



— LATAM AIRLINES GROUP —

## Third quarter 2012 Results Presentation

November, 2012

---

---

*This presentation may include forward-looking comments regarding the Company's business outlook and anticipated financial and operating results. These expectations are highly dependent on the economy, the airline industry, commodity prices, international markets and external events. Therefore, they are subject to change and we undertake no obligation to publicly update or revise any forward looking statements to reflect events or circumstances that may arise after the date of this presentation. More information on the risk factors that could affect our results are contained on our Form 20-F for the year ended December 31, 2011.*

*Information, tables and logos contained in this presentation may not be used without consent from LATAM Airlines Group S.A.*

## LATAM Airlines Group: Highlights 3Q 2012

(US\$ million)	3Q11 Pro Forma	3Q12	% Change (YoY)
<b>Total Revenues</b>	<b>3,477</b>	<b>3,345</b>	<b>-3.8%</b>
Passenger Revenues	2,887	2,817	-2.4%
Cargo Revenues	523	448	-14.4%
<b>Total Operating Expenses</b>	<b>-3,016</b>	<b>-3,260</b>	<b>8.1%</b>
<b>Operating Income (Ex one time)</b>	<b>218</b>	<b>105</b>	<b>-51.9%</b>
Operating Margin	6.3%	3.1%	-3.1 pp
<b>Net Income (Ex one time)</b>	<b>-455</b>	<b>21</b>	<b>104.7%</b>
<b>EBITDAR (Ex one time)*</b>	<b>629</b>	<b>506</b>	<b>-19.6%</b>
EBITDAR Margin	18.1%	15.1%	-3.0 pp

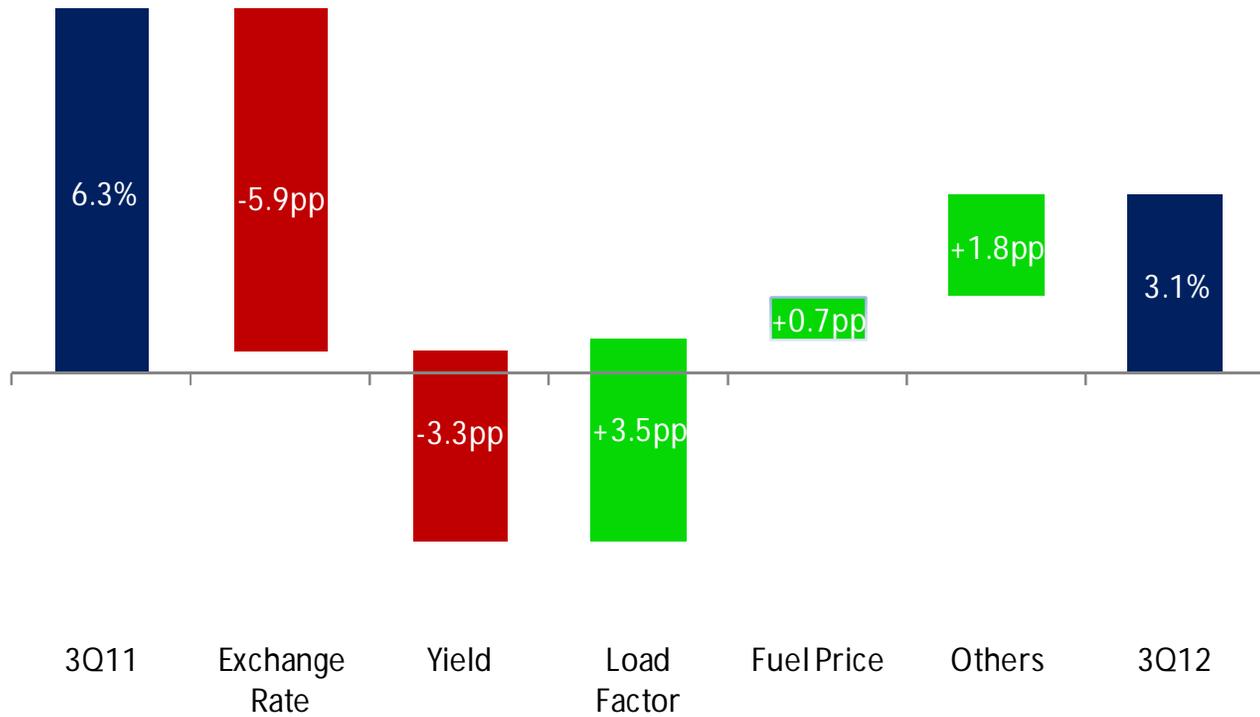
- In this quarter the company recorded Net income of US\$21 million and an operating margin of 3.1% excluding extraordinary items.
- Extraordinary Items include transaction related expenses of US\$20 million and a one time tax charge of US\$70 million



