



— LATAM AIRLINES GROUP —

Fourth quarter 2012 Results Presentation

March, 2013

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, 2011.

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LATAM Airlines Group: Highlights 4Q 2012

(US\$ million)	4Q11 Pro Forma	4Q12	% Change (YoY)
Total Revenues	3,485	3,476	-0.3%
Passenger Revenues	2,885	2,865	-0.7%
Cargo Revenues	555	538	-3.1%
Total Operating Expenses	-3,178	-3,379	6.3%
Operating Income (Ex special items)	307	119	-61.1%
Operating Margin	8.8%	3.4%	-5.4 pp
Net Income (Ex special items)	115	8.5	n.m.
EBITDAR (Ex one time) *	689	500	-27.4%
EBITDAR Margin	19.8%	14.4%	-5.4 pp

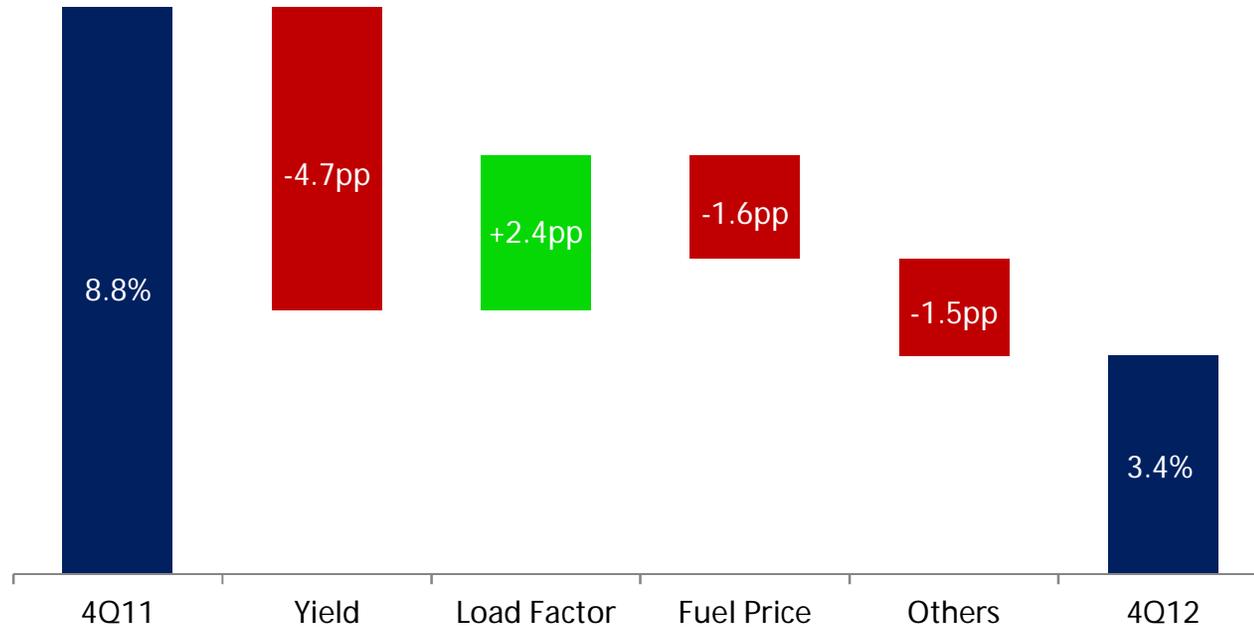
- In this quarter the company recorded net income of US\$8.5 million and an operating margin of 3.4% excluding special items.
- Special items: this quarter include a one time charge of US\$21.9 million of transaction related expenses, as well as a US\$52.7 million charge related to aircrafts sale and redelivery costs.



