

LATAM AIRLINES GROUP REPORTS CONSOLIDATED NET INCOME OF US\$ 8.5 MILLION FOR FOURTH QUARTER 2012, EXCLUDING SPECIAL ITEMS

Santiago, Chile, March 19, 2013 – LATAM Airlines Group S.A. (NYSE: LFL; IPSA: LAN; BOVESPA: LATM11), the leading airline group in Latin America, announced today its consolidated financial results for the fourth quarter and for the twelve months ended December 31, 2012. “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 2.06 per USD.

HIGHLIGHTS

- LATAM Airlines Group reported net income of US\$ 8.5 million for fourth quarter 2012, excluding US\$21.9 million of transaction-related expenses resulting from the business combination between LAN and TAM S.A. (“TAM”) as well as US\$52.7 million in aircraft sale and redelivery costs. Excluding these special items, operating income reached US\$ 119.3 million in fourth quarter 2012, resulting in a 3.4% operating margin.
- TAM has made significant progress in the turnaround of the domestic Brazil passenger operations, maintaining capacity discipline with a 4.2% reduction in ASKs during the fourth quarter 2012 as compared to the fourth quarter 2011. Healthy traffic growth of 11.9%, as well as improved market segmentation and revenue management practices have resulted in strong load factor improvements of 11.5 percentage points as compared to the fourth quarter 2011, reaching 79.6%. This led to significant improvements in revenue per ASK, as measured in reais. Results in U.S. dollars were affected by a 14% depreciation of the Brazilian currency during the quarter as compared to the fourth quarter 2011. We remain convinced that capacity discipline and an adequate segmentation of the market will provide the basis for continued healthy load factors and a significant improvement in operating results in 2013.
- As the integration of LAN and TAM operations progresses, we remain confident in our synergy target of between US\$600 and US\$700 million, to be fully achieved by the fourth year after the merger (June 2016). Important progress was made in recent months with the code share agreement signed between TAM and American Airlines as well as with LATAM’s election of oneworld as its global alliance. We have begun to harmonize the airlines’ frequent flyer programs, as well as advanced on cost initiatives related to contract renegotiations and process standardization. Furthermore, the projected synergies have been achieved through the coordination of the LAN and TAM cargo operations. However, certain milestones remain to be achieved and some have been delayed, mainly as a consequence of regulatory approvals required to implement changes in the international passenger network. During 2012, LATAM recognized an estimated US\$72 million in merger synergies, before merger-related expenses. We expect merger synergies to be between US\$250 and US\$300 million during 2013. Furthermore, we expect to continue to incur certain costs related to the integration process.
- Total revenues in the fourth quarter 2012 reached US\$3,476.4 million compared to pro forma revenues of US\$3,485.4 million in fourth quarter 2011. The decline of 0.3% is a result of a 0.7% decrease in passenger revenues and a 3.1% decrease in cargo revenues, partially offset by a 61.5% increase in other revenues. Operating revenues this quarter reflect the negative impact of the depreciation of the Brazilian currency, a more challenging operating environment in the long haul passenger business and continued weak market demand in the cargo business. Furthermore, passenger revenues were impacted by the change in LAN’s passenger service system, containing the reservation, inventory and departure control systems of the

airline, to a new system provided by Sabre. This cutover took place in September 2012 and, although it is difficult to measure the exact impact, the Company estimates decreased revenue of approximately US\$25 to US\$40 million in the fourth quarter 2012. Passenger and cargo revenues accounted for 82.8% and 15.9% of total revenues, respectively, during fourth quarter 2012.

- During the fourth quarter 2012, LATAM received a total of 6 Airbus A320 family, 4 Boeing 767-300, 2 Boeing 777-300ER and 2 Boeing 787-800 passenger aircraft, and 1 Boeing 777 freighter.

RECENT EVENTS

TAM and LAN Colombia signed codeshare agreement with American Airlines

In December 2012, TAM and LAN Colombia, members of the LATAM Airlines Group, announced that they had signed a codeshare agreement with American Airlines. These agreements will provide more options for travelers between Brazil and Colombia and the United States and Canada. Once the agreement is approved by the respective regulatory authorities, travelers will be able to take advantage of the large network of American Airlines destinations within the U.S. and Canada.