— LATAM AIRLINES GROUP —

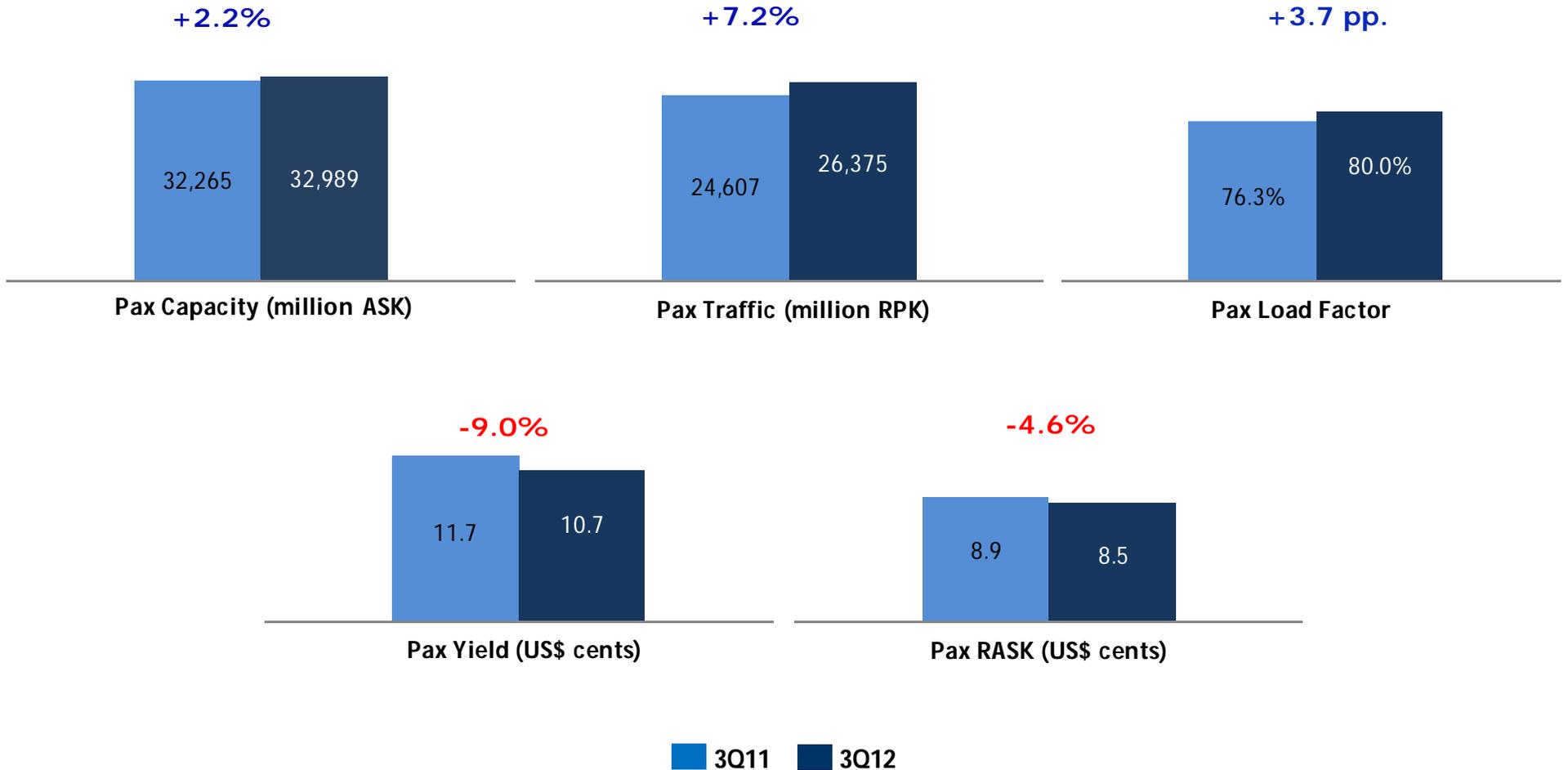
\* EBITDAR = Operating income + depreciation & amortization + aircraft rentals

