



— LATAM AIRLINES GROUP —

Fourth Quarter 2015 Results Presentation

March 2016

2015 Highlights



2015 operating results better than guidance and 1.0 p.p. better than 2014



LATAM achieved total cost reductions of approximately US\$325 million, above our initial estimates



TAM reduced domestic capacity in Brazil by 9.4% during the fourth quarter 2015 and 2.5% for the full year



Reduction of US\$2.9 billion in fleet commitments for 2016-2018



The Company continues to advance on improving our passengers' experience, and remain deeply committed to offering the best service



Strengthening our partnership with American Airlines Group and IAG (British Airways and Iberia), both members of **oneworld**

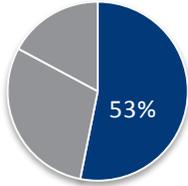
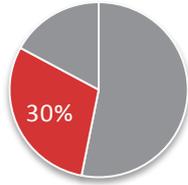
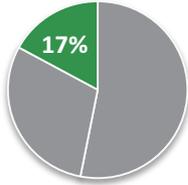


Healthy balance sheet with US\$1,361 million in cash and equivalents and US\$105 million in credit committed lines

4Q15 and 2015 Financial Summary

(US\$ Millions)	4Q15	4Q14	Change	FY2015	FY2014	Change
Total Operating Revenues	2.407	3.105	-22,5%	10.126	12.471	-18,8%
Passenger	1.976	2.526	-21,8%	8.411	10.380	-19,0%
Cargo	335	457	-26,8%	1.329	1.713	-22,4%
Total Operating Costs	-2.258	-2.838	-20,4%	-9.612	-11.958	-19,6%
Operating Income	149	267	-44,1%	514	513	0,1%
Operating Margin	6,2%	8,6%	-2,4pp	5,1%	4,1%	1,0pp
Net Income	-16	98	-116,5%	-219	-110	99,6%
Foreign exchange gains / (losses)	-57	-90	-36,7%	-468	-130	260,0%
EBITDAR	512	643	-20,3%	1.973	2.026	-2,6%

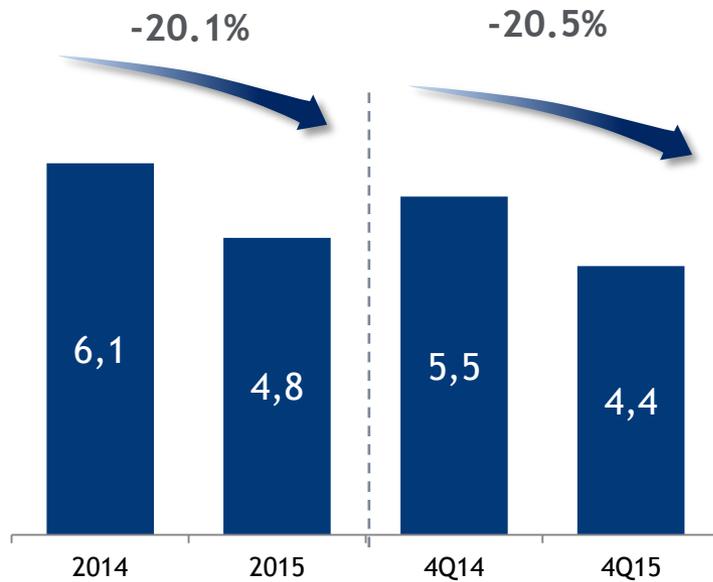
LATAM Airlines Group Passenger Operations 4Q15

		<u>Capacity</u> (million ASK)	<u>Traffic</u> (million RPK)	<u>Load Factor</u>	<u>RASK</u> (US Cents)
<u>Total</u>		+3.4%	+2.4%	82.9% -0.9 pp	5.7 -24.4%
<u>International</u> (Long Haul & Regional)		+11.6%	+10.1%	83.9% -1.1pp	5.7 -22.8%
<u>Domestic Brazil</u>		-9.4%	-10.8%	81.8% -1.2pp	5.1 -37.8%(1)
<u>SSC Domestic</u>		+5.5%	+5.8%	81.5% +0.2pp	8.0 -13.3%