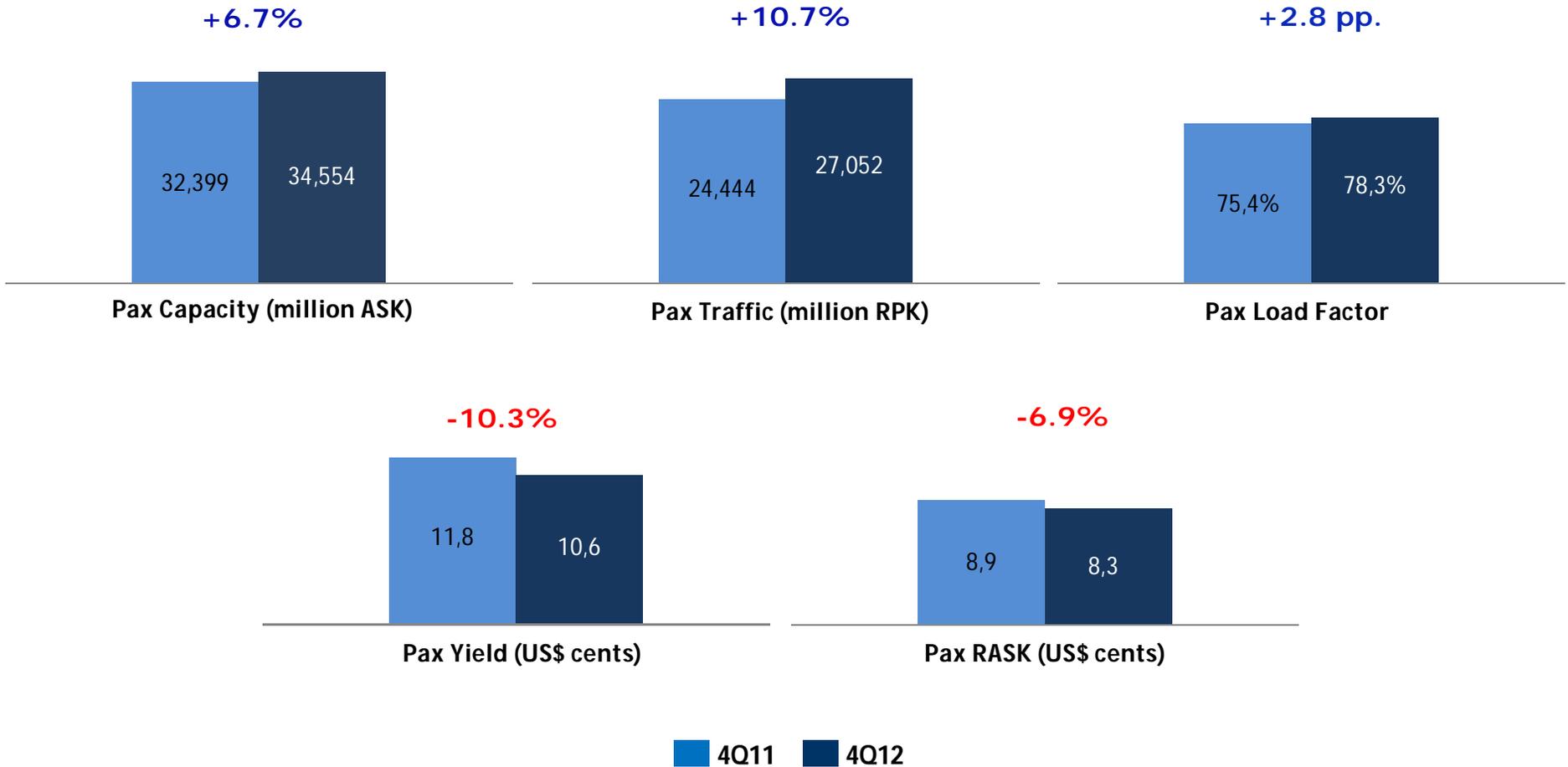
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* EBITDAR = Operating income + depreciation & amortization + aircraft rentals

