LAN

Fourth Quarter 2006 Results Presentation

February 15, 2007

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, 2005.

Contents

4Q06 Highlights

- LAN achieved record results of **US$ 94 million** as compared to US$ 50 million in 4Q05

- This was driven by **strong operating performance**, as system capacity grew 14.9%

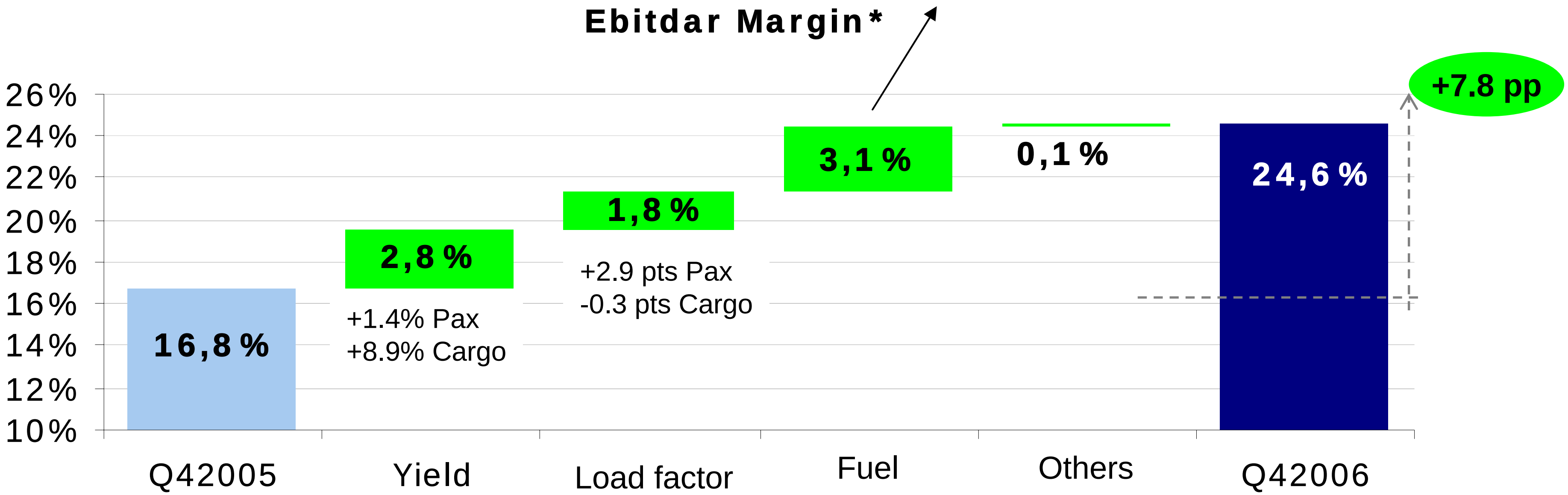
- EBITDAR Margins for 4Q06 reached **24.6%,** an improvement of 7.8 points as compared to 4Q05

US$ millions	4Q05	4Q06	Var (%)
Revenues	706	854	20.8%
Passenger	408	514	26.1%
Cargo	260	303	16.5%
Other	39	37	-5.5%
Total Operating Expenses	(647)	(716)	10.6%
Operating Income	59	138	133.1%
Operating Margin	*8.4%*	*16.2%*	*7.8 pp*
Net Income	50	94	87.7%
EBITDAR*	119	210	76.8%
EBITDAR Margin	*16.8%*	*24.6%*	*7.8 pp*

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

4Q06 - Significant EBITDAR Margin Expansion

• Fuel savings were offset by lower fuel surcharges, esp. in the passenger business.

