LATAM AIRLINES GROUP REPORTS CONSOLIDATED OPERATING INCOME OF US$118 MILLION FOR THIRD QUARTER 2014

Santiago, Chile, November 13, 2014 – LATAM Airlines Group S.A. (NYSE: LFL; IPSA: LAN; BOVESPA: LATM33), the leading airline group in Latin America, announced today its consolidated financial results for the third quarter ended September 30, 2014. "LATAM" or "the Company" makes reference to the consolidated entity, which includes passenger and cargo airlines in Latin America. All figures were prepared in accordance with International Financial Reporting Standards (IFRS) and are expressed in U.S. dollars. The Brazilian real / US dollar average exchange rate for the quarter was BRL 2.27 per USD.

HIGHLIGHTS

- LATAM Airlines Group reported operating income of US$118.4 million for third quarter 2014, a 54% decrease compared to the US$255.5 million operating income in third quarter 2013. Operating margin reached 3.8%, compared to 7.6% in 2013. This contraction in margins was mainly driven by reduced corporate passenger and cargo demand during the FIFA World Cup soccer tournament held in Brazil in June and July 2014, as well as a generally weaker macroeconomic scenario in Latin America, including slower GDP growth trends and weaker currencies in most countries.

- For third quarter 2014, LATAM reported a net loss of US$107.8 million, compared to a net gain of US$52.1 million for the same period 2013. This includes a foreign exchange loss of US$144.1 million mostly recognized at TAM as a result of the devaluation of the Brazilian real during the quarter. We were able to mitigate this effect by consistently reducing the imbalance on TAM's balance sheet from US$2.1 billion in September 2013 to US$0.7 billion in September 2014.

- The Company continues to rationalize capacity in both passenger and cargo operations, with reductions of 0.5% and 4.8%, respectively, during the third quarter of 2014 as compared to the same period of the previous year. While passenger traffic increased 2.1% and cargo traffic decreased only 1.9%, pressure on yields resulted in lower revenues per ASK (RASK) and revenues per ATK (RATK).

- In accordance with the modifications to the Chilean Tax System, the Company has adjusted its deferred taxes to reflect the gradual increase of the corporate income tax from 20% to 27% in 2018, recognizing an increase of approximately US$150 million in its deferred tax liabilities. For local purposes, the difference between the adjustment in deferred tax assets and liabilities resulting from the change in the tax law will be recognized as a decrease in equity. For international purposes, and according to IFRS, the Company will recognize an accounting charge of approximately US$150 million in its 2014 income tax expenses.

- During the month of October, TAM and LAN transferred their international operations to the new Terminal 3 at Guarulhos International Airport in Sao Paulo. This move will finally position Guarulhos Airport as the most important international hub in South America. "This change is strategic for the Company, allowing us to offer a better travel experience for our customers and to improve connecting times" says the CEO of LATAM, Enrique Cueto. Moreover, in November we inaugurated LATAM's first official unified VIP Lounge -the largest in Latin America-, consolidating GRU as the main hub for LATAM operations.

- In September 2014, LATAM Airlines Group became the first airline group in the Americas to join the Dow Jones Sustainability World Index - the most important sustainability indicator worldwide- after being chosen from a group of companies who are leaders in sustainability as a result of their effective management of economic performance, social responsibility and environmental impact.

MANAGEMENT COMMENTS

Over the past two years, we have made substantial progress in completing the integration process between LAN and TAM. We have been able to consolidate the management team, laying the foundations for the future. We have restructured our balance sheet and significantly reduced TAM's exposure to BRL fluctuations. We have also restructured our fleet plan, focusing on modern aircraft with new technology, and we have achieved the turnaround of domestic operations in Brazil. Nonetheless, we acknowledge that results have not met our expectations, mainly because we are facing a context with increased competition, a weaker macroeconomic scenario in South America, especially in Venezuela and Argentina, and depreciated local currencies. All of these have put significant pressure on yields throughout the region for all players in the industry.

Nevertheless, LATAM Airlines Group is still the best positioned airline in Latin America to respond to these deteriorated conditions. We are the only airline in the region with a local presence in seven markets, as well as intra-regional and long haul operations. As a result, the Company has more flexibility, as well as a proven track record of acting quickly to adapt our business to economic challenges. Moreover, LATAM's unique leadership position in a region with growth potential will allow us to continue building our business model in the future. In this context, LATAM has developed a robust strategic plan for the next four years (2015-2018), based on three critical success factors: Customer Experience, Network, and Efficiency and Cost Reduction. This plan will improve the way we work, allowing us to become one of the best airlines group in the world, renewing our commitment to sustained profitability and superior shareholder returns.

The main critical success factors we have identified are:

- **Customer experience**: we will always seek to achieve the preference of customers, driven by a differentiated passenger experience, leveraging mobile digital technologies. We are working on a single, unified brand, culture, product and value proposition for the passenger.. Improvements in customer experience include cabin harmonization, on-board service, lounges, among others.