LATAM Airlines Group chooses oneworld as its global alliance

LATAM Airlines Group has chosen oneworld® as the global alliance for its airlines. With this decision - announced on March 7, 2013, at a oneworld meeting held in Hong Kong - TAM Airlines will become a member of oneworld, joining LAN Airlines and 11 other member airlines. TAM is expected to leave Star Alliance and join oneworld during the second quarter of 2014.

TAM Airlines will join oneworld, the leading alliance for flights within Latin America and from the region to both the United States and Europe (three of the most demanded international destinations for LATAM Airlines Group's passengers), and with a strong presence in the Asia/Pacific region. With its addition, along with the other airlines lining up to join the alliance, oneworld will serve more than 950 airports across 160 countries, operating 13,000 daily departures. These airlines transport 480 million passengers every year through a combined fleet of over 3,300 aircraft and provide access to 550 VIP lounges across the five continents. LATAM Airlines Group's network of destinations will increase access between South America and the world.

LATAM Airlines Group to be listed on the Dow Jones Sustainability Emerging Markets Index

LATAM Airlines Group was the only airline selected for the Dow Jones Sustainability Index (Emerging Markets), in the category of "Travel & Leisure", as a result of the company's continued leadership in corporate sustainability. The DJSI is one of the world's leading indicators for the evaluation of companies' management of sustainable development in economic, social and environmental areas. This past year marked the first time a DJSI was issued for Emerging Markets. From a total of 800 major firms in 21 countries, 69 companies were selected to join the most recent index.

Rights Offering

On January 21, 2013, LATAM Airlines Group completed the sale on the Santiago Stock Exchange of a total of 7,436,816 shares that were not exchanged as a result of the number of TAM shares that participated in the TAM

exchange offer completed in June 2012. With this, the total number of shares of LATAM Airlines Group reaches 483,555,791.

Multiplus

Multiplus ended the fourth quarter of 2012 with 10.9 million members and 369 partnerships, an increase of 15.6% over the same quarter of last year. As for financial results, Multiplus closed the quarter with billings from the sale of points amounting to US\$239 million (R\$492 million), a 13.5% increase compared to fourth quarter 2011. On March 1, 2013, Multiplus announced the 11th Amendment to its Operating Agreement with TAM Linhas Aéreas S.A. (“TLA”), which will be effective as of June 1st, 2013 and provides for more objective rules concerning the setting and the adjustment of the ticket acquisition price to be paid by Multiplus to TLA and of the point price to be paid by TLA to Multiplus. The management of both companies believe that the execution of this Amendment is positive, providing greater transparency and cost and revenue predictability, and increasing competitiveness of the business.

On March 8, 2013, Multiplus announced that the Board of Directors approved a capital increase of R\$0.8-1.1 billion. The sale price of the shares will be determined after conclusion of the bookbuilding process and it will be approved by a meeting of the Company’s Board of Directors to be held before the CVM grants registration of the Offering. The funds raised through the Offering will be used to purchase airplane tickets issued by TAM Linhas Aéreas S.A., with payment in advance at the discount rate calculated at the moment of purchase between 105% and 109% of the CDI interest rate, as well as a sales discount of 5%. The Offering is expected to be completed in mid-April 2013.

LATAM AIRLINES GROUP CONSOLIDATED FINANCIAL RESULTS FOR THE FOURTH QUARTER 2012

Following is the LATAM Airlines Group Consolidated Income Statement for fourth quarter 2012, in thousands of US dollars. Pro forma results for fourth quarter 2011 are presented for comparison purposes.