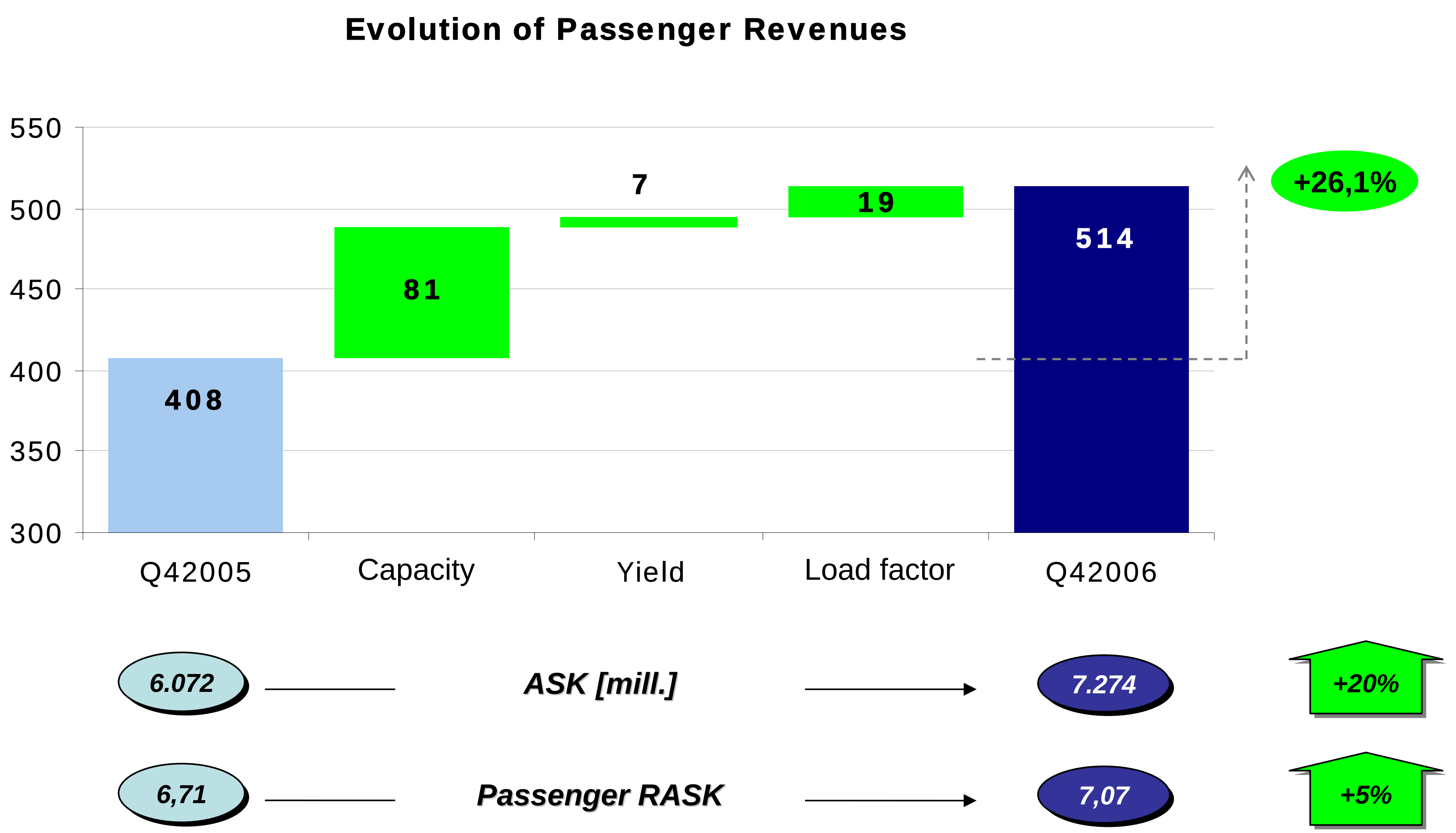


119	EBITDAR [MMUS$]	210 (+77%)
1.513	ATK sys [Mill.]	1.739 (+15%)

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