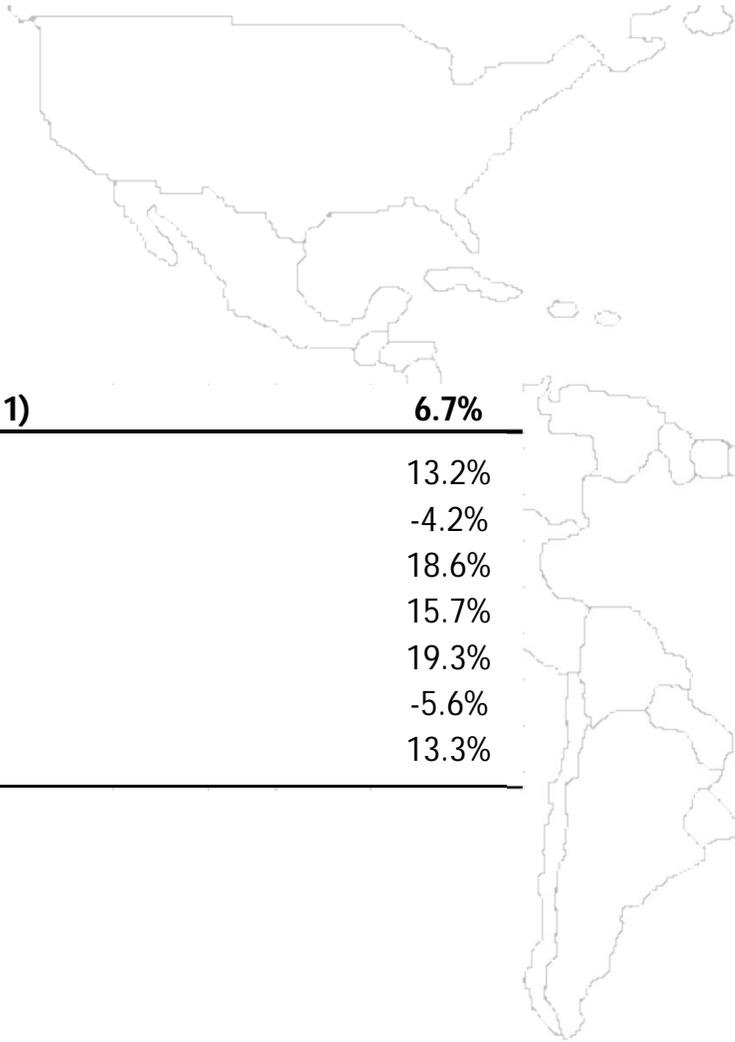
LATAM Airlines Group Operating Margin Analysis (ex special items)



LATAM Airlines Group: Passenger Business - Revenue decreased 0.7%

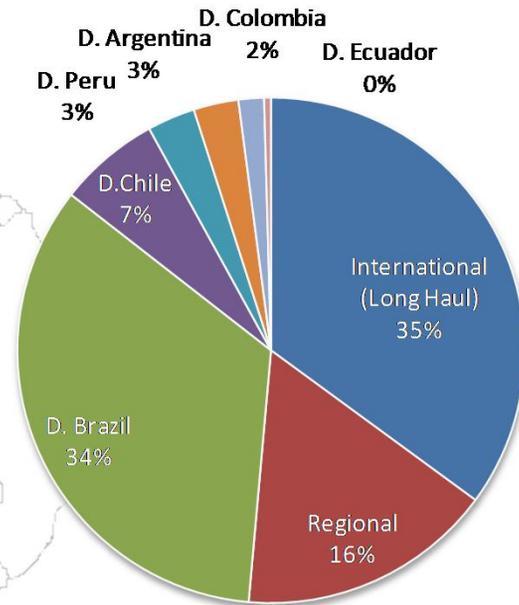


LATAM Airlines Group: Diversified passenger capacity growth



ASK 4Q 2012

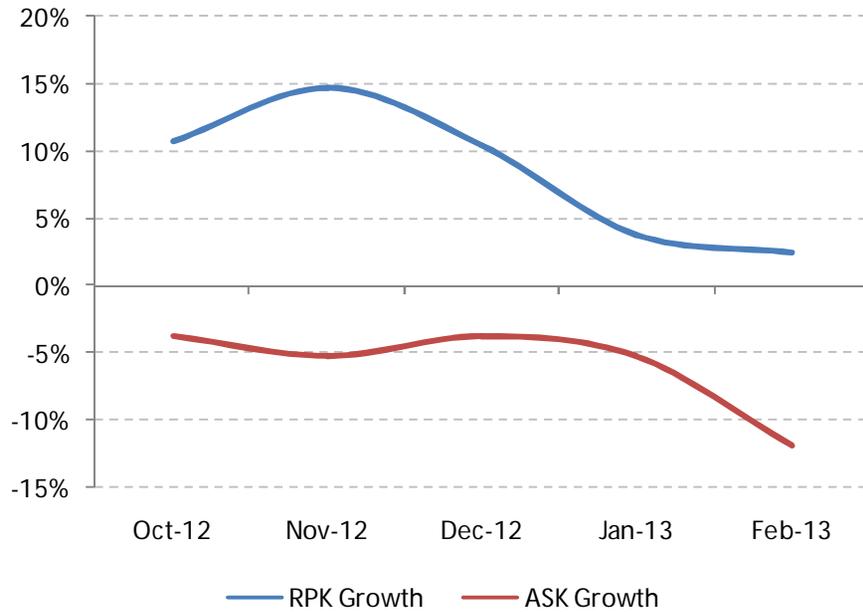
Growth in ASK (4Q12 vs. 4Q11)	6.7%
International	13.2%
Brazil Domestic	-4.2%
Chile Domestic	18.6%
Peru Domestic	15.7%
Argentina Domestic	19.3%
Colombia Domestic	-5.6%
Ecuador Domestic	13.3%



