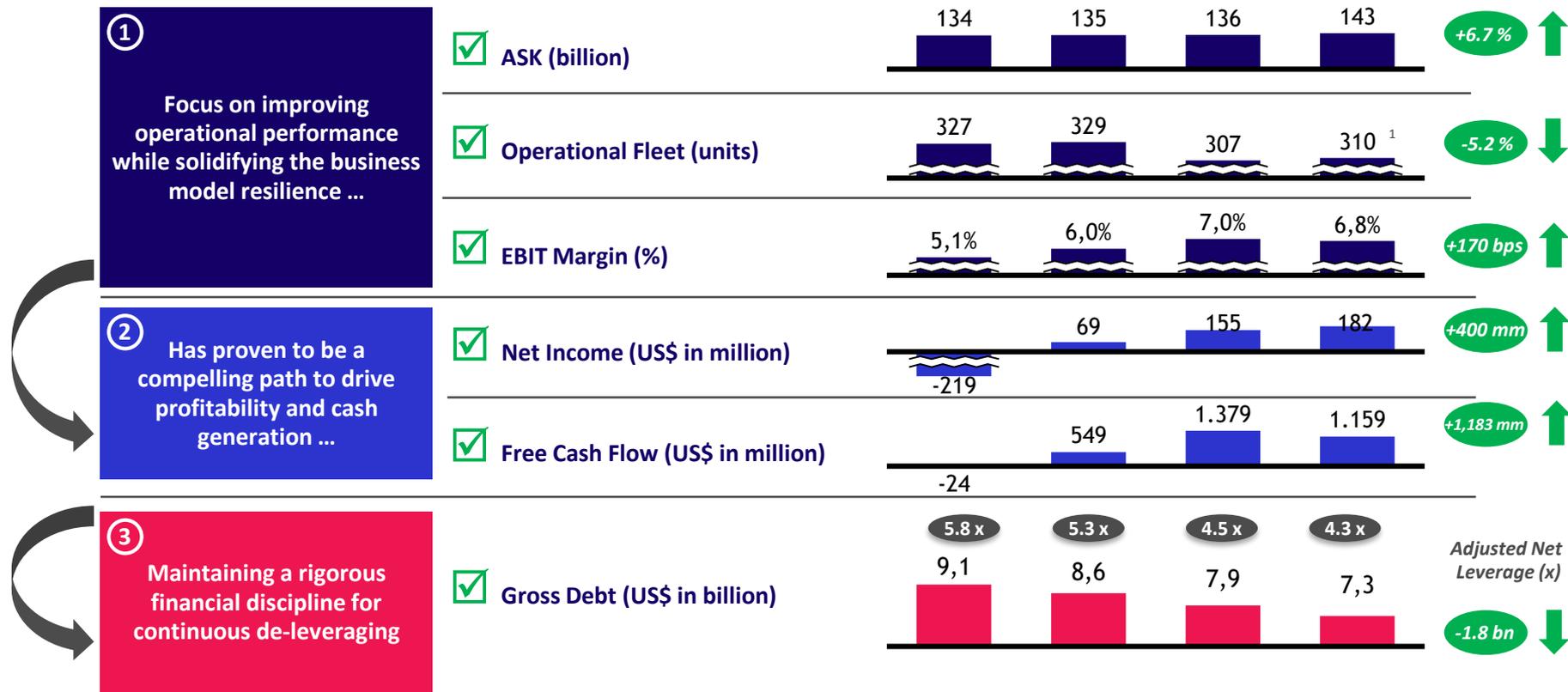


Fourth Quarter 2018 Results Presentation

March 13, 2019



Successfully delivered on a transformational plan to enhance LATAM's performance



¹ Excludes 2 short-term leased aircrafts, as of December 2018.

