

Santiago, May 29, 2015

Mr. Carlos Pavez Tolosa
Commissioner
Securities and Insurance Commission
By Messenger

Dear Commissioner:

As provided in Articles 9 and 10 of the Securities Market Law and in General Rule #30, under due authorization by LATAM Airlines Group S.A., Securities Registration #306 (“LATAM Airlines Group”), please be advised as MATERIAL DISCLOSURE, that on this date the issuance and private offering of two tranches of enhanced equipment trust certificates (“EETC”) has taken place, which has been upsized to an aggregate face amount of U.S. \$1,020,823,000 (the “Certificates”), in accordance with the following:

- The Certificates were issued and privately offered, by trusts or pass-through trusts (“Trusts”).
- The private offering is comprised of Class A Certificates which will have an interest rate of 4.200% per annum with a final expected distribution date of November 15, 2027 and the Class B Certificates which will have an interest rate of 4.500% per annum with a final expected distribution date of November 15, 2023.
- The Trusts will use proceeds from the offering, which will be held in custody (“escrow”) with a first class bank, to acquire “Equipment Notes” issued by four separate special purpose vehicles, fully owned by LATAM (each one, an “Issuer”).
- Each Issuer will use the proceeds from the sale of the Equipment Notes and the initial rent under each *Lease* (as defined below) to finance the acquisition of eleven Airbus A321-200 aircraft, two Airbus A350-900 aircraft and four Boeing 787-9 aircraft, which are currently scheduled for delivery between July 2015 and March 2016 (the “Aircraft”).
- Each Issuer will lease the aircraft they own to the Company under a separate finance lease (the “Lease”), being able at the same time to also sublease the aircraft under operational leases.

- Accordingly to the abovementioned, the Company will treat its obligations under each finance Lease as debt when the related aircraft is delivered.
- Certificates have not been registered under the *United States Securities Act of 1933* (the “U.S. Securities Act”) or under any other securities laws from other jurisdictions. Consequently, the Certificates have been offered and sold to entities which reasonably qualify as institutional investors in accordance to rule 144A from the U.S. Securities Act, and to other United States non-residents in transactions outside the United States in accordance to S Regulation of such legal instrument.

Very sincerely yours,

Cristián Toro
Legal Vice President
LATAM Airlines Group S.A.