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LAN AIRLINES REPORTS RECORD NET INCOME OF US\$49.9 MILLION FOR THE FOURTH QUARTER OF 2005

Santiago, Chile, March 1, 2006 – LAN Airlines S.A. (NYSE: LFL), one of Latin America's leading passenger and cargo airlines, reported today its consolidated and audited financial results for the fourth quarter and full-year ended in December 31, 2005. "LAN" or "the Company" makes reference to the consolidated entity, which includes several passenger and cargo airlines in Latin America. All figures were prepared in accordance with generally accepted accounting principles in Chile and are expressed in U.S dollars.

HIGHLIGHTS

- LAN earned a record net income of US\$49.9 million for the fourth quarter of 2005 compared to US\$47.6 million in 2004. Comparable net income grew 19.1% as 2004 results included a \$5.7 million one-time tax credit. This strong performance was achieved as several initiatives enabled LAN to effectively mitigate US\$52.5 million in additional costs due to high fuel prices and US\$6.1 million in operating losses related to the launch of LAN Argentina.
- Operating income for the quarter rose 73.8% to US\$59.2 million in 2005 from US\$34.1 million in 2004. Operating margins improved 2.8 points, from 5.6% in 2004 to 8.4% in 2005, as revenue growth of 15.9% outpaced a 12.5% increase in operating expenses.
- Total revenues for the quarter grew due to a 23.0% increase in passenger revenues and a 9.0% rise in cargo revenues. Passenger and cargo revenues accounted for 58% and 37% of total revenues, respectively.
- LAN Argentina grew its operations 49% compared to the third quarter while maintaining load-factors of close to 75%. LAN Argentina currently serves seven destinations with five Boeing 737-200 aircraft. LAN Argentina recorded a 12% domestic market share in December 2005.
- During the fourth quarter, LAN incorporated seven aircraft into its fleet. Four aircraft were incorporated under operating leases, including one Boeing 767-300ER, one Airbus A320 and two Boeing 737-200s. The Company also acquired one new Boeing 767-300F and two new Airbus A319s.
- In February, LAN Peru announced the opening of a new Sao Paulo-Lima-Los Angeles route. This new operation comprises six weekly flights on Boeing 767-300 aircraft. Operations are scheduled to begin in March 2006.
- In December, the Company announced the launch of a new and upgraded long-haul product. The new product includes a new premium business class, a leading-edge in-flight entertainment system, new economy-class seats, and renovated aircraft interiors. The new premium business class, which blends LAN's current first and business classes, features full-flat seats and 15-inch individual video-screens. The new product will be unveiled in March 2006 and all of the Company's Boeing 767-300ER aircraft will be upgraded to the new standard between 2006 and 2007.

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LAN Airlines reported unprecedented net income of US\$49.9 million for the fourth quarter of 2005. This compares favorably to the US\$47.6 million in net income reported for the same quarter the previous year. Comparable net income rose 19.1% as 2004's fourth quarter net income included US\$5.7 million in tax-related one-time gains. This is highly significant given that high fuel prices generated \$52.5 million in additional expenses and the Company also recorded a \$6.1 million operating loss due to the start of LAN Argentina. Several initiatives aimed at improving revenue generation and controlling costs enabled the Company to mitigate these factors and improve its results. During the quarter LAN continued strengthening its competitive advantages by incorporating additional aircraft, advancing on service upgrade initiatives and enhancing efficiency.

Net income improved driven primarily by higher operating results. Earnings before interest, taxes, depreciation, amortization and rents ("EBITDAR") rose 33.4% to US\$118.7 million from US\$89.0 million in 2004. EBITDAR margins rose 2.2 points to 16.8%. Operating income rose 73.8% to US\$59.2 million in 2005 from US\$34.1 million in 2004. Operating margins rose 2.8 points to 8.4% as revenues grew 15.9% and operating expenses rose 12.5%.

