

FOR IMMEDIATE RELEASE



LAN ANNOUNCES FUTURE INCORPORATION OF 32 BOEING 787 AIRCRAFT INTO ITS FLEET

Santiago, Chile, July 12, 2007 – 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, announced today that at an Extraordinary Meeting of the Board of Directors held this week, the Board agreed to incorporate 32 Boeing 787 *Dreamliner* long-haul aircraft to the Company’s fleet between 2011 and 2016.

LAN will purchase 26 aircraft, and acquire 6 more via leasing contracts. The total investment will reach approximately US\$ 3.2 billion. Additionally, the Board approved 10 purchase options of the same aircraft model for 2017 and 2018. This is the largest investment in the Company’s history and assures LAN’s future growth, as well as operating one of the world’s most modern fleets.

The 787 *Dreamliner* model is estimated to commence commercial operations by year-end 2008 and will revolutionize the air industry as it incorporates the latest technology. Customers will enjoy a more pleasant in-flight experience due to the technological advances featured inside the passenger cabin. In addition, the *Dreamliner* is fuel efficient, emitting 25% less emissions, and is considered an ecologically friendly airplane. The aircraft has the capacity to seat between 250 and 300 passengers, in two classes, depending on model type (787-8 and 787-9).

These new aircraft are aimed to replace and grow the Company’s long-haul fleet, and will allow LAN to operate new international routes that will be added to LAN Airline’s current network along with its affiliates LAN Peru, LAN Argentina and LAN Ecuador.

Enrique Cueto, LAN’s Chief Executive Officer, stated: “This historic investment assures the future growth of the Company, thereby confirming LAN’s commitment to expand commercial aviation development, as well as the economic and social growth within Latin America. We are incorporating a new generation of aircraft designed with the industry’s most advanced systems and state-of-the-art technologies in order to provide the best travel experience to our passengers. Our customers will be served by one of world’s most modern fleets, in addition to the excellent service that has traditionally distinguished LAN within the international markets.

This is the largest fleet order in LAN’s history and is in addition to LAN’s previously announced fleet orders which include the incorporation of 52 new passenger and cargo aircraft for short and long-haul routes, scheduled to be received between this 2007 and 2011.

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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. 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 and Korean Air. For more information visit www.lan.com or www.oneworldalliance.com.



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