



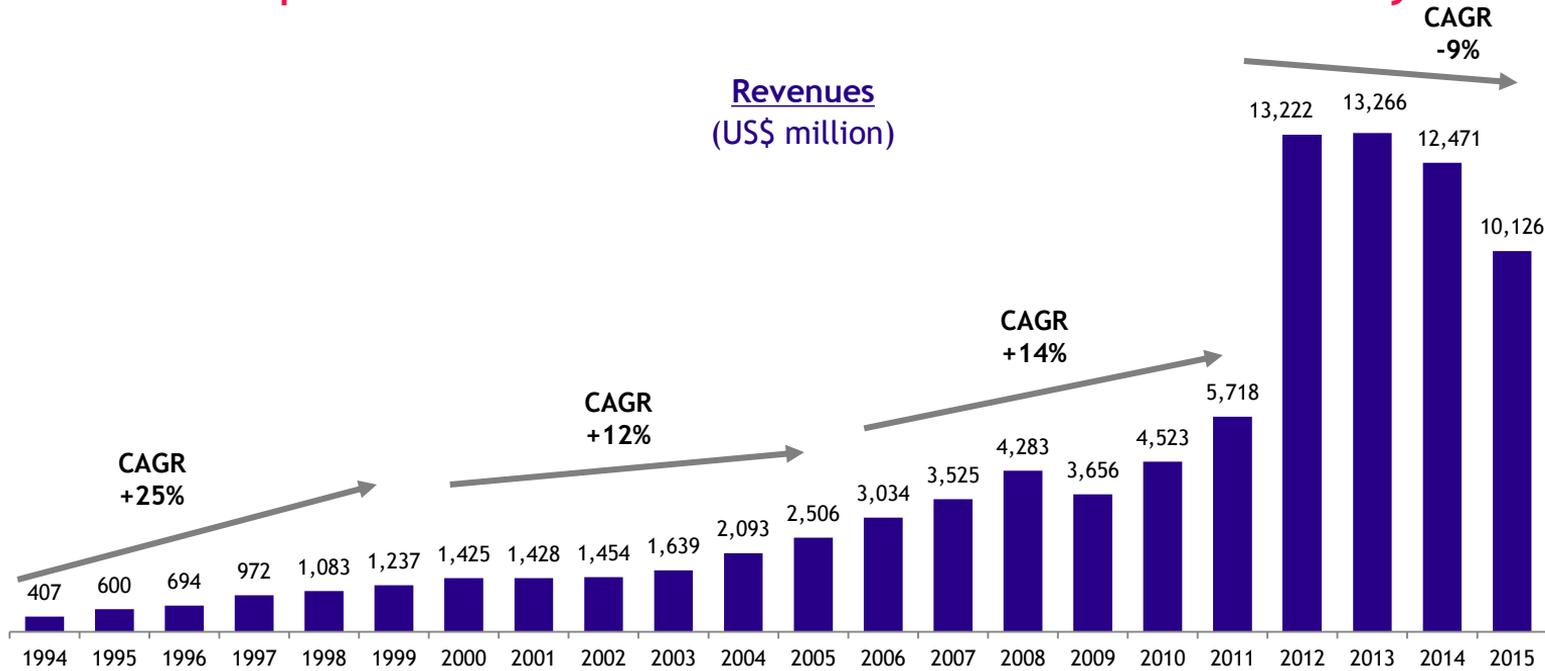
UBS 14th Global Emerging Markets Conference

New York, November 2016

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, 2015.

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LATAM Group's successful transformations define its history



TRANSFORMATION REGIONAL EXPANSION EFFICIENCY CONSOLIDATION



LATAM Group: One Network, One Brand

Unique regional LATAM Group platform

-  6 Home markets (~90% of regional traffic)
-  ~50% Market share intra-regional flights
-  2x its next competitor in terms of revenues

 **LATAM**
Airlines Colombia
18% market share

 **LATAM**
Airlines Ecuador
28% market share

 **LATAM**
Airlines Peru
62% market share

 **LATAM**
Airlines
76% market share

 **LATAM**
Airlines Argentina
22% market share

 **LATAM**
Airlines Brazil
35% market share



LATAM Group continues to strengthen its network through new routes and strategic alliances