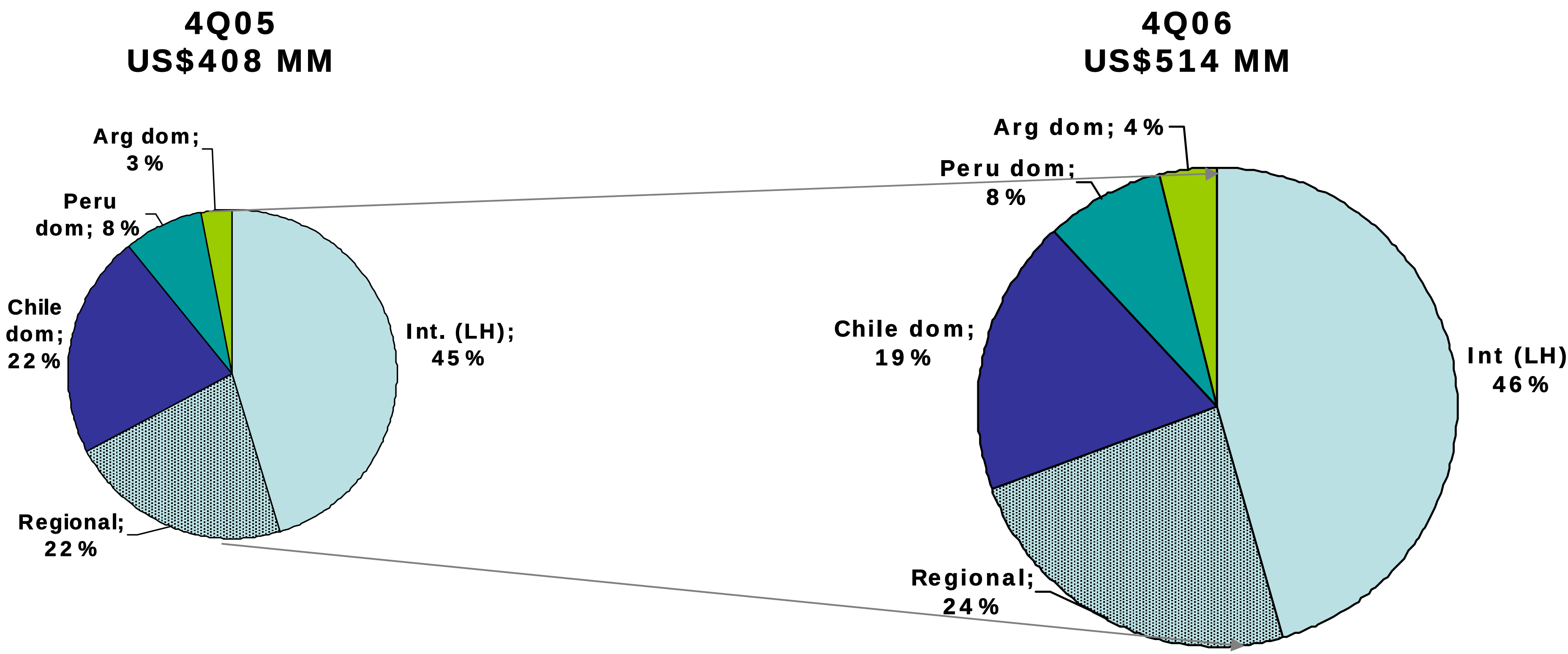
Passenger Business

Revenue growth driven by 20% growth in operations and 5% increase in revenues per ASK