- **Network**: we will strengthen our route network in South America to offer our passengers the best options, creating the best connectivity within the region. We will leverage our position as the only airline group in the world with a local presence in seven home markets and an international and intra-regional operation, strengthened by improved infrastructure in some of our main hubs, allowing us to further increase connectivity within the region over the next three years.

- **Efficiency and cost reduction**: we will redefine our cost structure to improve our competitiveness and simplify our organization, increasing flexibility and speed in decision making. The target is to reduce total costs by approximately US$650 million, or around 5% of total costs over the next 4 years. These savings are in addition to the synergies resulting from the business combination between LAN and TAM, as well as to the efficiencies we expect to obtain from our new fleet technologies.

  Cost savings include reductions in fuel and fees, procurement, operations, overhead, and distribution costs, among others. The company has already started work on cost initiatives in all these areas. Supply chain efficiencies and lean fuel initiatives are expected to result in savings of approximately 2% of the total cost of fleet, fuel and fees. In addition, the Company is working in a project of total cost of ownership with the objective of reducing procurement cost by 10%. We also aim to reduce operations costs by 7% and reduce overhead costs by 15% over the next four years, by 2018. Finally, we expect to achieve savings of approximately 8% in distribution costs, partly as a result of unifying our inventory and distribution systems.

MANAGEMENT DISCUSSION AND ANALYSIS OF THIRD QUARTER 2014 RESULTS

LATAM Airlines Group reported a net loss of US$ 107.8 million in the third quarter 2014, compared to a net income of US$52.1 million for the same period 2013. The loss this quarter was partly driven by a foreign exchange loss of US$144.1 million mostly recognized at TAM as a result of the 10.5% devaluation of the Brazilian real during the quarter. We were able to mitigate this effect by consistently reducing the imbalance on TAM's balance sheet from US$2.1 billion in September 2013 to US$0.7 billion in September 2014.

Operating income reached US$ 118.4 million, a 54% decrease compared to the US$255.5 million operating income in third quarter 2013. Operating margin reached 3.8%, compared to 7.6% in 2013. Total revenues in the third quarter 2014 reached US$3,141.3 million compared to US$3,360.7 million in third quarter 2013. The decrease of 6.5% is a result of a 6.9% decrease in passenger revenues and a 5.9% decrease in cargo revenue, partially offset by a 3.3% increase in other revenues. These variations include the negative impact of the World Cup on corporate passenger and cargo demand during the month of July and a slower macroeconomic scenario. Passenger and cargo revenues accounted for 83.9% and 13.1% of total revenues, respectively, in third quarter 2014.

<u>**Passenger revenues**</u> decreased 6.9% during the quarter. Total passenger capacity decreased 0.5% in the quarter, mainly driven by reductions on international and domestic Brazil routes, continuing with the capacity discipline seen in previous quarters and additionally reflecting the capacity adjustments that took place during July in Brazil as a result of the World Cup soccer tournament. Total passenger traffic increased 2.1%, as measured in RPKs, with passenger load factors reaching a very healthy 84.5% in the quarter, 2.1 percentage points higher than the same period in 2013. However, RASK decreased by 6.5% when compared to the third quarter 2013, driven by a decrease of 8.9% in yields.

Revenues per ASK for LATAM's main passenger business units are shown in the table below.

	For the three month period ended September 30					
	RASK (US cents)		**ASK** (millions)		**Load Factor**	
	2014	% Change	2014	% Change	2014	% Change
Bussines Unit						
Domestic SSC	9.2	-5.2%	5,343	2.7%	81.5%	3.4 pp
Domestic Brazil	8.3	-11.5% *	11,035	-2.2%	81.4%	-0.2 pp
International	7.7	-6.3%	16,502	-0.3%	87.5%	3.3 pp
Total	**8.0**	**-6.5%**	**32,880**	**-0.5%**	**84.5%**	**2.1 pp**

*RASK in the domestic Brazil decreased 10.3% when measured in BRL -
Note: revenues include ticket revenue, breakage, excess baggage fee, frequent flyer program revenues and other revenues

During the third quarter 2014, domestic operations in the Company's Spanish speaking countries (SSC, which include Chile, Peru, Argentina, Colombia and Ecuador) continued to grow at a slower pace, with an increase of 2.7% in passenger capacity as measured in ASKs. Nonetheless, the Company was able to stimulate passenger traffic as measured in RPKs by 7.2% during the quarter, allowing for strong improvement in load factors to 81.5%, an increase of 3.4 percentage points as compared to the third quarter of 2013. However, yields in the SSC domestic markets continue to be under pressure due to the slowdown in economic activity, and the depreciation of local currencies, mainly the Chilean and Argentinian peso which depreciated 13.9% and 48.6% respectively as compared to the third quarter 2013. This resulted in a 5.2% decline in revenue per ASK as compared to the third quarter of 2013.