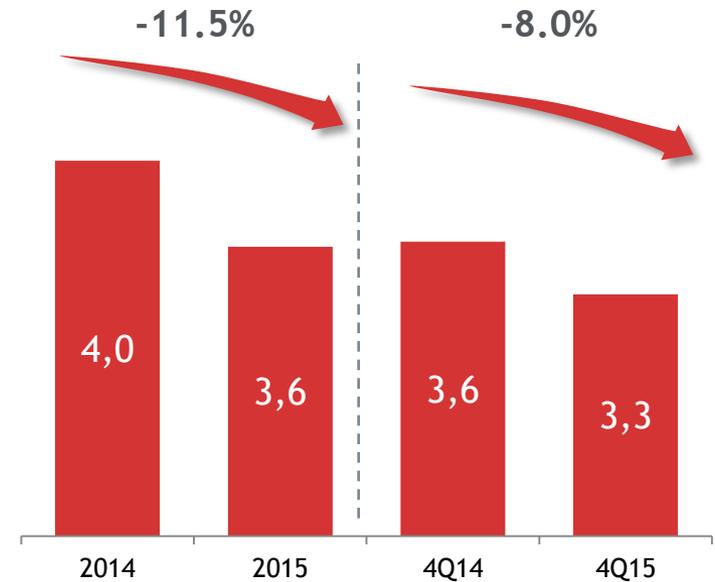
(1) Domestic Brazil RASK decreased 2.3% when measured in BRL.

Successful cost reduction throughout 2015

CASK-equivalent (US cents)

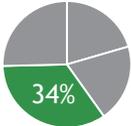
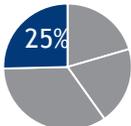


CASK-equivalent ex -fuel (US cents)



¹The plan above may vary as the Company advances with its ongoing negotiations.

Operating Costs during 4Q15

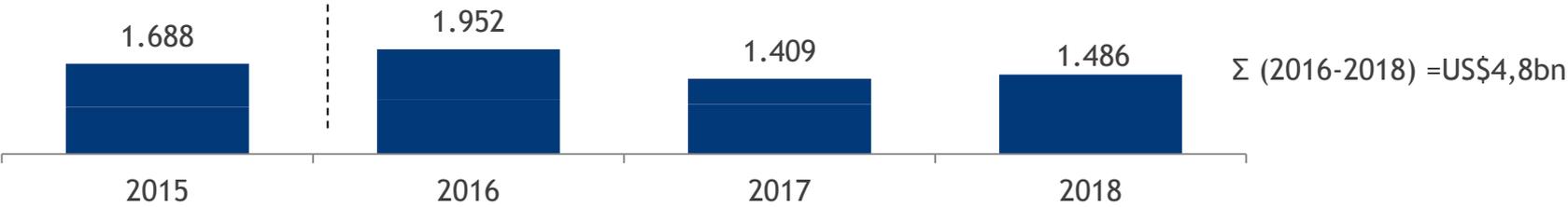
		<u>4Q15 US\$(mm)</u>	<u>4Q15 vs. 4Q14</u>
<u>Wages & Benefits</u>		462	-12.3%
<u>Aircraft Costs</u> (Depreciation, Rentals and Maintenance)		447	-7,2%
<u>Others</u>		775	-5.1%
<u>Operating Cost ex -fuel</u>		1,685	-7.7%
<u>Cost ex fuel per ASK-equivalent (US Cents)</u>		3.3	-8.0%
<u>Aircraft Fuel</u>		573	-43.4%
<u>Total Operating Cost</u>		2,258	-20.4%
<u>Cost ASK-equivalent (US Cents)</u>		4.4	-20.5%

Revised fleet commitments 2016-2018

Fleet Commitments, January 2015 (20F 2014)



