

## LATAM AIRLINES GROUP REPORTS CONSOLIDATED NET INCOME OF US\$ 21.3 MILLION FOR THIRD QUARTER 2012, EXCLUDING TRANSACTION-RELATED EXPENSES AND ONE-TIME ITEMS

Santiago, Chile, November 12, 2012 – 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 third quarter and for the nine months ended September 30, 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 2.03 per USD.

### HIGHLIGHTS

- LATAM Airlines Group reported net income of US\$21.3 million in third quarter 2012, excluding a one-time accounting charge of US\$70.4 million related to the publication of the law increasing the Chilean corporate income tax rate from 17% to 20%. This figure also excludes US\$19.5 million of transaction-related expenses resulting from the business combination between LAN and TAM S.A. (“TAM”) completed on June 22, 2012. Excluding these one-time items, operating income reached US\$104.6 million in third quarter 2012, resulting in a 3.1% operating margin.
- The third quarter 2012 represents the first three months of the business combination between LAN and TAM. As such, LATAM Airlines Group began the integration of its business units and the transformation necessary to achieve the estimated merger synergies, implementing adjustments to commercial practices and aligning operations and processes in the international and domestic passenger operations in Brazil. We expect this transformation to lead to the achievement of the expected merger synergies, although in the short term the Company’s results are expected to continue to reflect the transition costs as the businesses become fully integrated.
- The Company has advanced in the turnaround process of the domestic Brazil passenger operations, maintaining capacity discipline during the quarter. Load factors showed an improvement of 10.6 percentage points as compared to the third quarter 2011, reaching 78.1%. However, operating results in this business unit have been impacted by the 24% depreciation of the Brazilian real as well as by an industry accommodation in the fare structure in the domestic market in order to operate at higher load factors accompanied by a decreased demand for corporate travel.
- Total revenues in the third quarter 2012 reached US\$3,344.9 million compared to pro forma revenues of US\$3,476.8 million in third quarter 2011. The decline of 3.8% is a result of a 2.4% decrease in passenger revenues and a 14.4% decrease in cargo revenues, partially offset by a 19.6% increase in other revenues. In addition to the challenges related to the transition to LATAM Airlines Group and to the turnaround of the Brazilian domestic operations, operating revenues this quarter reflect the negative impact of the depreciation of the Brazilian currency and continued weak market demand in the cargo business. Passenger and cargo revenues accounted for 84.2% and 13.4% of total revenues, respectively, during third quarter 2012.
- The work done during the first months of integration has allowed us to reaffirm our synergy target of between US\$600 and US\$700 million, to be fully achieved by the fourth year after the merger. The international passenger and cargo business units have made progress to deliver the estimated synergies. Passengers of both LAN and TAM are directly benefiting from improved connectivity, cross-selling and easier

access to more destinations via new codeshares. The Company has established new and improved agreements with international carriers, and has aligned certain commercial practices as well as parts of the on-board product for certain routes. In addition, LAN and TAM have published new operations on regional routes. Regarding cargo operations, in August the Company completed the integration of the international cargo systems of LAN and TAM, which allowed for increased efficiencies in the distribution network.

- In September, LATAM received its first Boeing 787-8 Dreamliner and became the first airline in the Americas (and one of the first in the world) to operate this modern and efficient aircraft. LATAM currently operates two 787s on routes between Santiago and Buenos Aires and Santiago and Lima. Additionally, the Company received a total of 6 Airbus A320, 4 Boeing 767-300, 2 Boeing 777-300ER passenger aircraft, and 1 Boeing 777 freighter aircraft during third quarter 2012.

## **RECENT EVENTS**

### Board of Directors

On September 4, 2012 the extraordinary general shareholders meeting elected the new Board of Directors for LATAM Airlines Group. LATAM's Board of Directors has nine members, three of whom are independent. The Chairman of the Board is Mr. Mauricio Rolim Amaro.

### Rights Offering

On September 4<sup>th</sup>, 2012 the extraordinary general shareholders meeting also approved the placement, through a preemptive rights offering to LATAM shareholders, of the remaining 7,436,816 shares of the Company that were authorized for the TAM exchange offer, and that were not exchanged as a result of the number of TAM shares that participated in the offer. These shares represent 1.6% of total current outstanding shares of LATAM. Any shares not subscribed in the rights offering will be offered and placed in the securities markets. The Board of Directors of the Company will determine the price and conditions for the subscription and placement of these shares. On October 11, 2012 the Company submitted to the SVS (*Superintendencia de Valores y Seguros*) the related information memorandum and is currently waiting for its approval. The company expects to complete the rights offering before the end of 2012.