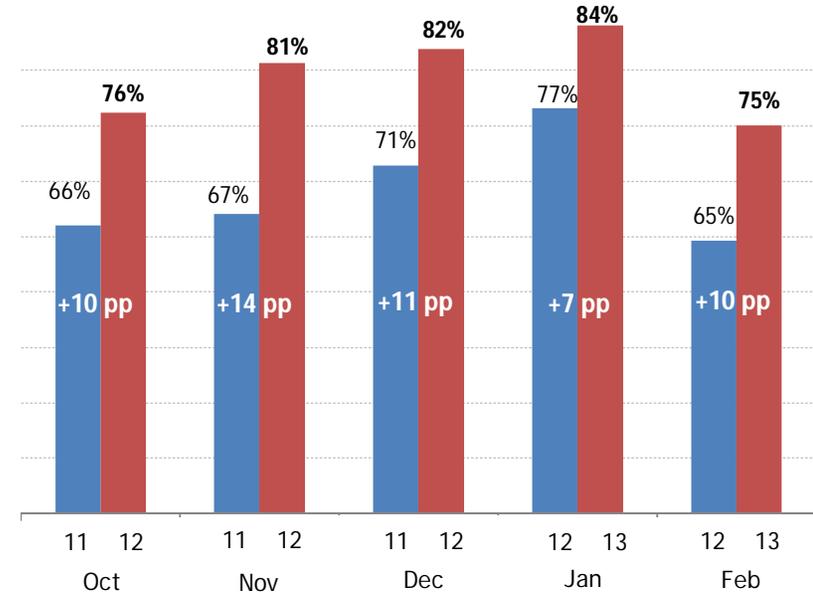
Domestic Brazil: Continued capacity discipline