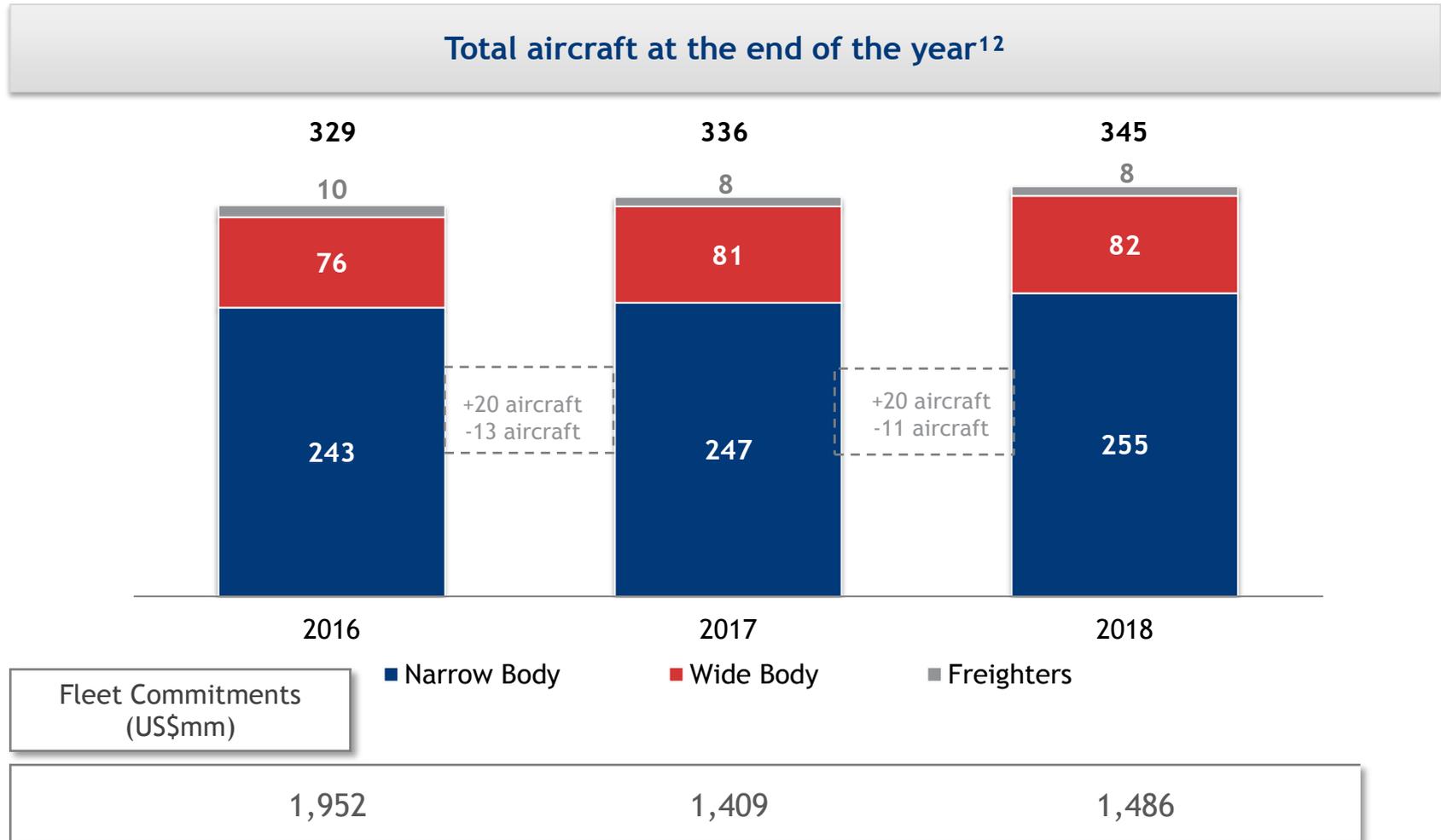
Current Fleet Commitments¹, March 2016



Fleet Commitments Reduction (US\$mm)	2016	2017	2018	Total
	391	1,062	1,417	2,870

¹The plan above may vary as the Company advances with its ongoing negotiations.