North / Central America & Caribbean

11

6

Europe

LATAM's serves more than 135 destinations on 4 continents

LATAM Airlines Group's network can connect +13,000 markets in the world

In the last 18 months 18 new international routes

Joint Business Agreements* with AA and IAG with access to over 420 destinations

3

Oceania

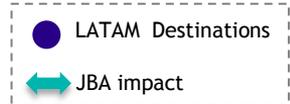
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GRU

SCL

South America

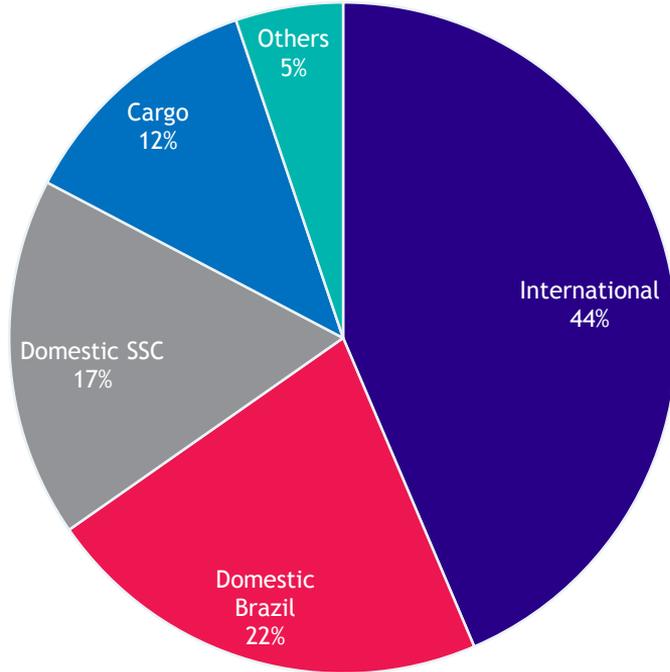
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* Subject to regulatory approval

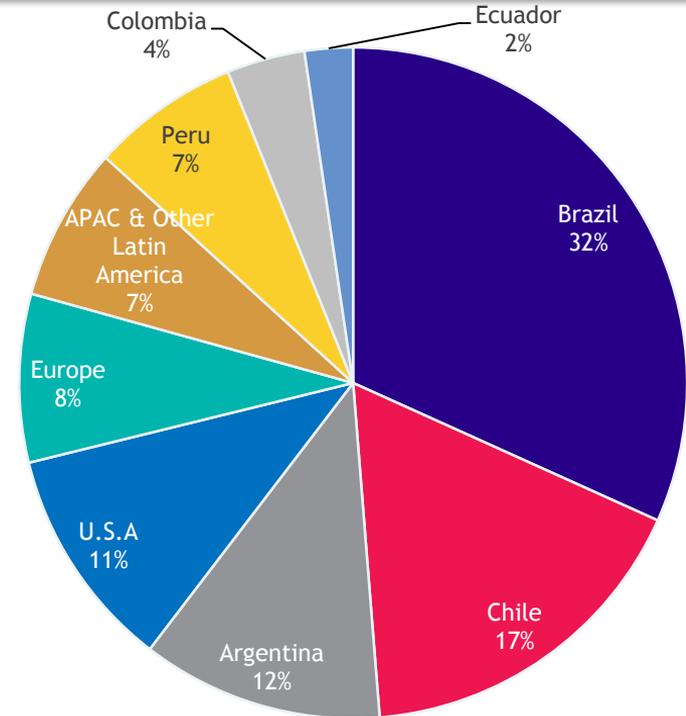
LATAM has developed diversified sources of revenue