	For the three month period ended December 31		
	2012	2011	% Change
REVENUE			
Passenger	2,864,735	2,884,564	-0.7%
Cargo	537,887	555,121	-3.1%
Other	73,792	45,684	61.5%
TOTAL OPERATING REVENUE	3,476,414	3,485,369	-0.3%
EXPENSES			
Wages and Benefits	-641,117	-603,250	6.3%
Aircraft Fuel	-1,250,684	-1,150,589	8.7%
Comissions to Agents	-83,372	-127,924	-34.8%
Depreciation and Amortization	-263,662	-279,013	-5.5%
Other Rental and Landing Fees	-357,380	-344,186	3.8%
Passenger Services	-82,697	-73,137	13.1%
Aircraft Rentals	-117,081	-102,760	13.9%
Aircraft Maintenance	-96,778	-85,859	12.7%
Other Operating Expenses	-486,178	-411,668	18.1%
TOTAL OPERATING EXPENSES	-3,378,949	-3,178,386	6.3%
Operating Income	97,465	306,983	-68.3%
<i>Operating Margin</i>	2.8%	8.8%	-6.0 pp
OPERATING INCOME EXCLUDING SPECIAL ITEMS	119,327	306,983	-61.1%
<i>Operating Margin</i>	3.4%	8.8%	-5.4 pp
Interest Income	15,862	34,739	-54.3%
Interest Expense	-108,870	-116,587	-6.6%
Other Income (Expense)	-50,667	-42,721	18.6%
INCOME BEFORE TAXES AND MINORITY INTEREST	-46,210	182,414	-125.3%
Income Taxes	4,661	-53,016	-108.8%
INCOME BEFORE MINORITY INTEREST	-41,549	129,398	-132.1%
Attributable to:			
Shareholders	-51,141	114,885	-144.5%
Minority Interest	9,592	14,513	-33.9%
Net Income	-51,141	114,885	-144.5%
<i>Net Margin</i>	-1.5%	3.3%	-4.8 pp
NET INCOME EXCLUDING SPECIAL ITEMS	8,505	114,885	-92.6%
<i>Net Margin</i>	0.2%	3.3%	-3.1 pp
Effective Tax Rate	8.4%	31.6%	
EBITDA	361,127	585,996	-38.4%
<i>EBITDA Margin</i>	10.4%	16.8%	-6.4 pp.
EBITDAR	478,208	688,756	-30.6%
<i>EBITDAR Margin</i>	13.8%	19.8%	-6.0 pp.

Note: Complete quarterly pro forma income statement information can be found on the Company's website at www.latamairlinesgroup.net

MANAGEMENT COMMENTS ON FOURTH QUARTER 2012 RESULTS

LATAM reported net income of US\$8.5 million in fourth quarter 2012, compared to a pro forma consolidated income of US\$114.9 million for the fourth quarter 2011, excluding special items. Special items in the fourth quarter 2012 include US\$52.7 million in aircraft sale and redelivery costs related to the return of LAN Colombia's Dash 8 Q-400 fleet and the sale of LAN's Airbus A318s which are being phased out of the fleet, and US\$21.9 million of transaction-related expenses resulting from the business combination of LAN and TAM completed on June 22, 2012. Excluding special items, operating income reached US\$119.3 million in the fourth quarter 2012, a 61.1% decrease compared to a pro-forma operating income of US\$307.0 million in fourth quarter 2011, resulting in a 3.4% operating margin compared to 8.8% in fourth quarter 2011.

During fourth quarter 2012, LATAM's consolidated revenues decreased 0.3% compared to fourth quarter 2011. **Passenger revenues** decreased 0.7% during the quarter, since the 6.7% increase in passenger capacity measured in ASK was offset by a decline of 6.9% in revenues per ASK (RASK). Passenger traffic growth during the quarter reached 10.7%, with load factors reaching 78.3%, 2.8 points higher than 2011. However, yields declined 10.3% as compared to fourth quarter 2011, impacted mostly by domestic operations in Brazil and international routes, offset by increases in other domestic markets.

During the fourth quarter 2012, the international passenger operations of LATAM Airlines Group were impacted by increased capacity from international carriers flying to South America, especially from the United States, as well as by weak European markets. In addition, the passenger capacity of LAN and TAM on international routes grew 13.2% during the fourth quarter as compared to the fourth quarter of 2011. Strong capacity expansion resulted in a decline of 2.0 points in load factors on international routes, as well as in lower yields. During the fourth quarter, LAN's passenger operations were also affected by the migration to a new inventory and distribution system, which occurred in September 2012. To adjust to the more challenging competitive environment, we have decreased our capacity growth estimates for international operations for 2013, and are evaluating alternatives to rationalize our fleet plan.

