



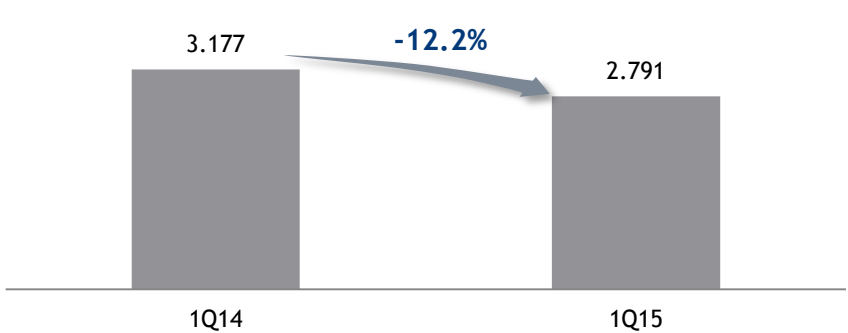
— LATAM AIRLINES GROUP —

# First Quarter 2015 Results Presentation

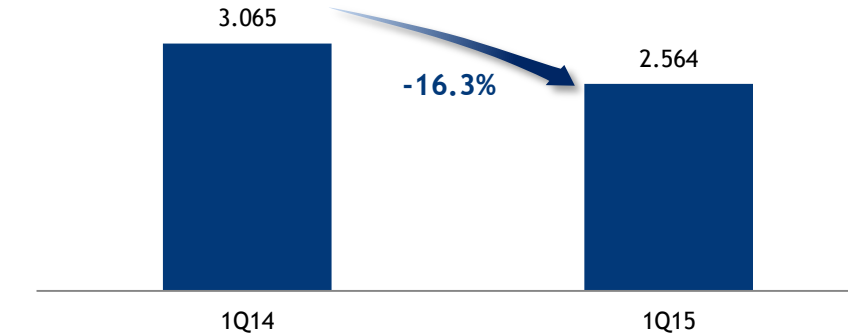
May 2015

# Robust 1Q15 financial performance in a challenging scenario

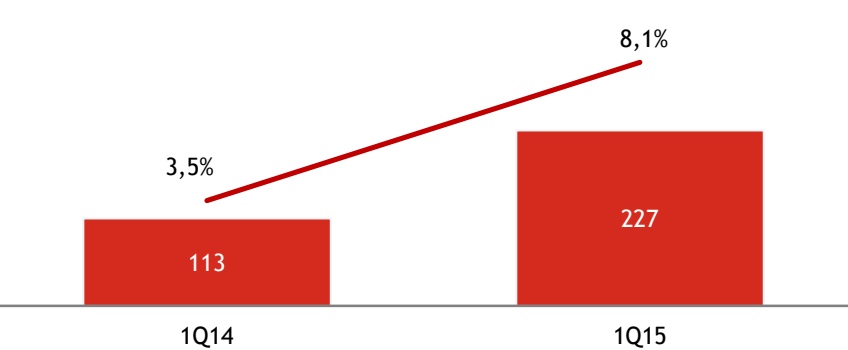
Operating Revenues (US\$mm)



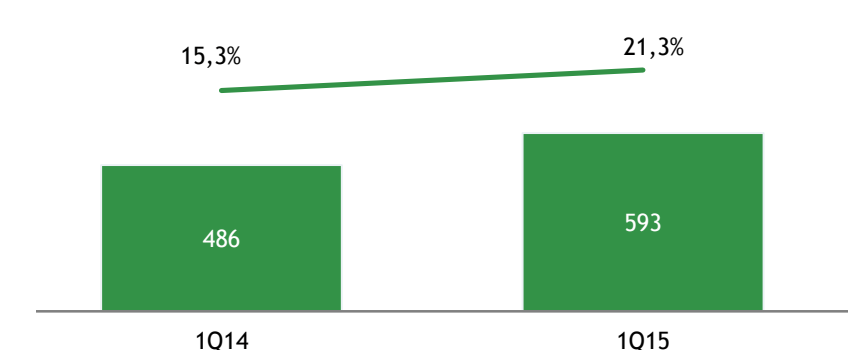
Operating Cost (US\$mm)



EBIT (US\$mm) and Margin (%)



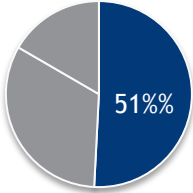
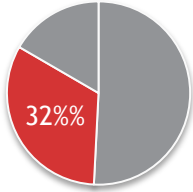
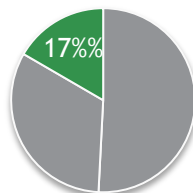