The passenger business accounted for 58% of total revenues for the quarter and generated most of the Company's revenue growth. Passenger revenues rose 23.0% due to a 6.2% increase in capacity and a 15.8% improvement in unit revenues (measured in revenues per available seat kilometer or "RASK"). The latter grew due to an 11.5% increase in yields and a 2.7-point rise in load-factors to 73.4%. During the quarter, LAN selectively added capacity in order to leverage strong demand and strategic opportunities. These included increasing frequencies on routes between South America and the South Pacific and between Ecuador and Spain, strengthening regional routes out of Lima, and expanding domestic services in Argentina. Specifically, LAN Argentina's domestic operations grew 49% between the third and fourth quarter with sustained high load factors. Meanwhile, capacity in the Chilean and Peruvian domestic markets remained fairly stable. Yields grew driven primarily due to improved segmentation and cost pass-through initiatives.

Cargo revenues, which amounted to 37% of total revenues, rose 9.0% due to a 2.3% increase in capacity and a 6.6% expansion in unit revenues (measured in revenues per available ton kilometer or "RATK"). Unit revenues rose as yields increased 6.3% and load-factors improved 0.2 points to 69.6%. The incorporation of two new Boeing 767 freighters during the second half of 2005 allowed LAN to effectively address changes in its cargo dynamics as import growth now outpaces increases in export volumes. The Company used these aircraft to replace wet-leased freighters, enabling LAN to reduce costs while better matching its operations to the new operating environment. The Company also expanded further into the Europe-Latin America cargo market by launching new services to Amsterdam in December. Yields increased primarily due to higher southbound rates and cost-based rate increases.

Operating costs for the quarter increased 12.5% as system capacity (measured in ATKs) increased 2.7%. As a consequence, total unit cost (which includes net interest expenses) rose 11.1%. Record fuel prices led to more than US\$52.5 million in additional costs compared to the previous year. Excluding the fuel-price impact, operating expenses rose 3.3% and total ex-fuel unit costs increased 1.7%. The latter rose mainly due to the impact of a stronger Chilean Peso on costs denominated in that currency, such as personnel expenses. Higher commercial costs due to strong revenue growth and costs associated with the creation of LAN Argentina also contributed to the rise in ex-fuel unit costs. However, higher costs were partially mitigated by efficiency gains arising from the incorporation of new aircraft, the replacement of wet-leased freighters, new maintenance contracts and the implementation of several cost-reduction initiatives.

LAN continues to maintain a strong financial position. The Company has over US\$159 million in cash equivalents, as well as approximately US\$103 million in committed credit lines. LAN has also internally funded approximately US\$280 million in pre-delivery payments for new Boeing and Airbus aircraft. During the quarter, the Company secured financing for the Boeing 767 deliveries scheduled for 2007 and 2008. Floating rates on all these loans have been swapped into an average fixed rate of approximately 4.7%. During February, LAN mandated BNP Paribas to finance its 32 Airbus A320-family deliveries through 2008 through a export-credit 12-year loan.

During this period LAN incorporated seven additional aircraft. These included two leased Boeing 737s, two owned new Airbus A319s, one leased Airbus A320, one leased Boeing 767-300ER and one owned Boeing 767-300F. While the new freighter has been used primarily to replace wet-leased aircraft, the additional passenger aircraft are to be used mainly to expand capacity.

These aircraft will enable LAN to support the expansion of its route network. Short-haul aircraft have been gradually phased into the fleet and will be dedicated to grow capacity on regional routes, and on the Chilean and Argentine domestic markets. Additional long-haul capacity has been used to support additional operations to the South Pacific as well as to Europe. Further long-haul growth is scheduled for the near future, mainly through two new operations to the United States. The first one is a new Sao Paulo-Lima-Los Angeles service that LAN Peru will launch in March. In addition to enhancing LAN's regional network, this new service will also allow the Company to offer an attractive alternative for passengers flying between Brazil and the west coast of the United States. The second is LAN Argentina's Buenos Aires-Miami service, which the Company expects to initiate during the second quarter of 2006. The launch of this operation in December was postponed after the FAA upgraded Argentina's safety rating, requiring LAN Argentina to undergo a new certification process.

In December, the Company also announced the launch of its new long-haul on-board product. This program, which will initially focus on its Boeing 767 aircraft, includes new full-flat seats in business class, a new in-flight entertainment system, new economy class seats and new aircraft interiors. LAN expects that this investment will consolidate the Company's service as the best in Latin America. The first aircraft to feature this configuration will be the new Boeing 767 to be delivered in March. The Company plans to have all of LAN's Boeing 767 aircraft brought up to this standard during 2006 and 2007.