In the domestic Brazil passenger operations, TAM reduced capacity by 2.2% in the third quarter 2014 as compared to the same quarter of 2013. This capacity reduction was mainly driven by a decrease of 7.0% in

ASKs in the domestic Brazilian market in the month of July, during the World Cup soccer tournament, which allowed us to operate with high load factors during a month in which traffic decreased by 7.8% as compared to the same period in 2013. Decreased traffic and yields during the World Cup were a result of reduced corporate travel, as well as a reduction in leisure demand during the winter holidays, which are usually a period of high seasonal demand. Moreover, the impact in the month of July was greater than in June, since July is the month with the strongest seasonal demand in Brazil. During the months of August and September, TAM's financial results recovered, although we continue to see reduced corporate demand as compared to last year, driven by slower GDP growth and uncertainty surrounding the presidential elections in Brazil. The estimated impact of the World Cup on LATAM'S operating margin – in both domestic and international operations – for the third quarter is approximately US$130 million.

During the third quarter 2014, LATAM Airlines Group continued to rationalize passenger capacity on international routes, in response to a challenging competitive environment and continued pressure on yields. International passenger operations to, from and within Latin America are facing an extremely challenging operating environment. Demand growth has been impacted by slower GDP growth in the region as well as depreciated local currencies. Meanwhile, yields have been pressured by increased capacity on intra-regional routes as a result of aircraft reassigned by our competitors from Venezuelan routes, as well as lower international passenger demand from Argentina as a result of the devaluation of the Argentinian peso. In addition, as in the domestic Brazil operations, international passenger results were also affected in July by lower corporate travel to and from Brazil during the World Cup soccer tournament. International passenger capacity measured in ASKs decreased by 0.3% in the quarter, mainly driven by the decrease of 2.2% in July, while traffic increased by 3.6% resulting in a healthy load factor of 87.5%, a 3.3 percentage point increase as compared to the third quarter of 2013. Nevertheless, lower yields resulted in a decline of 6.3% in revenues per ASK as compared to the third quarter of 2013.

On October 9th, the Company moved its international operations to the new Terminal 3 at Guarulhos Airport in Sao Paulo -with capacity for twelve million additional passengers and modern facilities. This change is a key milestone for our long haul and regional network, as it consolidates Guarulhos Airport as our main hub in South America, offering new itineraries with improved connecting times. The new terminal will allow a reduction of connecting times to only 1.5 to 2 hours as compared to the current 4 to 5 hours as well as providing our clients the benefit of our recently inaugurated VIP Lounge, Guarulhos' largest lounge with capacity for more than 450 passengers, with modern and comfortable installations in over 1,800 square meters.

Cargo revenues decreased by 5.9% during third quarter of 2014, as we reduced capacity by 4.8%, mainly due to a 4.1% decline in yields. Cargo trends continue to be weak due to a slowdown in imports into Latin America and competitive pressures from regional and international cargo carriers persist.

The Company continues with a rational and disciplined approach toward freighter capacity utilization, while focused on maximizing the belly utilization of the Company's passenger fleet. The decrease in cargo capacity resulted in part from the redelivery of one Boeing 767F in the first quarter of 2014. As a result the load factor increased by 1.8 percentage points to 58.6% during the third quarter as compared to the same quarter of 2013.

In line with this, LATAM is in the process of leasing out three of its 767-300Fs to another company operating in a different market for a period of three years.

Other revenues increased by 3.3%, amounting to US$93.7 million during the third quarter 2014. This result is mainly explained by increased revenues from Multiplus resulting from more breakage and non-air redemptions.

Total **operating expenses** in the third quarter 2014 reached US$3,022.9 million, a 2.6% reduction as compared to operating expenses in the third quarter of 2013. Cost per ASK equivalent (including net financial expenses) decreased 1.0%, despite the 1.1% increase in average fuel price paid per gallon (including hedge). Excluding fuel, cost per ASK equivalent showed a decrease of 2.1%, as we continue to rationalize our international operations, Brazil domestic operations and cargo operations. Certain cost lines denominated in local currencies were positively impacted by the depreciation of certain local currencies during the quarter. Changes in operating expenses were mainly due to the following:

- **Wages and benefits** decreased by 2.8% driven by the decrease of 0.3% in average headcount and the positive impact of the depreciation of the Chilean peso during the quarter as compared to the third quarter of 2013 in wages denominated in that currency, partially offset by higher average wages.
- **Fuel costs** decreased 0.8%, as a result of a decrease of 2.5% in fuel gallons consumed, resulting from the 2.1% decrease in total passenger and cargo capacity, fuel efficiency programs and an increasingly efficient fleet; as well as a decrease of 1.5% in the average fuel price per gallon (excluding hedge). In addition, the Company recognized a US$4.6 million fuel hedge loss, compared to a US$23.2 million fuel hedge gain in the third quarter of 2013, and a US$6.9 million loss related to foreign currency hedge contracts.
- **Commissions to agents** decreased by 15.7% mainly as a result of decreased passenger commissions at TAM resulting from lower sales during the World Cup event. Additionally, in September we accounted a tax credit (PIS and CONFINS) of approximately US$ 3.8 million.
- **Depreciation and amortization** increased by 0.6%, as a result of an increase in the number of owned modern wide body aircraft.
- **Other rental and landing fees** decreased by 1.6% mainly due to a decrease in aeronautical rates, partially offset by higher airport fixed costs in Brazil.
- **Passenger service** expenses increased by 2.3%, as a result of an increase of 0.3% in passengers transported and higher passenger compensations during the third quarter, partially offset by a decrease in variable costs per passenger.
- **Aircraft rentals** increased 13.4%, despite fewer leased aircraft, as a result of the incorporation of larger and more modern aircraft under operating leases (i.e. Boeing 787s), whereas returned aircraft have mainly been older and smaller models (i.e. Airbus A319, Boeing 737, Dash8 Q400 aircraft).
- **Maintenance expenses** slightly increased by 0.2%, mainly as a result of fleet renewal initiatives, partially offset by the net decrease of aircraft over the past twelve months.
- **Other operating expenses** decreased 12.6% mainly due to lower marketing and sales expenses as compared to the third quarter 2013.

Non-operating results

- **Interest income** increased from US$12.0 million in third quarter 2013 to US$23.3 million in third quarter 2014, due mainly to higher interest rates in Brazil.
- **Interest expense** decreased from US$113.8 million in third quarter 2013 to US$85.9 million in same quarter 2014, mainly due to a lower debt, which was partially offset by a higher average interest rate resulting in part from the securitized bond issued in November 2013.
- Under **Other income (expense),** the Company recognized a US$152.7 million loss, impacted by a foreign exchange loss of US$144.1 million, mostly recognized at TAM as a result of the 10.5% devaluation of the Brazilian real during the quarter compared. This compares to a US$46.4 million expense in other income (expense) in the third quarter 2013, which included a US$12.7 million foreign exchange loss. Additionally, this quarter we recognized a one-time charge of US$4.7 million related to the adjustment in the exchange rate of cash held in Venezuela.

FINANCING AND LIQUIDITY

Over the past two years, we have successfully restructured our balance sheet, significantly improving our leverage and liquidity ratios. As of September 30, 2014, our leverage ratio (measured as adjusted net debt / EBITDAR) was 5.5x and our cash liquidity position was approximately 10% of last twelve months revenues. The Company expects to continue increasing its cash liquidity position, reaching approximately 14% of last twelve months revenues as of December 31, 2014.

In line with our de-leveraging process, our long term target is to have a leverage ratio of 3.5x to 4.0x and maintain our cash liquidity position at approximately 15%.

At the end of the third quarter 2014, LATAM reported US$ 1,233.0 million in cash and cash equivalents, including certain highly liquid investments accounted for as other current financial assets. In addition, as of September 30, 2014, the Company reported deposits with aircraft manufacturers (pre-delivery payments) of US$710 million, US$610 million of which were funded directly by LATAM. Furthermore, as of September 2014, LATAM Airlines Group had US$210 million in committed credit lines with Chilean and international banks.

One of the objectives of LATAM Airlines Group is to reduce the volatility in our financial results and cash flow caused by external factors such as foreign exchange rate and fuel price fluctuations. In order to mitigate the impact of exchange rate variations as a result of the mismatch of TAM's balance sheet accounts between assets denominated in Brazilian reais and liabilities denominated in US dollars, LATAM is in the process of transferring the TAM aircraft and its related debt to the LATAM balance sheet, which has the US dollar as its functional currency. As of September 30, 2014, LATAM has reduced the exposure to the Brazilian real on TAM's balance sheet to US$0.7 billion, and expects to reduce this exposure to approximately US$0.5 billion by the end of fiscal year 2014.

The volatility caused by exchange rate variations on the cash flows of TAM are expected to be partially mitigated over time as a result of the natural hedge provided by the diversified nature of the cash flows of LATAM Airlines Group. In addition, the company has in place a hedging program to partially mitigate the impact of exchange rate variations on the net Brazilian reais exposure of TAM's cash flows. The company has hedged most of its estimated total net Brazilian real monthly exposure for 2014 through foreign exchange swaps at an average rate of BRL/USD 2.40 for the balance of 2014.