In the Brazilian domestic market, TAM reduced capacity by 4.2% during the quarter. Healthy traffic growth of 11.9% as well as improved market segmentation and revenue management practices resulted in strong load factor improvements. Load factors increased by 11.5 percentage points as compared to the fourth quarter 2011, reaching 79.6%. This led to significant improvements in revenue per ASK, as measured in reais. Results in U.S. dollars were affected by a 14% depreciation of the Brazilian currency during the quarter as compared to the fourth quarter 2011.

Cargo revenues decreased 3.1% during fourth quarter 2012, reflecting a challenging scenario in Latin American cargo markets due to a decline in demand on routes to Latin America, especially Brazil, as well as increased competitive pressures from regional and international cargo carriers. Total cargo capacity increased 3.0% due to the incorporation of one new Boeing 777 freighter as well as additionally belly capacity, partially offset by capacity adjustments in the freighter fleet and the reduction of ACMI leases. As a consequence of the 1.5% decline in cargo traffic, load factors decreased from 63.2% to 60.4%. Yields decreased 1.6% and revenues per ATK decreased 6.0% compared to fourth quarter 2011.

Other revenues increased 61.5%, amounting to US\$73.8 million during the fourth quarter 2012. This increase was mainly explained by growth in revenues from aircraft leases and duty free sales.

Operating expenses increased 6.3% compared to fourth quarter 2011, while unit costs per ASK-equivalent (including net financial expenses), remained flat. Excluding special items, unit costs decreased 1.5% and CASK-equivalent excluding fuel (and special items) decreased 4.1%. Changes in operating expenses were mainly due to the following:

- **Wages and benefits** increased 6.3% driven by higher average headcount and the impact of the average appreciation of the Chilean peso, partially offset by the positive impact of a 14% average depreciation of the Brazilian real in relation to the US dollar as compared to fourth quarter 2011.
- **Fuel costs** increased 8.7% mainly driven by a 4.8% increase in the average fuel price per gallon as well as a 3.3% increase in the fuel gallons consumed, in line with the Company's capacity increase. In addition, the Company recognized a US\$5.4 million fuel hedge loss, compared to a US\$0.2 million fuel hedge gain in the fourth quarter of 2011.
- **Commissions to agents** decreased 34.8% due to a 21.1% decrease in average commissions, mainly explained by a reduction in average passenger commissions.
- **Depreciation and amortization** decreased 5.5% mainly as a result of the revaluation of TAM's fleet in line with applicable accounting standards. Excluding this impact, depreciation and amortization would have increased 6.5%, in line with the incorporation of 12 Airbus A320 family, 9 Boeing 767-300, 4 Boeing 777-300ER and 3 Boeing 787-800 passenger aircraft, and 2 Boeing 777 freighters between January and December 2012.
- **Other rental and landing fees** increased 3.8% mainly due to increased aeronautical rates and handling costs, in line with the increase in Company's operations.
- **Passenger service** expenses increased 13.1% driven by an 11.3% increase in the number of passengers transported.
- **Aircraft rentals** increased 13.9% as a result of an increase in the number of aircraft classified as operating leases, partially offset by the return of 4 leased Airbus A320-200s.
- **Maintenance expenses** increased 12.7% due to a larger fleet, in line with the expansion in the Company's operations during the quarter.
- **Other operating expenses** increased 18.1% due to higher advertising and marketing costs, and transaction-related expenses of US\$21.9 million related to the merger process between LAN and TAM.

Non-operating results

- **Interest income** decreased from US\$34.7 million in fourth quarter 2011 to US\$15.9 million in fourth quarter 2012 mainly due to a lower cash balance during the quarter.
- **Interest expense** decreased by 6.6% despite higher debt related to fleet financing, mainly due to a lower weighted average cost of debt.
- Under **Other income (expense)**, the Company recorded a US\$50.7 million loss, mainly due to one-time costs of US\$52.7 million related to aircraft sale and redelivery costs and a US\$11.3 million foreign exchange loss resulting from the 1.2% depreciation of the Brazilian real between September 2012 and December 2012. This compares to a US\$42.7 million loss in the fourth quarter 2011.