LAN is also working on streamlining its short-haul product in order to better satisfy customer needs while leveraging opportunities to increase efficiency. Starting in December 2005, LAN adjusted the number of cabin attendants per flight and catering standards in Chilean domestic routes. This optimization process is expected to continue during 2006 with additional seats replacing redundant galleys. As a consequence, seating capacity on Airbus A319s and single-class Airbus 320s will grow by 6% and 4%, respectively.

Record fourth quarter results underscore LAN's ability to manage complicated scenarios. Despite continuing record oil prices, the Company grew operating income by 73.8% and comparable net income by 19.1%. Strong fundamentals enabled LAN to effectively implement measures designed to enhance revenue generation, rapidly adapt to a changing environment, increase efficiency and mitigate higher fuel costs. Furthermore, LAN continued to expand its network and made headway in key programs aimed at strengthening its competitive advantages in service and efficiency, consolidating LAN as Latin America's premier international passenger and cargo operator.

Consolidated Fourth Quarter Results

Net income for the fourth quarter of 2005 amounted to US\$49.9 million compared to US\$47.6 million for the same period of 2004. While net income grew 4.8% year-on-year, comparable net income grew 19.1% as fourth quarter results in 2004 included a \$5.7 million one-time tax gain. **Net margin** decreased 0.7 points from 7.8% in 2004 to 7.1% in 2005. Comparable net margin increased 0.2 points.

Operating income amounted to US\$59.2 million compared to US\$34.1 million in 2004. **Operating margin** for the quarter increased 2.8 points to 8.4%.

Total operating revenues grew 15.9% year-on-year to US\$706.3 million. This reflected a:

- 23.0% increase in **passenger revenues** to US\$407.7 million,
- 9.0% increase in **cargo revenues** to US\$259.8 million, and a
- 2.4% decrease in **other revenues** to US\$38.8 million.

Passenger and cargo revenues accounted for 58% and 37% of total revenues for the quarter, respectively.

Passenger revenues grew driven by a 10.4% increase in traffic and an 11.5% increase in yields. Load factor increased 2.7 points to 73.4% as traffic outgrew a 6.2% increase in capacity. Overall, revenues per ASK increased 15.8%. Traffic grew as a 2.0% decrease in Chilean domestic traffic was offset by a 12.9% increase in international traffic (including domestic operations in Peru and Argentina). International traffic accounted for 85% of total passenger traffic during the quarter. Yields grew mainly due to cost pass-through initiatives, improved segmentation, and a higher premium traffic component.

Cargo revenues grew due to a 2.5% increase in traffic and a 6.3% improvement in yield. Yield rose primarily due to higher southbound rates and cost based rate increases. Traffic growth slightly exceeded a 2.3% capacity increase. As a consequence, load factors rose 0.2 points to 69.6%, therefore leading to a 6.6% rise in revenues per ATK.

Other revenues decreased 2.4% as increased on-board sales, handling and courier revenues were fully offset by lower revenues from logistics and aircraft rental activities.

Total operating expenses increased 12.5% during the quarter as capacity, measured in system ATKs, increased 2.7%. As a consequence, unit (ATK) costs increased 11.1%. Excluding the impact of higher fuel prices that led to US\$52.5 million in additional expenses, unit costs increased 1.7%. Changes in operating expenses were driven by:

- **Wages and benefits** increased 19.0% due to the appreciation of the Chilean peso and increases in headcount.
- **Fuel costs** rose 40.9% due to a 36.9% increase in prices and a 2.9% increase in consumption.
- **Commissions to agents** rose 10.9% as a 17.2% increase in traffic (passenger and cargo) revenues was offset by a 0.8 point reduction in average commission. This reduction was mainly related to lower cargo commissions.
- **Depreciation and amortization** increased 7.7% mainly due to the incorporation of two new Boeing 767 freighters and two new Airbus A319 passenger aircraft.
- **Other rental and landing fees** decreased 10.6% as the impact from increased operations was mitigated by a reduction in ACMI rental expenses.

- **Passenger service** expenses increased 2.0% as adjustments in short-haul catering standards compensated for an 11.0% rise in the number of passengers transported.
- **Aircraft rentals** increased 8.6% mainly because of the incorporation of additional Boeing 767, Airbus A320 and Boeing 737 aircraft.
- **Maintenance expenses** decreased 3.6% as increased costs due to capacity growth were compensated by efficiency gains related to fleet renewal programs and the renegotiation of maintenance contracts with third parties.
- **Other operating expenses** decreased 5.6% mainly to due to savings in training expenses, lower sales related expenses, and several initiatives to reduce general costs.