# LATAM Airlines Group operating margin analysis (ex one time items)



3.68	—————	Fuel Price [US\$]	—————>	3.60	-2.1%
<b>218</b>	—————	Op. Margin [US\$MM]	—————>	<b>105</b>	-51.9%

# LATAM Airlines Group: Passenger Business - Revenue decreases 2.4%

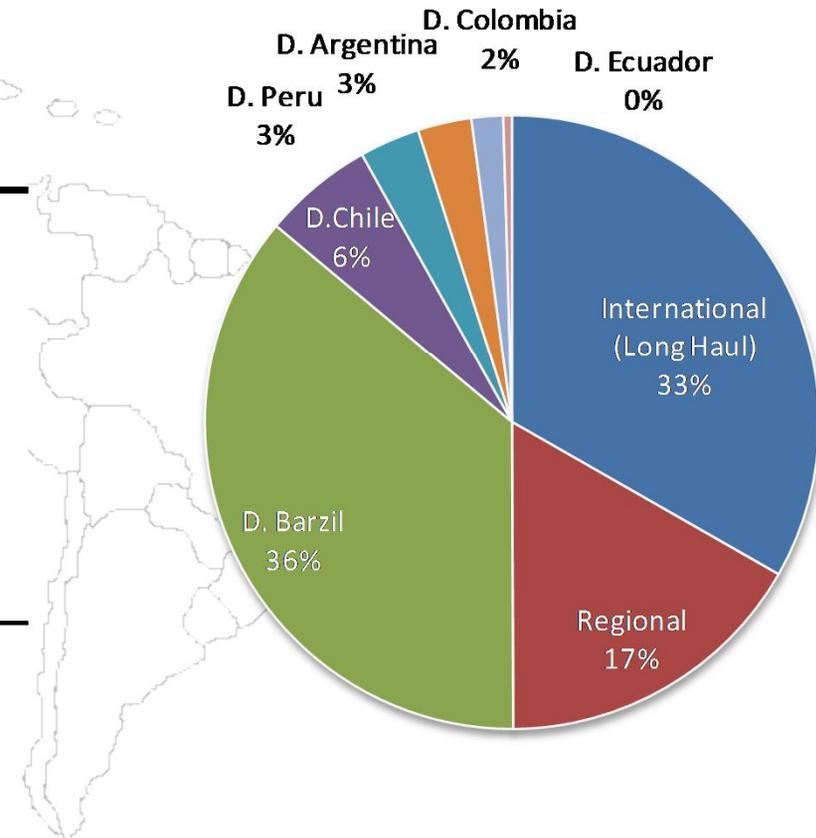