LTM Revenue by Business Unit



Total = US\$9,365mm

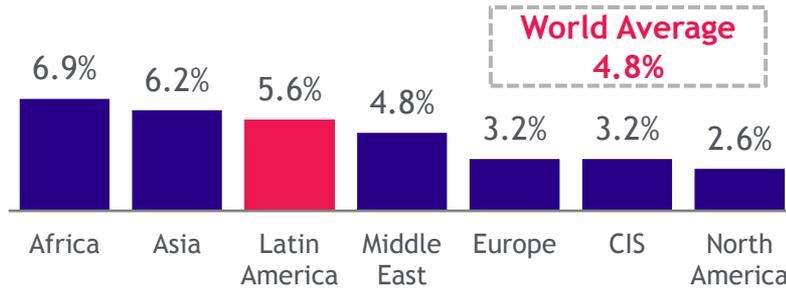
LTM Revenue by Point of Sale



Total = US\$9,365mm

Latin America continues to offer significant growth potential

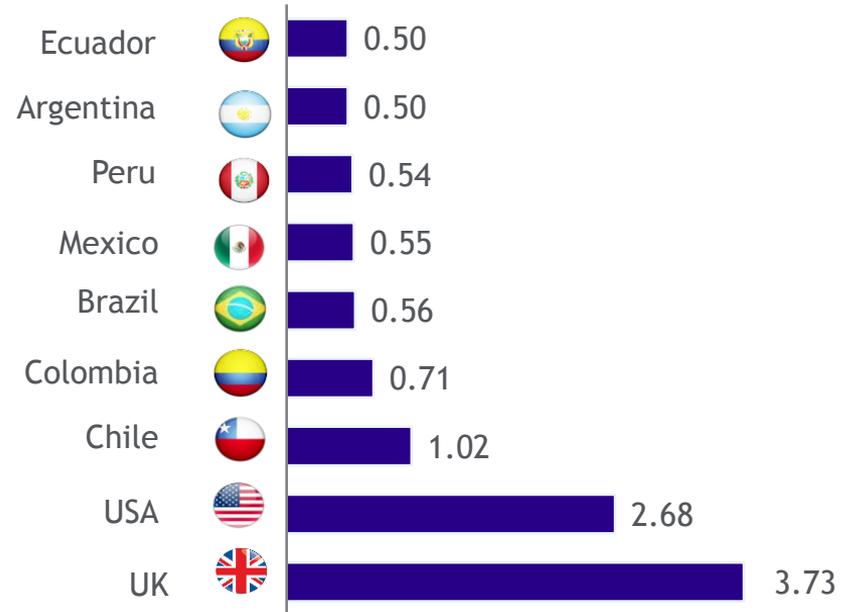
Passenger traffic growth estimates (RPKs 2015-2035)



9M 2016 Growth Year over Year

Pax:	11.2%	8.7%	3.6%	6.7%	3.7%	3.3%	5.9%
Cargo:	5.3%	0.0%	-5.8%	0.0%	5.6%	0.8%	2.0%
	Middle East	Asia Pacific	Latin America	Africa	Europe	North America	World Average

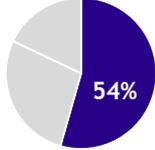
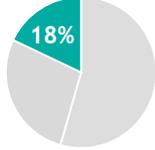
Trips per capita



LATAM Airlines Group consolidated financial results

(US\$ Millions)	3Q16	3Q15	Change	YTD16	YTD15	Change
Total Operating Revenues	2.520	2.515	0,2%	6.958	7.719	-9,9%
Passenger	2.100	2.114	-0,6%	5.765	6.434	-10,4%
Cargo	266	310	-14,3%	802	995	-19,4%
Others	154	91	68,2%	391	290	34,8%
Total Operating Costs	-2.367	-2.394	-1,1%	-6.585	-7.354	-10,5%
Operating Income	152	121	26,3%	373	365	2,2%
Operating Margin	6,0%	4,8%	1,3pp	5,4%	4,7%	0,6pp
Net Income	5	-113	-	15	-203	-
Foreign exchange gains/(losses)	-11	-242	-	133	-411	-
EBITDAR	543	487	11,6%	1.506	1.461	3,1%
EBITDAR Margin	21,6%	19,4%	2,2pp	21,6%	18,9%	2,7pp

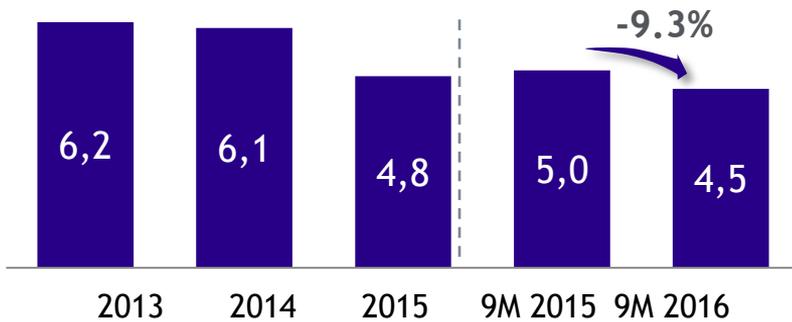
Improved revenue trends in Q3 2016

	System Capacity (% of total ASK)	Capacity (ASK) (Chg. %)	Traffic (RPK) (Chg. %)	Load Factor % (Chg. p.p.)	RASK (US\$ cents) (Chg. %)
International (Long Haul & Regional)		+4.9%	+7.2%	87.8% (+1.8 p.p.)	6.0 (-6.8%)
Domestic Brazil		-13.2%	-12.7%	82.4% (+0.5 p.p.)	6.2 (+8.6%)
SSC Domestic		+10.2%	+7.9%	79.6% (-1.7 p.p.)	6.6 (-18.3%)
Passenger		+0.0%	+1.1%	84.8% (+0.9 p.p.)	6.1 (-0.7%)
Cargo		-5.9%	-9.2%	49.6% (-1.8 p.p.)	16.0 (-8.9%)