The consolidated balance sheet of LATAM Airlines Group as of December 31, 2012, includes **goodwill** in the amount of US\$3,008.7 million generated primarily as a result of the business combination between LAN and TAM. This includes an increase of US\$664.0 million as compared to September 2012, mainly as a result of adjustments in the fair value of TAM's fleet. Applicable accountings standards permit a one year measurement period, requiring fair value adjustments completed during that period to be adjusted against previously reported goodwill.

Complete pro forma quarterly financial statements for 2011 and 2012 can be found on LATAM's Investor Relations website www.latamairlinesgroup.net.

FINANCING AND LIQUIDITY

Following are summary consolidated balance sheet indicators for LATAM Airlines Group as of December 31, 2012, in thousands of US dollars.

	As of December 31, 2012
Total Assets	20,593,267
Total Liabilities	15,424,451
Total Equity	5,168,816
Total Liabilities and Shareholders equity	20,593,267
Net Debt	
Current and long term portion of loans from financial institutions	6,471,737
Current and long term portion of obligations under capital leases	3,087,820
Other liabilities current and long term portion	199,950
Cash and cash equivalents	-1,120,333
Total Net Debt	8,639,174

At the end of the fourth quarter 2012, LATAM reported US\$1,120.3 million in cash and cash equivalents, including certain highly liquid investments accounted for as other current financial assets. In addition, as of December 31, 2012, the Company reported deposits with aircraft manufacturers (pre-delivery payments) of US\$1,187 million, US\$641 million of which were funded directly by LATAM. Furthermore, as of December 2012 LATAM Airlines Group had US\$208 million in committed credit lines with Chilean and international banks.

During the fourth quarter 2012, LATAM successfully issued EXIM Bank guaranteed bonds for an amount of US\$639.9 million to partially replace existing EXIM Bank guaranteed debt and to prefund certain fourth quarter 2012 aircraft deliveries. The rate of these issuances was fixed at 1.56% in US dollars. These financings are for the Company's 2012 aircraft deliveries, which involved a total amount of approximately US\$2.7 billion for a total of 40 aircraft. Additionally, during November 2012, LATAM issued an EXIM Bank guaranteed bond for an amount of US\$212.4 million to refinance three Boeing aircraft which were delivered in the second half of 2011. This bond was issued with a floating rate, the spread was set at 33 basis points over Libor 3M.

As a result of the successful completion of the business combination with TAM, future fleet deliveries for LAN and TAM are to be incorporated at LATAM Airlines Group. Financing will be done through a combination of Export Credit Agency support including capital markets issuances, sale & leaseback transactions and commercial financing including senior and junior debt. The typical tenor for these financings is twelve years.

One of the objectives of Latam Airlines Group is to reduce the volatility in the financial results of TAM 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 imbalance of TAM's balance sheet accounts between assets denominated in reais and liabilities denominated in US dollars, LATAM is evaluating alternatives to move the TAM aircraft and their related debt to the LATAM balance sheet, which has the US dollar as its functional currency. In addition, all aircrafts delivered after June 22, 2012 have been financed mostly by LATAM Airlines Group, irrespective of whether the aircraft is to be operated by TAM or by LAN. 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 order to mitigate the impact of the mark-to-market of fuel hedging contracts that were not subject to hedge accounting at TAM, as of the third quarter 2012 LATAM accounts for these derivative contracts under hedge

accounting, and therefore their mark-to-market values are no longer reflected on the consolidated income statement. Furthermore, all hedging is done 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 56% of its estimated fuel consumption for the first quarter of 2013, and 32% of its average estimated fuel consumption for the second quarter 2013. The Company's fuel hedging strategy consists of a combination of collars, swaps and call options for WTI and Brent.

LATAM'S Fleet Plan

During the fourth quarter 2012, LATAM received 1 Airbus A319, 5 Airbus A320, 4 Boeing 767-300, 2 Boeing 777-300ER and 2 Boeing 787-800 passenger aircraft, and 1 Boeing 777 freighter. The Company also returned 4 Airbus A320-200s and sold 2 Airbus A318 aircraft.

LATAM is in the process of adjusting its fleet plan in order to match its capacity expansion plans to the expected competitive and macroeconomic environment on international and domestic Brazil passenger markets. LATAM's current fleet plan shows a decrease of US\$1.2 billion in the expected capital expenditures for 2013 to 2015, although the Company continues to evaluate alternatives to rationalize its fleet orders. LATAM's current estimated fleet plan and associated capital expenditures are shown in the table below.

