



Santiago, July 25, 2016

Mr. Carlos Pavez Tolosa
Commissioner
Securities and Exchange Commission
Av. Libertador Bernardo O'Higgins 1449
Present

Ref.: Reports Material Fact.

Dear Commissioner:

In accordance with Articles 9 and 10 of the Securities Market Law, and pursuant to General Regulation No. 30, and being duly authorized thereto, I hereby inform you of a material fact from LATAM Airlines Group S.A. ("LATAM"), Securities register No. 306:

LATAM informs it has reached agreements with the U.S. Department of Justice ("DOJ") and with the U.S. Securities and Exchange Commission ("SEC"), both authorities of the United States of America, in force as of this date, the content of which is substantially similar to the ones described in the material fact sent to your Commission on May 3, 2016, a copy of which is attached to this material fact and forms part of the same for all effects. The definitive amounts agreed to be paid are US\$12,750,000 to the DOJ and US\$6,700,000 plus interest to the SEC.

Yours sincerely,

Juan Carlos Menció
Vicepresidente Senior Legal
LATAM Airlines Group S.A.