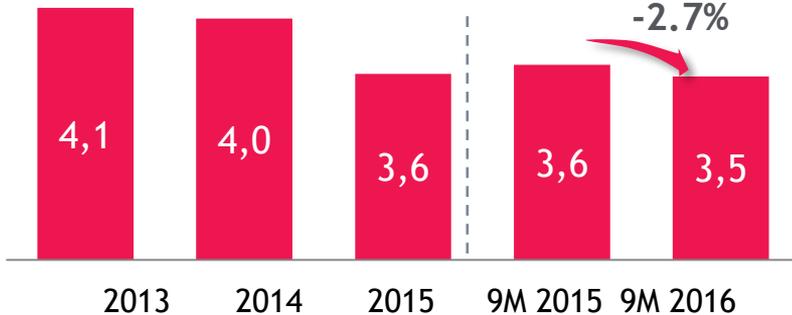
BRL
3Q16:+1.8%
9M16:+3.6%

Cost Initiatives: Our strategy is delivering results

CASK-equivalent (US cents)



CASK-equivalent ex-fuel (US cents)



And there is more work to be done...



Further operational labor productivity

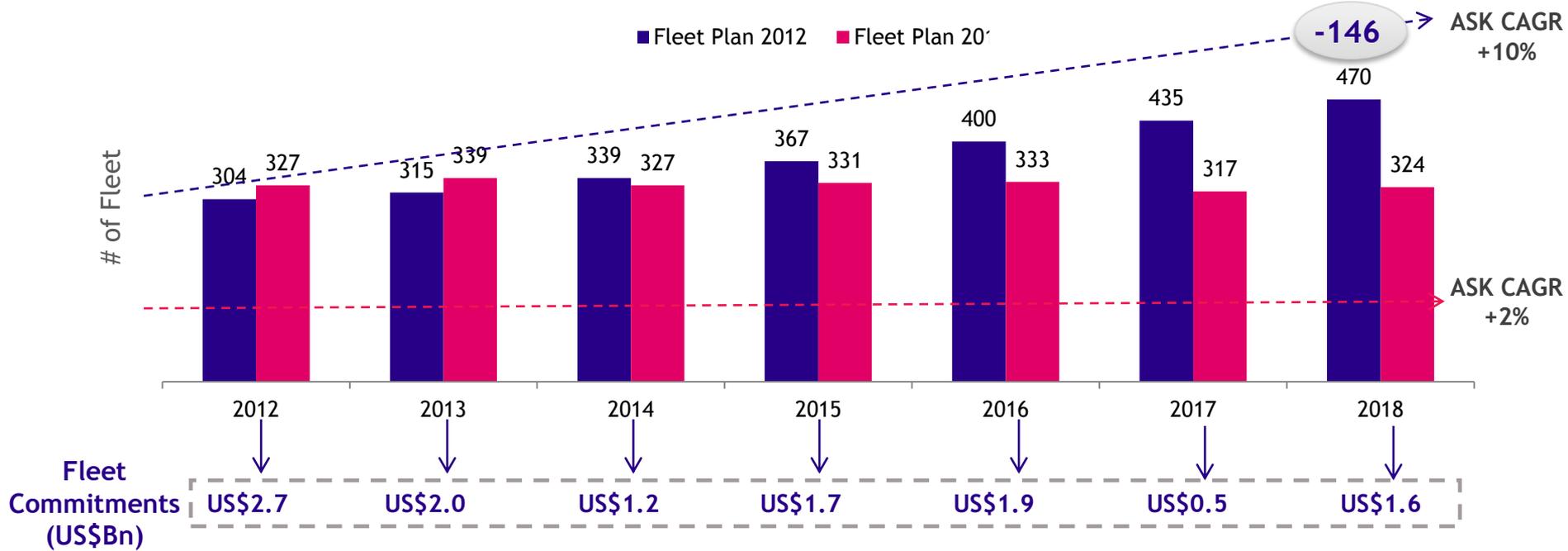


Efficiencies in overhead and support functions, procurement and administrative and selling expenses



