

LATAM AIRLINES GROUP ANNOUNCES CANCELLATION OF BDR PROGRAM

Santiago, Chile, April 5, 2016 - LATAM Airlines Group S.A. ("LATAM") announces that the Board of Directors of LATAM approved the cancellation of the BDR program. LATAM maintains that the foregoing does not affect the long term commitment of Grupo LATAM Airlines within Brazil.

The cancellation will take place through a sale of the underlying common stock of the BDR ("Shares") in the Santiago Stock Exchange, through a procedure named *Sale Facility*. The BDR holders that don't want to sell their shares may remain as shareholders of LATAM in Chile, acknowledging that each BDR represents one share.

It is worthwhile to note that each BDR represents one common share of LATAM Airlines Group S.A. and as of March 31st, 2016 the BDR program represented 0.44% of the total shares issued by the company.

As such, from this date onwards, BDR holders will have a 30 day period to choose from these options:

- 1) Subscribe to the procedure named "*Sale Facility*", or
- 2) Maintain ownership of LATAM Airlines Group S.A. shares to the underlying BDR.

If a BDR holder doesn't express the option contained in the Procedure, it will be understood for all purposes that the holder opts to subscribe to the procedure denominated "*Sale Facility*".

The "*Sale Facility*" procedure is executed through the sale of the underlying common shares of BDRs (the "Common Shares") in the Santiago Stock Exchange. Those BDR holders that express their intention to retain ownership of their respective Common Shares, will become shareholders of LATAM Airlines Group S.A., through the transfer of shares to a stockbroker or a local custodian in Chile, pursuant to an instruction to be executed in compliance with the conditions specified in the Cancellation Procedure

The Cancellation procedure was duly approved by the CVM Council in a meeting held on February 2nd, 2016.

INVESTOR RELATIONS CONTACT INFORMATION

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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 24 countries and cargo services to about 144 destinations in 26 countries, with a fleet of 323 aircraft. In total, LATAM Airlines Group S.A. has approximately 52,000 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.

LATAM Airlines Group announced that LATAM is the new brand for LAN Airlines, TAM Airlines and Affiliates. LATAM Airlines Group is currently working on the gradual roll-out of the new corporate brand image. The first changes will be visible starting in the first half of 2016.

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

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