



**Third Quarter 2008 Results Presentation**  
**October 29, 2008**

This presentation may include forward-looking comments regarding the Company's business outlook and anticipated financial and operating results. These expectations are highly dependent on the economy, the airline industry, commodity prices, international markets and external events. Therefore, they are subject to change and we undertake no obligation to publicly update or revise any forward looking statements to reflect events or circumstances that may arise after the date of this presentation. More information on the risk factors that could affect our results are contained on our Form 20-F for the year ended December 31, 2007.

Information, tables and logos contained in this presentation may not be used without consent from LAN

# Contents

I. 3Q08 Financial Results

II. Future Outlook

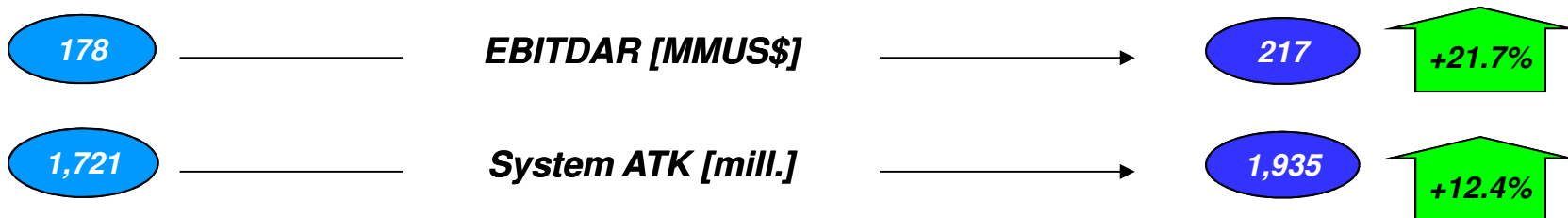
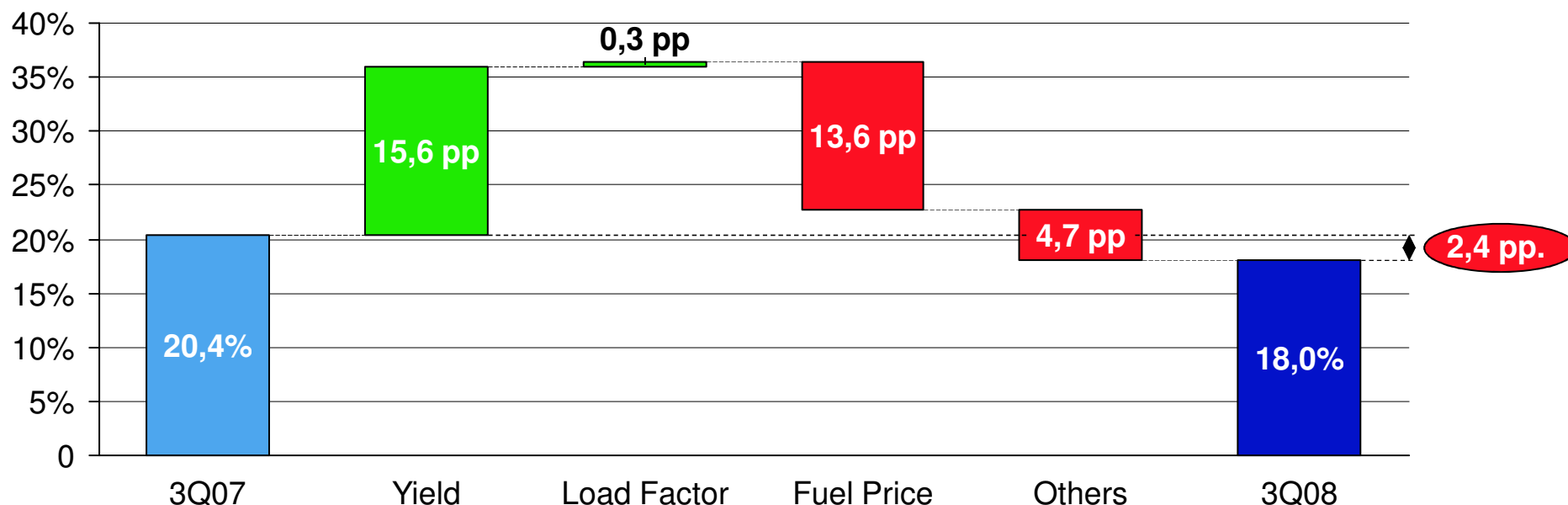
## 3Q08 Highlights

