



Second Quarter 2007 Results Presentation
July 26, 2007

Contents

I. 2Q07 Financial Results

II. Key Developments & Future Outlook

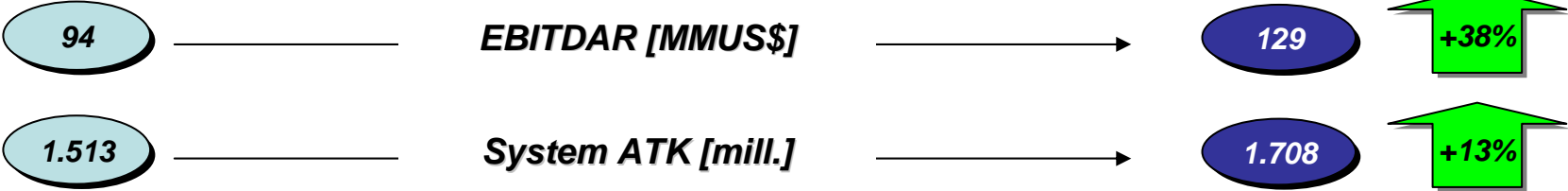
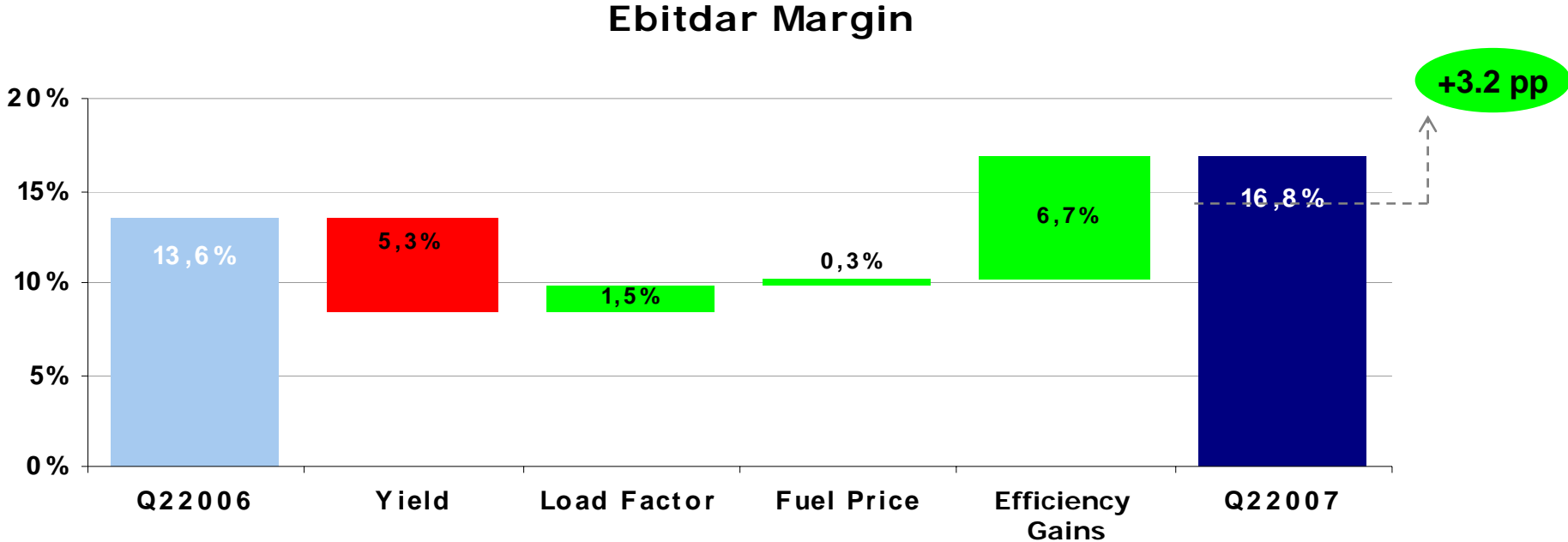
2Q07 Highlights

- LAN achieved a **strong operating performance** as an 11.5% increase in revenues outpaced a 7.4% growth in operating expenses.
- **Operating Margin** for 2Q07 reached 7.3%, an improvement of 3.6 points as compared to 2Q06
- **EBITDAR Margins** for 2Q07 reached 16.8%, an improvement of 3.2 points as compared to 2Q06