EBITDAR (US\$mm) and Margin (%)






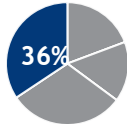
# 1Q15 Financial Summary

(US\$ Millions)	1Q15	1Q14	Change
Total Operating Revenues	<b>2.791</b>	3.177	-12,2%
Passenger	<b>2.344</b>	2.689	-12,8%
Cargo	<b>350</b>	421	-16,7%
Total Operating Costs	<b>-2.564</b>	-3.065	-16,3%
Operating Income	<b>227</b>	113	101,5%
Operating Margin	<b>8,1%</b>	3,5%	4,6pp
Net Income	<b>-40</b>	-41	-3,4%
EBITDAR	<b>593</b>	486	22,1%
EBITDAR Margin	<b>21,3%</b>	15,3%	6,0pp

# LATAM Airlines Group Passenger Operations 1Q15

		<u>Capacity</u> (million ASK)	<u>Traffic</u> (million RPK)	<u>Load Factor</u>	<u>RASK</u> (US Cents)
<u>International</u> (Long Haul & Regional)		+2.4%	+2.7%	83.9% +0.2pp	7.2 -8.0%
<u>Domestic Brazil</u>		+1.0%	+2.6%	83.0% +1.3 pp	7.1 -19.6%
<u>SSC Domestic</u>		+3.7%	+4.5%	82.4% +0.7 pp	8.7 -4.1%
<u>Total</u>		+2.1%	+3.0%	83.4% +0.7 pp	7.0 -14.7%

# Operating Costs during 1Q15

		<u>US\$ (mm)</u>	<u>Variation vs. 1Q14</u>
<u>Wages &amp; Benefits</u>		576	-4.0%
<u>Aircraft Costs</u>		480	-4.7%
<u>Others</u>		764	-13.3%
<hr/>			
<u>Operating Cost ex -fuel</u>		1,820	-8.3%
<u>Operating Cost per ASK-equivalent (US Cents)</u>		3.6	-9.6%
<hr/>			
<u>Aircraft Fuel</u>		744	-31.3%
<hr/>			
<u>Total Operating Cost</u>		2,564	-16.3%
<u>Operating Cost ASK-equivalent (US Cents)</u>		5.1	-17.0%

# Creating the best connectivity within, to and from South America

## 2015 new flights:

- Sao Paulo - Barcelona: 3 new frequencies
- Santiago - Madrid: 3 additional frequencies
- Santiago - Sao Paulo - Milan: daily flights
- Sao Paulo - Toronto: 5 weekly frequencies
- Lima - Orlando: daily flights
- Sao Paulo - Cancún: 1-3 weekly frequencies
- Brasilia - Orlando