- LAN achieved a **strong operating performance** as a 37.7% increase in revenues outpaced a 12.4% growth in system capacity.
- Once again, LAN demonstrated the resiliency of its business model and its ability to operate in a high fuel price environment.
- **EBITDAR Margin** for 3Q08 reached 18.0%. However, EBITDAR adjusted for the fuel hedging gain reached 20.4%.

<i>US\$ millions</i>	<b>3Q07</b>	<b>3Q08</b>	<b>% Chg</b>
Revenues	875	1,205	37.7%
Passenger	559	761	36.1%
Cargo	272	412	51.4%
Other	43	31	-27.7%
Total Operating Expenses	(776)	(1.069)	37.7%
Operating Income	99	136	37.6%
<i>Operating Margin</i>	<i>11.3%</i>	<i>11.3%</i>	<i>0.0 pp</i>
Net Income (Excluding extraordinary items)	79	122	55.0%
Net Income	79	80	2.0%
EBITDAR*	178	217	21.7%
<i>EBITDAR Margin</i>	<i>20.4%</i>	<i>18.0%</i>	<i>-2.4 pp</i>

\* EBITDAR = Operating income + depreciation & amortization + aircraft rentals (does not include fuel hedging gains/losses)

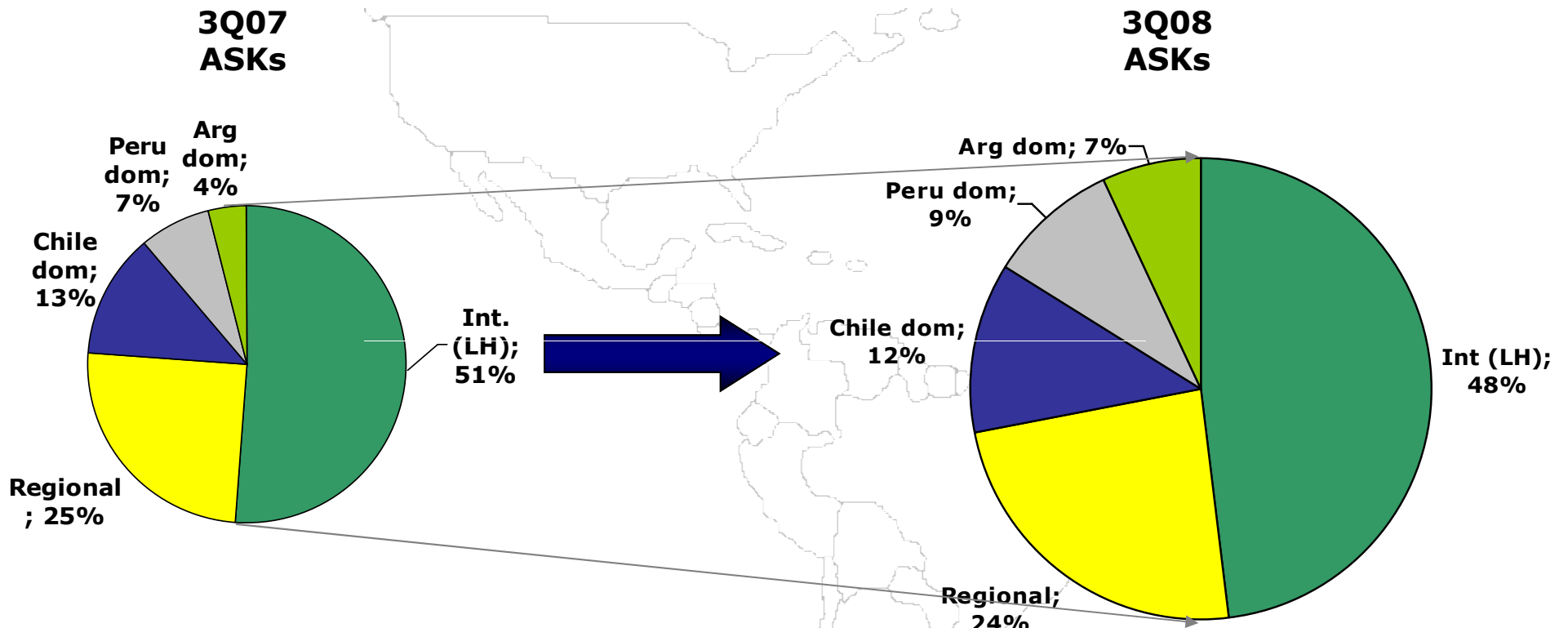
## 3Q08 – Strong Ebitdar margin despite 65% higher fuel prices