Full Year 2018 Highlights



Overcame relevant challenges including:

- Higher fuel cost (~US\$664 million)
- Currencies devaluation
- Cabin crew strike in Chile
- Truckers strike in Brazil
- Engine maintenance (Rolls-Royce engines issues)



Delivered strong 2018 results:

- Operating Revenue of US\$10.4bn
- EBITDAR of US\$2.2bn
- Free Cash Flow of US\$1,159 million
- Net income of US\$182mm



Cost cutting initiatives supported 2018 resilient margin profile



\$2.2bn reduction in fleet commitments between 2018 and 2021

Other Relevant Events in the Year



Announced intention to acquire the minority stake in Multiplus. Tender offer between March 1st – April 1st, 2019



Chile's Competition Court (TDLC), last pending authority in Latin America¹, approved the JBAs between LATAM Airlines Group and American Airlines and IAG²

Q4 2018 Financial Summary

(US\$ Millions)	4Q18	4Q17	Change	FY18	FY17	Change
Total Operating Revenues	2,788	2,768	0.8%	10,368	10,164	2.0%
Passenger	2,327	2,275	2.3%	8,709	8,494	2.5%
Cargo	312	337	-7.4%	1,186	1,119	6.0%
Others	149	156	-4.5%	473	550	-14.0%
Total Operating Costs	-2,493	-2,498	-0.2%	-9,663	-9,449	2.3%
Fuel	832	651	27.9%	2,983	2,319	28.6%
Ex-fuel	1,661	1,847	-10.1%	6,680	7,130	-6.3%
Operating Income	295	270	9.2%	705	715	-1.3%
Operating Margin	10.6%	9.8%	0.8 p.p.	6.8%	7.0%	-0.2 p.p.
Net Income (Loss)	149	67	121.3%	182	155	+17.1%
Foreign Exchange Gains/Losses	-12	-67	NM	-158	-19	678%
EBITDAR	675	660	2.2%	2,225	2,296	-3.1%
EBITDAR Margin	24.2%	23.9%	0.3 p.p.	21.5%	22.6%	-1.1 p.p.

Fourth Quarter 2018 Operating Statistics

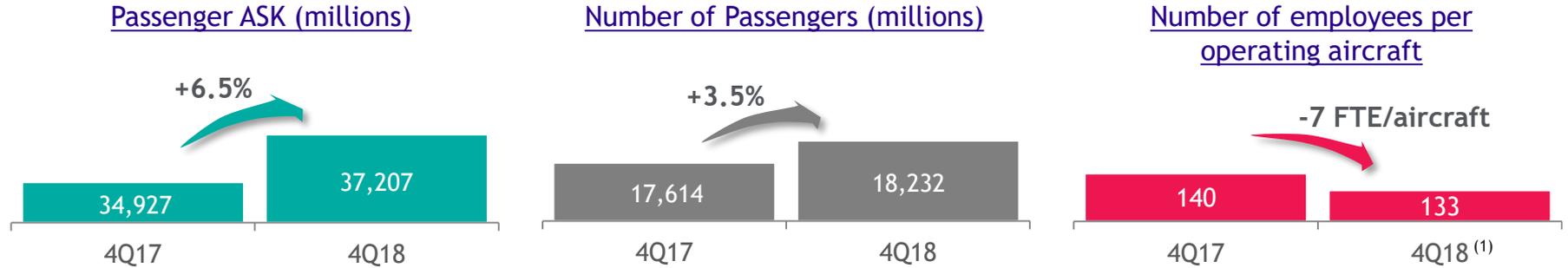
% YoY	System Capacity	Capacity	Traffic	Load Factor	RASK/RATK (USc) ¹ (% YoY)
International (Long Haul & Regional)		+7.4%	+3.5%	83.1% (-3.1 p.p.)	5.8 (-9.1%)
Domestic Brazil		+4.4%	+3.0%	83.6% (-1.1 p.p.)	6.7 ² (-6.2%)
SSC Domestic		+7.1%	+7.0%	82.3% (-0.1 p.p.)	7.0 (-8.2%)
Passenger		+6.5%	+4.0%	83.0% (-2.0 p.p.)	6.3 (-4.0%)
Cargo		+1.1%	-0.9%	57.3% (-1.1 p.p.)	18.8 (-8.4%)

