



LATAM Airlines Group chooses oneworld as its global alliance

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- Brazil's TAM to leave Star for oneworld in early 2014
- LAN Colombia to join oneworld too, building on LAN group's 13-year membership of alliance
- Business as usual for customers meantime, with seamless transition promised
- Latin America's top airline group strengthens oneworld's status as global first choice alliance



LATAM Airlines Group today confirmed its selection of **oneworld**® as the global alliance for all its passenger airlines.

The decision, announced at a meeting of the **oneworld** Governing Board held in Hong Kong today, means:

- Brazil's TAM Airlines will leave the Star Alliance to join **oneworld**, along with its Paraguay subsidiary. Their transition is expected to be completed during 2014's second quarter.
- LAN Colombia, the latest part of LAN, will join **oneworld** as an affiliate member, in the fourth quarter of 2013.

With Chile's LAN Airlines flying as a full member of **oneworld** since June 2000 and LAN Argentina, LAN Ecuador and LAN Peru added since as affiliate members, today's announcement will bring all of Latin America's top airline group into the same global airline alliance, alongside 11 of the other leading carriers from around the world and 30 of their affiliates.

An exact date for TAM's departure from the Star Alliance will be announced in due course. The intention is for it to become part of **oneworld** immediately after it exits Star.

What the CEOs say

oneworld Governing Board Chairman Tom Horton, Chairman and Chief Executive of American Airlines, said: "Membership of Latin America's leading airline group, LATAM Airlines Group, in **oneworld** represents a major landmark in our journey towards establishing **oneworld** firmly as the first choice airline alliance for travelers not just across the Americas, but the world over. We look forward to continuing to work closely with Enrique and Ignacio Cueto, Damian Scokin, Marco Antonio Bologna and their team as we welcome our new friends at TAM and their customers on board the world's premier global airline alliance."

oneworld's CEO Bruce Ashby stated: "We are delighted that, after its comprehensive review of alliance options, LATAM Airlines Group not only decided to have LAN remain on board **oneworld**, but also to include TAM and all the other passenger airline subsidiaries in the LATAM Airlines Group as well. This solidifies **oneworld's** long-standing position as the alliance leader in Latin America and provides an even more attractive proposition for frequent international travellers the world over. We look forward to working with LATAM Airlines Group to ensure a smooth transition to **oneworld**."

LATAM Airlines Group CEO Enrique Cueto said: "We evaluated all the possibilities and chose the alliance that offers the best benefits to our passengers, besides the best connectivity and products, as well as the greater synergies for LATAM Airlines Group. We are very happy with the decision. With this change, passengers flying with us will be able to book trips through the **oneworld** network of destinations and, for instance, connect from any of 950 destinations, including distant and exotic ones such as Hong Kong, Kuala Lumpur, Moscow or Melbourne, through **oneworld** member airlines."

TAM Airlines and TAM SA CEO Marco Antonio Bologna added: "This is important news to TAM passengers, and we are focused on ensuring a smooth transition for the company, our partners, and, most important, our clients." He noted that TAM "is changing towards a growing alliance, able to offer the best connection options to our passengers".

What it means for customers

LATAM Airlines Group and its airlines will work with Star and **oneworld** to ensure a seamless transition for customers.

When TAM becomes part of **oneworld**, the 10 million members of its Fidelidade frequent flyer programme will retain both their tier status and any points they have earned.

They will then be able to earn and redeem rewards on any **oneworld** member airline and enjoy all **oneworld**'s full range of services and benefits, including access for top tier members to some 550 airport lounges worldwide.

At the same time, the 130 million frequent flyer cardholders of **oneworld**'s other member airlines will be able to earn and redeem rewards when flying on TAM and LAN Colombia.

TAM's network will be covered by **oneworld**'s range of alliance fares - the most extensive offered by any of the global alliances including the market-leading **oneworld** Explorer round-the-world fare and its Visit South America pass.

A comprehensive communications programme will be set in place to keep customers fully informed as the alliance switch takes place.

Until then, it is business as usual for customers and the airlines.

What it means for oneworld

LAN Airlines (Chile) has been full member of **oneworld** since June 2000 adding since then LAN Argentina, LAN Ecuador and LAN Peru as affiliate members.

Under today's agreement, the other passenger airlines in the LATAM Airlines Group will be added to **oneworld**:

- TAM, which is the leading carrier of Brazil, Latin America's largest economy and the region's biggest air travel market. TAM operates to 60 destinations in 16 countries in Latin America, the USA and Europe, with a fleet of 161 aircraft operating 800 departures daily. It boarded 37.7 million passengers in 2011. It will add 35 destinations to the **oneworld** map. Its Paraguayan subsidiary will transition to **oneworld** at the same time.
- LAN Colombia, which serves 23 destinations in three countries with a fleet of 20 aircraft operating 113 departures a day. It will add 18 destinations in Colombia to the **oneworld** network. It boarded 3.5 million passengers in 2012.