EBITDAR Margin = Operating income + depreciation & amortization + aircraft rentals / Revenues

# Important Growth in all Passenger Operations

Domestic operations were the main drivers of ASK growth in the passenger business

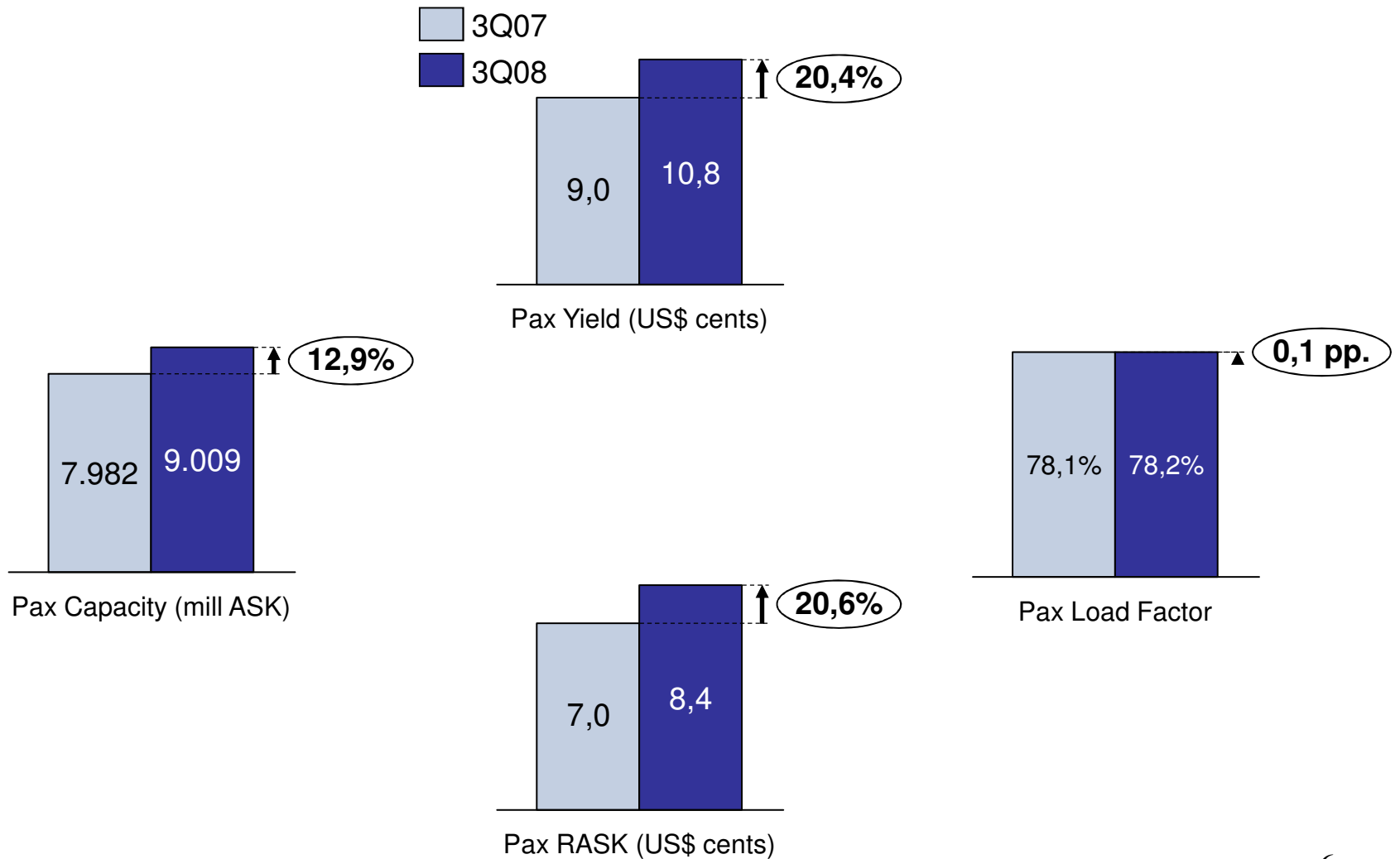


**Growth in ASK (3Q08 vs. 3Q07): +13%**

International (Long Haul)	+8%
Regional	+6%
Chile domestic	+8%
Peru domestic	+39%
Argentina domestic	+100%