LATAM's revised fleet plan

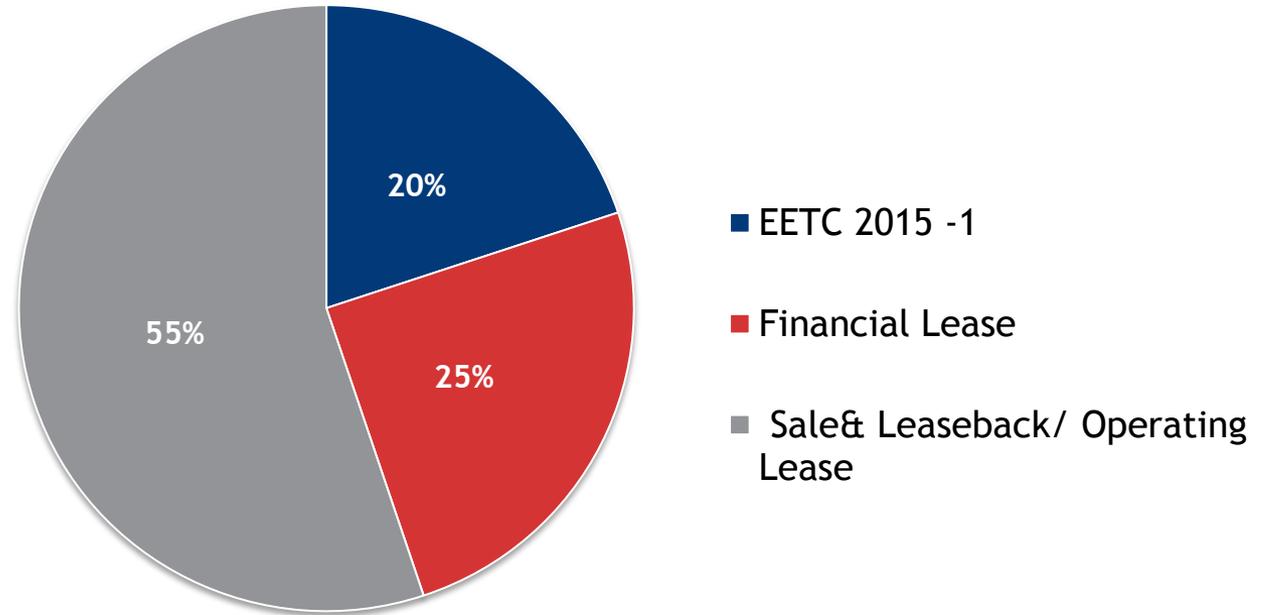


¹This fleet plan doesn't include three 767-300Fs and one 777-200F that LATAM is currently leasing to a third party.

² The plan above may vary as the Company advances with its ongoing negotiations.

2016 Fleet Financing Distribution

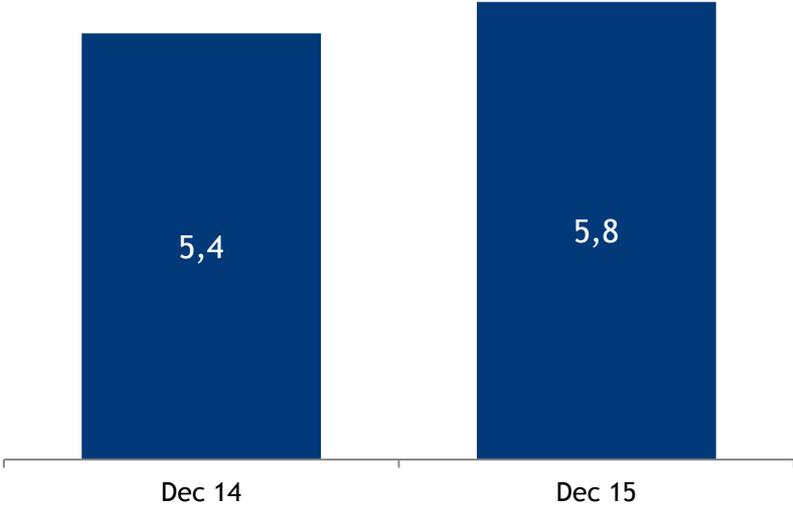
2.0 billion fleet commitments already financed for 2016



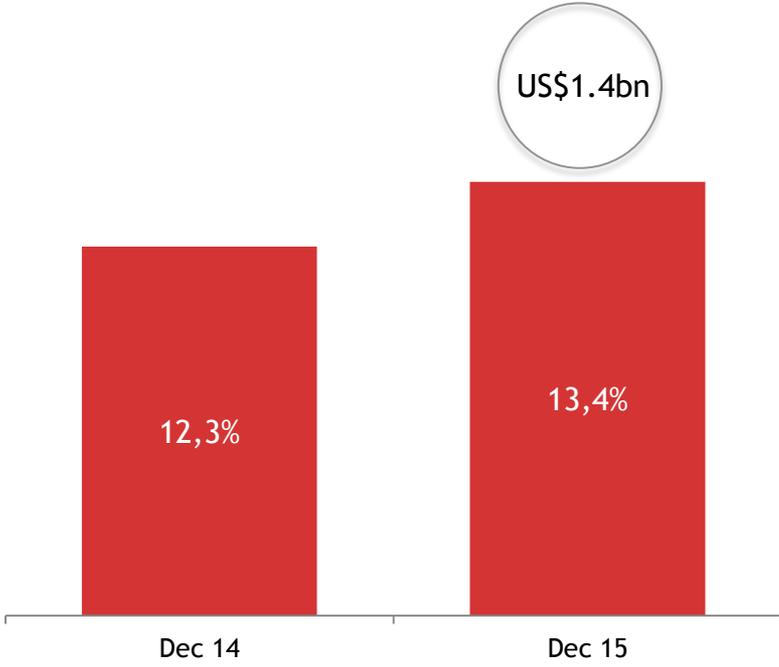
- ✓ EETC 2015-1: ~USD 500 Million (A321, A350, B787)
- ✓ ECA/Commercial Loan: ~USD 400 Million (A350/A320N)
- ✓ Sale & Leaseback and Operating leases: ~USD 1,100 Million (A321, B787)