# LATAM Airlines Group: Diversified passenger capacity growth



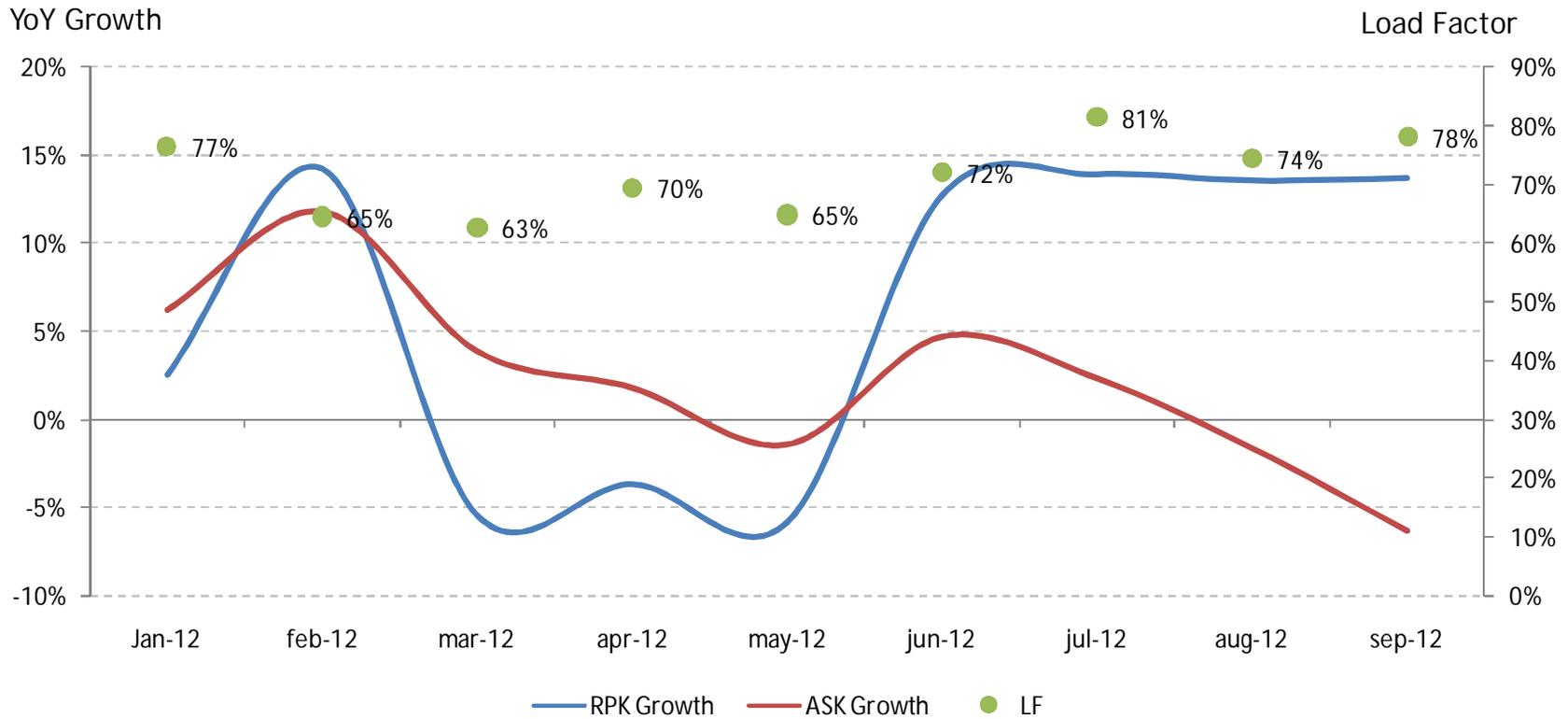
## ASK 3Q 2012

<b>Growth in ASK (3Q11 vs. 3Q12)</b>	<b>2.2%</b>
International (Long Haul)	-0.6%
Regional	14.8%
Brazil Domestic	-1.8%
Chile Domestic	17.4%
Peru Domestic	7.1%
Argentina Domestic	38.5%
Colombia Domestic	-0.9%
Ecuador Domestic	15.2%