Continued Traffic Growth

YoY Growth



Load Factor Improvement



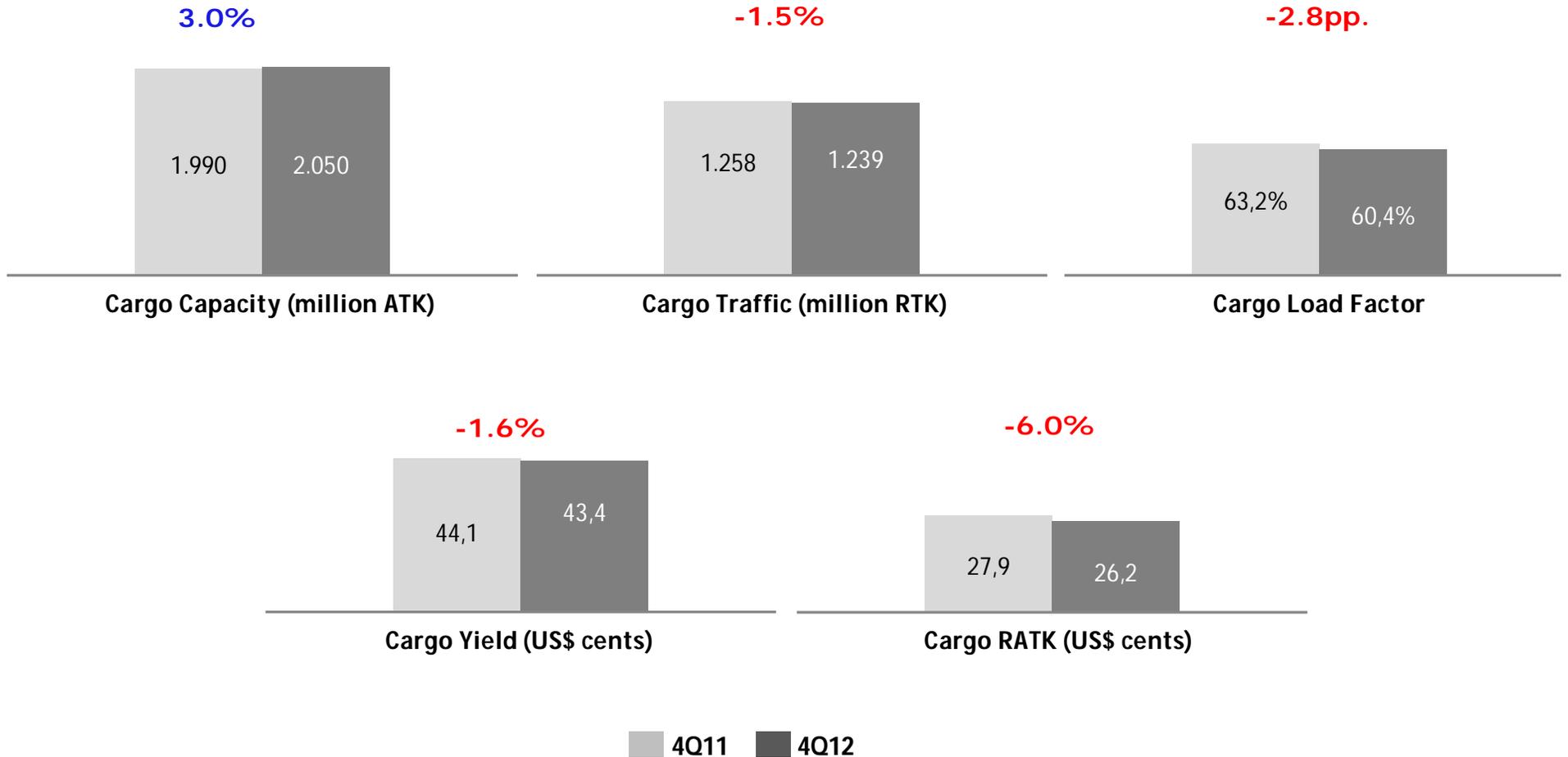
4Q12 vs 4Q11

RPK: +11.9%

ASK: -4.2%

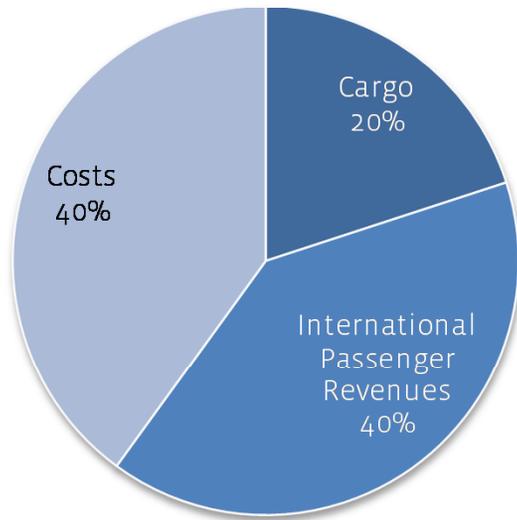
LF: 79.6% (+11.5 pp)

