

FOR IMMEDIATE RELEASE



LAN AIRLINES MONTHLY STATISTICS REPORT FOR AUGUST 2006

Santiago, Chile, September 11, 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 August 2006.

System passenger traffic for August increased 11.6% as capacity rose 12.3%. As a result, the Company’s load factor decreased 0.5 points to 76.0%. International passenger traffic accounted for approximately 89% of total passenger traffic.

International passenger traffic for August rose 13.5% as capacity increased 12.9%. Accordingly, the international passenger load factor for the month increased 0.4 points to 78.4%. 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 2.1% as capacity was increased by 8.7%. As a consequence, the domestic load factor for the month decreased 6.6 points to 60.1%.

Cargo traffic increased 11.0% as capacity rose 5.0%. As a consequence, the cargo load-factor increased 3.6 points to 66.0%. Cargo traffic grew mainly as a result of the expansion of imports into the region, partially offset by the continued weakness of other exports out of Chile and Brazil.

In August, 89.0% 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 8.0 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 August Operating Statistics

	August			Year to date Ended August		
	2006	2005	% Change	2006	2005	% Change
REVENUE PASSENGER KILOMETERS (millions)						
SYSTEM	1,710	1,533	11.6%	12,320	11,621	6.0%
DOMESTIC	183	187	-2.1%	1,592	1,595	-0.2%
INTERNATIONAL	1,527	1,346	13.5%	10,728	10,026	7.0%
AVAILABLE SEAT KILOMETERS (millions)						
SYSTEM	2,251	2,005	12.3%	16,911	15,717	7.6%
DOMESTIC	304	280	8.7%	2,518	2,420	4.0%
INTERNATIONAL	1,947	1,725	12.9%	14,393	13,297	8.2%
PASSENGER LOAD FACTOR						
SYSTEM	76.0%	76.5%	-0.5 pp	72.9%	73.9%	-1.1 pp
DOMESTIC	60.1%	66.7%	-6.6 pp	63.2%	65.9%	-2.7 pp
INTERNATIONAL	78.4%	78.0%	0.4 pp	74.5%	75.4%	-0.9 pp
REVENUE TON KILOMETERS (Cargo) (millions)						
SYSTEM	197.3	177.8	11.0%	1,659.1	1,532.2	8.3%
DOMESTIC	2.8	2.6	7.3%	20.5	21.8	-5.7%
INTERNATIONAL	194.6	175.2	11.1%	1,638.6	1,510.5	8.5%
AVAILABLE TON KILOMETERS (Cargo) (millions)						
SYSTEM	299.1	284.8	5.0%	2,523.2	2,347.2	7.5%
DOMESTIC	7.1	6.4	10.2%	58.3	63.5	-8.2%
INTERNATIONAL	292.1	278.4	4.9%	2,464.9	2,283.7	7.9%
CARGO LOAD FACTOR						
SYSTEM	66.0%	62.4%	3.6 pp	65.8%	65.3%	0.5 pp
DOMESTIC	39.3%	40.3%	-1.0 pp	35.2%	34.3%	0.9 pp
INTERNATIONAL	66.6%	62.9%	3.7 pp	66.5%	66.1%	0.3 pp
PASSENGERS BOARDED (thousands)						
SYSTEM	796	718	10.8%	5,590	5,217	7.2%
DOMESTIC	192	196	-2.2%	1,585	1,604	-1.2%
INTERNATIONAL	604	522	15.7%	4,005	3,613	10.9%
PUNCTUALITY RATES (Based on 15 Minute Standard)						
SYSTEM	89.0%	81.0%	8.0 pp	88.2%	85.3%	2.9 pp
DOMESTIC	90.8%	80.4%	10.4 pp	88.9%	85.7%	3.2 pp
INTERNATIONAL	88.7%	81.8%	6.8 pp	88.1%	84.7%	3.4 pp