In relation to the fuel exposure, all hedging activities are defined by LATAM Airlines Group. The Company aims to offset the impact of fuel price fluctuations through fuel surcharges in both passenger and cargo operations. LATAM has hedged approximately 70% of its estimated fuel consumption for the fourth quarter of 2014, 30% of its average estimated fuel consumption for the first quarter of 2015, 15% of its average estimated fuel consumption for second quarter 2015, and 10% of its average estimated fuel consumption for third quarter 2015. The Company's fuel hedging strategy consists of a combination of collars, swaps and call options for Brent and Jet Fuel.

LATAM FLEET PLAN

The Company continues advancing with the restructuring of its fleet plan, phasing out the less efficient models and allocating aircraft best suited to each one of our markets. As of September 30, 2014, our restructuring plan is on track, having already phased out all of the Boeing B737 and Dash 8 Q400 aircraft, additionally redelivering 2 Airbus A319s, 7 Airbus A330s, 3 Airbus A340s, 2 Boeing B767s and 1 Boeing 767 freighter during the first nine months of 2014. Delivered aircraft have been new, more efficient models, such as Airbus A321, of which we received 4 during the first nine months of 2014, and 4 Boeing 787 Dreamliners which were received in the months of June and September. These aircrafts represent savings of more than 10% in unit costs as compared to the current models, underlying the competitive benefits in moving towards these new technologies.

Consistent with the Company's fleet restructuring plan, during the third quarter of 2014 we phased out all of our remaining Q400 and A340-500s. We expect to complete the restructuring of our fleet by 2016, after which the company will no longer have turboprop aircraft operating in Colombia and will reduce the number of operating models in its long haul business to Boeing 767s, Boeing 777s, Boeing 787s and Airbus A350 (due to be received starting fourth quarter 2015).

LATAM's current estimated fleet plan and associated financial commitments are shown in the table below.

At year end	2014	2015	2016
Passenger Aircraft			
Dash 8-200	7	2	0
Airbus A319-100	51	48	46
Airbus A320-200	159	153	148
Airbus A320 Neo	0	0	2
Airbus A321-200	21	36	50
Airbus A330-200	13	4	4
Boeing 767-300	38	38	37
Airbus A340-300	3	0	0
Airbus A350-900	0	1	7
Boeing 777-300 ER	10	10	10
Boeing 787-8	10	10	10
Boeing 787-9	0	7	13
TOTAL	**312**	**309**	**327**
Cargo Aircraft			
Boeing 777-200F	4	4	4
Boeing 767-300F	9	7	7
TOTAL	**13**	**11**	**11**
TOTAL FLEET	**325**	**320**	**338**
Total Fleet Commitments (US$ millions)	**1,199**	**1,688**	**2,290**

Note: LATAM is in the process of leasing out three of its 767-300Fs.

GUIDANCE

The Company is introducing preliminary guidance regarding capacity growth for 2015 in both passenger and cargo operations. LATAM expects total passenger ASK growth to be between 2% and 4% for full year 2015. International passenger ASK growth for full year 2015 is expected to increase between 4% and 6%. TAM's domestic passenger ASKs in the Brazilian market are expected to be flat during 2015. ASKs in domestic Spanish-speaking countries are expected to increase by approximately 4% to 6%.

Regarding cargo operations, LATAM expects cargo ATKs to grow between 1% and 3% as compared to 2014, mainly driven by increased capacity in the bellies of passenger aircraft.

			2014	2015
ASK Growth (Passenger)	**Total Network**		**-2 / 0%**	**2% / 4%**
	International (Long Haul & Regional)		-3% / -1%	4% / 6%
	Brazil Domestic		-2% / 0%	0%
	SSC Domestic		3% / 5%	4% / 6%
ATK Growth (Cargo)			-5% / -3%	1% / 3%
Operating Margin		(FY 2014)	~4% / 5%	

In addition, the Company maintains its guidance for an operating margin of between 4% and 5% for full year 2014. This figure is based on an estimated jet fuel price of US$120 per barrel, and an exchange rate of BRL 2.40 per US dollar on average for the year.

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LATAM has filed today its quarterly financial statements as at September 30, 2104 with the *Superintendencia de Valores y Seguros* of Chile and with the *Comissão de Valores Mobiliários* of Brazil. These financial statements are and will be available in Spanish, Portuguese and English languages at www.latamairlinesgroup.net.

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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 145 destinations in 27 countries, with a fleet of 319 aircraft. In total, LATAM Airlines Group S.A. has approximately 53,000 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.

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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Note on Forward-Looking Statements

This report contains forward-looking statements. Such statements may include words such as “may” “will,” “expect,” “intend,” “anticipate,” “estimate,” “project,” “believe” or other similar expressions. Forward-looking statements are statements that are not historical facts, including statements about our beliefs and expectations. These statements are based on LATAM’s current plans,, estimates and projections and, therefore, you should not place undue reliance on them. Forward-looking statements involve inherent known and unknown risks, uncertainties and other factors, many of which are outside of LATAM’s control and difficult to predict. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. These factors and uncertainties include in particular those described in the documents we have filed with the U.S. Securities and Exchange Commission. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them, whether in light of new information, future events or otherwise.