BRL
4Q18: +10.2%

¹ RASK by business unit includes ticket revenue, breakage, frequent flyer program contribution and ancillary revenues. Total passenger RASK considers reported passenger revenues and includes IAS21 and IAS29

² Excluding proportional margin contribution from Multiplus

Cost per ASK excluding fuel decreased by 15.6% YoY



Total Costs US\$MM	4Q18	4Q17	Change
Fuel Cost	832	651	+27.9%
Wages & Benefits	467	520	-10.2%
Fleet Cost	462	507	-8.9%
Others	732	819	-10.7%
Operating Costs	2,493	2,498	-0.2%
CASK(US cents)	6.7	7.2	-6.3%
CASK ex-fuel (US cents)	4.5	5.3	-15.6%

¹ Excluding 2 Boeing 777 leased to Boeing

LATAM is competing effectively in domestic markets with its New Sales Model and continues to expand the model to international flights



Key differentiators



International connectivity



Key slots at most important airports



Frequent Flyer Program



LATAM
Domestic Markets

2018 LATAM
Dom Pax
growth YoY¹



+1.3 mm pax

Market Share²
Dec'17 vs
Dec'18

64%
Stable

64%
↑

22%
↓

31%
Stable

18%
Stable

31%
Stable

LATAM
Load Factor

82% 81%

83% 83%

82% 83%

81% 83%

81% 80%

81% 83%

82% 82%

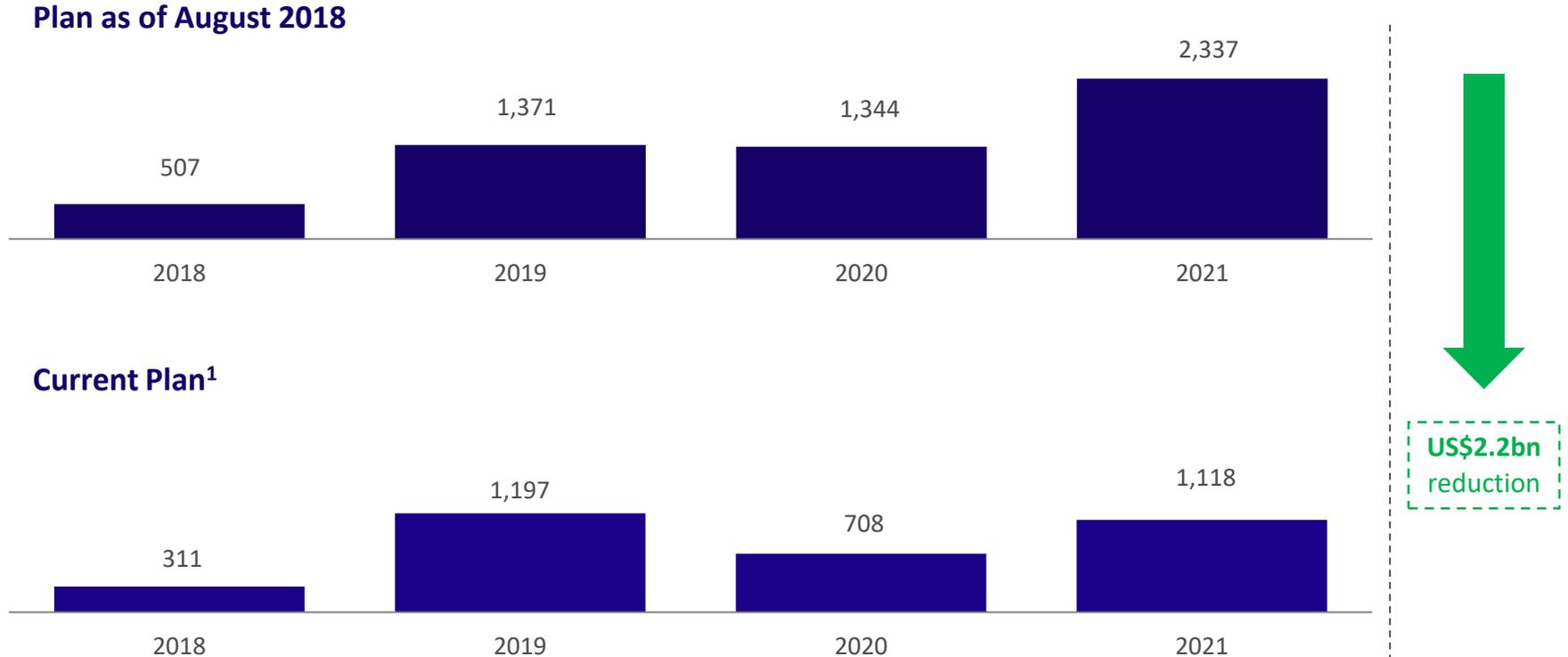
■ FY18 ■ FY17

1 Source: JAC Chile, EANA Argentina, ANAC Brazil, DGAC Colombia, Ministerio de Transportes Peru, LATAM estimates for Ecuador

2 RPK for Chile, Colombia and Brazil; Pax for Peru and Argentina; ASK for Ecuador

Successful reduction of our fleet commitments

Right-sized fleet plan (US\$ in million)