LATAM Airlines Group: Cargo Business - Revenue decreases 3.1%



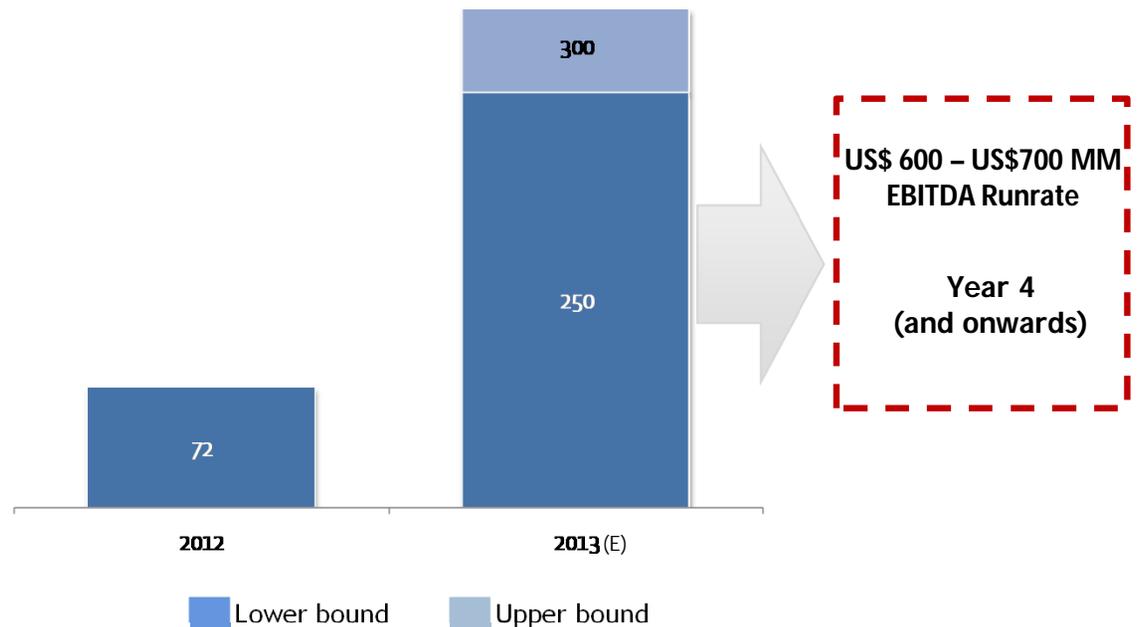
US\$72 MM Merger Synergies generated in 2012

Estimated Synergy Breakdown



Expected Synergy Schedule

(US\$ millions)



✈ Synergies are before merger related costs. During 2012 the company recorded US\$41.4 million in direct merger costs.

Passenger, Cargo and Cost synergies on track

Passenger Operations

- Enhanced connectivity through cross selling and code shares between LAN and TAM
- Alignment of fare strategy (new fare classes, implementation of joint Airpass, sharing of best practices, etc)
- Changes in regional operations
- TAM codeshare agreement with AA (pending CADE approval)
- Alliance election announced: TAM will join Oneworld in the second half of 2014



Cargo Operations

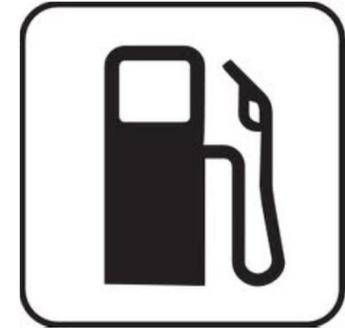
- Integration of international cargo operations completed
- GSA contract negotiations finalized
- Implementation of new connection process in GRU and GIG
- Equalization of fares in the Brazilian domestic cargo market



Passenger, Cargo and Cost synergies on track

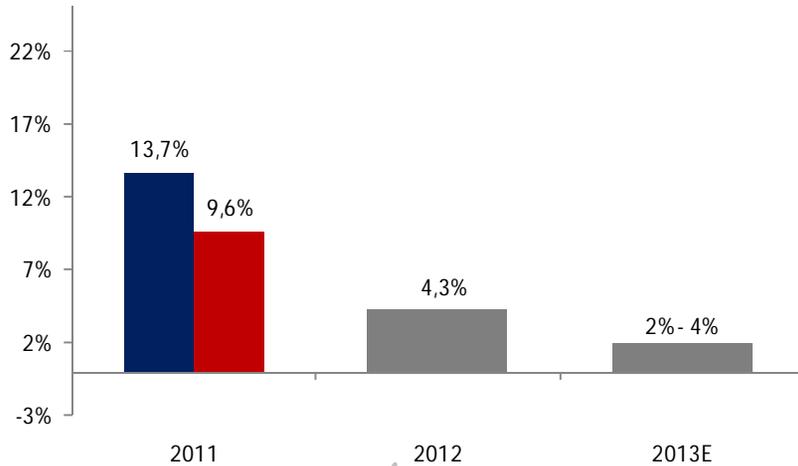
Costs Synergies

- Fuel price negotiations in airports completed in all regions
- Continued implementation of LEAN Fuel program resulting in significant reduction in fuel consumption
- Joint negotiations on several aeronautical and non aeronautical contracts. Further negotiations still in progress
- Continued sharing of best practices are streamlining operational processes in Airports, Maintenance and On Board Procedures leading to the achievement of considerable efficiencies
- Reduction of duplicated functions in the commercial structure
- Further product homologation and IT consolidation