### New reservation and inventory system at LAN

On September 7<sup>th</sup>, LAN implemented the replacement of its passenger service system, containing the reservation, inventory and departure control systems of the airline, to a new system provided by Sabre. This event was the result of a two year strategic project at LAN. Total capex involved in the first phase of the project was approximately US\$82 million disbursed over the last 30 months. The Company continues to work on improving the functionality of the system. The conversion process implied moving from two suppliers (Amadeus and Resiber), whose systems were previously covering the complete role of the passenger service system, to a single supplier (Sabre), and is expected to result in substantial savings over the coming years. As a result of the mitigation measures taken for the cutover period, LAN stopped the sale of all passenger tickets during one day and reduced sales during a period of 7 days. Currently the Company is operating at the desired level of accomplishment of SABRE key parameters and, although the cutover has been successful, we are still working on adjusting processes and systems to accomplish full stabilization.

## Multiplus

Multiplus ended the third quarter of 2012 with 10.5 million members and 230 partnerships, an increase of 37% 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\$242.2 million (R\$491.4 million), a 23.7% increase compared to third quarter 2011, with cash generation in the quarter of US\$64.1 million (R\$130 million).

## LATAM AIRLINES GROUP CONSOLIDATED FINANCIAL RESULTS FOR THE THIRD QUARTER 2012

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

	For the three month period ended September 30		
	2012	2011	% Change
<b>REVENUE</b>			
Passenger	2,817,141	2,887,061	-2.4%
Cargo	448,015	523,091	-14.4%
Other	79,736	66,686	19.6%
<b>TOTAL OPERATING REVENUE</b>	<b>3,344,892</b>	<b>3,476,838</b>	<b>-3.8%</b>
<b>EXPENSES</b>			
Wages and Benefits	-647,577	-644,835	0.4%
Aircraft Fuel	-1,162,100	-959,380	21.1%
Commissions to Agents	-108,201	-118,756	-8.9%
Depreciation and Amortization	-297,646	-309,272	-3.8%
Other Rental and Landing Fees	-337,709	-348,498	-3.1%
Passenger Services	-83,670	-85,159	-1.7%
Aircraft Rentals	-103,632	-101,952	1.6%
Aircraft Maintenance	-94,435	-67,839	39.2%
Other Operating Expenses	-424,897	-380,257	11.7%
<b>TOTAL OPERATING EXPENSES</b>	<b>-3,259,867</b>	<b>-3,015,948</b>	<b>8.1%</b>
Operating Income	85,025	460,890	-81.6%
Operating Margin	2.5%	13.3%	-10.7 pp
<b>OPERATING INCOME EXCLUDING EXTRAORDINARY ITEMS</b>	<b>104,576</b>	<b>217,566</b>	<b>-51.9%</b>
Operating Margin	3.1%	6.3%	-3.1 pp
Interest Income	23,889	39,014	-38.8%
Interest Expense	-105,249	-124,027	-15.1%
Other Income (Expense)	12,886	-744,068	-101.7%
<b>INCOME BEFORE TAXES AND MINORITY INTEREST</b>	<b>16,551</b>	<b>-368,191</b>	<b>-104.5%</b>
Income Taxes	-72,740	110,317	-165.9%
<b>INCOME BEFORE MINORITY INTEREST</b>	<b>-56,189</b>	<b>-257,875</b>	<b>-78.2%</b>
Attributable to:			
Shareholders	-63,694	-280,071	-77.3%
Minority Interest	7,505	22,196	-66.2%
Net Income	-63,694	-280,071	-77.3%
Net Margin	-1.9%	-8.1%	6.2 pp
<b>NET INCOME EXCLUDING EXTRAORDINARY ITEMS</b>	<b>21,329</b>	<b>-454,636</b>	<b>-104.7%</b>
Operating Margin	0.6%	-13.1%	13.7 pp
Effective Tax Rate	n.m.	28.3%	
EBITDA	382,671	770,162	-50.3%
EBITDA Margin	11.4%	22.2%	-10.7 pp
EBITDAR	486,303	872,114	-44.2%
EBITDAR Margin	14.5%	25.1%	-10.5 pp