New business model for our domestic operations

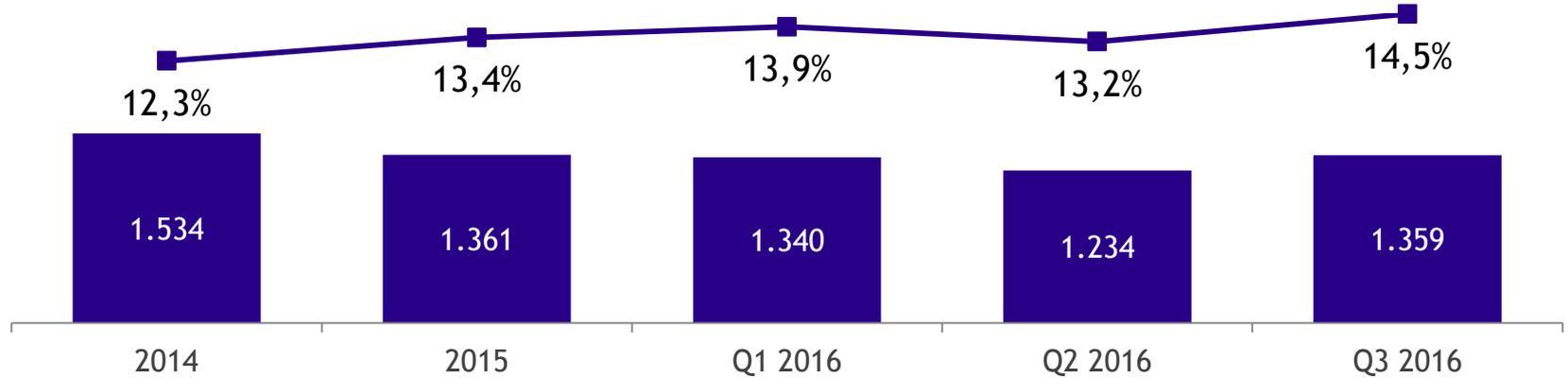
LATAM Group has a flexible asset delivery platform to withstand market volatility



✓ Reduction of fleet commitments for 2012-2018 by **US\$4.7 billion** and historically low going forward

LATAM Financial Ratios

Cash and Equivalents as % of LTM revenues (US\$ Millions)