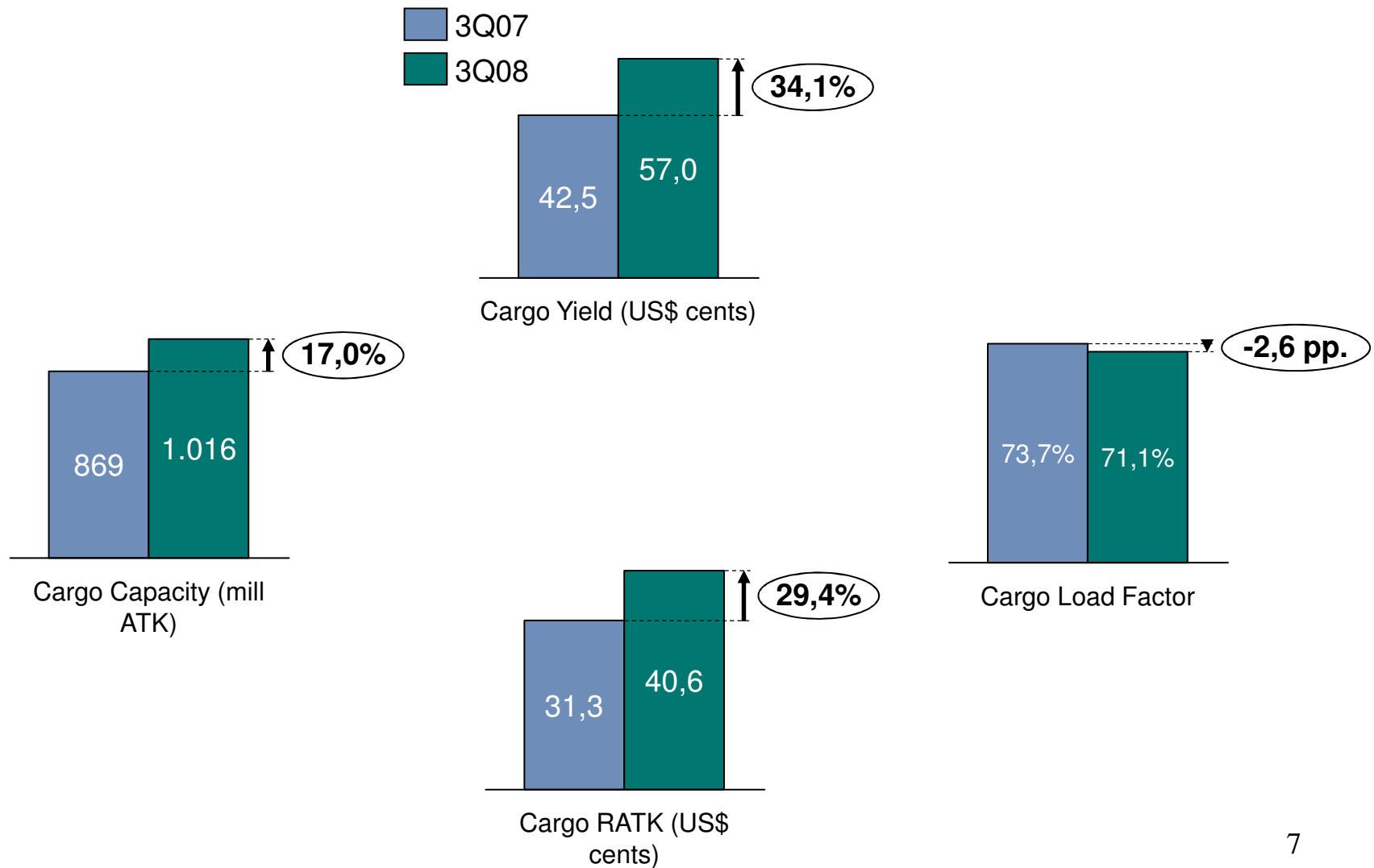
## Passenger Business

Revenue growth driven by a 13.0% growth in traffic and a 20.4% increase in yields



## Cargo Business

Revenue growth driven by a 12.9% growth in traffic and a 34.1% increase in yields





## 3Q08 - Cost Analysis

	3Q08 (US\$ millions)	3Q07	Variation (%)		<b><u>MAIN IMPACTS</u></b>
Wages & Benefits	155	126	23.4%	➔	Inflation adjustment in salaries in July 08.
Fuel Costs	427	232	84.2%	➔	65% increase in fuel prices
Commissions to Agents	128	98	30.3%	➔	0.8 pt reduction in average commissions
Depreciation & Amortization	44	40	11.2%	➔	20 new owned aircraft
Other Rental & Landing Fees	120	88	36.9%	➔	Increased operations & ACMI leases
Passenger Service	22	19	15.8%	➔	More passengers transported
Aircraft Rentals	37	40	-7.1%	➔	Decrease in the average number of aircraft
Maintenance Expenses	36	39	-7.6%	➔	Boeing B737 phase out and more aircraft in their honeymoon maintenance period
Other Operating Expenses	98	94	4.5%	➔	Higher sales & distribution costs, offset by lower duty free costs & other efficiencies.
<b>Total Costs</b>	<b>1,069</b>	<b>776</b>	<b>37.7%</b>		