Important Growth in all Passenger Operations

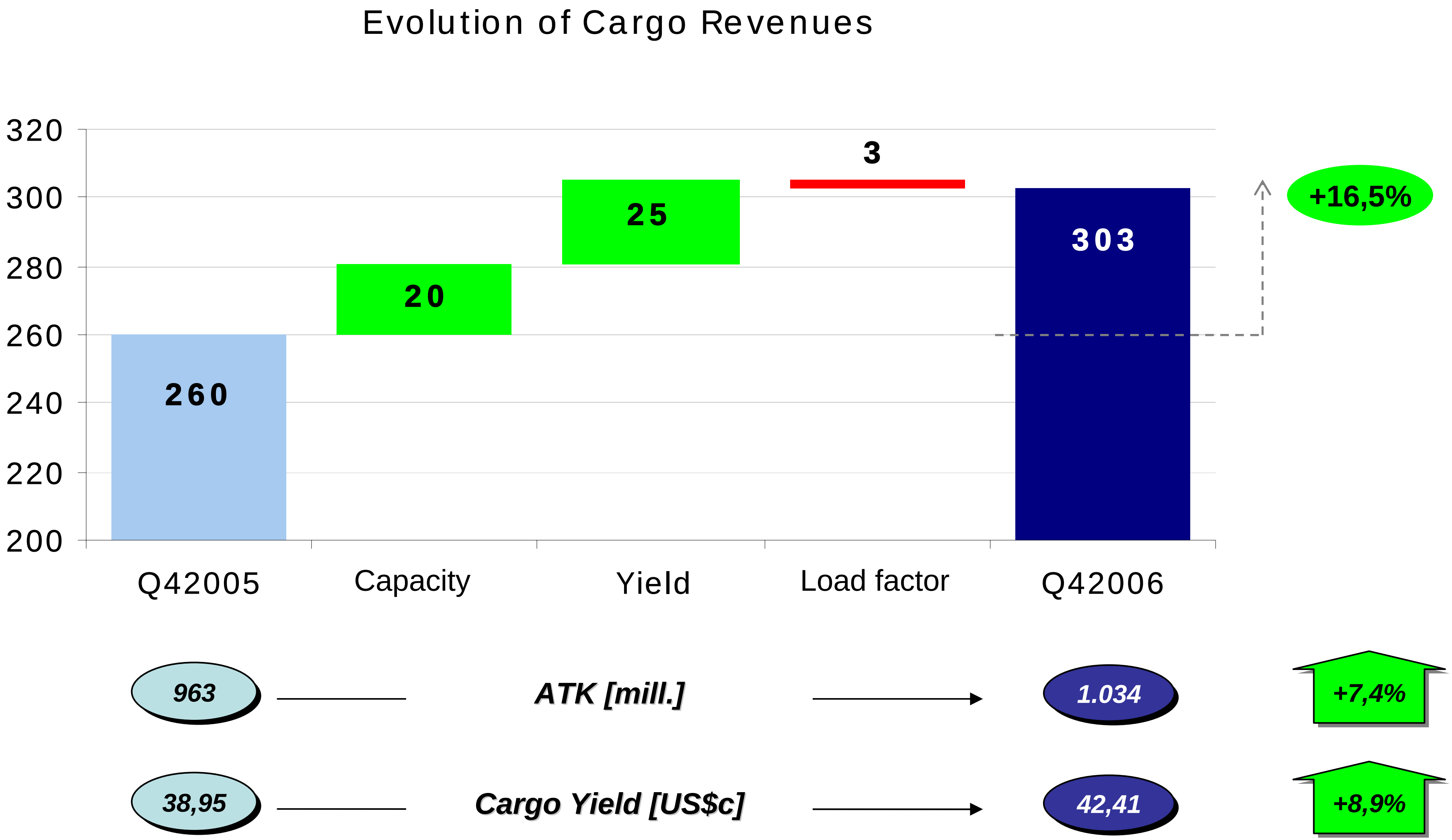
International operations – especially regional - remain the main driver of revenue growth in the passenger business



Growth in passenger revenues (4Q06 vs. 4Q05): +26%	
International (Long Haul)	+21%
Regional	+41%
Chile domestic	+7%
Peru domestic	+15%
Argentina domestic	+76%