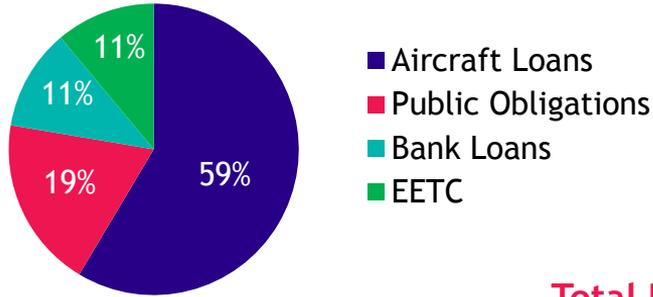


Adjusted Net Debt / Adjusted EBITDAR

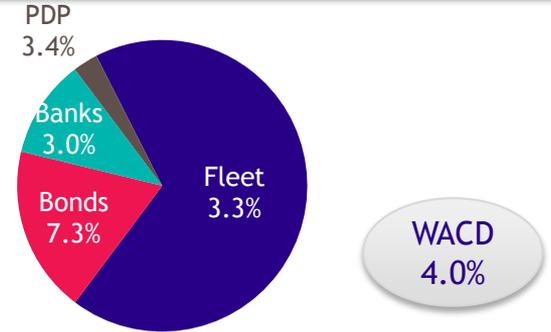


LATAM Debt Profile

Debt by type as of September 30, 2016

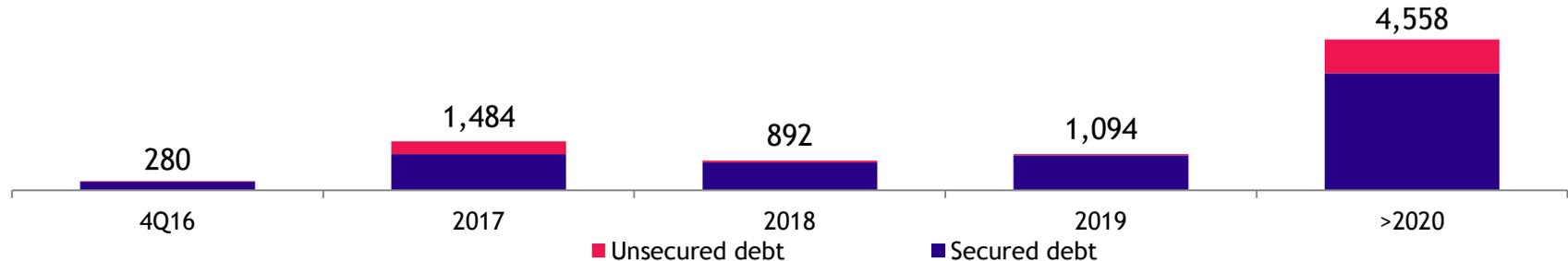


Cost of debt as of September 30th, 2016



Total Debt: US\$9,088 mm

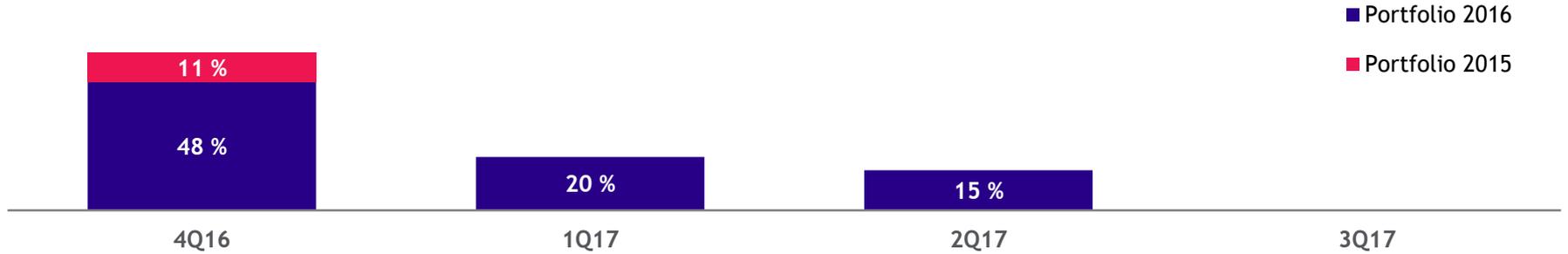
Debt maturity profile (US\$MM) as of September 30th, 2016¹



¹The debt maturity profile does not include PDP and short term rolling debt.

Risk management

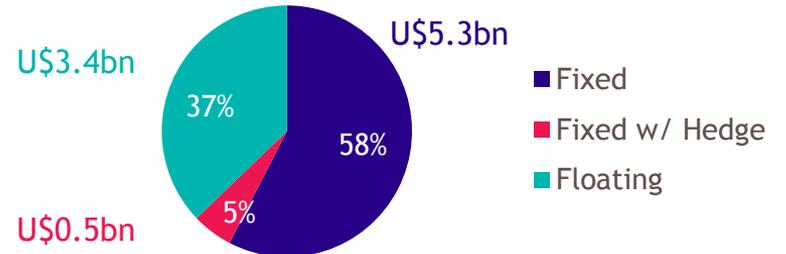
LATAM Fuel Hedge (% consumption)



LATAM BRL Hedge (US\$MM)



Reduced exposure to floating rates



Outlook for 2016

Guidance		2015A	2016E
ASK Growth	International (Long Haul & Regional)	6.4%	3% - 5%
	Brazil Domestic	-2.5%	(10%) - (12%)
	SSC domestic	4.8%	6% - 8%
	TOTAL	3.1%	(1%) - 1%
ATK Growth		-1.9%	(2%) - (4%)
Operating Margin		5.1%	5.5% / 6.5%

Main Takeways



Maintained Operating Margins : 5.4% Operating Margin in 9M'16 vs. 4.7% in 9M'15, despite challenging macro conditions



Capacity reduction of 12% in Brazil domestic operation 9M2016, the most of any Brazilian airline



Significant Cost Reduction in 9M'16 vs. 9M'15: -9.3% in CASK equivalent (-2.7% ex-fuel)