# Contents

I. 3Q08 Financial Results

II. Future Outlook

## LAN maintains a Solid Financial Position

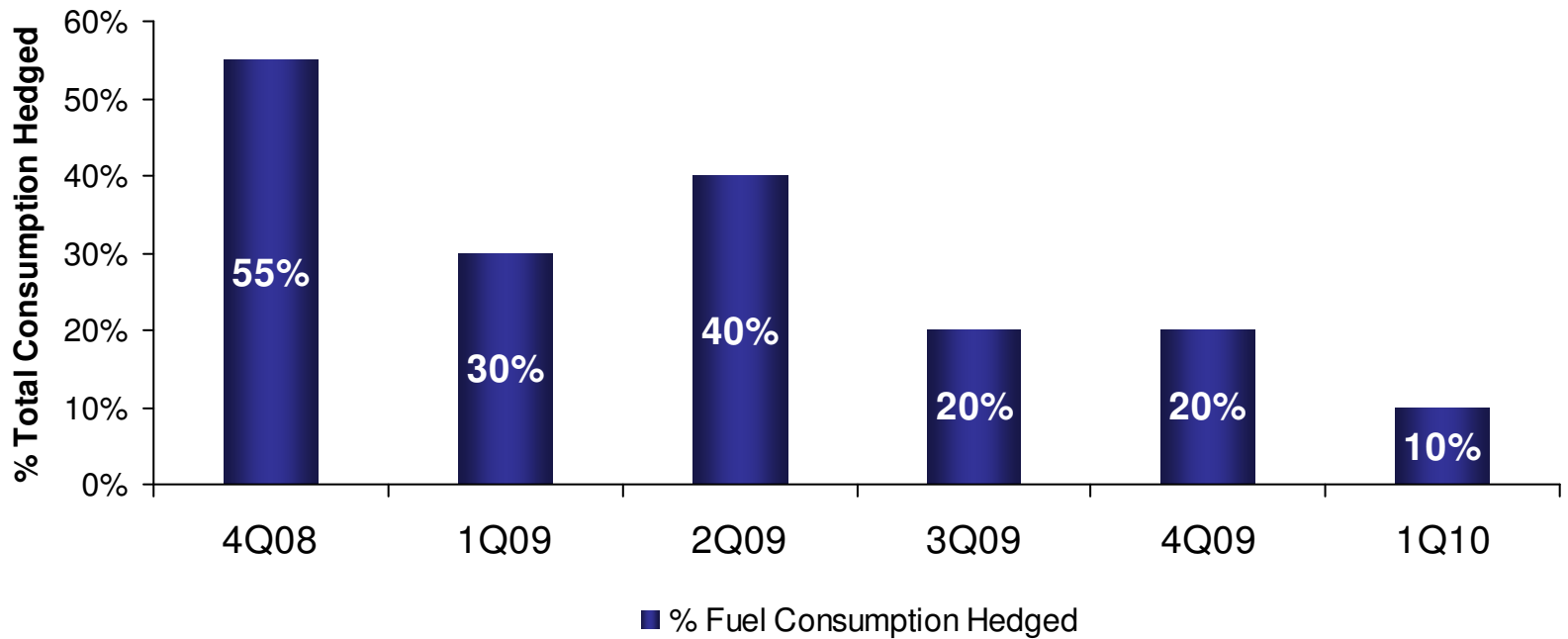
### Solid balance sheet & low FX exposure

- No short-term debt; 8% of debt due within 12 months.      —————>      No refinancing risk
- Debt amortizations for 2009 – 2011 between US\$200MM & US\$230MM per year.
- Cash & Cash Equivalents: US\$492MM; representing 11.2% of LTM revenues.
- Low exposure to FX changes:
  - All debt denominated in US\$
  - Approx. 84% of total revenues in US\$
  - Approx. 71% of total costs in US\$

