



**LATAM Airlines Group S.A.**

Foreign Company – CVM nº 80128  
CNPJ nº 33.937.681/0001-78  
Av. Presidente Riesco nº 5711, 20º Floor  
Santiago, Chile

**MATERIAL FACT**

LATAM AIRLINES GROUP S.A. ("LATAM" or "The Company"), public company duly constituted and governed by Chilean laws, in relation to the provisions of the Instrucción da *Comissão de Valores Mobiliários* ("CVM") nº 358, of January 3<sup>rd</sup>, 2002, according to its amendments, informs its shareholders of *Brazilian Depositary Receipts* ("BDRs") of the following significant event:

As of this date the Board of Directors of LATAM approved the cancellation of the BDRs program ("Cancellation"), with the subsequent termination of its existing foreign issuer registration on the CVM, in accordance with article 48, sole paragraph, of the Instruction CVM nº 480 of December 7<sup>th</sup>, 2009, according to its amendments ("Instructions CVM 480").

The cancellation will take place through the sale of the underlying common stocks to the BDRs ("Shares") in the Santiago Stock Exchange, through the procedure named *Sale Facility*. The BDRs holders that don't want to sell the Shares may remain as shareholders of LATAM in Chile, acknowledging that each BDR represents one Share.

The Cancellation procedure was duly approved by the CVM Council in a meeting held on February 2<sup>nd</sup>, 2016, according to the Resolution nº 70/2016-CVM/SRE/GER-2.

The additional information and instructions related to the Cancellation will be informed to the market through a LATAM BDR Holders' Notice to be published **on April 7<sup>th</sup>, 2016**, in the Official Newspaper *do Estado de São Paulo*, in *Valor Econômico* and in the website of the Company <http://www.latamairlinesgroup.net>

Finally, the Company informs that it will maintain the market informed of the relevant facts related to the cancellation of its registration in the CVM as a foreign issuer.

San Paulo, April 5<sup>th</sup>, 2016.

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Chairman of the Administration Board

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Investor Relations Director