Cash position of US\$1.4 billion as of September 2016 and stable leverage

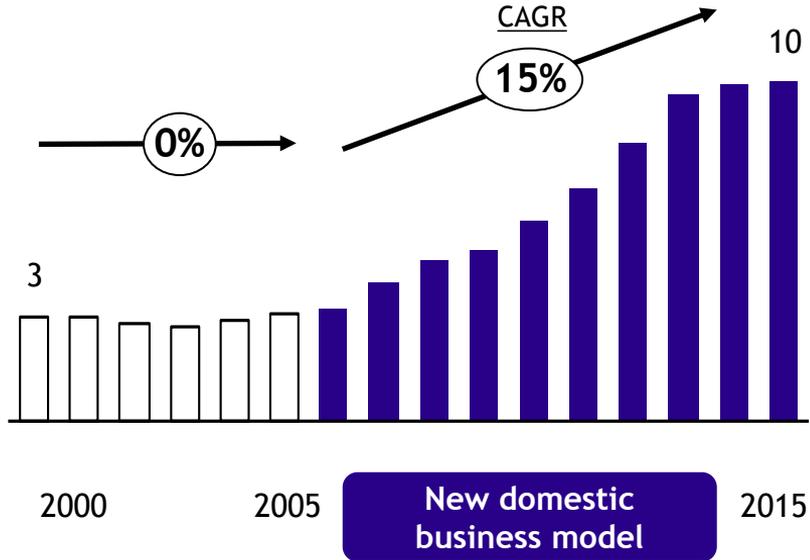


Reduction of Fleet Deliveries: 2017 no cash out related to fleet capex

New domestic passenger business model

LATAM has driven passenger growth in its domestic markets

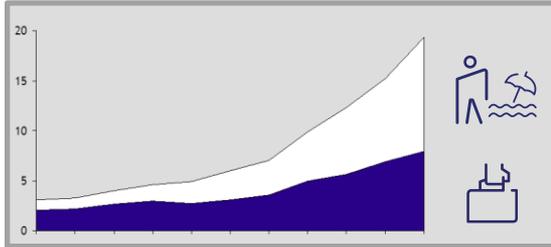
Passenger Evolution Chile (Industry, MM)



Domestic passenger operations

	LATAM Market Share Jun-16	Industry Pax(1) CAGR 2005-2015
Brazil	35%	11%
Chile	78%	10%
Peru	63%	12%
Argentina	27%	8%
Colombia	19%	12%
Ecuador	37%	11%

The current industry context provides an opportunity



Estándar	Leisure Plus	Business Plus
<input type="radio"/> 82,99 € <small>Quedan 3 asientos a este precio</small>	<input checked="" type="radio"/> 123,99 €	<input type="radio"/> 207,99 €
<input type="radio"/> 117,99 € <small>Quedan 3 asientos a este</small>	<input type="radio"/> 158,99 €	<input type="radio"/> 242,99 €

1

Strong growth coming from price sensitive leisure clients, which are increasingly taking a major part of the market

2

Competitors increasingly adopting the low-cost model

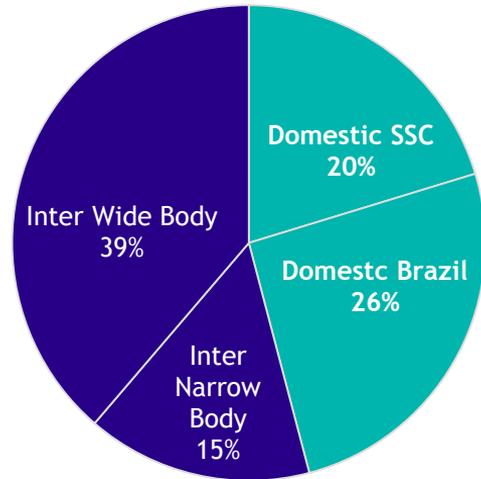
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The sales model of the industry is changing:

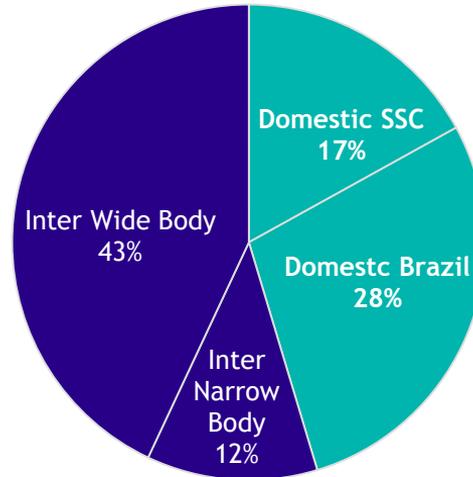
- ✓ Simple and transparent ticket sales model
- ✓ Ancillary revenues