Non-operating results for the fourth quarter of 2005 amounted to a US\$1.0 million loss compared to a US\$16.3 million gain in 2004. Interest income decreased 46.2% due to lower average cash balances. Interest expenses increased 22.5% due to increased average long-term debt. In the miscellaneous-net item, the Company recorded a US\$7.9 million gain compared to a US\$21.4 million gain in 2004. In 2005 this included a US\$4.3 million fuel hedging gain (compared to a US\$13.8 million gain in 2004) as well as a US\$3.2 million foreign-exchange gain (compared to a US\$8.2 million gain in 2004).

Consolidated Full Year Results

Net income for the full-year 2005 amounted to US\$146.6 million compared to US\$163.6 million for 2004. **Net margin** decreased 2.0 points from 7.8% in 2004 to 5.8% in 2005. Since 2004 results included a US\$5.7 million one-time tax benefit, comparable net income decreased 7.1% and net margins decreased 1.7 points to 7.5%.

Operating income for 2005 was US\$141.6 million compared to US\$172.1 million in 2004. **Operating margin** for the full year decreased 2.6 points to 5.7%.

Total operating revenues amounted to US\$2.5 billion in 2005, a 19.8% increase compared with 2004. This reflected a:

- 24.9% increase in **passenger revenues** to US\$1.5 billion,
- 13.9% increase in **cargo revenues** to US\$910.5 million, and a
- 8.9% increase in **other revenues** to US\$135.3 million.

Passenger and cargo revenues accounted for 58% and 36% of total revenues for 2005, respectively.

Passenger revenues grew driven by a 15.6% increase in traffic and an 8.0% increase in yields. Load factor rose 2.3 points to 73.8% as traffic growth outpaced a 12.0% capacity increase. Overall, revenues per ASK rose 11.5%. Traffic grew as a 1.9% decrease in Chilean domestic traffic was offset by a 19.1% increase in international traffic (including domestic operations in Peru and Argentina). International traffic accounted for 86% of total passenger traffic during 2005. Yields grew mainly due to lower average trip lengths, the implementation of a cost pass-through initiatives, improved segmentation, and higher premium traffic.

Cargo revenues grew due to a 5.9% increase in traffic and a 7.5% improvement in yields, measured in RTKs. Yields rose primarily due to improvements in southbound rates and cost driven rates increases. Growth in cargo traffic outpaced a 9.5% increase in capacity, resulting in a 2.3-point decrease in cargo load factors to 66.5%. As a consequence, revenues per ATK rose 4.0%.

Other revenues grew 8.9% as higher revenues from on-board sales, handling activities and courier operations were partially offset by lower logistics and aircraft leasing revenues.

Total operating expenses increased 23.1% in 2005 compared to 2004, as capacity, measured in system ATKs, increased 10.6%. As a consequence, unit (ATK) costs increased 12.0%. Excluding the impact of higher fuel prices, which led to \$187.4 million in additional expenses, unit costs increased 2.7%. Changes in operating expenses were driven by:

- **Wages and benefits** increased 26.9% mainly due to increases in headcount and a stronger Chilean peso.
- **Fuel costs** increased 55.0% due to a 41.2% increase in prices and a 9.8% increase in consumption.
- **Commissions to agents** rose 18.4% driven primarily from a 20.4% increase in traffic (passenger and cargo) revenues. As a percentage of traffic revenues, commissions fell 0.2 points to 14.6% as lower average passenger commissions offset higher cargo commissions.
- **Depreciation and amortization** increased 3.9%, mainly due to the incorporation of two new Boeing 767 freighters and two new Airbus A319 aircraft.
- **Other rental and landing fees** increased 4.8% as the impact of increased operations on both landing fees and ground-handling expenses was partially offset by a reduction in ACMI leases and lower insurance expenses.
- **Passenger service** expenses increased 18.2%, as a 25.1% increase in the number of passengers transported was partially mitigated by savings due to changes in short-haul standards in the fourth quarter.