Passengers are in the center of our decision making process

Transforming the cabin experience



US\$400 million in cabin retrofits in approximately 2 years

Comfort, segmentation & efficiency

Intention to acquire the minority stake in Multiplus



Tender offer announced between March 1st – April 1st, 2019

4th largest frequent flyer program in the world with over 30 million members

LATAM PLAY



+100 Movies

+300 TV Shows

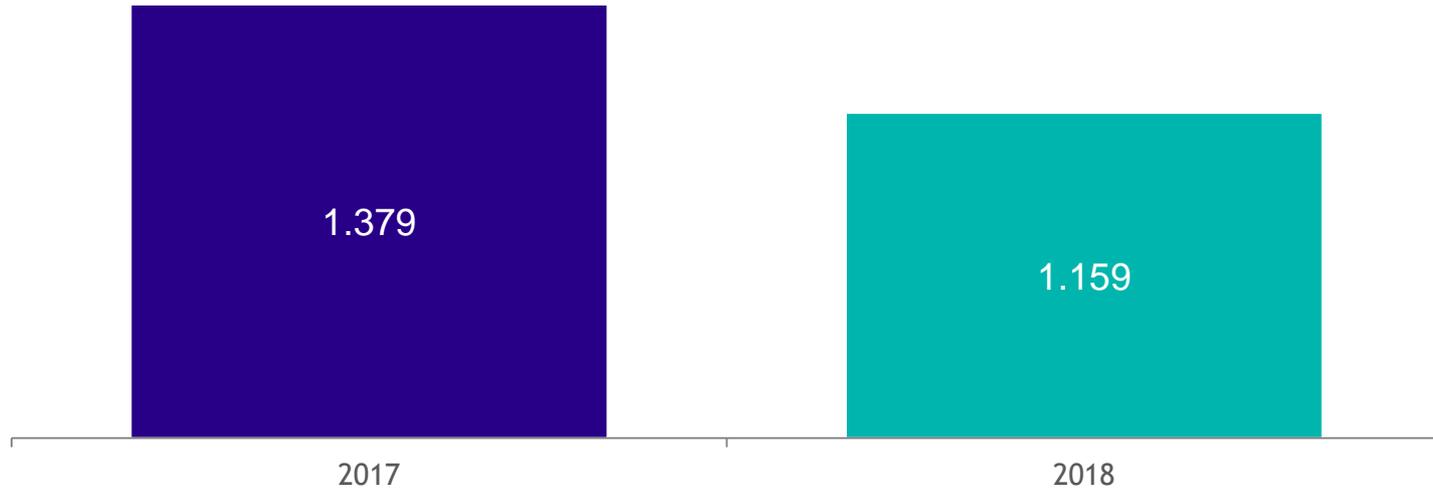
+2800 Songs

Internet

Live TV

Resilient operating cash flow generation

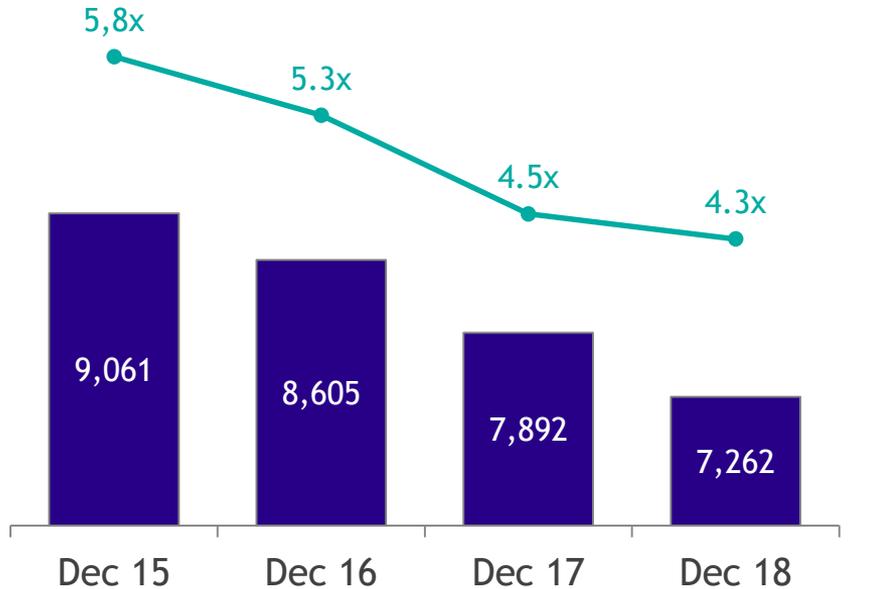
Free cash flow⁽¹⁾ (USD million)



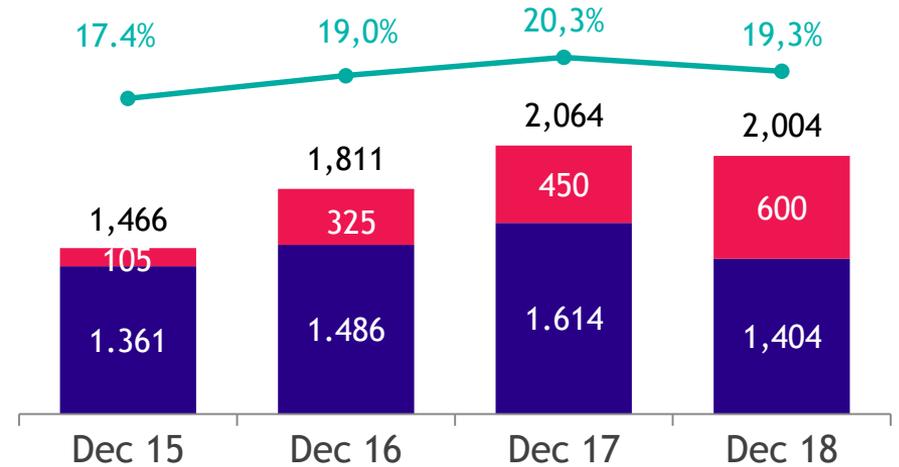
(1) Cash flow from operating activities - Cash flow used in investing activities