## MANAGEMENT COMMENTS ON THIRD QUARTER 2012 RESULTS

LATAM reported net income of US\$21.3 million in third quarter 2012, compared to a pro forma consolidated loss of US\$454.6 million for the third quarter 2011, excluding one-time items. One-time charges in the third quarter 2012 include US\$19.5 million of transaction –related expenses resulting from the business combination of LAN and TAM completed on June 22, 2012, and a one-time accounting charge of US\$70.4 million related to the increase in the Chilean corporate income tax rate from 17% to 20%. In the third quarter 2011, TAM’s operating results included tax credits in the amount of US\$258.0 million as a result of changes in the local Brazilian tax regime (PIS and COFINS). Of this amount, US\$14.7 million are recurring, and the remaining US\$243.3 represents a one-time gain. Excluding one-time items, operating income reached US\$104.6 million in third quarter 2012, a 51.9% decrease compared to a pro-forma operating income of US\$217.6 million in third quarter 2011, resulting in a 3.1% operating margin compared to 6.3% in third quarter 2011.

During third quarter 2012, LATAM’s consolidated revenues decreased 3.8% compared to third quarter 2011. **Passenger revenues** decreased 2.4% during the quarter, since the 2.2% increase in passenger capacity measured in ASKs was offset by a decline of 4.6% in revenues per ASK (RASK). This decrease is partially explained by a foreign exchange impact of US\$195.6 million as a result of the effect of the depreciation of the Brazilian real on TAM revenues accounted for in that currency. Regional markets continue to show solid demand trends. Capacity increases focused mainly on regional routes within South America and domestic routes within Chile. This expansion was partially offset by decreased capacity on domestic routes in Brazil, as well as decreased capacity on long haul routes to Europe. Passenger traffic growth during the quarter reached 7.2%, with load factors reaching 80.0%, 3.7 points higher than 2011. However, yields declined 9.0% as compared to third quarter 2011, impacted mostly by domestic operations in Brazil, offset by increases in other domestic markets and in our regional operations.

**Cargo revenues** decreased 14.4% during third 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 (including the belly capacity of TAM’s passenger aircraft) declined 3.2% due to capacity adjustments in the freighter fleet and the reduction of ACMI leases, partially offset by the incorporation of the new Boeing 777 freighter towards the end of the quarter. As a consequence of the 5.6% decline in cargo traffic, load factors decreased from 58.7% to 57.2%. Yields decreased 9.2% and revenues per ATK decreased 11.6% compared to third quarter 2011.

**Other revenues** increased 19.6%, amounting to US\$79.7 million during the third quarter 2012. This increase was due in part to gains from asset sales, including one Boeing 767-200 and a real estate property, partially offset by a decrease in revenues from Multiplus which decline from US\$19.6million to US\$7.2 million in third quarter 2012.

Operating expenses increased 8.1% compared to third quarter 2011, while unit costs per ASK-equivalent (including net financial expenses), increased 6.4%. Excluding one-time costs, unit costs decreased 1.7% and CASK-equivalent excluding fuel (and one-time costs) decreased 0.7%. Changes in operating expenses were mainly due to the following:

- **Wages and benefits** increased 0.4%, as the higher average headcount was offset by the positive impact of the average depreciation of Latin American currencies during the quarter on wages denominated in these currencies, mainly the 24% depreciation of the Brazilian real in relation to the US dollar as compared to third quarter 2011.
- **Fuel costs** increased 21.1% driven by the recognition of a tax credit (PIS and COFINS) in the amount of US\$233 million during the third quarter 2011, of which US\$13.5 million are recurring. Excluding that impact, the fuel bill would have decreased 1.5% in line with the group’s moderated capacity increase, and the decline of 2.1% in the average fuel price per gallon. In addition, the Company recognized a US\$2.5 million fuel hedge loss, compared to a US\$2.9 million fuel hedge loss in the third quarter of 2011.