LATAM Airlines Group S.A.
Consolidated Financial Results for the third quarter 2014

	For the three month period ended September 30		
	2014	**2013**	**% Change**
REVENUE			
Passenger	2,637,086	2,833,605	-6.9%
Cargo	410,486	436,362	-5.9%
Other	93,728	90,711	3.3%
TOTAL OPERATING REVENUE	**3,141,300**	**3,360,678**	**-6.5%**
EXPENSES			
Wages and Benefits	-607,417	-624,991	-2.8%
Aircraft Fuel	-1,047,722	-1,055,800	-0.8%
Comissions to Agents	-95,680	-113,547	-15.7%
Depreciation and Amortization	-251,231	-249,724	0.6%
Other Rental and Landing Fees	-330,120	-335,623	-1.6%
Passenger Services	-79,603	-77,776	2.3%
Aircraft Rentals	-131,742	-116,147	13.4%
Aircraft Maintenance	-114,993	-114,795	0.2%
Other Operating Expenses	-364,419	-416,791	-12.6%
TOTAL OPERATING EXPENSES	**-3,022,927**	**-3,105,194**	**-2.6%**
OPERATING INCOME	**118,373**	**255,484**	**-53.7%**
Operating Margin	3.8%	7.6%	-3.8 pp
Interest Income	23,347	12,003	94.5%
Interest Expense	-85,930	-113,794	-24.5%
Other Income (Expense)	-152,729	-46,405	229.1%
INCOME BEFORE TAXES AND MINORITY INTEREST	**-96,939**	**107,288**	**-190.4%**
Income Taxes	4,106	-52,078	-107.9%
INCOME BEFORE MINORITY INTEREST	**-92,833**	**55,210**	**-268.1%**
Attributable to:			
Shareholders	-107,829	52,093	-307.0%
Minority Interest	14,996	3,117	381.1%
NET INCOME	**-107,829**	**52,093**	**-307.0%**
Net Margin	-3.4%	1.6%	-5.0 pp
Effective Tax Rate	-3.7%	50.0%	-53.7 pp
EBITDA	369,604	505,208	-26.8%
EBITDA Margin	11.8%	15.0%	-3.3 pp.
EBITDAR	501,346	621,355	-19.3%
EBITDAR Margin	16.0%	18.5%	-2.5 pp.

LATAM Airlines Group S.A.
Consolidated Financial Results for the nine month period ended September

	For the nine month period ended September 30		
	2014	2013	% Change
REVENUE			
Passenger	7,853,657	8,225,112	-4.5%
Cargo	1,256,130	1,383,283	-9.2%
Other	256,676	260,161	-1.3%
TOTAL OPERATING REVENUE	**9,366,463**	**9,868,556**	**-5.1%**
EXPENSES			
Wages and Benefits	-1,823,750	-1,882,335	-3.1%
Aircraft Fuel	-3,155,006	-3,328,551	-5.2%
Comissions to Agents	-304,311	-292,979	3.9%
Depreciation and Amortization	-744,260	-791,561	-6.0%
Other Rental and Landing Fees	-993,318	-1,034,379	-4.0%
Passenger Services	-228,529	-248,213	-7.9%
Aircraft Rentals	-392,815	-315,360	24.6%
Aircraft Maintenance	-346,033	-352,147	-1.7%
Other Operating Expenses	-1,132,086	-1,213,985	-6.7%
TOTAL OPERATING EXPENSES	**-9,120,108**	**-9,459,510**	**-3.6%**
OPERATING INCOME	**246,355**	**409,046**	**-39.8%**
Operating Margin	2.6%	4.1%	-1.5 pp
Interest Income	68,596	51,751	32.6%
Interest Expense	-330,348	-340,220	-2.9%
Other Income (Expense)	-146,562	-395,474	-62.9%
INCOME BEFORE TAXES AND MINORITY INTEREST	**-161,959**	**-274,897**	**-41.1%**
Income Taxes	-24,785	45,744	-154.2%
INCOME BEFORE MINORITY INTEREST	**-186,744**	**-229,153**	**-18.5%**
Attributable to:			
Shareholders	-208,072	-234,992	-11.5%
Minority Interest	21,328	5,839	265.3%
NET INCOME	**-208,072**	**-234,992**	**-11.5%**
Net Margin	-2.2%	-2.4%	0.2 pp
Effective Tax Rate	13.5%	-16.3%	29.8 pp
EBITDA	990,615	1,200,607	-17.5%
EBITDA Margin	10.6%	12.2%	-1.6 pp.
EBITDAR	1,383,430	1,515,967	-8.7%
EBITDAR Margin	14.8%	15.4%	-0.6 pp.

