

FOR IMMEDIATE RELEASE



LAN AIRLINES MONTHLY STATISTICS REPORT FOR JULY 2006

Santiago, Chile, August 10, 2006 – LAN Airlines S.A. and its related companies, (“LAN” or “the Company”) (NYSE: LFL / IPSA: LAN), one of the leading airline groups in Latin America, reported its preliminary monthly and accumulated traffic statistics and punctuality indicators for July 2006.

System passenger traffic for July increased 4.7% as capacity rose 6.9%. As a result, the Company’s load factor decreased 1.6 points to 77.5%. International passenger traffic accounted for approximately 88% of total passenger traffic.

International passenger traffic for July rose 5.8% as capacity increased 8.2%. Accordingly, the international passenger load factor for the month decreased 1.8 points to 79.1%. Long-haul capacity grew due to an increase in operations to the South Pacific and Europe, which was partially offset by a reduction in operations to the United States and the Caribbean. Short-haul capacity grew mainly as a result of an expansion in regional operations and in the Argentine domestic market.

Domestic passenger traffic in Chile declined 3.4% as capacity was reduced by 1.0%. As a consequence, the domestic load factor for the month decreased 1.7 points to 67.3%.

Cargo traffic increased 5.4% as capacity rose 1.7%. As a consequence, the cargo load-factor increased 2.4 points to 66.7%. Cargo traffic grew mainly as the expansion of imports into the region was partially offset by the continued weakness of other exports out of Chile and Brazil.

In July, 83.8% of the Company’s total flights left on time, based on a fifteen-minute standard (all departures leaving within fifteen minutes of the scheduled departure time are considered as “on-time”). This represented a 6.1 point increase compared to same month of 2005.

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About LAN

LAN Airlines is one of the leading airlines in Latin America. “LAN” makes reference to the consolidated 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 67 passenger aircraft and nine dedicated freighters.

LAN Airlines is a member of **oneworld** (TM), the world’s leading global airline alliance. It has bilateral commercial agreements with **oneworld** partners American Airlines, British Airways, Iberia and Qantas, as well as with Alaska Airlines, AeroMexico, Mexicana, and TAM. For more information visit www.lan.com or www.oneworldalliance.com.



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Preliminary July Operating Statistics

	July			Year to date Ended July		
	2006	2005	% Change	2006	2005	% Change
REVENUE PASSENGER KILOMETERS (millions)						
SYSTEM	1,730	1,652	4.7%	10,610	10,088	5.2%
DOMESTIC	199	206	-3.4%	1,409	1,408	0.1%
INTERNATIONAL	1,531	1,446	5.8%	9,201	8,680	6.0%
AVAILABLE SEAT KILOMETERS (millions)						
SYSTEM	2,231	2,088	6.9%	14,657	13,712	6.9%
DOMESTIC	296	299	-1.0%	2,214	2,140	3.4%
INTERNATIONAL	1,935	1,789	8.2%	12,443	11,572	7.5%
PASSENGER LOAD FACTOR						
SYSTEM	77.5%	79.1%	-1.6 pp	72.4%	73.6%	-1.2 pp
DOMESTIC	67.3%	69.0%	-1.7 pp	63.7%	65.8%	-2.1 pp
INTERNATIONAL	79.1%	80.8%	-1.8 pp	73.9%	75.0%	-1.1 pp
REVENUE TON KILOMETERS (Cargo) (millions)						
SYSTEM	201.7	191.3	5.4%	1,461.8	1,354.5	7.9%
DOMESTIC	2.7	3.3	-16.3%	17.7	19.2	-7.5%
INTERNATIONAL	199.0	188.0	5.8%	1,444.1	1,335.3	8.1%
AVAILABLE TON KILOMETERS (Cargo) (millions)						
SYSTEM	302.5	297.5	1.7%	2,224.1	2,062.4	7.8%
DOMESTIC	6.8	8.3	-17.5%	51.2	57.1	-10.3%
INTERNATIONAL	295.7	289.2	2.2%	2,172.8	2,005.3	8.4%
CARGO LOAD FACTOR						
SYSTEM	66.7%	64.3%	2.4 pp	65.7%	65.7%	0.1 pp
DOMESTIC	40.0%	39.4%	0.6 pp	34.6%	33.6%	1.0 pp
INTERNATIONAL	67.3%	65.0%	2.3 pp	66.5%	66.6%	-0.1 pp
PASSENGERS BOARDED (thousands)						
SYSTEM	791	756	4.5%	4,794	4,498	6.6%
DOMESTIC	201	210	-3.9%	1,393	1,408	-1.0%
INTERNATIONAL	589	547	7.8%	3,401	3,091	10.0%
PUNCTUALITY RATES (Based on 15 Minute Standard)						
SYSTEM	83.8%	77.7%	6.1 pp	88.1%	85.9%	2.2 pp
DOMESTIC	82.1%	78.7%	3.4 pp	88.6%	86.4%	2.2 pp
INTERNATIONAL	85.8%	77.1%	8.7 pp	88.0%	85.1%	2.9 pp