- **Commissions to agents** decreased 8.9% due to a 4.3% decrease in traffic revenues and a 6.6 point decrease in average commissions, mainly explained by a reduction in average cargo commissions.
- **Depreciation and amortization** decreased 3.8% mainly due to the sale of 1 Airbus A318 and 1 Boeing 767 - 200ER as well as a real estate sale, offset by the incorporation of new aircrafts between October 2011 and September 2012.
- **Other rental and landing fees** decreased 3.1% mainly due to a reduction in the wet lease fleet. Also in the third quarter 2011 TAM recognized a tax credit (PIS and COFINS) for the amount of US\$24 million, of which US\$1.2 million are recurring. Excluding this impact the other rental and landing fees expenses would have decreased 9.2% compared to third quarter 2011.
- **Passenger service** expenses decreased 1.7% driven by a decrease in service costs, coupled with lower passenger compensations. This decrease was partially offset by a 12.1% increase in the number of passengers transported.
- **Aircraft rentals** increased 1.6% due to the incorporation of 4 leased Airbus A320 and one Airbus A319, which was partially compensated by the return of 3 leased Boeing 737-700s, belonging to LAN Colombia's operations, and 2 Boeing 767-300s.
- **Maintenance expenses** increased 39.2% as a result of a larger fleet, increases in engine repairs and increased aircraft redeliveries.
- **Other operating expenses** increased 11.7% due to higher advertising and marketing costs as well as higher sales costs, and transaction-related expenses of US\$19.5 million related to the merger process between LAN and TAM.

#### Non-operating results

- **Interest income** decreased from US\$39.0 million in third quarter 2011 to US\$23.9 million in third quarter 2012 mainly due to a lower cash balance during the quarter.
- **Interest expense** decreased by 15.1% despite higher debt related to fleet financing, mainly due to a US\$1.7 million gain related to the mark to market of certain fuel hedge positions, compared to a US\$57 million loss in the same period of 2011.
- Under **Other income (expense)**, the Company recorded a US\$12.9 million gain, mainly due to a US\$10 million foreign exchange gain. This compares to a US\$744.1 million loss in the third quarter 2011, of which US\$740 million due to the depreciation of the Brazilian real against the US dollar.

## FINANCING AND LIQUIDITY

Following are summary consolidated balance sheet indicators for LATAM Airlines Group as of September 30, 2012, in thousands of US dollars. Balance sheet figures as of December 31, 2011 are LAN figures as published, prior to the merger.

	As of September 30, 2012	As of December 31, 2011
<b>Total Assets</b>	<b>20,465,303</b>	<b>7,648,659</b>
Total Liabilities	15,310,408	6,191,287
Total Equity	5,154,895	1,457,372
<b>Total Liabilities and Shareholders equity</b>	<b>20,465,303</b>	<b>7,648,659</b>
<b>Net Debt</b>		
Current and long term portion of loans from financial institutions	5,753,385	3,199,778
Current and long term portion of obligations under capital leases	3,325,704	316,529
Other liabilities current and long term portion	236,393	271,965
Cash and cash equivalents	-1,013,612	-472,499
<b>Total Net Debt</b>	<b>8,301,870</b>	<b>3,315,773</b>

At the end of the third quarter 2012, LATAM reported US\$1,013.6 million in cash and cash equivalents, including certain highly liquid investments accounted for as other current financial assets. In addition, as of September 30, 2012, the Company reported deposits with aircraft manufacturers (pre-delivery payments) of US\$1,482.8 million, US\$863.4 million of which were funded directly by LATAM. On July 18, TAM disbursed approximately US\$ 163.3 million (R\$ 339.5 million) for the squeeze out of TAM shares which did not participate in the exchange offer.

During the third quarter 2012, LATAM successfully issued Exim bank guaranteed bonds for an amount of US\$ 664.9 million to partially replace existing Exim bank guaranteed debt and to prefund certain 2012 aircraft deliveries. Additionally, during November 2012 LATAM issued Exim bank guaranteed bonds for an amount of US\$ 639.9 million also with the aforementioned purposes. The rate of these issuances was fixed at 1.5% in US dollars. These financings are for the Company's 2012 aircraft deliveries, which involve a total amount of approximately US\$2.7 billion for a total of 40 aircraft.

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 to the LATAM balance sheet, which has the US dollar as its functional currency. In addition, all aircrafts delivered after June 22, 2012 are to be financed mostly by LATAM Airlines Group, even if the aircraft is to be operated by TAM. 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 47% of its estimated fuel consumption for the fourth quarter of 2012, and 13% of its average estimated fuel consumption for 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 third quarter 2012, LATAM received 6 Airbus A320, 4 Boeing 767-300, 2 Boeing 777-300ER and 1 Boeing 787-800 passenger aircraft, and 1 Boeing 777 freighter. The Company also returned 7 Airbus A320-200s and 2 Boeing 767-300.