<i>US\$ millions</i>	2Q06	2Q07	% Chg
Revenues	690	770	11.5%
Passenger	386	458	18.7%
Cargo	268	277	3.5%
Other	36	34	-6.3%
Total Operating Expenses	(665)	(714)	7.4%
Operating Income	25	56	120.3%
<i>Operating Margin</i>	3.7%	7.3%	3.6 pp
Net Income	16	43	158.9%
EBITDAR*	94	129	38.1%
<i>EBITDAR Margin</i>	13.6%	16.8%	3.2 pp

* EBITDAR = Operating income + depreciation & amortization + aircraft rentals (does not include fuel hedging gains/losses)

2Q07 - Significant EBITDAR Margin Expansion



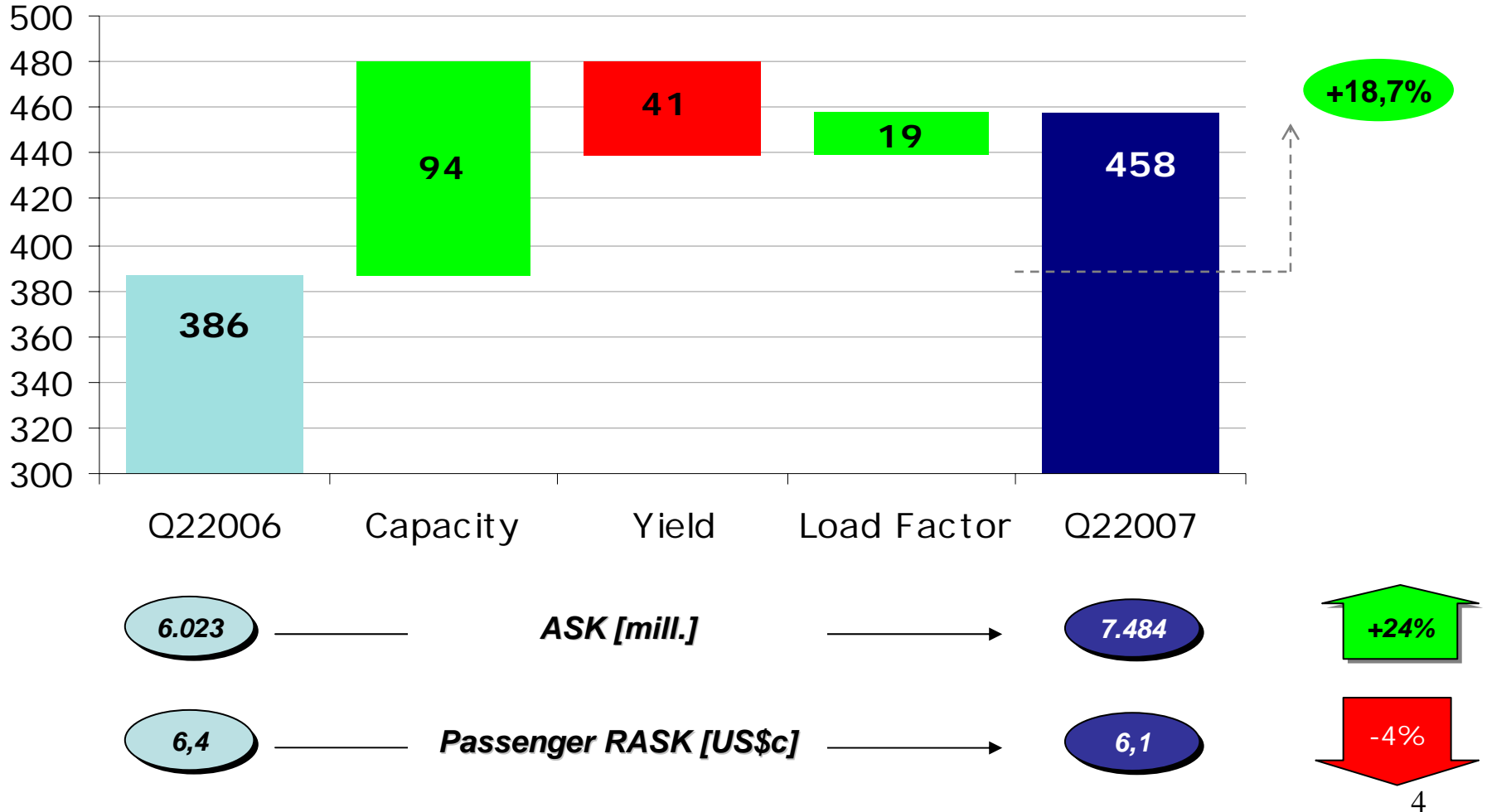
EBITDAR Margin = Operating income + depreciation & amortization + aircraft rentals / Revenues