Continuous deleveraging trend and stronger balance sheet

Gross Debt¹ and leverage



Liquidity



■ Total Gross Debt (US\$ MM) ● Adjusted Net Debt / EBITDAR

■ Committed Lines & RCF (US\$ MM) ■ Cash (US\$ MM) ● Liquidity

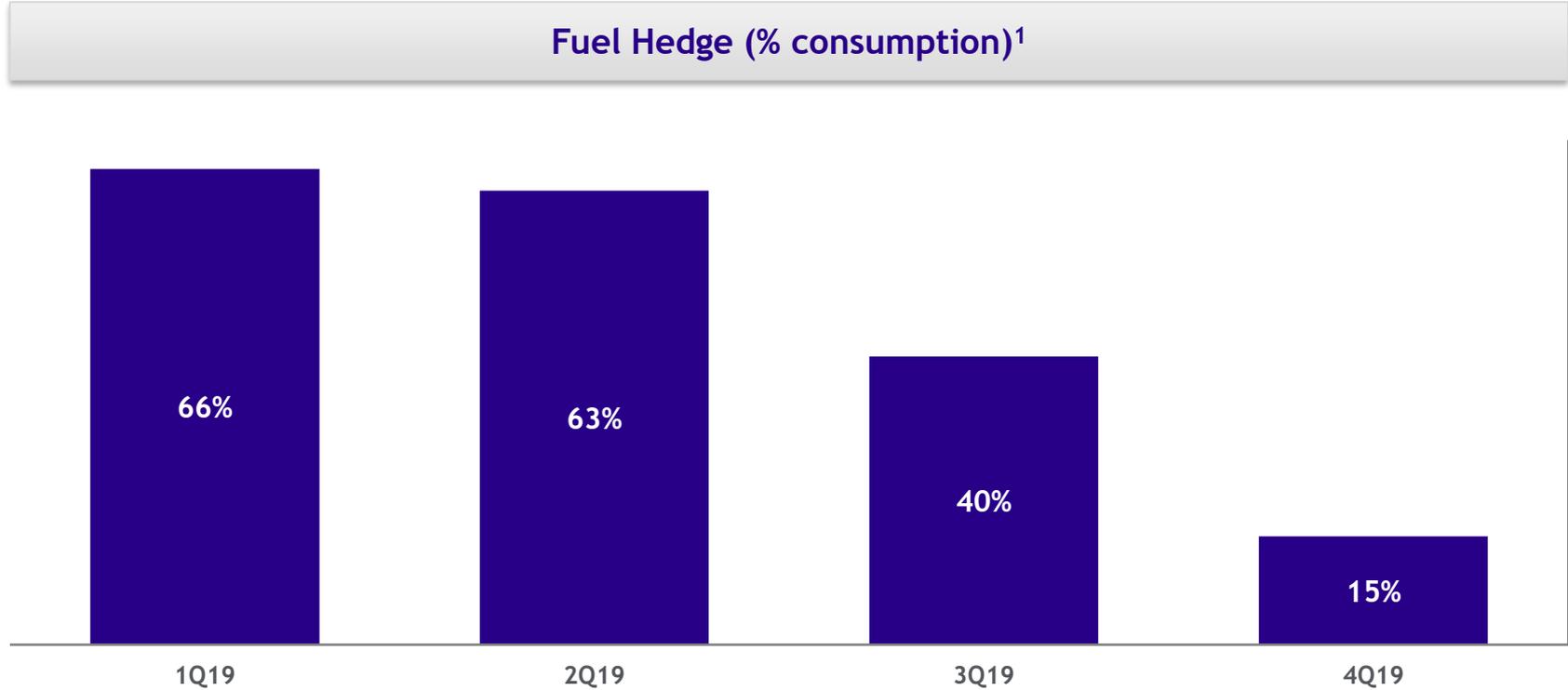
1. Adjusted for the capitalization of operating leases (7x yearly expense)

Source: Public Company filings

IFRS16 estimated effect

	December 31, 2018	IFRS 16 Effect	Variation
EBITDAR Margin	21.5%	21.5%	-
EBITDA Margin	16.3%	21.6%	+5.3 p.p.
EBIT Margin	6.8%	8.4%	+1.6 p.p.
Adjusted Gross Debt/EBITDAR	5.0x	4.6x	-0.4x
Adjusted Net Debt/EBITDAR	4.3x	3.9x	-0.4x

Hedging strategy to support operational margin resilience



1. As of March 2019

Guidance

		2018	2019E
Passenger (ASK) 	International	6.1%	3% - 5%
	Domestic Brazil	3.7%	2% - 4%
	Domestic Spanish Speaking Countries	3.5%	8% - 10%
	Total	5.0%	4% - 6%
Cargo (ATK) 		4.3%	1% - 3%
Operating Margin (%) 		6.8%	7% - 9%

Fourth Quarter 2018 Results Presentation

March 13, 2019