	2012	2013	2014	2015
Passenger Aircraft				
Dash 8-200	10	5	5	5
Dash 8-Q400	4	0	0	0
Boeing 737-700	6	6	2	0
Airbus A318-100	5	0	0	0
Airbus A319-100	57	52	51	51
Airbus A320-200	141	159	163	172
Airbus A321-200	9	10	20	32
Airbus A330-200	20	16	13	10
Boeing 767-300	41	43	37	37
Airbus A340-300/500	7	2	0	0
Boeing 777-300 ER	8	10	12	12
Boeing 787-800	3	5	12	12
Boeing 787-900	0	0	0	4
TOTAL	311	308	315	335
Cargo Aircraft				
Boeing 777-200F	4	4	4	4
Boeing 767-300F	12	11	11	11
TOTAL	16	15	15	15
TOTAL FLEET	327	323	330	350
Total Fleet Capex (US\$ millions)	2,745	2,047	1,993	806

OUTLOOK

Considering current market conditions, the Company has adjusted its expected passenger ASK growth for 2013 to approximately 2% to 4%. The adjustment as compared to our previous expectation of 4% to 6% is mainly a result of a decrease in the estimated growth of international passenger operations. Growth plans remain unchanged for the domestic passenger operations in Spanish speaking countries. TAM's domestic passenger ASKs in the Brazilian market are expected to decrease by approximately 5% to 7% during 2013.

Regarding cargo operations, LATAM expects total cargo capacity to grow between 2% and 4%, mainly driven by the incorporation of two new B777 freighters in September and October 2012, as well as additional belly capacity on international routes.

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 150 destinations in 22 countries and cargo services to about 169 destinations in 27 countries, with a fleet of 327 aircraft. In total, LATAM Airlines Group S.A. has more than 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

Note on Forward-Looking Statements

This report contains forward-looking statements. Such statements may include words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “LATAM,” “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 current LATAMs, estimates and projections, and, therefore, you should not place undue reliance on them. Forward-looking statements involve inherent risks and uncertainties. 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 Balance Sheet (in thousands of US Dollars)

	As of December 31, 2012	As of December 31, 2011
Assets:		
Cash, and cash equivalents	650,263	374,407
Other financial assets	636,543	227,803
Other non-financial assets	169,824	32,711
Trade and other accounts receivable	1,426,330	531,355
Accounts receivable from related entities	15,187	838
Inventories	181,283	72,787
Tax assets	220,529	98,789
Non-current assets and disposal groups held for sale	47,655	4,661
Total current assets	3,347,614	1,343,351
Property and equipment	11,797,889	5,927,982
Goodwill	3,008,657	163,777
Intangible assets other than goodwill	1,848,593	64,923
Other non-current assets	590,514	148,626
Total non-current assets	17,245,653	6,305,308
Total assets	20,593,267	7,648,659
Liabilities and shareholders' equity:		
Other financial liabilities	2,047,330	582,257
Trade and other accounts payables	1,652,955	645,086
Tax liabilities	115,481	29,369
Other non-financial liabilities	1,964,523	1,065,367
Total current liabilities	5,780,289	2,322,079
Other financial liabilities	7,698,857	3,109,136
Accounts payable	731,235	354,930
Other provisions	536,334	22,385
Deferred tax liabilities	558,049	369,625
Employee benefits	18,366	13,132
Other non-financial liabilities	101,321	-
Total non-current liabilities	9,644,162	3,869,208
Total liabilities	15,424,451	6,191,287
Share capital	1,501,018	473,907
Retained earnings	1,106,168	1,116,798
Treasury Shares	(203)	-
Other reserves	2,535,100	(145,381)
Equity attributable to the parent company's equity holders	5,142,083	1,445,324
Minority interest	26,733	12,048
Total net equity	5,168,816	1,457,372
Total liabilities and equity	20,593,267	7,648,659

Note: Balance Sheet for December 31, 2011 is for LAN Airlines (pre-merger).