During the fourth quarter 2012, LATAM expects to receive 6 additional Airbus A320 family aircraft to operate domestic and regional routes, as well as 4 Boeing 767-300, 3 Boeing 777-300ER and 2 Boeing 787-8 Dreamliners for long-haul routes. Regarding the cargo fleet, during the fourth quarter 2012, the Company expects the delivery of 1 Boeing 777 freighter aircraft. LATAM's fleet plan also contemplates the return of 8 aircraft during the remainder of 2012.

LATAM's estimated fleet plan and associated capital expenditures are shown in the table below.

	2012	2013	2014	2015
<b>Passenger Aircraft</b>				
Dash 8-200	10	9	9	4
Dash 8-Q400	4	4	4	4
Boeing 737-700	6	6	2	0
Airbus A318-100	5	0	0	0
Airbus A319-100	55	53	57	60
Airbus A320-200	139	162	172	188
Airbus A321-200	9	10	20	27
Airbus A330-200	20	16	13	13
Boeing 767-300	41	43	39	39
Airbus A340-300/500	7	2	0	0
Boeing 777-300 ER	8	10	12	12
Boeing 787-800	3	5	12	16
<b>TOTAL</b>	<b>307</b>	<b>320</b>	<b>340</b>	<b>363</b>
<b>Cargo Aircraft</b>				
Boeing 777-200F	4	4	4	4
Boeing 767-300F	12	12	12	12
<b>TOTAL</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>
<b>TOTAL FLEET</b>	<b>323</b>	<b>336</b>	<b>356</b>	<b>379</b>
<b>Total Fleet Capex (US\$ millions)</b>	<b>2,979</b>	<b>2,195</b>	<b>2,354</b>	<b>1,613</b>



## OUTLOOK

The Company expects passenger ASK growth for full year 2012 for LATAM Airlines Group to be approximately 3% to 4%, mainly driven by the delivery of 40 passenger aircraft. TAM's domestic passenger ASKs in the Brazilian market are expected to decrease approximately 2% during 2012. Considering current market conditions, the Company expects passenger ASK growth in 2013 for LATAM Airlines Group to be approximately 4% to 6%, mainly driven by the delivery of 38 passenger aircraft. TAM's domestic passenger ASKs in the Brazilian market are expected to decrease by approximately 7% during the first semester of 2013.

Regarding cargo operations, LATAM expects cargo ATK growth between 0 and 2% for full year 2012, including TAM belly capacity. For 2013, the Company expects total cargo capacity to grow between 6% and 8%, mainly driven by the incorporation of two new B777 freighters in September and October 2012, as well as additional belly capacity on international routes.

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### About LATAM Airlines Group S.A

LATAM Airlines Group S.A. is the new name given to LATAM Airlines S.A. as a result of its association with TAM S.A. LATAM Airlines Group S.A. now includes LATAM Airlines and its affiliates in Peru, Argentina, Colombia and Ecuador, and LATAM Cargo and its affiliates, as well as TAM S.A. and its subsidiaries TAM LinhasAereas S.A., including its business units TAM TransportesAereos 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 320 aircraft. In total, LATAM Airlines Group S.A. has more than 52,000 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 LATAM or TAM, please visit [www.LATAM.com](http://www.LATAM.com) or <http://www.tam.com.br/>, respectively. Further information at <http://www.latamairlinesgroup.net/>