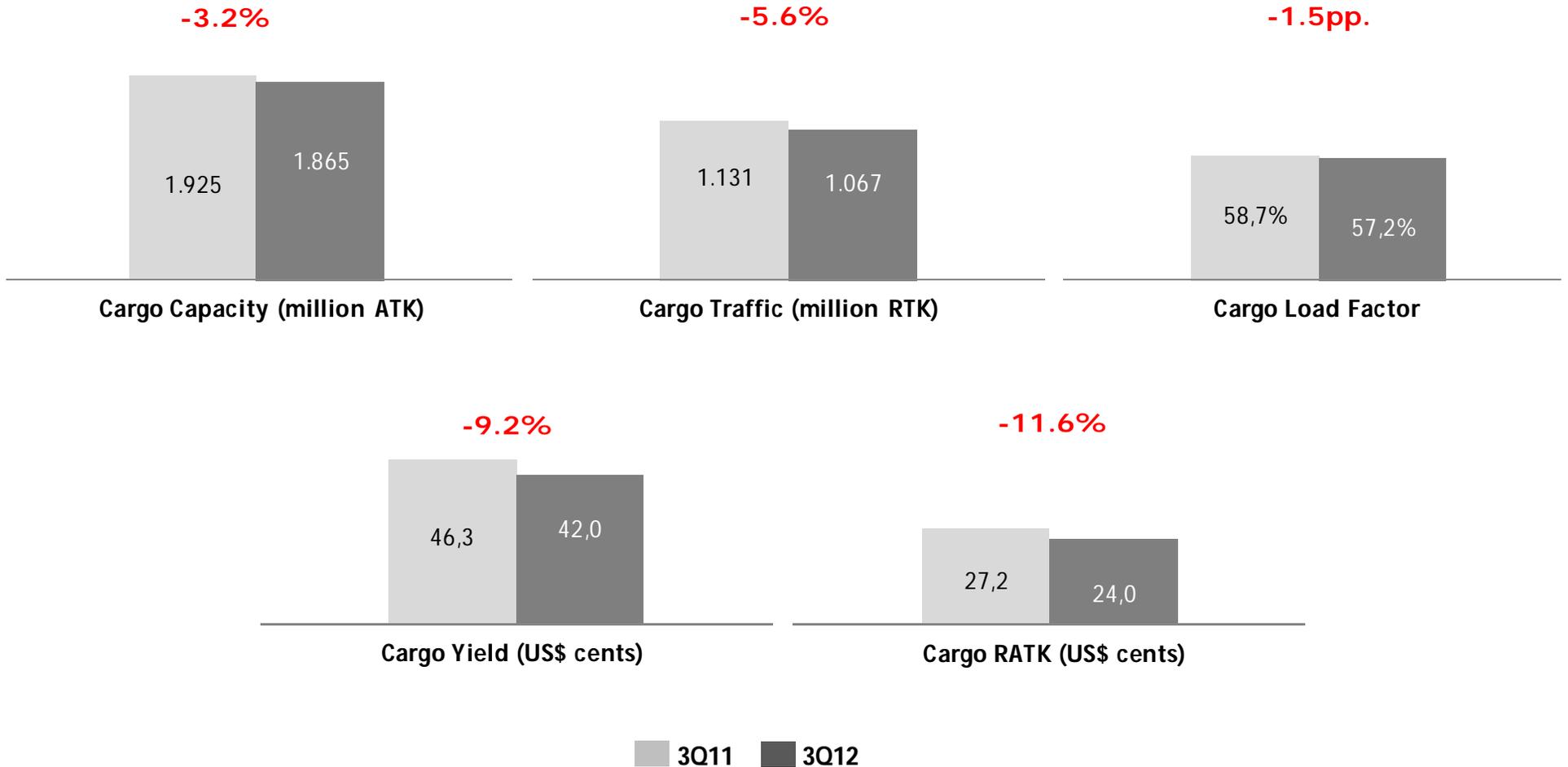


# Businesses performance January - September 2012: Domestic Brazil

## TAM Domestic Passenger Operation - Capacity and Traffic Evolution

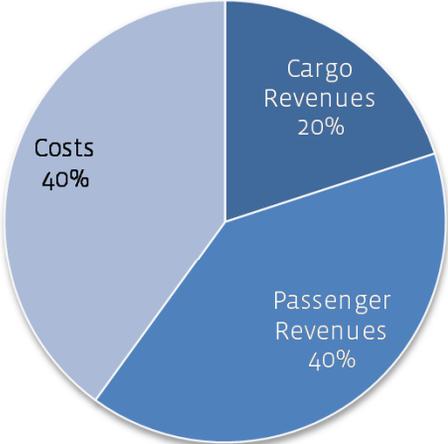


# LATAM Airlines Group: Cargo Business - Revenue decreases 14.4%

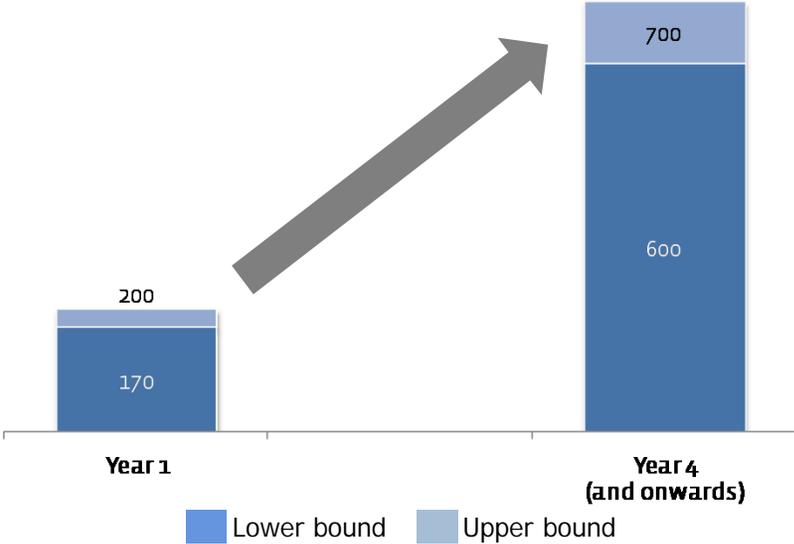


# Estimated US\$700 Million in Synergies

**Synergy Breakdown**



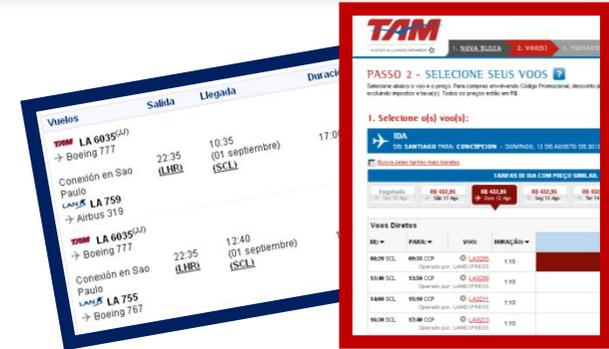
**Synergy Schedule**  
(US\$ millions)



# Passenger, Cargo and Cost synergies on track

## Passenger Operations

- ➔ New and improved agreements with international carriers