With every unit of Latin America's leading airline group - and the second biggest airline company in the world in terms of market value - flying as part of **oneworld**, the alliance will enjoy a position of leadership throughout South America and in virtually all of its main business centres, further strengthening its position as the first choice airline alliance for frequent international travellers within the region and worldwide.

Four of **oneworld**'s established members - American Airlines, British Airways, Iberia and LAN - currently serve a total of seven destinations in Brazil. TAM will expand the alliance's coverage of Brazil, one of the world's most rapidly developing economies, to 42 destinations.

Three of the alliance's existing members - American, Iberia and LAN - serve three destinations in Colombia. LAN Colombia will extend the alliance's coverage of the country to 21 airports.

With the addition of TAM and LAN Colombia to **oneworld**, plus the impending additions of Qatar Airways and SriLankan in the coming year, and the planned merger, subject to approvals, of American Airlines with US Airways, the **oneworld** network will grow to more than 950 destinations in almost 160 countries served by a combined fleet of some 3,300 aircraft operating around 13,000 daily departures, carrying 480 million passengers a year and generating annual revenues of some US\$ 140 billion.

Today's announcement, which follows a thorough review by LATAM Airlines Group of its alliance strategy, comes as **oneworld**'s undergoes its biggest expansion drive for five years, with the addition of:

- airberlin, Europe's seventh largest airline, in March 2012.
- Malaysia Airlines, one of South East Asia's most frequent award winners, on 1 February 2013.
- Qatar Airways in the year ahead, as the first of the Big Three Gulf carriers to join any of the global airline alliances.
- SriLankan Airlines, also in the year ahead, as the first airline in the subcontinent to join any of the global airline alliances.

- The proposed switch from Star to **oneworld** by US Airways as it combines with **oneworld** founder member American Airlines as part of their planned merger, subject to necessary approvals.

What it means for LATAM

oneworld gives LATAM Airlines Group partners who are the leading carriers between South and North America and between Latin America and Europe, plus the most popular gateways for Latin American travelers - American Airlines' Miami and New York hubs, Iberia's Madrid base and British Airways' London home.

With leading airlines from all the key regions of the world - including American Airlines in North America, airberlin, British Airways, Finnair, Iberia and S7 Airlines in Europe, Royal Jordanian and member elect Qatar Airways in the Middle East, and Cathay Pacific, Japan Airlines, Malaysia Airlines, Qantas and member elect SriLankan Airlines in Asia-Pacific, plus some 30 affiliates - **oneworld** believes its worldwide network is the most attractive for frequent international travellers, for whom it aims to be the first choice alliance.

It is current holder of three of the leading five international awards for airline alliances - named the Best Airline Alliance by *Global Traveler* in its GT Tested Reader Survey 2012 Awards for the third year running, the World's Leading Airline Alliance in the 2012 World Travel Awards, retaining that title for the 10th consecutive year, while retaining the World's Best Alliance title in the second awards presented by Australian Business Traveller, in 2012. Most recently, it also received the debut alliance Flight Stats On-Time Performance Award for the alliance whose members had the best on-time record in 2012.

For logos and images of TAM and LATAM, go to oneworld.com

About LATAM Airlines Group

LATAM Airlines Group SA (*Santiago Stock Exchange: LAN / NYSE: LFL / Bovespa: LATM11*) is the new name given to LAN Airlines SA as a result of its merger with TAM SA. LATAM Airlines Group SA now includes LAN Airlines and its affiliates in Peru, Argentina, Colombia and Ecuador, and LAN Cargo and its affiliates, as well as TAM SA and its subsidiaries TAM Linhas Aereas SA, including its business units TAM Transportes Aereos del Mercosur SA, TAM Airlines (Paraguay) and Multiplus SA. Each of its airlines will continue to operate under their current brands and identities. 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 319 aircraft. In total, LATAM Airlines Group SA has more than 55,000 employees. 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.

About oneworld

oneworld is an alliance of the world's leading airlines committed to providing the highest level of service and convenience to frequent international travellers. **oneworld** member airlines work together to deliver consistently a superior, seamless travel experience, with special privileges and rewards for frequent flyers, including earning and redeeming miles and points across the entire alliance network. Top tier cardholders (Emerald and Sapphire) enjoy access to some 550 airport lounges. The most regular travellers (Emerald) can also use fast track security lanes at select airports and extra baggage allowances.