Passenger Business

Revenue growth driven by 24% growth in traffic

Evolution of Passenger Revenues

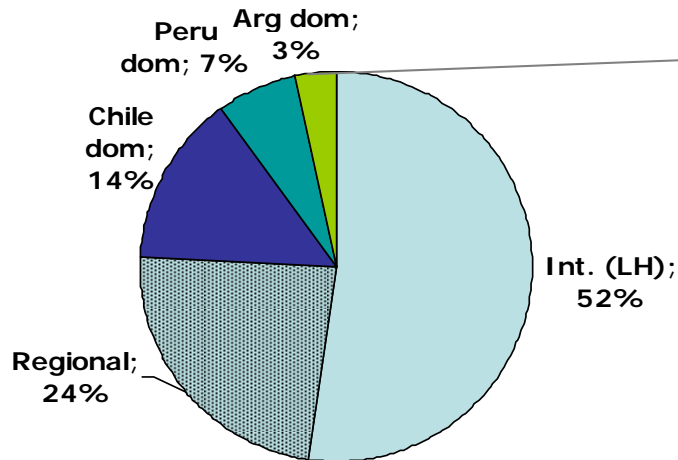
US\$ millions



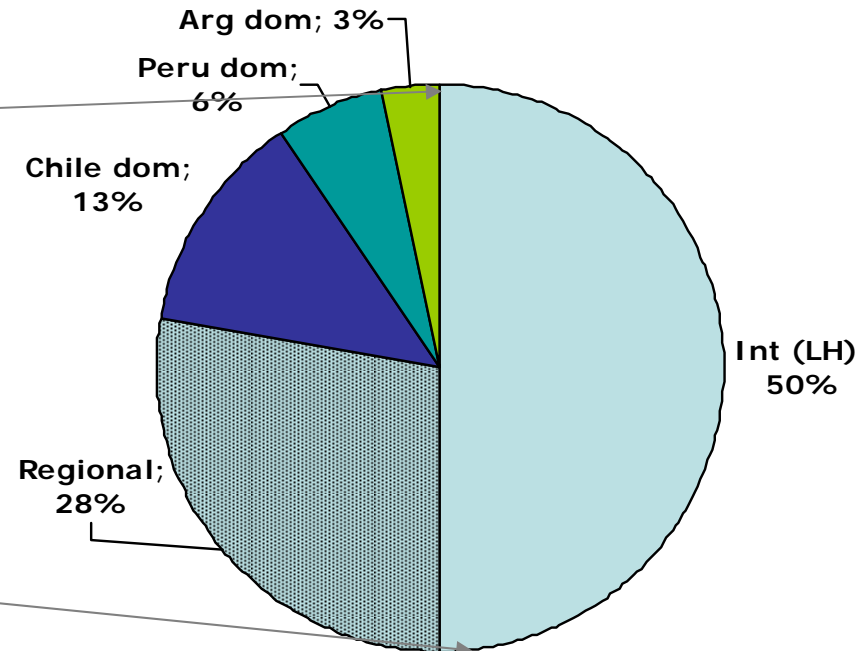
Important Growth in all Passenger Operations

International operations - especially regional - remain the main driver of ASK growth in the passenger business