- ➔ Alignment of commercial practices and on board product
- ➔ New operations on regional routes



## Cargo Operations

- ➔ Integration of international cargo systems completed
- ➔ Improved connectivity for cargo at GRU and GIC airports
- ➔ New domestic Brazil cargo contracts



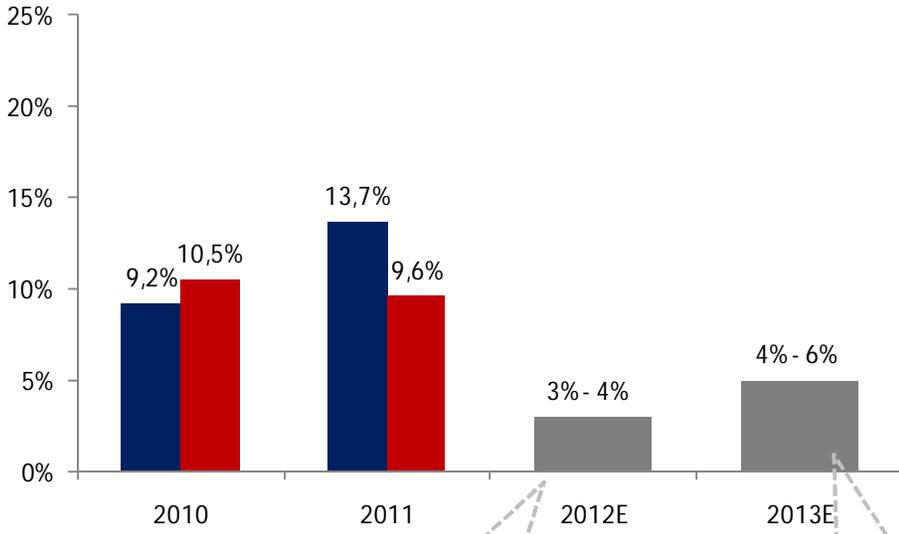
## Costs Synergies

- ➔ Fuel price negotiations in some airports completed
- ➔ Early redelivery of engine inventories
- ➔ Insurance joint negotiation completed



