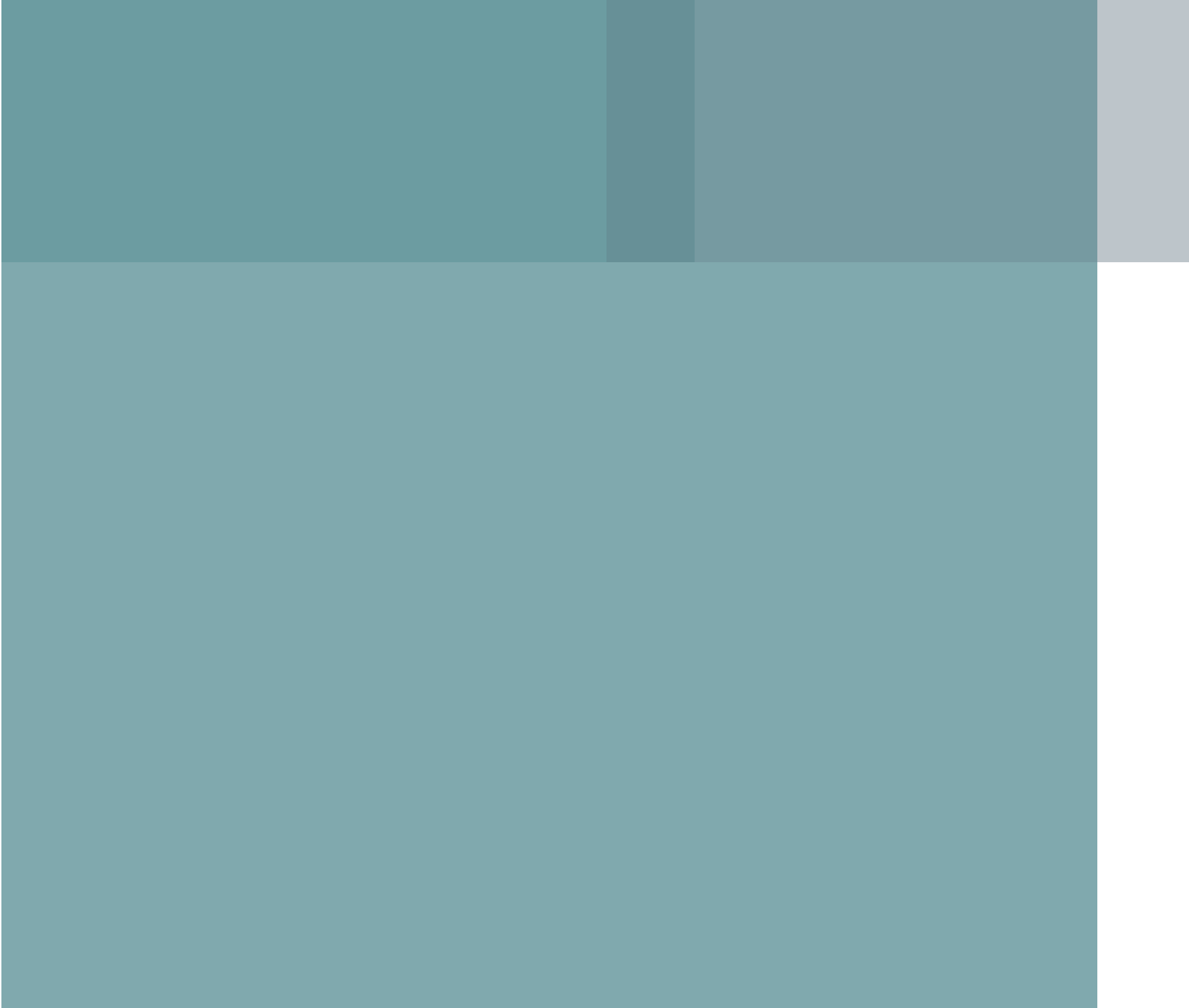


# Suppliers, Insurance and Others



## Suppliers, Insurance and Others

### Suppliers

In 2006 as in previous years, LAN' principal suppliers were the aircraft manufacturers Airbus and Boeing. Supplies are also acquired from a number of other firms, mainly dealing in aircraft accessories, parts and components, such as Pratt & Whitney, IAE International Aero Engines AG, General Electric Commercial Aviation Services Limited, (engines); Honeywell (on-board entertainment); SICMA (seats); Teledine (avionics); and Goodrich (brakes). Our suppliers of jet fuel include Repsol YPF, Copec, Shell, Terpel, Chevron, Glencore and Exxon.

### Property and buildings

LAN occupies a variety of properties both in Chile and abroad, whether as owner, renter or concession holder, for use in carrying out administrative, sales, maintenance and other activities.

### Machinery and equipment

As an airline, the main items of machinery or equipment employed by LAN in the performance of its business activities are the various aircraft that make up its fleet. They are operated by LAN either as their owner or under lease.

### Insurance

In consideration of all aspects of its operations that may involve potential risk, LAN has taken out various insurance policies for 2006 and 20067. They may be classified in four main categories as follows:

#### ***Aviation, Hull and Liability Insurance***

This type of insurance covers all risks inherent in commercial aviation activity, including aircraft, engines, spare parts and third-party liability, the latter including passengers, cargo, baggage, merchandise, airports, etc. These policies are taken jointly by LAN and reinsured in the London market. In addition, during the last renewal process LAN reached an agreement with British Airways to negotiate joint terms for Hull and Liability Insurance, which contributed to lower premiums and improved coverage.

In view of the changes in war and terrorism liability risks since the events of September 11, 2001 in the United States, LAN continues to purchase insurance over and above what is strictly required to provide adequate coverage, thus complementing the basic coverage under the terms of Clause AVN52E. The company has obtained significant premium discounts over the last four years.

#### ***General Insurance***

This group of policies covers all risks that could affect the company's assets, particularly those of a physical or financial nature. They consist of multi-risk policies (covering fire, theft, computer equipment, securities in transit, broken windows, and other items included in all-risk insurance) as well as traditional coverage for motor vehicles, air and maritime transport, corporate civil liability, etc. As with the previous category of insurance, these policies are taken out by LAN and its associated companies as a group.

#### ***Life and Accident Insurance***

This group of insurance policies covers all company employees, including executives, general personnel and airline crews.

#### ***Global Offices Insurance***

To the extent permitted by the laws of each country concerned, Lan Airlines has been gradually bringing under one centralized policy the general insurance coverage on its international offices for fire, theft and general electronic equipment. The advantage of having a single policy for our corporate offices around the world is that it reduces the administrative and financial load.

## Trademarks and Patents

Lan Airlines and its subsidiaries use a number of commercial trademarks that are duly registered with the competent authorities in the various countries served by the companies or where their operations are based, in order to differentiate and market them.