2013 Estimated capacity expansion

LATAM Airlines Passenger ASK Growth

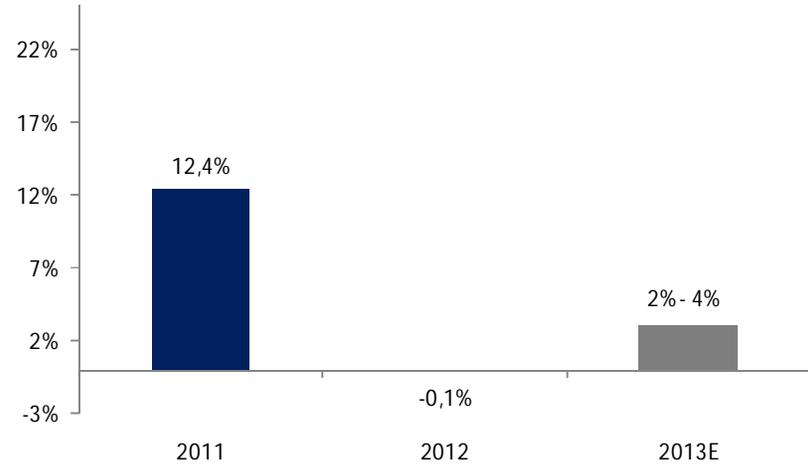


Domestic Brazil ASKs
-1.1%

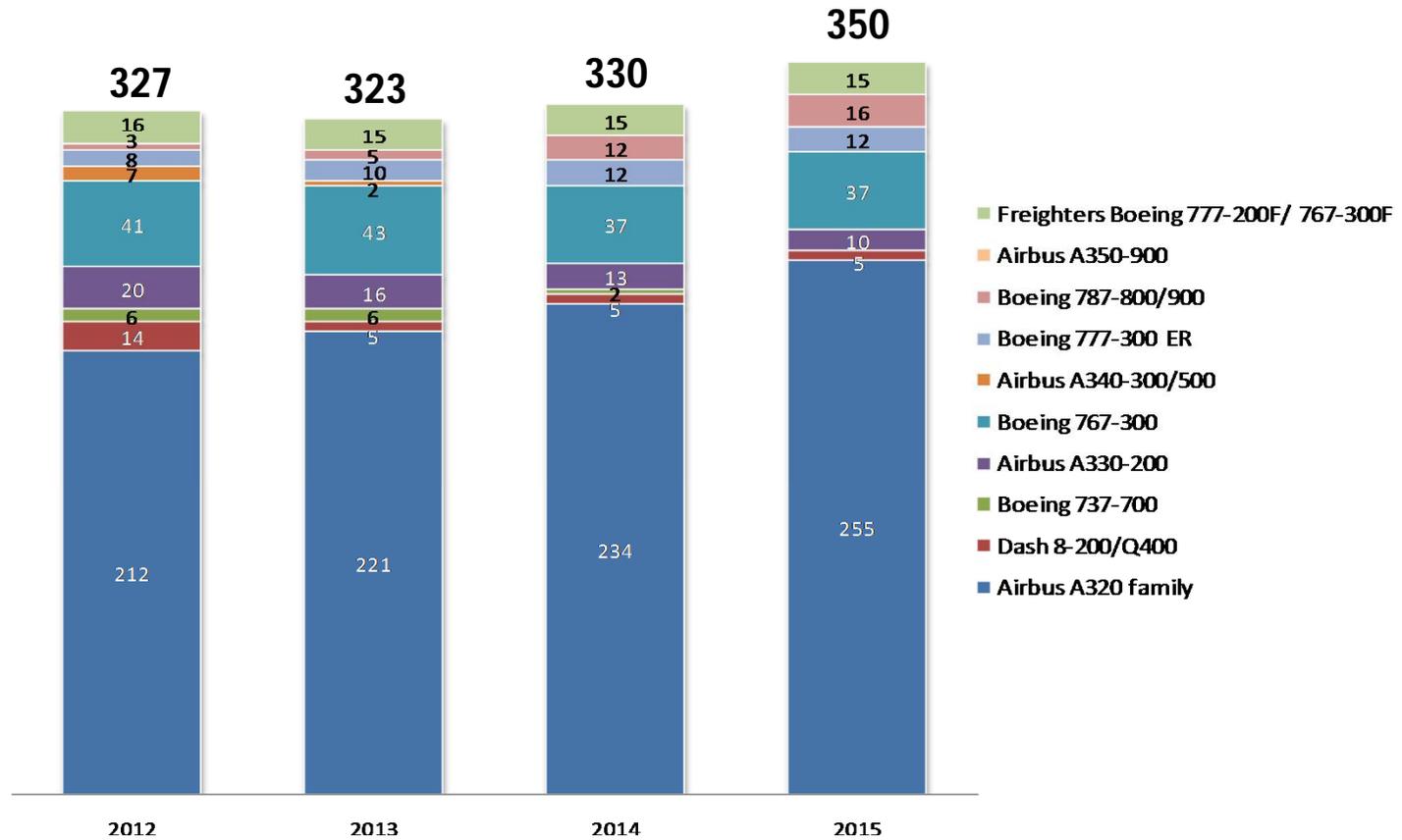
Domestic Brazil ASKs
-5% and -7%

■ LAN ■ TAM ■ LATAM

LATAM Airlines Cargo ATK Growth



LATAM Airlines Group fleet plan 2012 - 2015

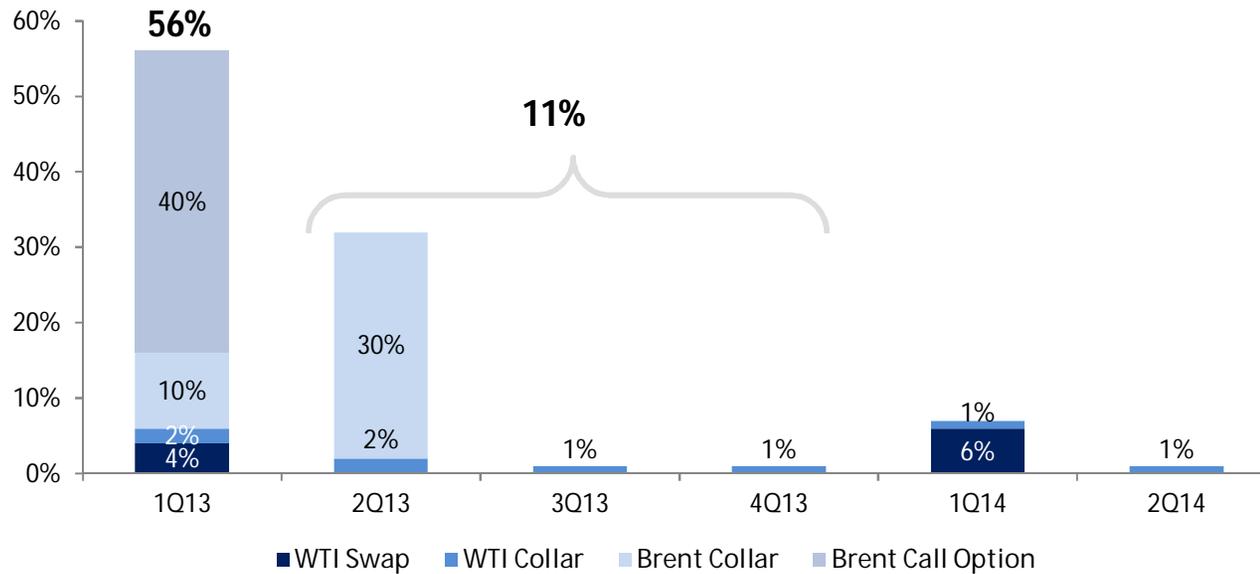


Fleet Capex US\$ Million	2012	2013	2014	2015
	US\$ 2,745	US\$ 2,047	US\$ 1,993	US\$ 806

➔ By Dec 31th of 2012, 12 aircraft are in redelivery check process

LATAM Airlines Group fuel hedges

LATAM Fuel Hedges
(% of consumption)



	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14
BRENT Band 120@87	56%	30%				
BRENT Band 114@97		2%				
BRENT Band 103@91			1%	1%		
BRENT Band 110@90					6%	
BRENT Band 103@90					1%	1%

Note: hedging position as of March 19, 2013
* Values are Brent equivalents

Thank You