**2Q06
ASKs**



**2Q07
ASKs**



Growth in ASK (2Q07 vs. 2Q06): +24%

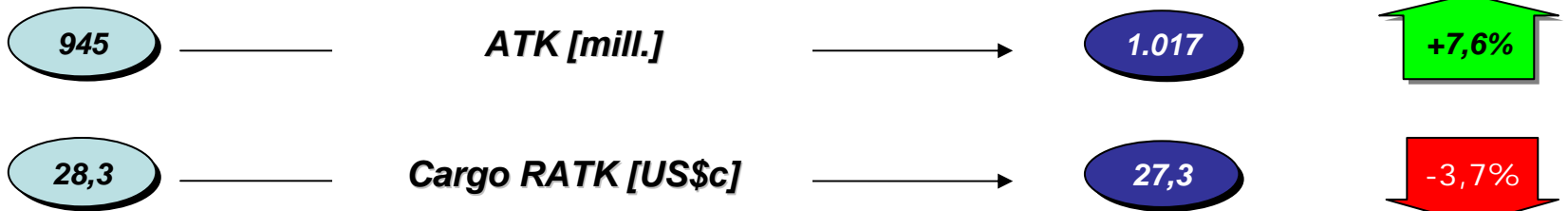
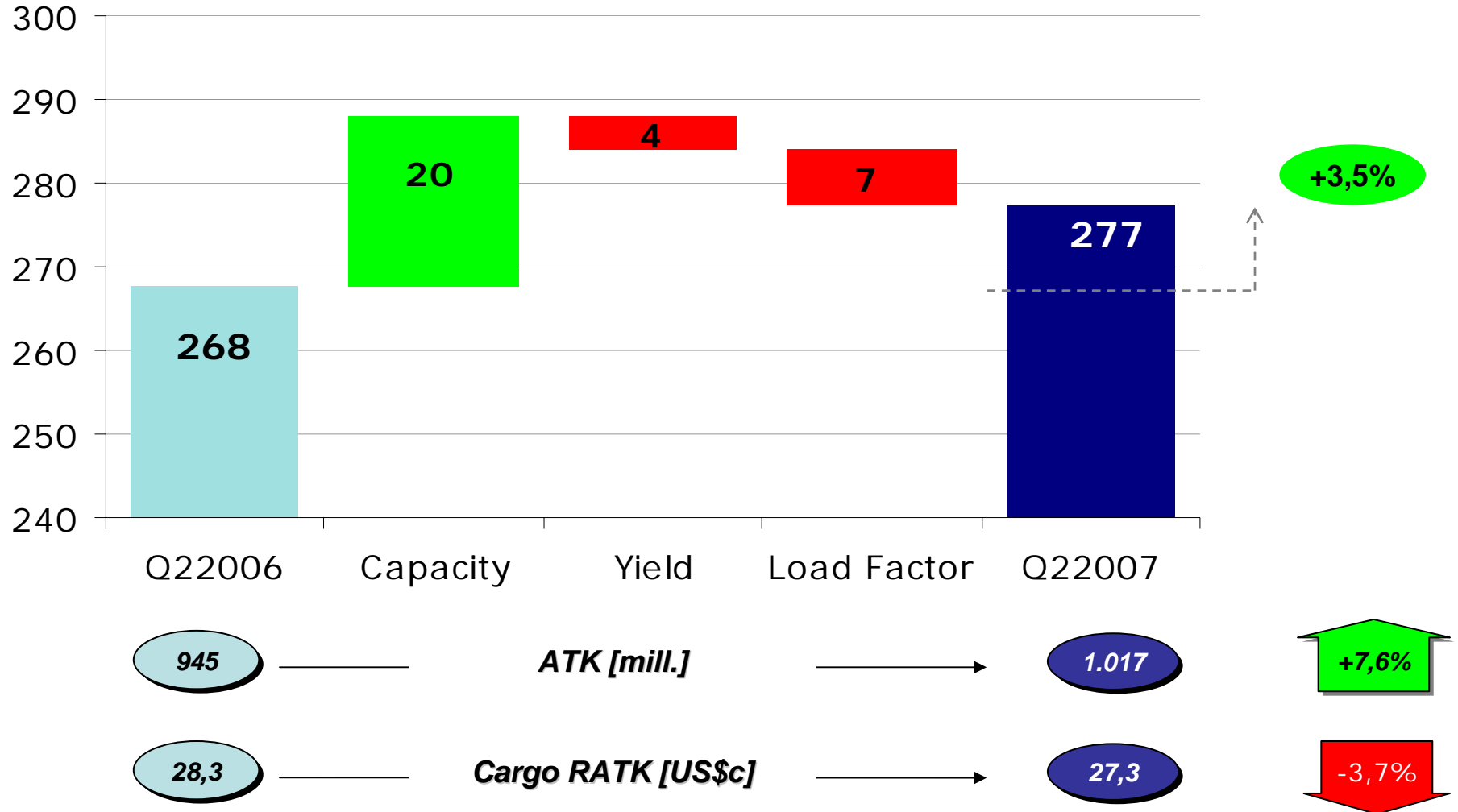
International (Long Haul)	+18%
Regional	+46%
Chile domestic	+12%
Peru domestic	+17%
Argentina domestic	+33%