- **Aircraft rentals** increased 11.9% mainly because of the incorporation of additional Boeing 767, Airbus A320 and Boeing 737 aircraft in 2005 and the full year effect of Boeing 767 and Airbus A319 aircraft incorporated in 2004.
- **Maintenance expenses** rose 9.4%. Excluding a one-time US\$1.9 million reduction in provisions recorded during the first half of 2004, maintenance expenses rose 7.7%, as capacity growth has been partially offset by efficiency gains arising from the renegotiation of third-party maintenance contracts.
- **Other operating expenses** grew 12.1% due to increases in booking expenses, cost of goods sold on-board, and sales related costs and taxes.

Non-operating results for 2005 amounted to a US\$31.5 million gain compared to a US\$19.5 million gain in 2004. Interest income increased 14.7% due to higher average cash balances and higher interest rates. Interest expenses increased 7.5% due to an increase in average debt. In the miscellaneous-net item, the Company recorded a US\$58.2 million gain compared to a US\$45.2 million gain in 2004. In 2005 this included a US\$51.5 million fuel hedging gain (compared to a US\$46.5 million gain in 2004) as well as a US\$6.0 million foreign-exchange gain (compared to a US\$2.4 million gain in 2004).

About LAN

LAN Airlines is one of the leading airlines in Latin America. "LAN" makes reference to the consolidate entity that includes LAN Airlines, LAN Express, LAN Peru, LAN Ecuador, and LAN Argentina, as well as LAN Cargo and its affiliates. Through its own operations and code-share arrangements, the LAN Alliance serves 15 destinations in Chile, eleven destinations in Peru, nine destinations in Argentina, two in Ecuador, 20 destinations in other Latin American countries, 25 in North America, ten destinations in Europe and four in the South Pacific. Currently, the LAN Alliance operates 63 passenger aircraft and nine dedicated freighters.

LAN is a member of **oneworld** (TM), the most international of the global airline alliances. It has bilateral commercial agreements with **oneworld** partners American Airlines, British Airways, Iberia and Qantas and also with Alaska Airlines, AeroMexico, Mexicana, Korean Airlines, TAM and Lufthansa Cargo. For more information visit www.lan.com or www.oneworldalliance.com.

Note on Forwards Looking Statements

This report contains forward-looking statements. Such statements may include words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe" or other similar expressions. Forward-looking statements are statements that are not historical facts, including statements about our beliefs and expectations. These statements are based on current plans, estimates and projections, and, therefore, you should not place undue reliance on them. Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. These factors include. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them, whether in light of new information, future events or otherwise.

LAN Airlines S.A.
Consolidated Income Statement (in thousands of U.S. Dollars)

	For the Three-Month Period ended December 31st			For the Full Year ended December 31st		
	2005	2004	% Change	2005	2004	% Change
REVENUES						
Passenger	407,650	331,340	23.0%	1,460,584	1,169,049	24.9%
Cargo	259,802	238,334	9.0%	910,453	799,656	13.9%
Other	38,866	39,823	-2.4%	135,316	124,240	8.9%
TOTAL OPERATING REVENUES	706,317	609,497	15.9%	2,506,353	2,092,945	19.8%
EXPENSES						
Wages and Benefits	(102,803)	(86,369)	19.0%	(371,596)	(292,823)	26.9%
Aircraft Fuel	(194,635)	(138,133)	40.9%	(642,696)	(414,539)	55.0%
Commissions to Agents	(90,167)	(81,287)	10.9%	(345,387)	(291,693)	18.4%
Depreciation and Amortization	(21,480)	(19,938)	7.7%	(80,456)	(77,443)	3.9%
Other Rental and Landing Fees	(76,233)	(85,295)	-10.6%	(301,544)	(287,842)	4.8%
Passenger Services	(12,749)	(12,501)	2.0%	(53,176)	(44,992)	18.2%
Aircraft Rentals	(37,936)	(34,946)	8.6%	(148,202)	(132,425)	11.9%
Aircraft Maintenance	(31,957)	(33,163)	-3.6%	(132,198)	(120,818)	9.4%
Other Operating Expenses	(79,124)	(83,776)	-5.6%	(289,462)	(258,270)	12.1%
TOTAL OPERATING EXPENSES	(647,084)	(575,408)	12.5%	(2,364,717)	(1,920,845)	23.1%
OPERATING INCOME (LOSS)	59,233	34,089	73.8%	141,636	172,100	-17.7%
<i>OPERATING MARGIN</i>	<i>8.4%</i>	<i>5.6%</i>	<i>2.8 pp.</i>	<i>5.7%</i>	<i>8.2%</i>	<i>- 2.6 pp.</i>
OTHER INCOME (EXPENSE)						
Interest Income	2,134	3,967	-46.2%	12,426	10,830	14.7%
Interest Expenses	(11,114)	(9,074)	22.5%	(39,191)	(36,459)	7.5%
Miscellaneous-Net	7,938	21,379	-62.9%	58,234	45,162	28.9%
TOTAL	(1,042)	16,271	-106.4%	31,469	19,533	61.1%
INCOME BEFORE MINORITY INTEREST	58,191	50,360	15.6%	173,105	191,633	-9.7%
Minority Interest	521	(1,014)	-151.4%	1,754	212	727.4%
INCOME (LOSS) BEFORE INCOME TAXES	58,712	49,346	19.0%	174,859	191,845	-8.9%
Income Taxes	(8,833)	(1,763)	401.1%	(28,258)	(28,293)	-0.1%
NET INCOME (LOSS)	49,879	47,583	4.8%	146,601	163,552	-10.4%
<i>NET MARGIN</i>	<i>7.1%</i>	<i>7.8%</i>	<i>- 0.7 pp.</i>	<i>5.8%</i>	<i>7.8%</i>	<i>- 2.0 pp.</i>
Shares Outstanding	318,909,090	318,909,090		318,909,090	318,909,090	
Earnings per share	0.16	0.15	4.8%	0.46	0.51	-10.4%
Earnings per ADR	0.78	0.75	4.8%	2.30	2.56	-10.4%