LATAM Airlines Group S.A.
Consolidated Operational Statistics

	For the three month period ended September			For the 9 month period ended September		
	2014	2013	% Change	2014	2013	% Change
System						
ASKs-equivalent (millions)	51,554	52,658	-2.1%	153,237	159,162	-3.7%
RPKs-equivalent (millions)	38,727	38,360	1.0%	113,811	113,851	0.0%
Overall Load Factor (based on ASK-equivalent)%	75.1%	72.8%	2.3 pp	74.3%	71.5%	2.7 pp
Break-Even Load Factor (based on ASK-equivalent)(	73.7%	69.4%	4.3 pp	75.6%	67.6%	8.0 pp
Yield based on RPK-equiv (US Cent)	7.9	8.5	-7.7%	8.0	8.4	-5.2%
Operating Revenues per ASK-equiv (US Cent)	5.9	6.2	-4.8%	5.9	6.0	-1.5%
Costs per ASK-equivalent (US Cent)	6.1	6.1	-1.0%	6.2	6.2	0.4%
Costs per ASK-equivalent ex fuel (US Cents)	4.0	4.1	-2.1%	4.2	4.1	1.3%
Fuel Gallons Consumed (millions)	306	313	-2.5%	907	953	-4.8%
Average Trip Length (thousands km)	1.6	1.6	1.8%	1.6	1.6	0.4%
Total Number of Employees (end of period)	53,062	53,233	-0.3%	53,319	53,663	-0.6%
Passenger						
ASKs (millions)	32,880	33,035	-0.5%	96,768	98,864	-2.1%
RPKs (millions)	27,785	27,209	2.1%	80,533	79,362	1.5%
Passengers Transported (thousands)	17,339	17,287	0.3%	49,988	49,479	1.0%
Load Factor (based on ASKs) %	84.5%	82.4%	2.1 pp	83.2%	80.3%	2.9 pp
Yield based on RPKs (US Cents)	9.5	10.4	-8.9%	9.8	10.4	-5.9%
Revenues per ASK (US cents)	8.0	8.6	-6.5%	8.1	8.3	-2.4%
Cargo						
ATKs (millions)	1,774	1,864	-4.8%	5,365	5,728	-6.3%
RTKs (millions)	1,039	1,059	-1.9%	3,161	3,276	-3.5%
Tons Transported (thousands)	268	276	-2.8%	811	843	-3.8%
Load Factor (based on ATKs) %	58.6%	56.8%	1.8 pp	58.9%	57.2%	1.7 pp
Yield based on RTKs (US Cents)	39.5	41.2	-4.1%	39.7	42.2	-5.9%
Revenues per ATK (US Cents)	23.1	23.4	-1.1%	23.4	24.1	-3.0%

Note: ASK-equivalent is the sum of passenger ASKs and the quotient of cargo ATK and 0.095 (including LAN and TAM cargo operations)

LATAM Airlines Group S.A.
Consolidated Balance Sheet (in thousands of US Dollars)

	As of September 30 2014	As of December 31 2013
Assets:		
Cash, and cash equivalents	750,309	1,984,903
Other financial assets	525,717	709,944
Other non-financial assets	239,045	335,617
Trade and other accounts receivable	1,712,607	1,633,094
Accounts receivable from related entities	385	628
Inventories	264,536	231,028
Tax assets	100,880	81,890
Non- current assets and disposal groups held for sale	1,098	2,445
Total current assets	**3,594,577**	**4,979,549**
Property and equipment	10,606,011	10,982,786
Goodwill	3,565,196	3,727,605
Intangible assets other than goodwill	2,015,562	2,093,308
Other non- current assets	865,853	847,898
Total non- current assets	**17,052,622**	**17,651,597**
Total assets	**20,647,199**	**22,631,146**
Liabilities and shareholders' equity:		
Other financial liabilities	1,562,138	2,039,787
Trade and other accounts payables	1,632,289	1,557,736
Tax liabilities	346	505
Other non-financial liabilities	2,765,753	2,911,079
Total current liabilities	**5,960,526**	**6,509,107**
Other financial liabilities	7,039,081	7,859,985
Accounts payable	781,415	922,887
Other provisions	1,020,795	1,122,247
Deferred tax liabilities	867,193	767,228
Employee benefits	48,237	45,666
Other non-financial liabilities	67,448	77,567
Total non-current liabilities	**9,824,169**	**10,795,580**
Total liabilities	**15,784,695**	**17,304,687**
Share capital	2,545,705	2,389,384
Retained earnings	437,080	795,303
Treasury Shares	(178)	(178)
Other reserves	1,780,764	2,054,312
Equity attributable to the parent company's equity holders	4,763,371	5,238,821
Minority interest	99,133	87,638
Total net equity	**4,862,504**	**5,326,459**
Total liabilities and equity	**20,647,199**	**22,631,146**