Cargo Business

Growth driven by capacity expansion

Evolution of Cargo Revenues

US\$ millions

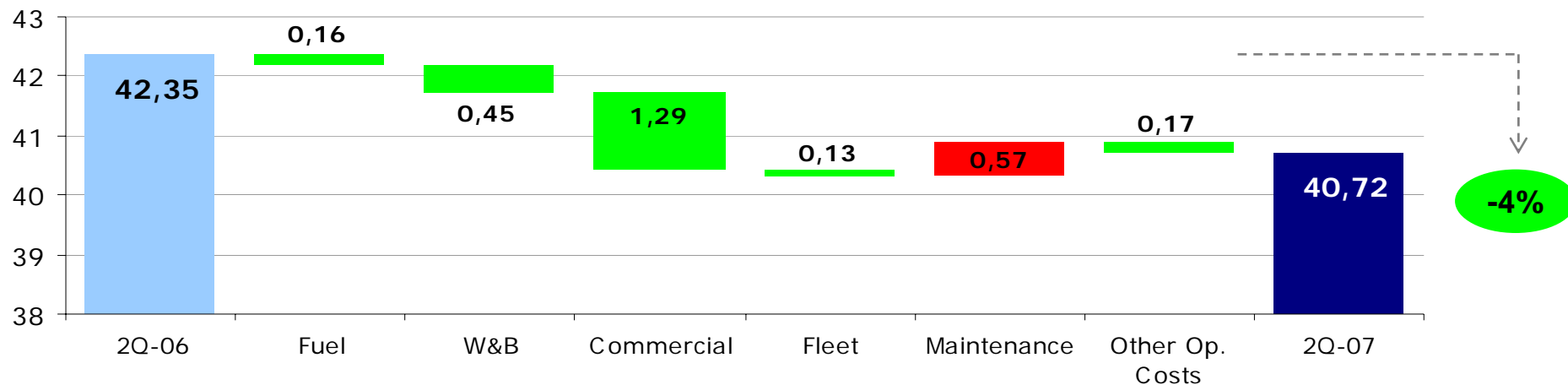


Cost / ATK Analysis

Cost / ATK 2Q07 vs 2Q06: - 3.9%

Cost / ATK ex fuel 2Q07 vs 2Q06: - 5.0%

Costs / ATK Evolution



- Fuel: US\$2.4 mill less costs due to lower fuel prices, in addition to fuel efficiency resulting from newer passenger fleet and fewer wet leases in cargo business
- Wages & Benefits: decrease due to lower headcount despite expansion in operations
- Commercial: 3.4 point reduction in average commission as a percentage of revenues
- Fleet costs (include net interest expense): decrease due to fewer leased aircraft and increased utilization of the fleet
- Maintenance: higher cost due to increased utilization and escalation in maintenance contracts
- Other operating costs increases in landing fees, handling and passenger services were offset by lower ACMI leases in the cargo business

Contents

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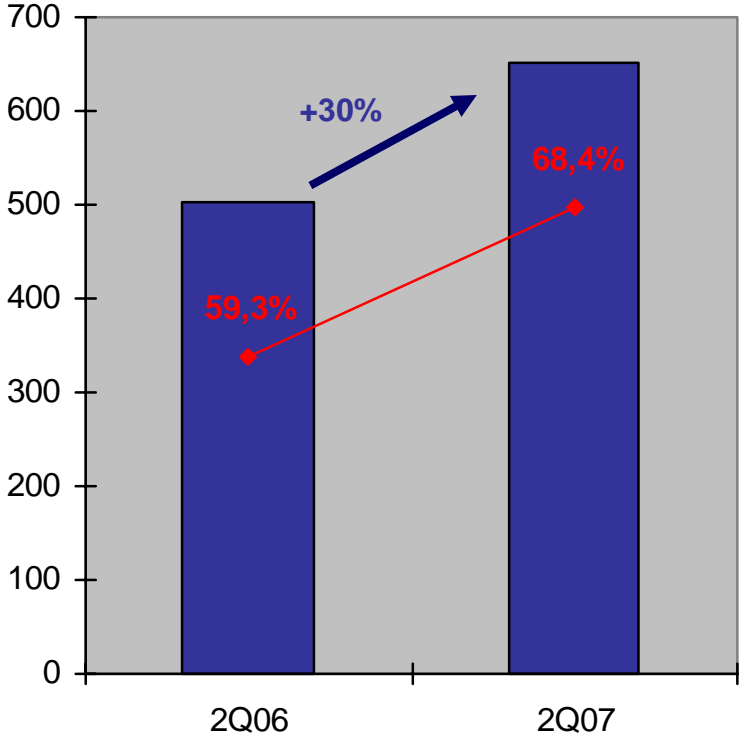
II. Key Developments & Future Outlook