Note: Discrepancies between totals and the sums of the amounts listed are due to rounding.

**LAN Airlines S.A.
Consolidated Operating Statistics**

	For the Three-Month Period ended December 31st			For the Full Year ended December 31st		
	2005	2004	% Change	2005	2004	% Change
Operating Statistics						
System						
ATKs (millions)	1,513.3	1,472.9	2.7%	5,810.8	5,256.2	10.6%
ASKs (millions)	6,072.3	5,715.6	6.2%	23,687.3	21,147.4	12.0%
RTKs (millions)	1,067.9	1,013.7	5.3%	3,967.9	3,620.7	9.6%
RPKs (millions)	4,454.1	4,036.0	10.4%	17,490.8	15,125.3	15.6%
Overall Load Factor (based on ATKs)%	70.6%	68.8%	1.7 pp.	68.3%	68.9%	-0.6 pp.
Break-Even Load Factor (based on ATK)%	65.3%	65.3%	-0.1 pp.	65.0%	63.8%	1.2 pp.
Yield based on RTKs (US Cents)	62.5	56.20	11.2%	59.76	54.37	9.9%
Operating Revenues per ATK (US Cents)	44.1	38.7	14.0%	40.80	37.45	8.9%
Operating Costs per ATK (US Cents)	40.8	36.7	11.1%	38.83	34.67	12.0%
Fuel Gallons Consumed (millions)	87.7	85.2	2.9%	338.3	308.0	9.8%
Average Trip Length (thousandas km)	2.136	2.148	-0.6%	2.195	2.299	-4.5%
Passenger						
ASKs (millions)	6,072.3	5,715.6	6.2%	23,687.3	21,147.4	12.0%
RPKs (millions)	4,454.1	4,036.0	10.4%	17,490.8	15,125.3	15.6%
RTKs (millions)	400.9	363.2	10.4%	1,574.2	1,361.3	15.6%
Passengers Transported (thousands)	2,085.1	1,878.7	11.0%	7,966.9	6,578.9	21.1%
Load Factor (based on ASKs) %	73.4%	70.6%	2.7 pp.	73.8%	71.5%	2.3 pp.
Yield (based on RPKs, US Cents)	9.2	8.2	11.5%	8.4	7.7	8.0%
Yield (based on RTKs, US Cents)	101.7	91.2	11.5%	92.8	85.9	8.0%
Revenue/ASK (US cents)	6.7	5.8	15.8%	6.2	5.5	11.5%
Cargo						
ATKs (thousands)	958.4	936.8	2.3%	3,599.7	3,288.4	9.5%
RTKs (thousands)	667.0	650.5	2.5%	2,392.3	2,259.4	5.9%
Tons Transported (thousands)	143.5	144.5	-0.7%	529.0	506.3	4.5%
Load Factor (based on ATKs) %	69.6%	69.4%	0.2 pp.	66.5%	68.7%	-2.3 pp.
Yield based on RTKs (US Cents)	38.95	36.64	6.3%	38.06	35.39	7.5%
Revenue/ATK (US Cents)	27.1	25.4	6.6%	25.3	24.3	4.0%

Note: Discrepancies between totals and the sums of the amounts listed are due to rounding.