LATAM Airlines Group S.A.
Consolidated Statement of Cash Flow Direct Method (in thousands of US Dollars)

	As of September 30, 2014	As of September 30, 2013
Cash flow from operating activities		
Cash collections from operating activities		
Proceeds from sales of goods and services	9,434,101	9,816,232
Other cash receipts from operating activities	76,377	14,019
Payments for operating activities		
Payments to suppliers for goods and services	(6,607,670)	(7,379,029)
Payments to and on behalf of employees	(1,832,337)	(1,800,612)
Other payments for operating activities	(362,026)	(18,355)
Interest Received	8,236	7,855
Income Taxes refunded (paid)	(79,234)	(54,842)
Other cash inflows (outflows)	(30,026)	70,137
Net cash flows from operating activities	**607,421**	**655,405**
Cash flow used in investing activities		
Cash flows utilized to obtain control of subsidiaries or other entities	-	(5,510)
Other cash receipts from sales of equity or debt instruments of other entities	441,720	79,069
Other payments to acquire equity or debt instruments of other entities	(303,847)	(417,479)
Amounts raised from sale of property, plant and equipment	517,739	208,956
Purchases of property, plant and equipment	(888,930)	(1,219,718)
Purchases of intangible assets	(36,267)	(21,081)
Payment from other long-term assets	-	14,529
Other cash inflows (outflows)	(15,723)	77,338
Net cash flows used in investing activities	**(285,308)**	**(1,283,896)**
Cash flow from (used in) financing activities		
Amounts raised from issuance of shares	156,344	104,351
Payments to acquire shares from society	792	(148)
Amounts raised from long-term loans	428,080	1,401,245
Amounts raised from short-term loans	561,151	1,044,446
Loans repayment	(2,012,490)	(1,000,847)
Payments of finance lease liabilities	(280,979)	(347,749)
Dividends paid	(26,874)	(24,068)
Interest paid	(284,115)	(256,381)
Other cash inflows (outflows)	(14,949)	61,616
Net cash flows from (used in) financing activities	**(1,473,040)**	**982,465**
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes	(1,150,927)	353,974
Effects of variations in the exchange rate on cash and equivalen	(83,667)	19,959
Net increase (decrease) in cash and cash equivalents	(1,234,594)	650,263
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIC	**1,984,903**	**650,263**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**750,309**	**1,024,196**

LATAM Airlines Group S.A.
Consolidated Balance Sheet Indicators (in thousands of US Dollars)

	As of September 30, 2014	As of December 31, 2013
Total Assets	**20,647,199**	**22,631,146**
Total Liabilities	15,784,695	17,304,687
Total Equity*	4,862,504	5,326,459
Total Liabilities and Shareholders equity	**20,647,199**	**22,631,146**
Net Debt		
Current and long term portion of loans from financial institutions	6,609,235	7,446,617
Current and long term portion of obligations under capital leases	1,840,310	2,326,252
Other liabilities current and long term portion	58,366	57,997
Cash and cash equivalents	-1,233,007	-2,561,574
Total Net Debt	**7,274,904**	**7,269,292**

(*) Note: Includes minority interest

LATAM Airlines Group S.A.
Main Financial Ratios

	As of September 30 2014	As of December 31, 2013
Cash and Equivalents as % of LTM revenues	9.7%	19.3%
Adjusted Gross Debt (US$ thousands)	12,137,635	12,918,405
Adjusted Gross Debt / EBITDAR (LTM)	6.1	6.1
Adjusted Net Debt (US$ thousands)	10,904,628	10,356,831
Adjusted Net Debt / EBITDAR (LTM)	5.5	4.9

Note: Adjusted debt considers aircraft leases x 7

LATAM Airlines Group S.A.
Consolidated Fleet

	As of September 30, 2014		
	Off-Balance	On-Balance	Total
Passenger Aircraft			
Dash 8-200	7	0	**7**
Airbus A319-100	13	39	**52**
Airbus A320-200	65	95	**160**
Airbus A321-200	3	13	**16**
Airbus A330-200	5	8	**13**
Boeing 767-300	5	34	**39**
Airbus A340-300/500	3	0	**3**
Boeing 777-300 ER	6	4	**10**
Boeing 787-8/-9	4	5	**9**
TOTAL	**111**	**198**	**309**
Flota Carga			
Boeing 777-200F	2	2	**4**
Boeing 767-300F	3	8	**11**
TOTAL	**5**	**10**	**15**
TOTAL FLEET	**116**	**208**	**324**

Note: As of September 30, 2014, 2 aircraft were grounded as a result redelivery processes (1 B767 and 1 A320).