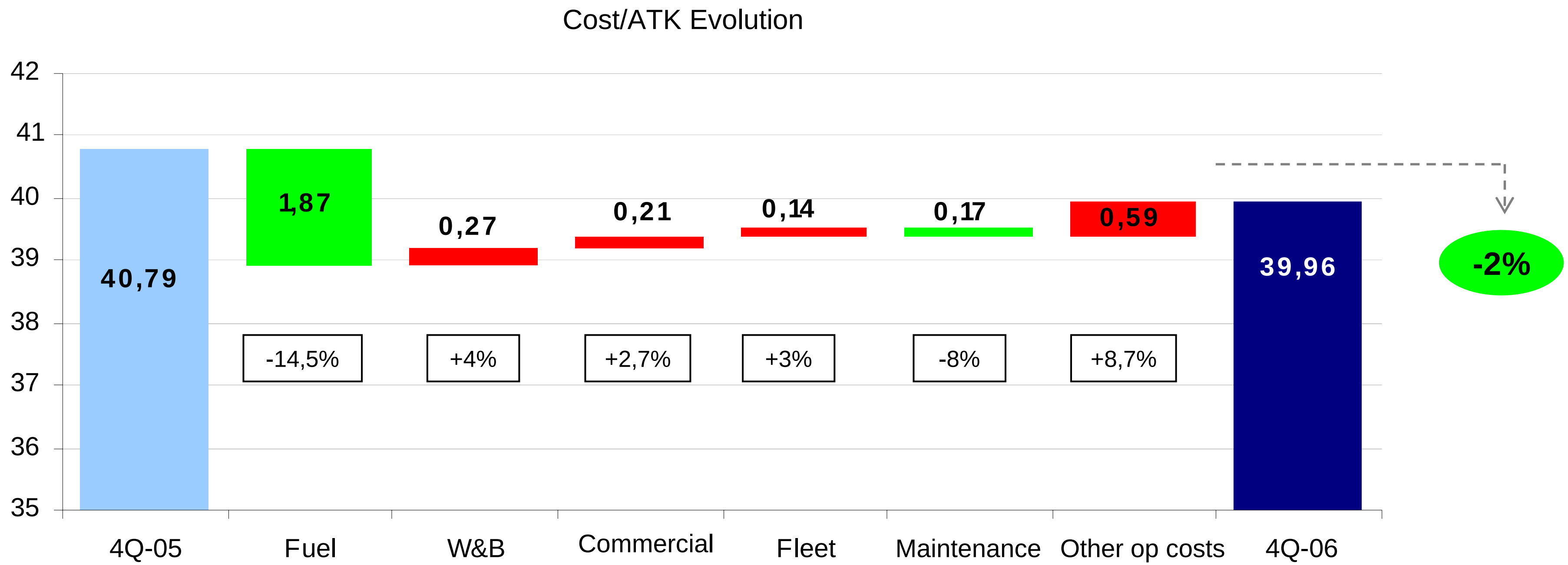
Cargo Business

Growth driven by capacity expansion and higher yields



Cost / ATK Analysis

Cost / ATK 4Q06 vs 4Q05: - 2.0%
Cost / ATK ex fuel 4Q06 vs 4Q05: +3.7%



- Fuel: US$26.8 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: increase due to provision for employee incentive program
- Commercial: 0.8 point reduction in average commission as a percentage of revenues
- Fleet costs (include net interest expense): increase due to newer fleet; costs per ATK expected to decrease as utilization increases and B737-200s are phased out
- Maintenance: efficiency increases due to fleet renewal
- Other operating costs increase mainly due to higher landing fees and higher sales costs

Full Year 2006 Highlights

- LAN achieved record results of **US$ 241 million** as compared to US$ 147 million in 2005. Excluding non operating extraordinary items (change in maintenance accounting policy in 1Q06 and severance charge in 2Q06), net income for 2006 reached US$213 million.

- Improved results were driven mainly by **strong operating performance** as system capacity grew 9.3%, passenger RASK grew 11.4% and cargo RATK grew 10.1%.

- EBITDAR Margins for FY06 reached **19.2%,** an improvement of 4.4 points as compared to FY05

US$ millions	2005	2006	Var (%)
Revenues	2506	3034	21.1%
Passenger	1461	1813	24.2%
Cargo	910	1073	17.8%
Other	135	148	9.3%
Total Operating Expenses	(2365)	(2731)	15.5%
Operating Income	142	303	113.7%
Operating Margin	*5.7%*	*10.0%*	*4.3 pp*
Net Income	147	241	64.6%
EBITDAR*	370	583	57.5%
EBITDAR Margin	*14.8%*	*19.2%*	*4.4 pp*

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

Contents

Fleet Plan

- In 4Q06 LAN took delivery of one B767-300 passenger aircraft and one B767-300F freighter, completing a total of 13 aircraft received in 2006
- LAN plans to phase out its Boeing 737-200 fleet during 2007
- New Airbus A318 delivery schedule – 5 A318s in 2007 and 15 A318s in 2008

Fleet Plan, 2006-2008

	2005		2006	2007	2008
PASSENGER					
Boeing 737-200	21		16	0	0
Airbus A318/A319/A320	22	+ 8	30	37	54
Boeing 767-300ER	16	+ 4	20	23	27
Airbus A340-300	4		4	5	7
Total Passenger Fleet	63		70	65	88
CARGO					
Boeing 737-200F	1		1	0	0
Boeing 767-300F	8	+ 1	9	9	10
Total Dedicated Freighters	9		10	9	10
TOTAL FLEET	**72**		**80**	**74**	**98**

New delivery schedule

Update - New Business Model for Short Haul Operations

Main Objectives

➢ Fleet	➡	Single family fleet - A320 family
➢ Aircraft Utilization	➡	11.5 – 12 hours
➢ Sales & Distribution	➡	Internet penetration 60% / Decrease base commissions
➢ Service	➡	Faster on board service / 70% self check-in at airport
➢ Demand Stimulation	➡	Increase demand by approx 40% by 2008

Pilot projects implemented during 4Q06 in Chile have shown very positive results:

- Strong demand stimulation – LAN passengers increased 30% in the markets where the new model was implemented
- Significant increases in “first time” passengers

Implementation in domestic markets:

CHILE

✓ Nationwide launch in April 2007

✓ New itineraries, simplified fare structure, lower fares

✓ Phase out of B737 to be completed by year end 07

PERU

✓ Commercial implementation during 1Q07 on all domestic routes

✓ Domestic fleet of 8 A319s with utilization close to target

ARGENTINA

✓ Gradual implementation; mainly operational changes

✓ Domestic fleet of 5 A320s

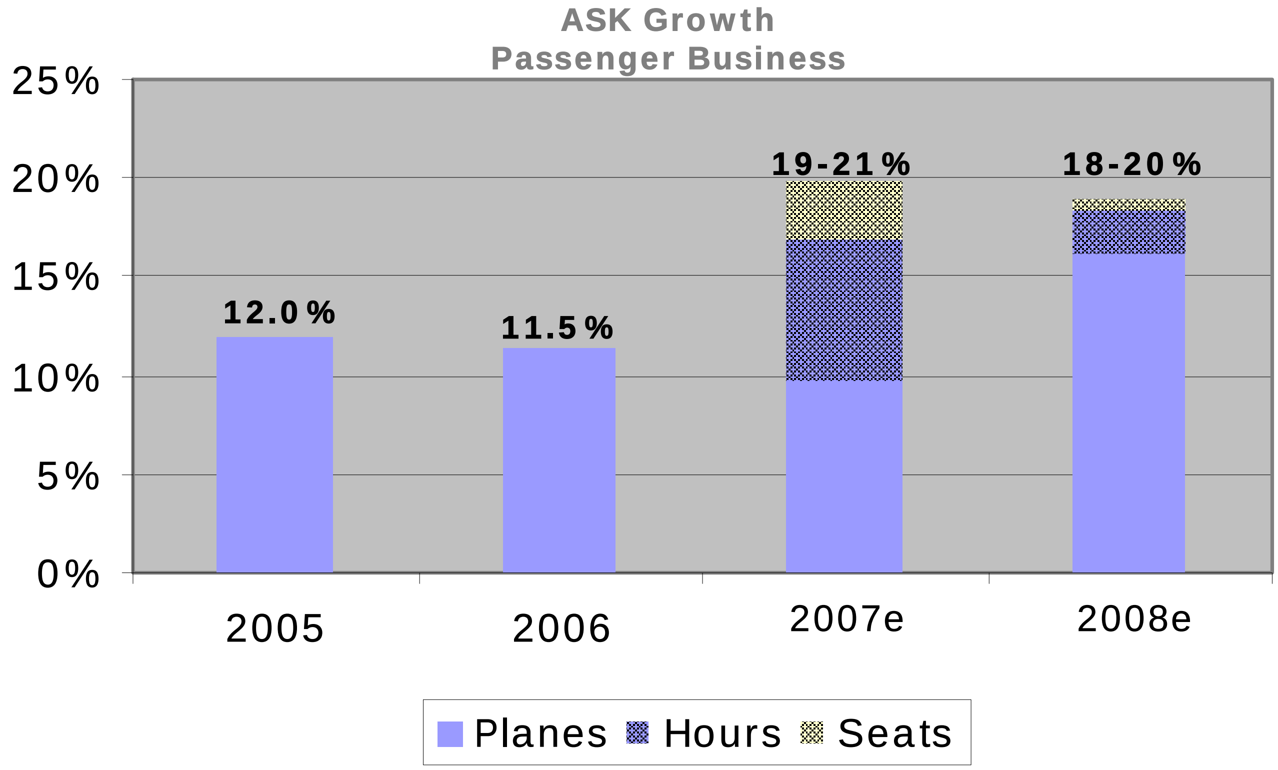
Financing to VRG

- LAN has provided a total of approximately US$ 17.1 million in financing to Brazilian company VRG LINHAS AEREAS S.A. (“New Varig”).

- These loans may be converted into shares of New Varig, representing a minority stake in the Brazilian company.

- LAN is currently involved in ongoing negotiations with New Varig’s shareholders in order to potentially exercise its option to participate in such company through the capitalization of its loans.