41% ASKs

24% ASKs

30% ASKs

4% ASKs

Lima

● Brasilia

● Sao Paulo

Santiago



# Building brand leadership and distinctive customer experience

Improved **on-ground**  
**experience**

More in-flight  
**entertainment** options

Our passengers choose when  
and how to **be connected**

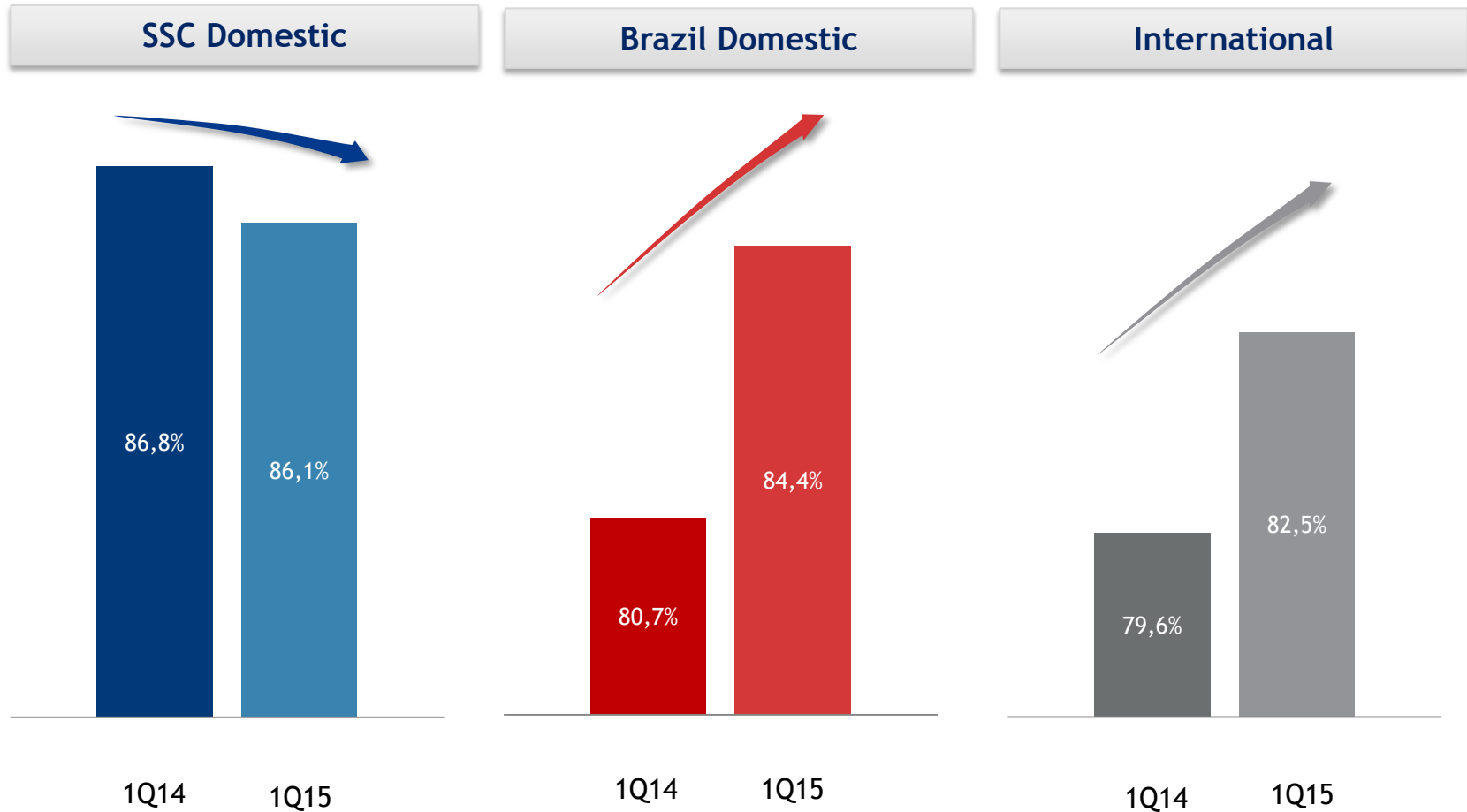


- New VIP Lounge in Santiago, the largest in South America
- Single check-in modules in Miami, Madrid and SP airports

- New entertainment system in 10 NB airplanes to allow passengers access to a selection of content from their own devices.

- Flight Status in website and cell phones
- Information in the event of contingencies

# We continue to improve our high levels of punctuality (15 Min)





# LATAM's fleet plan: focus on fleet renewal

**LATAM is one of the first airlines in the region to start renewing its fleet**

- The average age of our fleet is approx. 6.9 years, making our fleet one of the most modern in Latin America and in the world
- Modern fleet allows for lower maintenance costs, lower fuel consumption, and operational and cost efficiencies achieved through operating fewer fleet types

## Short Haul

	Seats	1Q14	1Q15
Dash Q200	37	7	7
Dash Q400	78	2	0
B737	148	3	0
A319	144	54	52
A320/N	168-174	162	156
A321/N	220	12	22
<b>Total</b>		<b>240</b>	<b>237</b>

## Long Haul

	Seats	1Q14	1Q15
A330	223	20	13
A340	260	5	3
B767	221-238	43	38
B787-8/9	247-313	5	12
B777	363	10	10
<b>Total</b>		<b>83</b>	<b>76</b>

# LATAM issues the first EETC in Latin America

- First issuer of EETCs in Latin America, allowing the Group to diversify funding sources and to access a broader investor base in the capital markets
- LATAM's offering has a face amount of US\$1,021 million
- The Class A Certificates (US\$845million) @4.2% and the Class B Certificates (US\$176 million) @4.5%



# Guidance 2015

Guidance		2015E
ASK Growth	International (Long Haul & Regional)	4% - 6%
	Brazil Domestic	0%
	SSC domestic	4% - 6%
	TOTAL	2% - 4%
ATK Growth		(2%) - 0%
Operating Margin		6% - 8%

Thank you



Investor Relations - [InvestorRelations@lan.com](mailto:InvestorRelations@lan.com) - [www.latamairlinesgroup.net](http://www.latamairlinesgroup.net)