**LAN Airlines S.A.
Fleet Data**

Consolidated Fleet

	As of December, 2005		
	Leased	Owned	Total
<i>Passenger Aircraft</i>			
Boeing 737-200	11	10	21
Airbus A319-100	5	2	7
Airbus A320-200	11	4	15
Boeing 767-300	13	3	16
Airbus A340-300	4	0	4
TOTAL	44	19	63
<i>Cargo Aircraft*</i>			
Boeing 737-200C	0	1	1
Boeing 767-300F	1	7	8
TOTAL	1	8	9
Total Fleet	45	27	72

*During the fourth quarter LAN also operated between two and four Boeing 747 and DC-10 cargo aircraft under ACMI lease contracts.
Note: table does not include one Boeing 767-200 leased to AeroMexico and one McDonnell Douglas DC-8 freighter leased to Air Brasil.

Future Deliveries*

	2006	2007	2008
<i>Passenger Aircraft</i>			
Boeing 737-200	5	-	-
Airbus A318-100	-	10	10
Airbus A319-100	8	-	-
Airbus A320-200	-	-	4
Boeing 767-300ER	4	-	3
Airbus A340-300	-	-	2
TOTAL	17	10	19
<i>Cargo Aircraft</i>			
Boeing 767-300F	1	2	-
TOTAL	1	2	-

* Refers only to firm lease or purchase commitments

LAN Airlines S.A.
Consolidated Balance Sheet (in thousands of US\$)

	As of December 31,	
	2005	2004
ASSETS		
CURRENT ASSETS		
Cash	11,733	11,620
Time deposits	34,519	179,715
Marketable securities	112,983	113,290
Accounts and notes receivable -trade and other	312,232	242,824
Accounts and notes receivable from related companies	899	2,978
Inventories	37,283	35,323
Prepaid and recoverable taxes	24,307	18,153
Prepaid expenses	24,278	23,140
Deferred income tax assets	7,670	10,085
Other current assets	13,321	15,274
Total current assets	579,225	652,402
PROPERTY AND EQUIPMENT (net)		
Aircraft	1,013,231	767,133
Other	239,039	211,841
Total property and equipment	1,252,270	978,974
OTHER ASSETS		
Investments	2,839	2,901
Goodwill	44,751	42,470
Notes and accounts receivable from related companies	10,252	1,069
Long-term accounts receivable	9,756	9,851
Long-term deferred taxes	0	0
Deposits and others	246,690	141,609
Total other assets	314,288	197,900
Total assets	2,145,783	1,829,276
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Bank loans	11,666	0
Current portion of long-term loans from financial institutions	53,104	34,098
Current portion of long term leasing obligations	45,687	51,725
Dividends Payable	35,000	0
Accounts payable	236,212	224,046
Notes and accounts payable to related companies	327	281
Other creditors	532	0
Air traffic liability and others	175,580	128,235
Other current liabilities	126,307	143,680
Total current liabilities	684,415	582,065
LONG-TERM LIABILITIES		
Loans from financial institutions	521,974	317,233
Other creditors	17,039	64,239
Provisions	117,277	100,810
Notes and accounts payable to related companies	0	446
Air traffic liability	31,549	43,366
Deferred taxes	95,576	71,303
Obligations under capital leases	161,151	192,301
Other long-term liabilities	10,716	19,258
Total long-term liabilities	955,282	808,956
MINORITY INTEREST		
	3,373	3,698
SHAREHOLDERS' EQUITY		
Common stock	134,303	134,303
Reserves	2,620	2,620
Interim dividends	(71,451)	(74,783)
Retained earnings	437,241	372,417
Total shareholders' equity	502,713	434,557
Total liabilities and shareholders' equity	2,145,783	1,829,276