Passenger Business:
Estimated Capacity Expansion

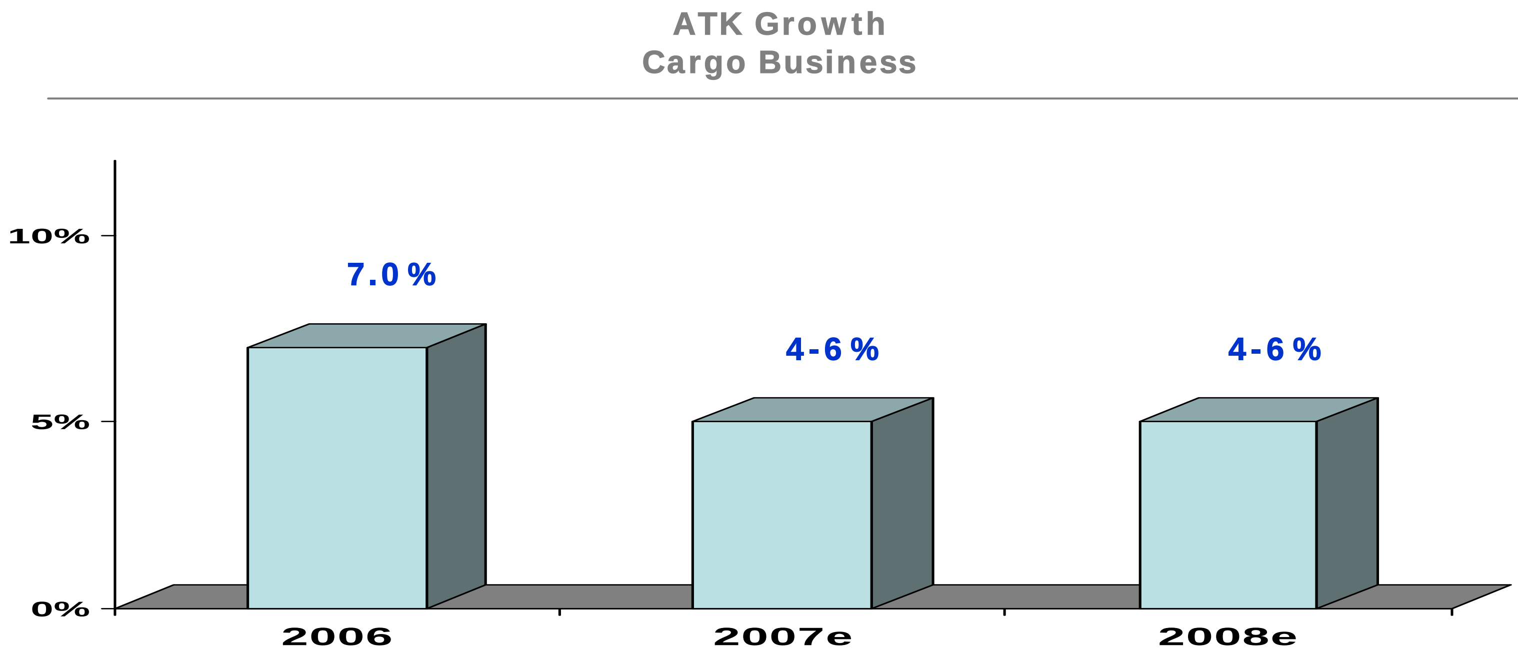


✓ Delivery of 11 passenger aircraft in 2007 and 23 in 2008

✓ 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 Business:
Estimated Capacity Expansion



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

2007: Focus on Improving EBITDAR Margins

Efficiency Initiatives for 2007:

- **New model for short haul operations** – capture efficiencies in domestic markets (Chile, Peru, Argentina) and regional routes

- **International passenger business -** Increased efficiency due to:
  (i) Significant growth expected in international operations – approx 20% in 2007
  (ii) Improved product – more frequencies, international operations of Lan Argentina, new Premium Business and Economy classes
  (iii) Dilution of fixed costs in back office, support areas, etc.
  (iv) Decrease in commissions paid to travel agents

- **Cargo business** - moderate growth with a more profitable route mix and more efficient fleet, adding capacity with owned fleet (bellies & freighters) vs wet leases

➢ **THESE INITIATIVES ARE EXPECTED TO CONTRIBUTE UP TO <u>+300 BPS</u> TO EBITDAR MARGINS FOR 2007**

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