LATAM Airlines Group S.A.
Consolidated Income Statement (in thousands of US Dollars)

	For the twelve month period ended December 31		
	2012	2011	% Change
REVENUE			
Passenger	7,978,664	4,008,910	99.0%
Cargo	1,743,525	1,576,530	10.6%
Other	220,156	132,804	65.8%
TOTAL OPERATING REVENUE	9,942,345	5,718,244	73.9%
EXPENSES			
Wages and Benefits	-1,907,873	-1,012,922	88.4%
Aircraft Fuel	-3,434,569	-1,750,052	96.3%
Comissions to Agents	-308,941	-209,255	47.6%
Depreciation and Amortization	-784,887	-404,672	94.0%
Other Rental and Landing Fees	-1,052,594	-671,614	56.7%
Passenger Services	-239,848	-136,049	76.3%
Aircraft Rentals	-313,038	-174,197	79.7%
Aircraft Maintenance	-297,618	-182,358	63.2%
Other Operating Expenses	-1,286,098	-637,400	101.8%
TOTAL OPERATING EXPENSES	-9,625,466	-5,178,519	85.9%
Operating Income	316,879	539,725	-41.3%
<i>Operating Margin</i>	3.2%	9.4%	-6.3 pp
Interest Income	77,489	14,453	436.1%
Interest Expense	-294,598	-139,077	111.8%
Other Income (Expense)	26,832	-32,741	-182.0%
INCOME BEFORE TAXES AND MINORITY INTEREST	126,602	382,360	-66.9%
Income Taxes	-102,212	-61,789	65.4%
INCOME BEFORE MINORITY INTEREST	24,390	320,571	-92.4%
Attributable to:			
Shareholders	10,956	320,197	-96.6%
Minority Interest	13,434	374	3492.0%
Net Income	10,956	320,197	-96.6%
<i>Net Margin</i>	0.1%	5.6%	-5.5 pp
Effective Tax Rate	90.3%	16.2%	
EBITDA	1,101,766	944,397	16.7%
<i>EBITDA Margin</i>	11.1%	16.5%	-5.4 pp
EBITDAR	1,414,804	1,118,594	26.5%
<i>EBITDAR Margin</i>	14.2%	19.6%	-5.3 pp

Note: Income Statement for 2011 is for LAN Airlines (pre-merger). Complete quarterly pro forma income statement information can be found on the Company's website at www.latamairlinesgroup.net

LATAM Airlines Group S.A.
Consolidated Pro Forma Income Statement (in thousands of US Dollars)

	For the twelve month period ended December 31		
	2012	2011	% Change
REVENUE			
Passenger	11,065,983	10,960,668	1.0%
Cargo	1,939,754	2,067,617	-6.2%
Other	265,364	283,015	-6.2%
TOTAL OPERATING REVENUE	13,271,101	13,311,300	-0.3%
EXPENSES			
Wages and Benefits	-2,594,137	-2,508,414	3.4%
Aircraft Fuel	-4,780,289	-4,244,817	12.6%
Comissions to Agents	-417,124	-462,855	-9.9%
Depreciation and Amortization	-1,116,551	-1,116,045	0.0%
Other Rental and Landing Fees	-1,377,052	-1,357,229	1.5%
Passenger Services	-314,920	-336,210	-6.3%
Aircraft Rentals	-430,512	-400,272	7.6%
Aircraft Maintenance	-424,350	-348,248	21.9%
Other Operating Expenses	-1,727,231	-1,526,263	13.2%
TOTAL OPERATING EXPENSES	-13,182,166	-12,300,353	7.2%
Operating Income	88,935	1,010,947	-91.2%
<i>Operating Margin</i>	0.7%	7.6%	-6.9 pp
Interest Income	117,173	160,559	-27.0%
Interest Expense	-444,201	-452,608	-1.9%
Other Income (Expense)	-314,041	-558,157	-43.7%
INCOME BEFORE TAXES AND MINORITY INTEREST	-552,134	160,741	-443.5%
Income Taxes	86,780	-71,149	-222.0%
INCOME BEFORE MINORITY INTEREST	-465,354	89,592	-619.4%
Attributable to:			
Shareholders	-491,815	29,791	-1750.9%
Minority Interest	26,461	59,801	-55.8%
Net Income	-491,815	29,791	-1750.9%
<i>Net Margin</i>	-3.7%	0.2%	-3.9 pp
Effective Tax Rate	15.0%	70.5%	
EBITDA	1,205,486	2,126,992	-43.3%
<i>EBITDA Margin</i>	9.1%	16.0%	-6.9 pp
EBITDAR	1,635,998	2,527,264	-35.3%
<i>EBITDAR Margin</i>	12.3%	19.0%	-6.7 pp