LATAM's key credit metrics

Adjusted Net Debt⁽¹⁾/EBITDAR LTM



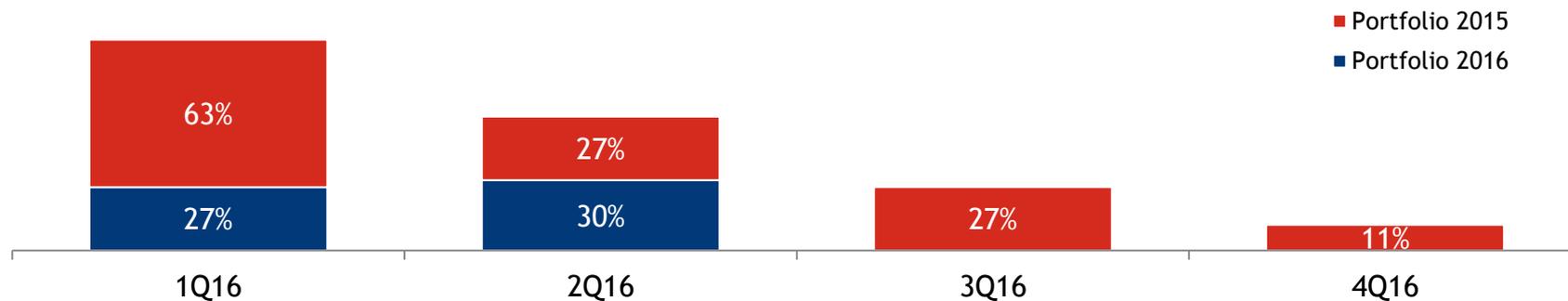
Cash and Equivalents as % of LTM revenues



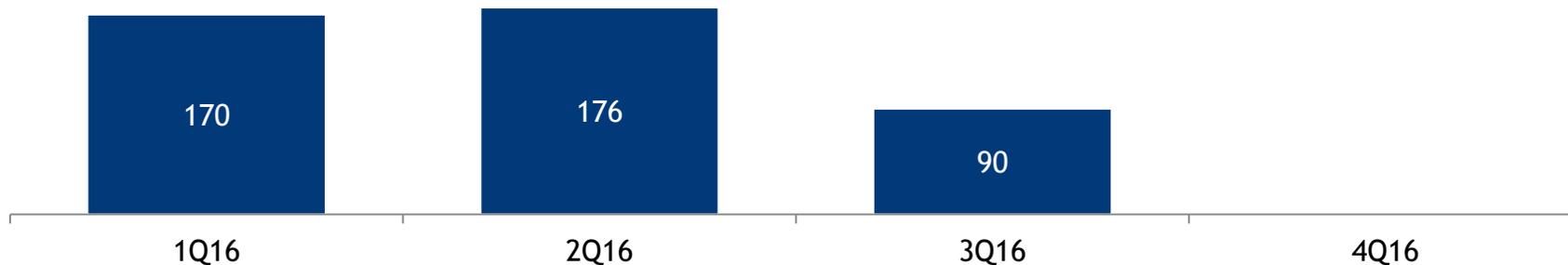
(1) Adjusted for the capitalization of operating leases (7x yearly expense)

Managing Oil Price Exposure and FX Risk Exposure

LATAM has hedged approximately 30% for the first half 2016



LATAM has hedged 83% of its net BRL exposure for the next nine months (in USD)



Guidance 2015 and 2016

		2015		2016	
		Guidance	Actual	Prev. Guidance	New Guidance
ASK (Passenger)	International	4% - 6%	5.7%	4% - 6%	3% - 5%
	Brazil Domestic	(2%) - (4%)	(2.5%)	(6%) - (9%)	(8%) - (10%)
	SSC Domestic	4% - 6%	4.8%	6% - 8%	6% - 8%
	Total Network	2% - 4%	2.8%	0% - 3%	(1%) - 2%
ATK (Cargo)		0% - (2%)	(1.9%)	0% - (2%)	0% - (2%)
Operating Margin		3.5% - 5.0%	5.1%	4.5% - 6.5%	4.5% - 6.5%

Thank you



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