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### 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 September 30, 2012	As of December 31, 2011
<b>Assets:</b>		
Cash, and cash equivalents	525,079	374,407
Other financial assets	649,154	227,803
Other non-financial assets	61,590	32,711
Trade and other accounts receivable	1,778,491	531,355
Accounts receivable from related entities	706	838
Inventories	171,206	72,787
Tax assets	267,823	98,789
Non-current assets and disposal groups held for sale	12,469	4,661
<b>Total current assets</b>	<b>3,466,518</b>	<b>1,343,351</b>
Property and equipment	11,930,157	5,927,982
Goodwill	2,344,616	163,777
Intangible assets other than goodwill	1,847,317	64,923
Other non-current assets	876,695	148,626
<b>Total non-current assets</b>	<b>16,998,785</b>	<b>6,305,308</b>
<b>Total assets</b>	<b>20,465,303</b>	<b>7,648,659</b>
<b>Liabilities and shareholders' equity:</b>		
Other financial liabilities	1,828,292	582,257
Trade and other accounts payables	1,567,512	645,086
Tax liabilities	102,484	29,369
Other non-financial liabilities	2,083,343	1,065,367
<b>Total current liabilities</b>	<b>5,581,631</b>	<b>2,322,079</b>
Other financial liabilities	7,456,451	3,109,136
Accounts payable	770,324	354,930
Other provisions	288,184	22,385
Deferred tax liabilities	1,090,863	369,625
Employee benefits	18,497	13,132
Other non-financial liabilities	104,458	-
<b>Total non-current liabilities</b>	<b>9,728,777</b>	<b>3,869,208</b>
<b>Total liabilities</b>	<b>15,310,408</b>	<b>6,191,287</b>
Share capital	1,432,032	473,907
Retained earnings	1,142,333	1,116,798
Treasury Shares	(203)	-
Other reserves	2,540,870	(145,381)
Equity attributable to the parent company's equity holders	5,115,032	1,445,324
Minority interest	39,863	12,048
<b>Total net equity</b>	<b>5,154,895</b>	<b>1,457,372</b>
<b>Total liabilities and equity</b>	<b>20,465,303</b>	<b>7,648,659</b>

## LATAM Airlines Group S.A. Consolidated Operational Statistics

	For the three month period ended September 30		
	2012	2011	% Change
<b>System</b>			
ASKs-equivalent (millions)	52,618	52,533	0.2%
RPKs-equivalent (millions)	37,610	36,512	3.0%
Overall Load Factor (based on ASK-equivalent)%	71.5%	69.5%	2.0 pp
Break-Even Load Factor (based on ASK-equivalent)%	71.4%	61.8%	9.6 pp
Yield based on RPK-equivalent (US Cents)	8.7	9.3	-7.0%
Operating Revenues per ASK-equivalent (US Cents)	6.2	6.5	-4.4%
Costs per ASK-equivalent (US Cents)	6.4	6.1	6.4%
Fuel Gallons Consumed (millions)	322.7	320.7	0.6%
Average Trip Length (thousands km)	1.537	1.607	-4.4%
Total Number of Employees	52,953	50,237	5.4%
<b>Passenger</b>			
ASKs (millions)	32,989	32,265	2.2%
RPKs (millions)	26,375	24,607	7.2%
RTKs (millions)	2,420	2,215	9.3%
Passengers Transported (thousands)	17,160	15,308	12.1%
Load Factor (based on ASKs)%	80.0%	76.3%	3.7 pp
Yield based on RPKs (US Cents)	10.7	11.7	-9.0%
Yield based on RTKs (US Cents)	11.6	13.0	-10.7%
Revenues per ASK (US cents)	8.5	8.9	-4.6%
<b>Cargo</b>			
ATKs (millions)	1,865	1,925	-3.2%
RTKs (millions)	1,067	1,131	-5.6%
Tons Transported (thousands)	283	288	-1.6%
Load Factor (based on ATKs)%	57.2%	58.7%	-1.5 pp
Yield based on RTKs (US Cents)	42.0	46.3	-9.2%
Revenues per ATK (US Cents)	24.0	27.2	-11.6%

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.

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

	As of September 30, 2012		
	Off-Balance	On-Balance	Total
<b>Passenger Aircraft</b>			
Dash 8-200	10	0	10
Dash 8-Q400	4	0	4
Boeing 737-700	6	0	6
Airbus A318-100	0	9	9
Airbus A319-100	14	42	56
Airbus A320-200	68	72	140
Airbus A321-200	1	8	9
Airbus A330-200	2	18	20
Boeing 767-300	8	29	37
Airbus A340-300/500	2	5	7
Boeing 777-300 ER	0	6	6
Boeing 787-800	0	1	1
<b>TOTAL</b>	<b>115</b>	<b>190</b>	<b>305</b>
<b>Flota Carga</b>			
Boeing 777-200F	2	1	3
Boeing 767-300F	4	8	12
<b>TOTAL</b>	<b>6</b>	<b>9</b>	<b>15</b>
<b>TOTAL FLEET</b>	<b>121</b>	<b>199</b>	<b>320</b>