# 2012 Estimated capacity expansion

## LATAM Airlines Passenger ASK Growth



**Domestic Brazil ASKs**

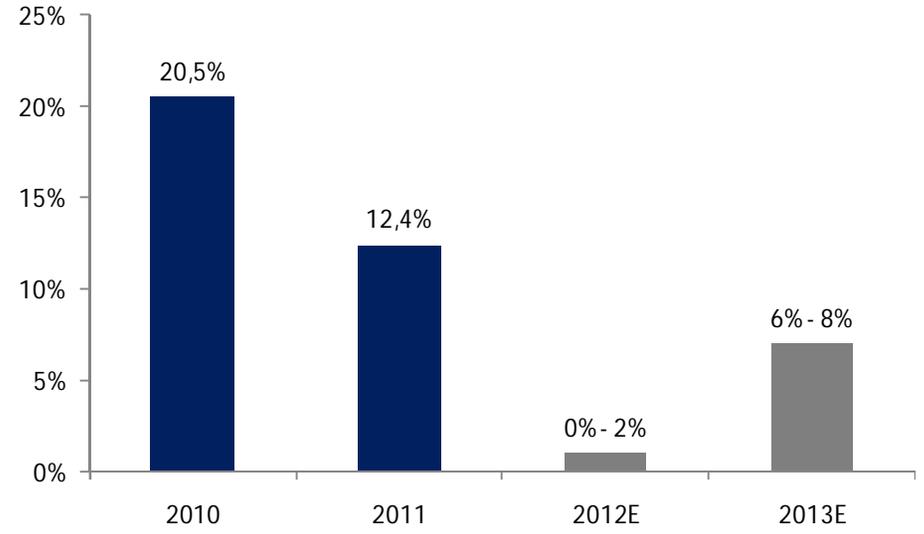
**-2%**

**Domestic Brazil ASKs**

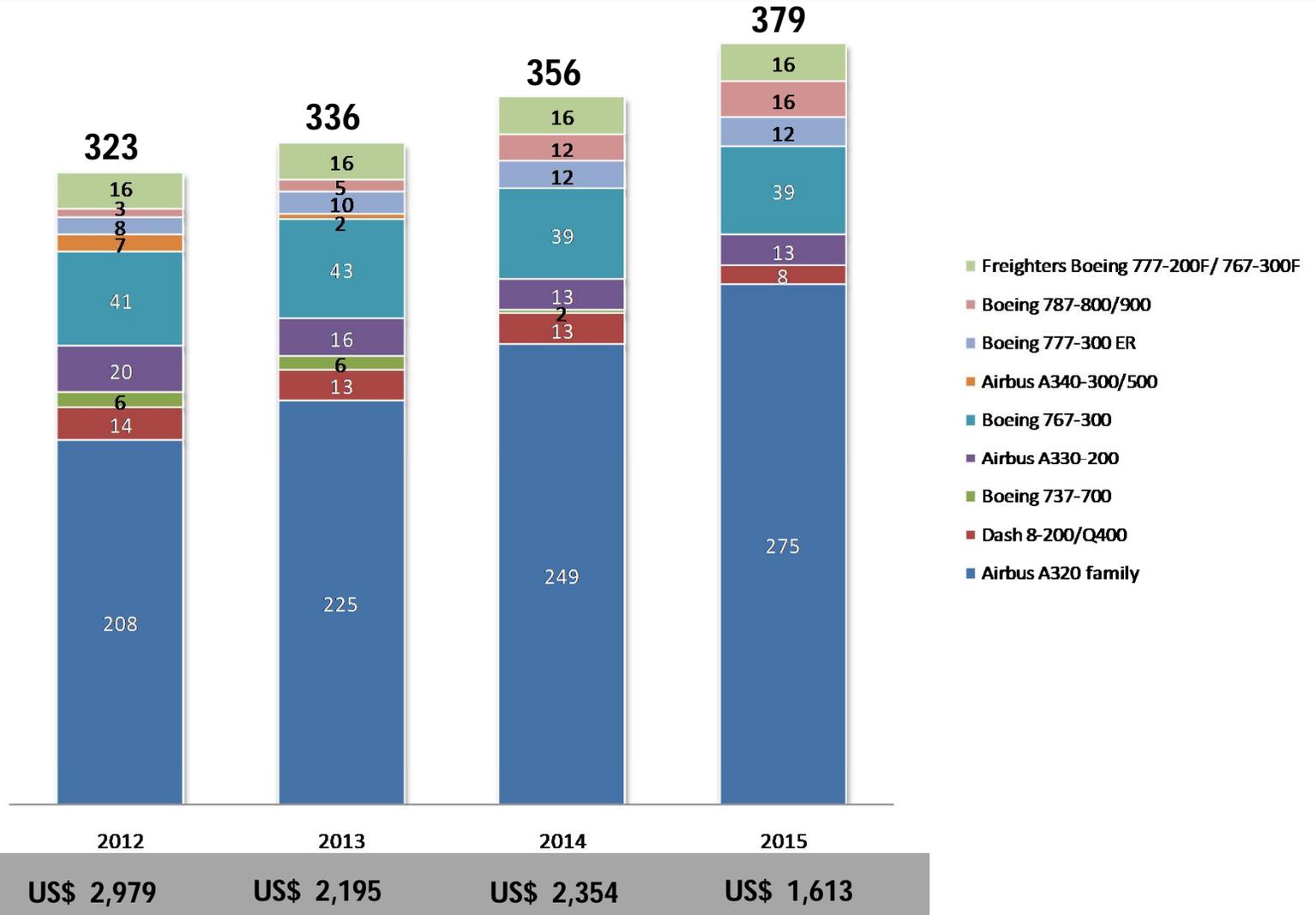
**-7% 1H2013**

■ LAN ■ TAM ■ LATAM

## LATAM Airlines Cargo ATK Growth



# LATAM Airlines Group fleet plan 2012-2015



Recently integrating the first 787 Dreamliner to our fleet

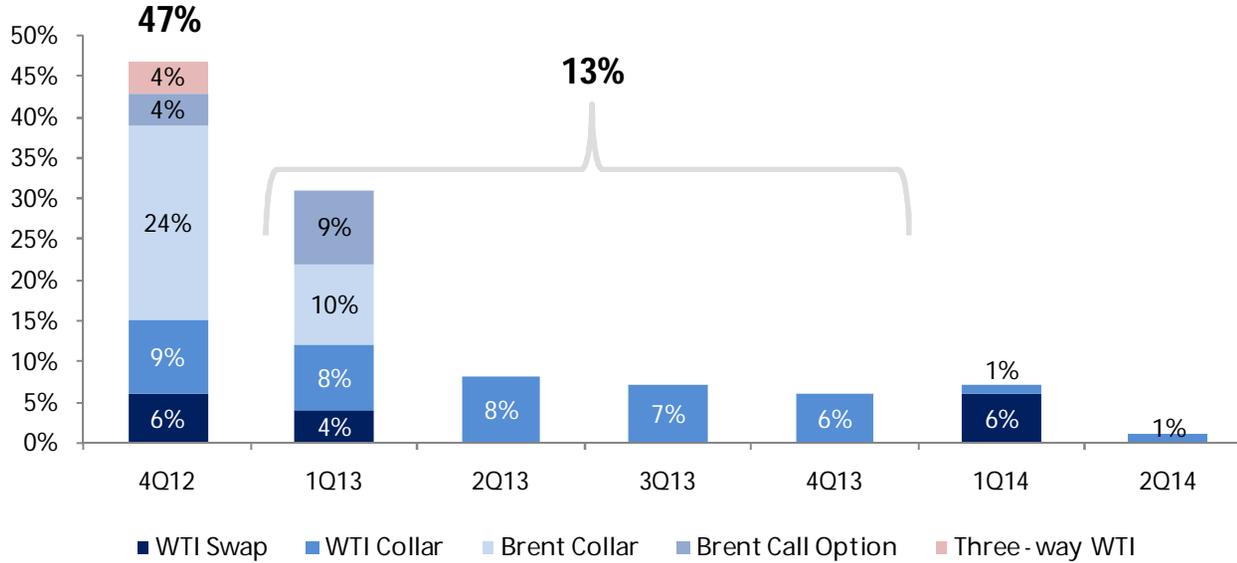
### Boeing 787 Dreamliner

- Will allow the group to achieve unprecedented efficiencies in fuel consumption
- Consumes between 12% and 15% less fuel than a B767
- 20% less CO2 emissions
- Will operate between Santiago, Buenos Aires, Lima, Los Angeles, Madrid, and Frankfurt.



# LATAM Airlines Group fuel hedges

**LATAM Fuel Hedges**  
(% of consumption)



		4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14
<b>WTI Band</b>	101@75	47%						
<b>WTI Band</b>	101@67		31%					
<b>WTI Band</b>	117@87			8%				
<b>WTI Band</b>	119@87				7%	6%		
<b>WTI Band</b>	102@80						7%	
<b>WTI Band</b>	93@80							1%

Note: hedging position as of October 23, 2012  
\* Values are WTI equivalents

Thank You