# Fuel Hedging

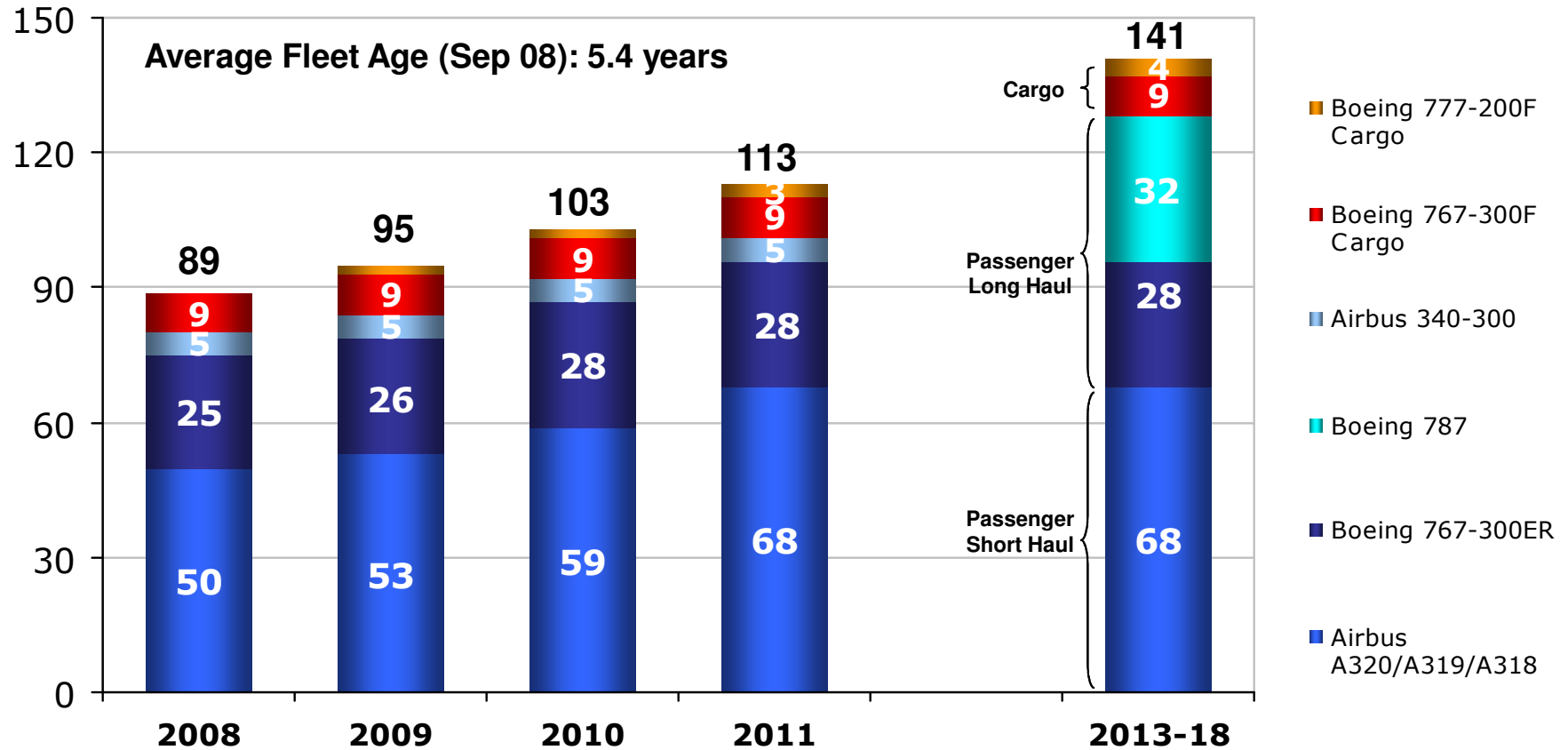
## Fuel Hedging Program 2008-2009 (\*)

<b>Hedging Price Band (US\$ barrel)</b>	<b>US\$100</b>	<b>US\$140</b>	<b>US\$140</b>	<b>US\$140</b>	<b>US\$140</b>	<b>US\$140</b>
	↓	↓	↓	↓	↓	↓
	<b>US\$ 82</b>	<b>US\$107</b>	<b>US\$104</b>	<b>US\$ 94</b>	<b>US\$ 92</b>	<b>US\$ 92</b>