Redesign of domestic passenger business model for 78% of our passengers and 45% of our capacity

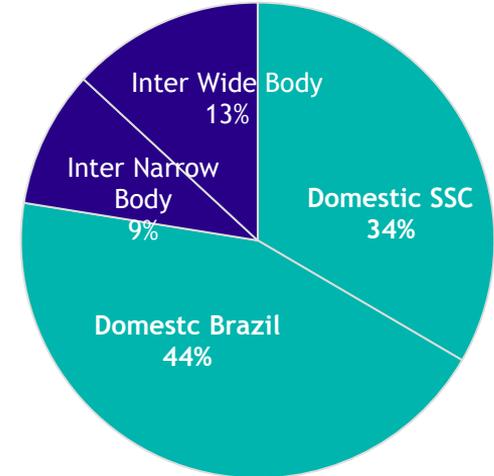
Revenue



Capacity (ASK)



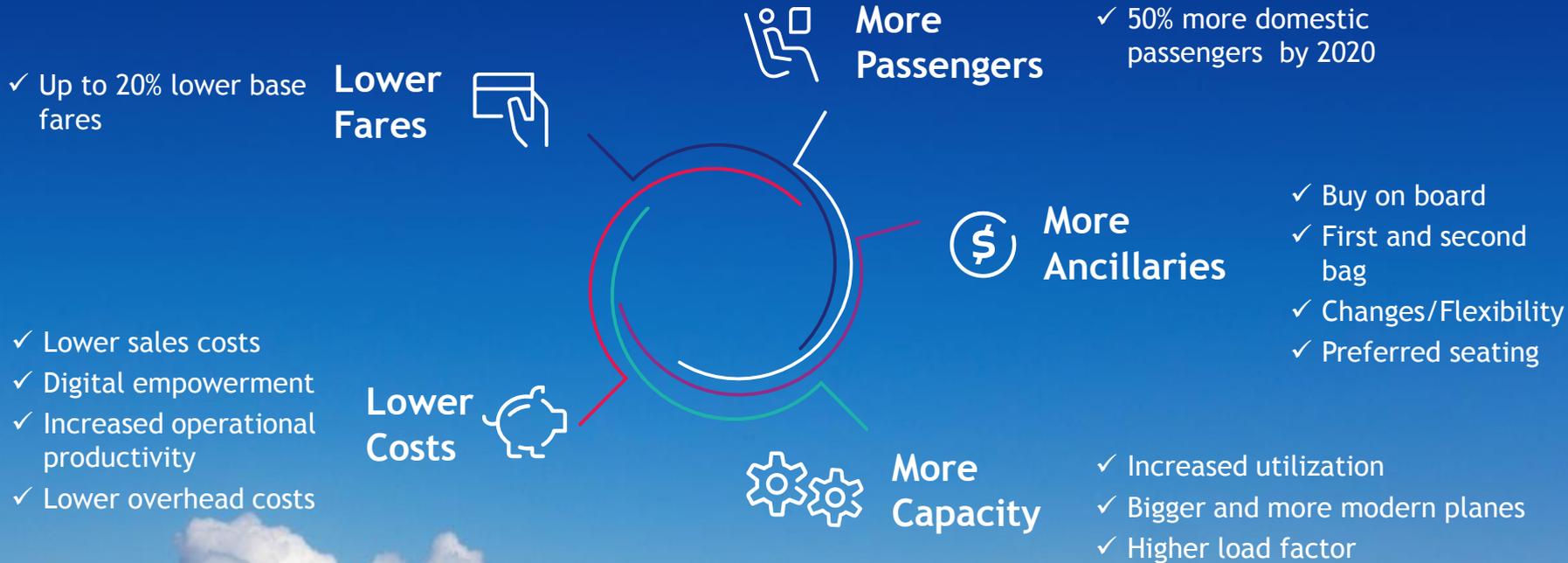
Passengers



- ✓ Increased ancillary revenues opportunities
- ✓ Sustainable Growth

- ✓ Efficiencies & cost savings
- ✓ Improved Competiveness

LATAM is renewing its domestic business model to increase competitiveness and ensure sustainability in the long term



Considering the new domestic model, we redefined LATAM's value proposition keeping its heritage and adding differentiators





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