Important Fleet Expansion Plans

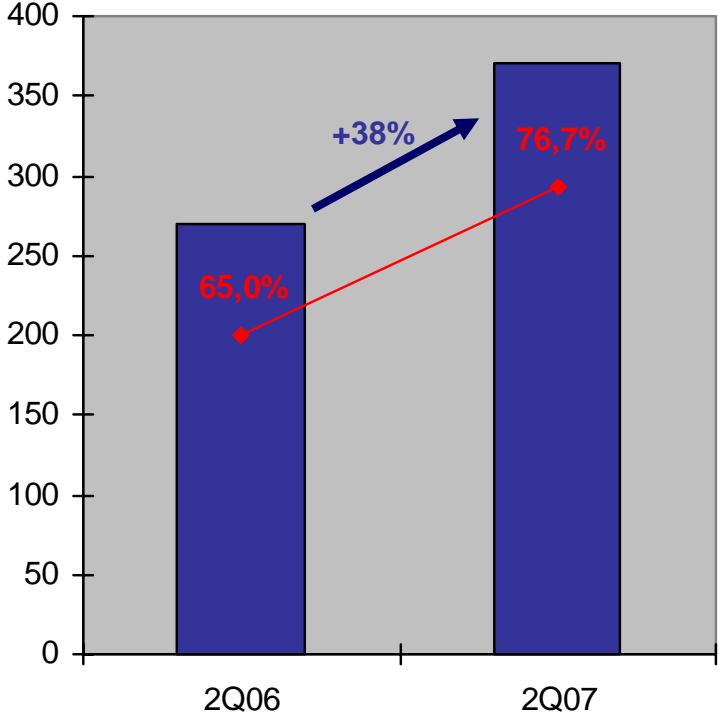
- In 2Q07 LAN took delivery of its first Airbus A318 aircraft as well as one B767-300 passenger aircraft
- LAN will incorporate four Boeing 777 freighter aircraft into its fleet starting in 2009.
- LAN's Board has approved orders for 32 new Boeing 787 passenger aircraft to be received between 2011 and 2016.

Implementation of New Business Model Leads to Strong Traffic Growth in Domestic Markets