(\*) Hedging as of October 2008

# Current Fleet Plan

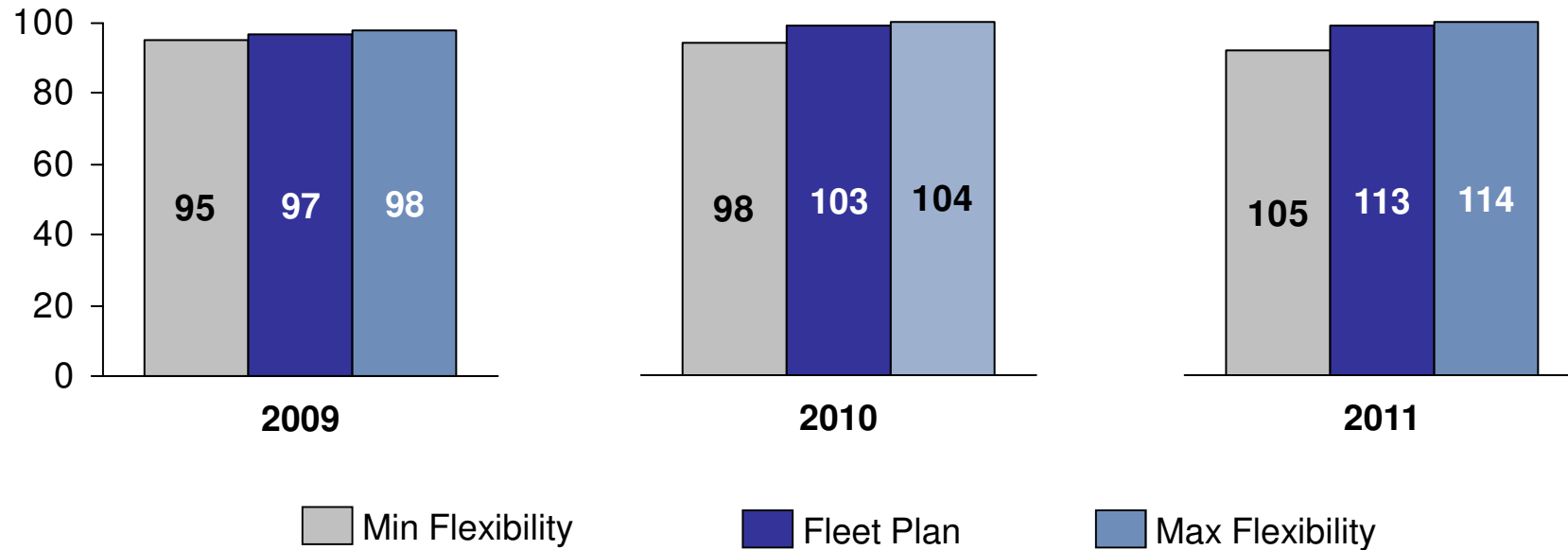


CAPEX '08-'18 (USD MM)	2008	2009	2010	2011	2013-18
	753	273	422	521	4,000

**US\$6.0 Billion**  
2008-2018

# Current Fleet Plan Flexibility

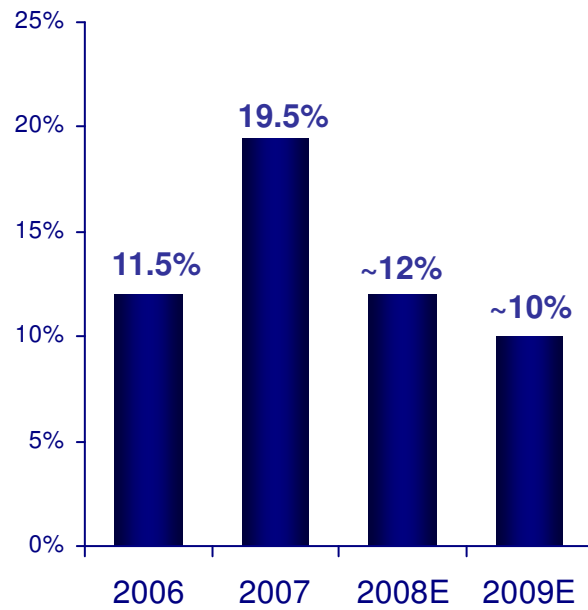
