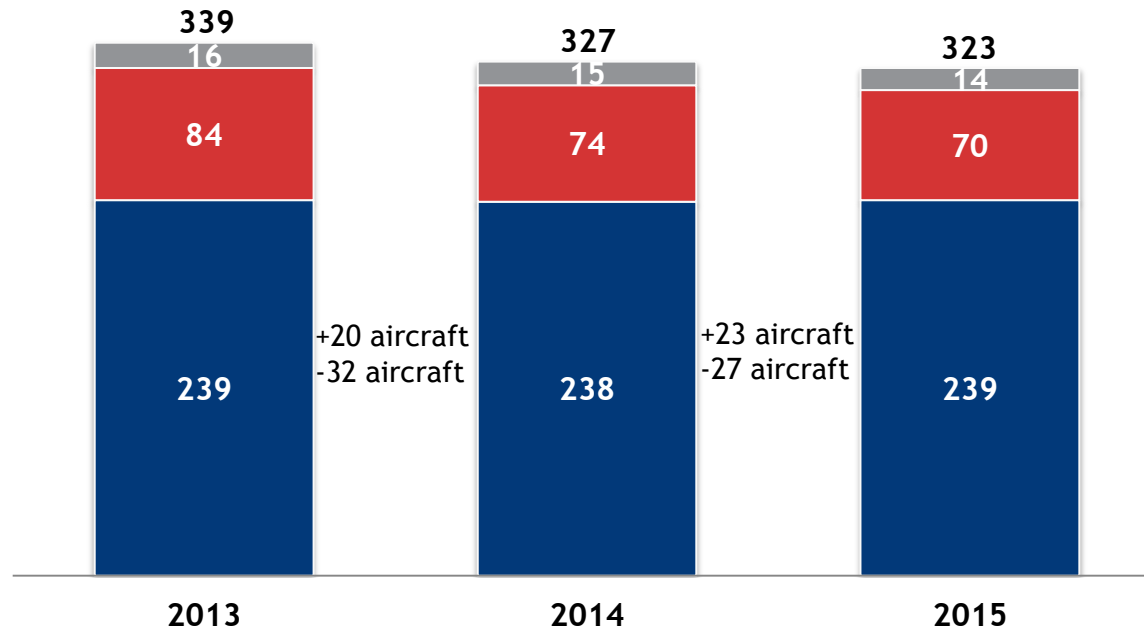
Fleet restructuring and redelivery results in costs of US\$147 million



(1) A non-operating provision related to the anticipated redelivery of aircraft
(2) An operating expense related to maintenance for redelivery of aircraft

LATAM's fleet plan: Focus on fleet renewal

Total aircraft at the end of the year



<u>Fleet Commitments</u> US\$ bn	2013	2014	2015
	1.94	1.19	1.70

■ Narrow Body
 ■ Wide Body
 ■ Freighters

2014 Guidance

Guidance		2014
ASK Growth	International (Long Haul & Regional)	(2%) / 0%
	Brazil Domestic	0%
	SSC domestic	5% / 7%
	TOTAL	(1%) / 1%
ATK Growth		(4%) / (2%)
Operating Margin (excluding non-recurring costs related to fleet restructuring)		6% / 8%
Assumptions		
Average exchange rate (BRL/USD)		2.40
Jet Fuel Price (US\$/bl)		120