

FOR IMMEDIATE RELEASE



LAN AIRLINES AND TAM TO IMPLEMENT COMMERCIAL ALLIANCE

Santiago, Chile, May 9, 2007 – LAN Airlines S.A. and its related companies, LAN Peru, LAN Argentina and LAN Ecuador ("LAN" or "the Company") (NYSE: LFL / IPSA: LAN), and TAM Linhas Aéreas have decided to formalize a commercial alliance.

The agreement aims to develop partnerships in routes operated by these companies in South America, broadening the passengers' options to fly to several destinations throughout the continent and allowing clients of the LAN alliance to travel the routes operated by TAM, with multiple hour and frequency options. This will be possible through a code share agreement, which LAN expects will be implemented within the next months.

One of the benefits passengers will enjoy with this commercial alliance is the ability to travel with a single ticket from the beginning to the end of the route, in addition to the possibility of using the companies' VIP areas. Another advantage is the accrual and redemption of miles in the companies respective frequent flyer programs, LANPASS and The TAM Fidelity Program, benefiting passengers who travel frequently.

For TAM's CEO, Marco Antonio Bologna, the alliance with LAN represents an important step towards the regional integration process in South America, thus stimulating the distribution of passengers in the Brazilian, Chilean, Argentinean, Peruvian, Venezuelan and other markets. "TAM and LAN passengers can rely on a wider variety of flights while enjoying the advantages of both companies' fidelity programs," said Bologna.

Enrique Cueto, LAN's CEO said, "Thanks to this agreement, our passengers will enjoy an excellent network that will make their travels easier. This will encourage commercial agreements already existing between the countries, fomenting tourism and bilateral cooperation in the region".

* * * * *

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. The LAN Alliance serves 15 destinations in Chile, 12 destinations in Peru, 10 destinations in Argentina, two destinations in Ecuador, 15 destinations in other Latin American countries and the Caribbean, three destinations in the United States, two destinations in Europe and four destinations in the South Pacific, as well as 52 additional international destinations through its various code-share agreements. Currently, the LAN Alliance operates 68 passenger aircraft and 10 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, TAM, Korean Air and JAL. For more information visit www.lan.com or www.oneworldalliance.com.



CONTACTS IN CHILE

Gisela Escobar – Head of Investor Relations
gisela.escobar@lan.com
Juan José Irarrázaval – Investor Relations Analyst
juanjose.irarrazavalg@lan.com
Tel: (56-2) 565-3944/8775

CONTACTS IN NEW YORK

Maria Barona/Melanie Carpenter
lan@i-advize.com
i-advize Corporate Communications, Inc.
Tel: (212) 406-3690