Number of Aircraft



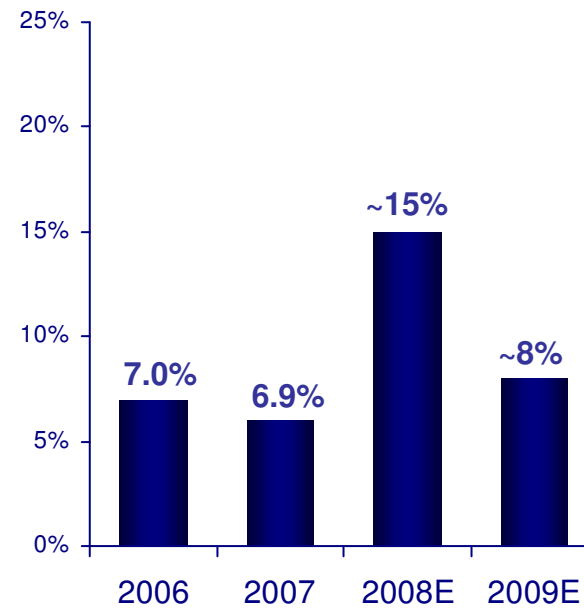
LAN maintains flexibility to reduce fleet between 2 - 8 aircraft per year

# 2008 Estimated Capacity Expansion

## Passenger ASK Growth



## Cargo ATK Growth





**Third Quarter 2008 Results Presentation**  
**October 29, 2008**