Note: Complete quarterly pro forma income statement information can be found on the Company's website at www.latamairlinesgroup.net

LATAM Airlines Group S.A. Consolidated Operational Statistics

	For the three month period ended			For the twelve month period ended		
	December 31		% Change	December 31		% Change
	2012	2011		2012	2011	
System						
ASKs-equivalent (millions)	56,137	53,348	5.2%	212,932	207,444	2.6%
RPKs-equivalent (millions)	40,098	37,687	6.4%	150,801	144,480	4.4%
Overall Load Factor (based on ASK-equivalent)%	71.4%	70.6%	0.8 pp	70.8%	69.6%	1.2 pp
Break-Even Load Factor (based on ASK-equivalent)%	71.3%	66.0%	5.3 pp	72.1%	65.8%	6.3 pp
Yield based on RPK-equivalent (US Cents)	8.5	9.1	-7.0%	8.6	9.0	-4.4%
Operating Revenues per ASK-equivalent (US Cents)	6.1	6.4	-6.0%	6.1	6.3	-2.7%
Costs per ASK-equivalent (US Cents)	6.2	6.2	0.0%	6.5	6.2	3.7%
Fuel Gallons Consumed (millions)	336	325	3.3%	1,295	1,261	2.7%
Average Trip Length (thousands km)	1.6	1.6	-0.6%	1.6	1.6	0.2%
Total Number of Employees	53,599	51,606	3.9%	53,599	51,606	3.9%
Passenger						
ASKs (millions)	34,554	32,399	6.7%	132,449	126,565	4.6%
RPKs (millions)	27,052	24,444	10.7%	103,555	96,081	7.8%
Passengers Transported (thousands)	17,193	15,448	11.3%	64,857	60,283	7.6%
Load Factor (based on ASKs)%	78.3%	75.4%	2.8 pp	78.2%	75.9%	2.3 pp
Yield based on RPKs (US Cents)	10.6	11.8	-10.3%	10.7	11.4	-6.3%
Revenues per ASK (US cents)	8.3	8.9	-6.9%	8.4	8.7	-3.5%
Cargo						
ATKs (millions)	2,050	1,990	3.0%	7,646	7,683	-0.5%
RTKs (millions)	1,239	1,258	-1.5%	4,488	4,598	-2.4%
Tons Transported (thousands)	316	317	0.0%	1,154	1,165	-1.0%
Load Factor (based on ATKs)%	60.4%	63.2%	-2.8 pp	58.7%	59.8%	-1.1 pp
Yield based on RTKs (US Cents)	43.4	44.1	-1.6%	43.2	45.0	-3.9%
Revenues per ATK (US Cents)	26.2	27.9	-6.0%	25.4	26.9	-5.7%

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

Note: Historical pro forma figures are presented for comparison purposes. Complete quarterly pro forma statistics for 2011 and 2012 can be found on the Company's website at www.latamairlinesgroup.net.

**LATAM Airlines Group S.A.
Consolidated Fleet**

	As of December 31, 2012		
	Off-Balance	On-Balance	Total
Passenger Aircraft			
Dash 8-200	10	0	10
Dash 8-Q400	4	0	4
Boeing 737-700	6	0	6
Airbus A318-100	0	5	5
Airbus A319-100	18	39	57
Airbus A320-200	65	76	141
Airbus A321-200	1	8	9
Airbus A330-200	2	18	20
Boeing 767-300	8	33	41
Airbus A340-300/500	3	4	7
Boeing 777-300 ER	0	8	8
Boeing 787-800	0	3	3
TOTAL	117	194	311
Flota Carga			
Boeing 777-200F	2	2	4
Boeing 767-300F	4	8	12
TOTAL	6	10	16
TOTAL FLEET	123	204	327