Chile Domestic Traffic Growth (RPKs millions) and Load Factor



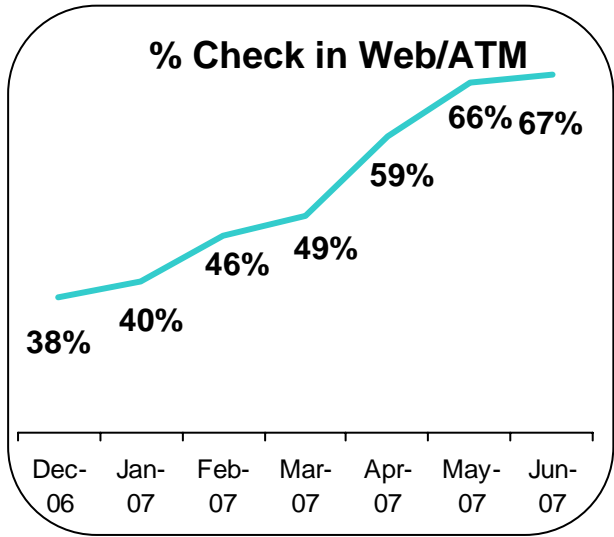
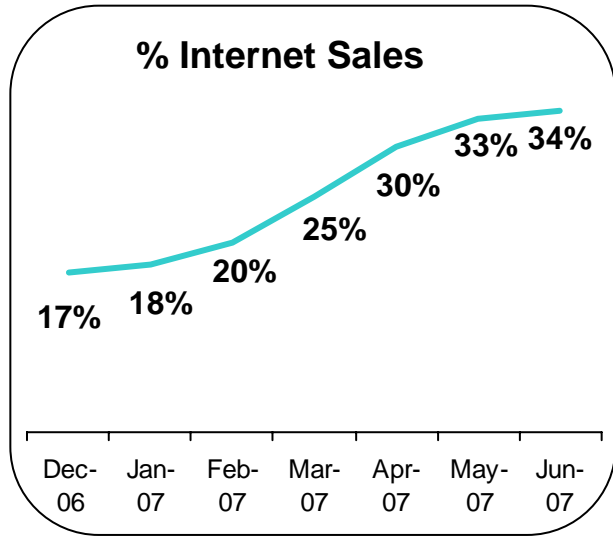
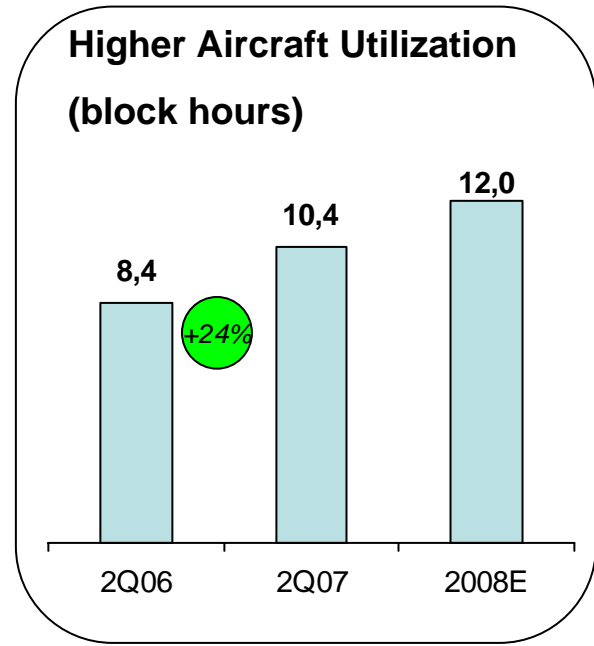
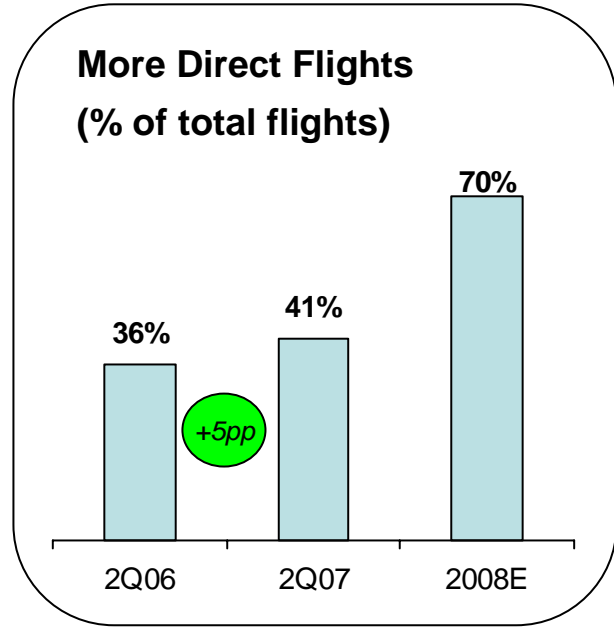
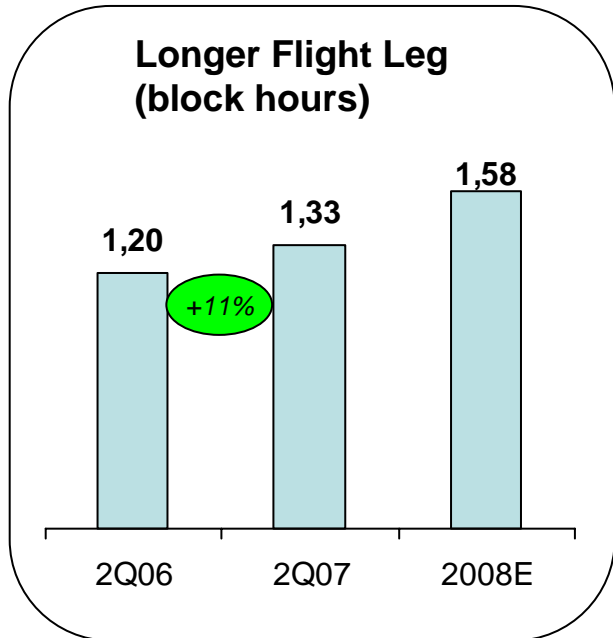
Peru Domestic Traffic Growth (RPKs millions) and Load Factor



RPKs

Load factor

Chile Domestic: Successful launch of New Short Haul Business Model

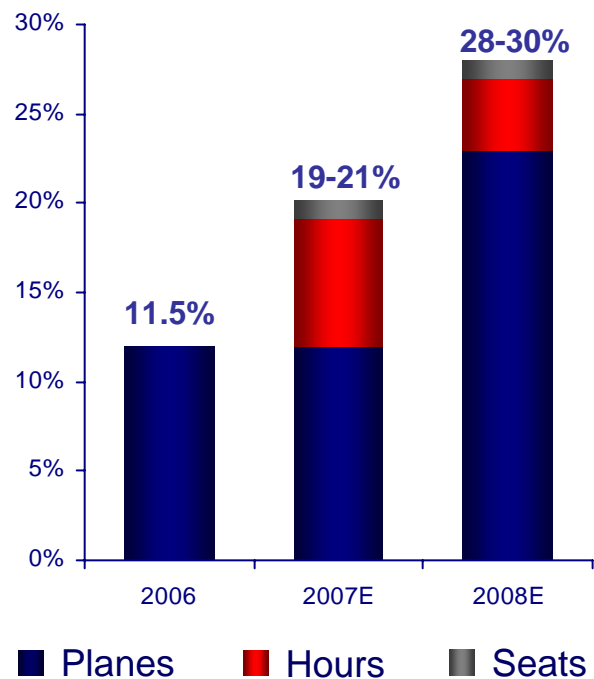


LAN Completes Successfully its Capital Increase

- **The successful completion of this equity offering raised a total of US\$320 million in the Chilean and United States markets.**
- **Through this offering the Company placed a total of 19,881,819 common shares, a 6.2% increase in its share count. With this, LAN's total shares outstanding amount to 338,790,909.**
- **An additional 2,209,091 common shares have not yet been placed and are reserved for a stock option plan for Company employees.**

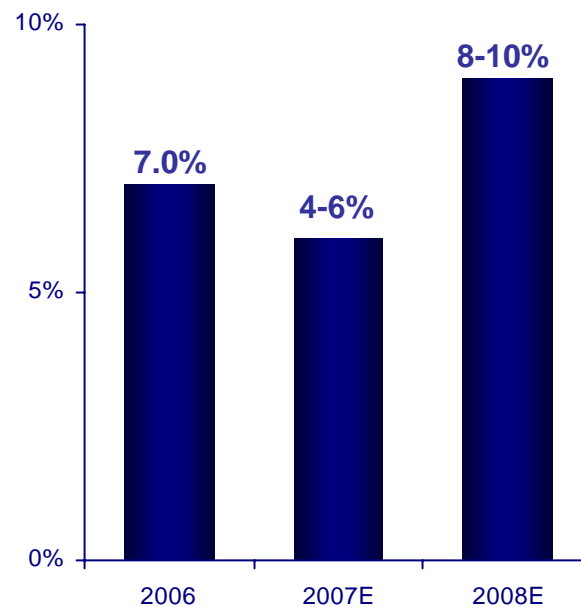
Estimated Capacity Expansion

Passenger ASK Growth



- ✓ Delivery of 11 passenger aircraft in 2007 and 25 in 2008
- ✓ Increase in short haul (A320 family) fleet utilization from 9 to 12 hours by 2008
- ✓ Increase in seat capacity – denser aircraft due to new seat configuration

Cargo ATK Growth



- ✓ Cargo capacity growth driven by bellies of passenger aircraft
- ✓ Delivery of 1 B767-300F freighter in 4Q06
- ✓ Own freighters will replace wet lease capacity

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, 2006.

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