



Third Quarter 2008 Results Presentation
October 29, 2008

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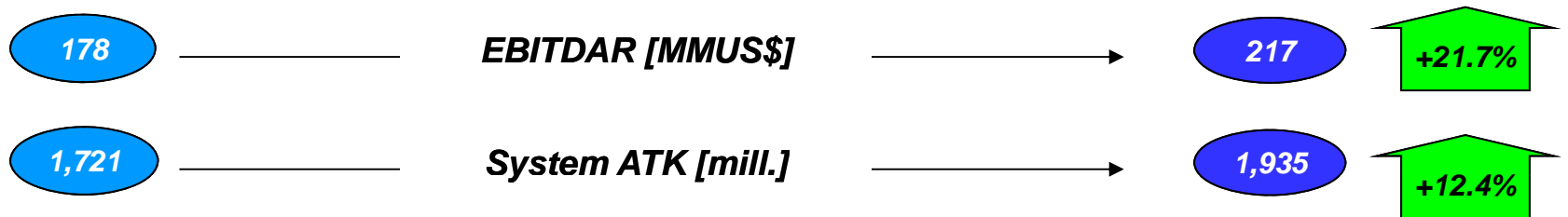
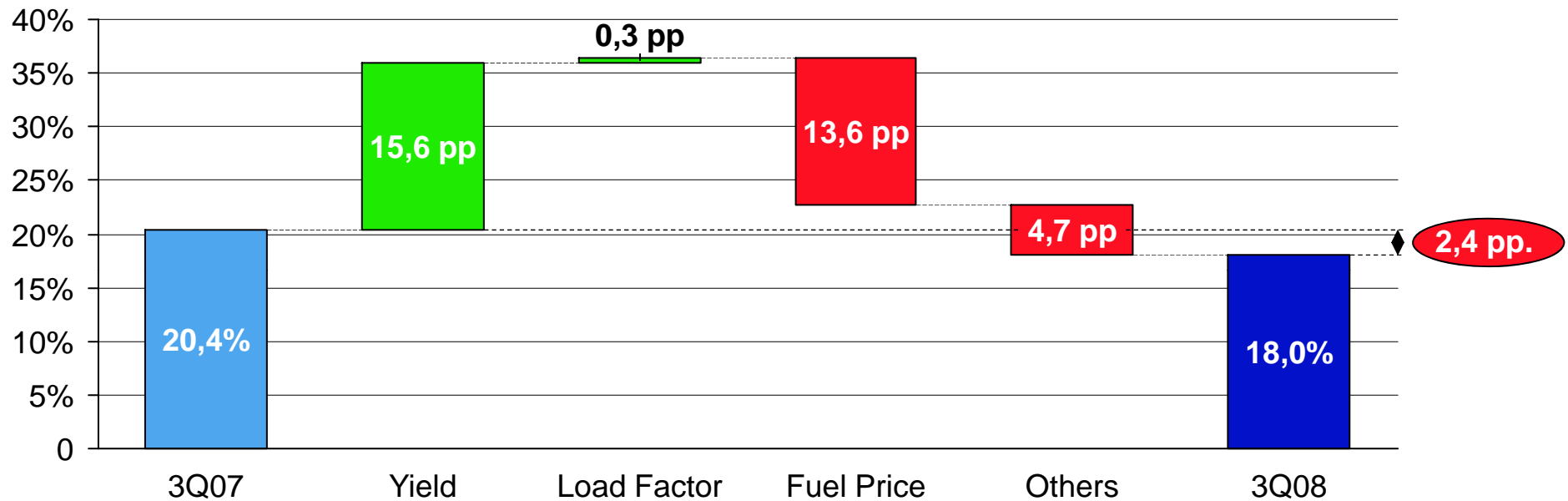
3Q08 Highlights

- 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>	3Q07	3Q08	% Chg
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)

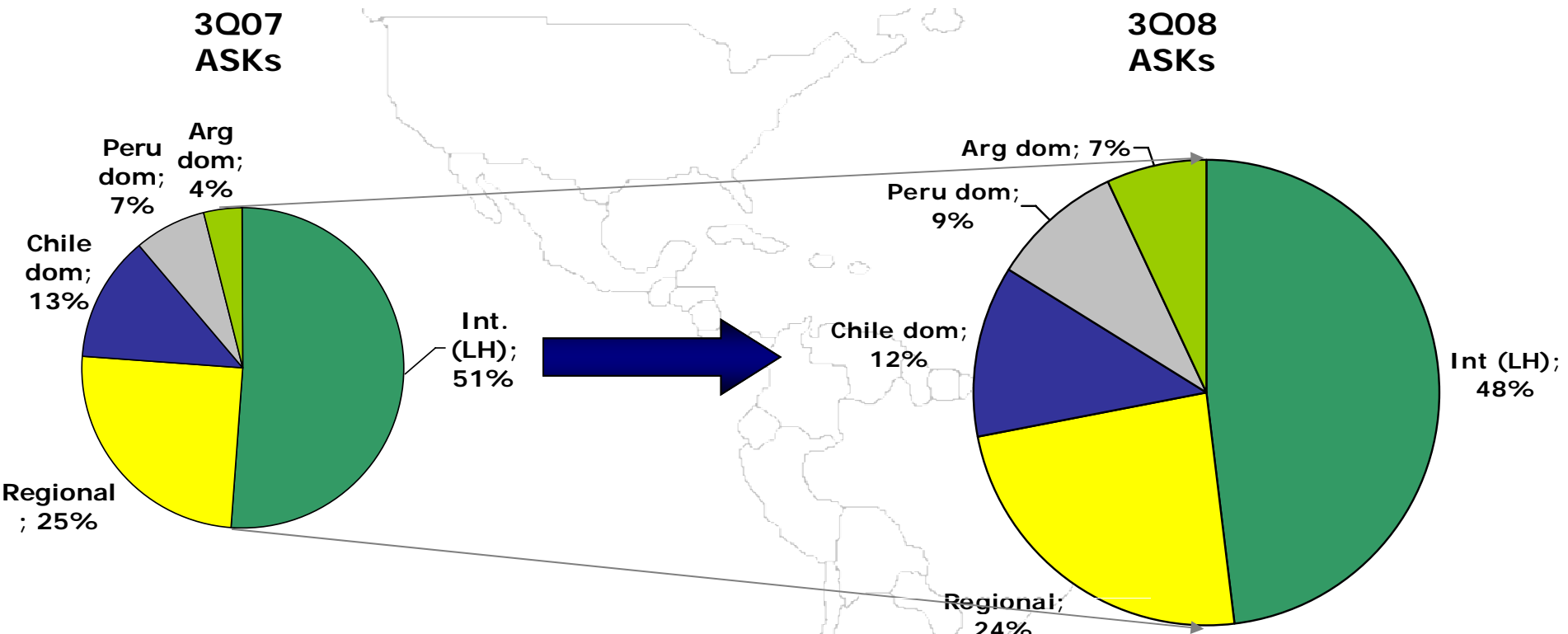
3Q08 – Strong Ebitdar margin despite 65% higher fuel prices



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

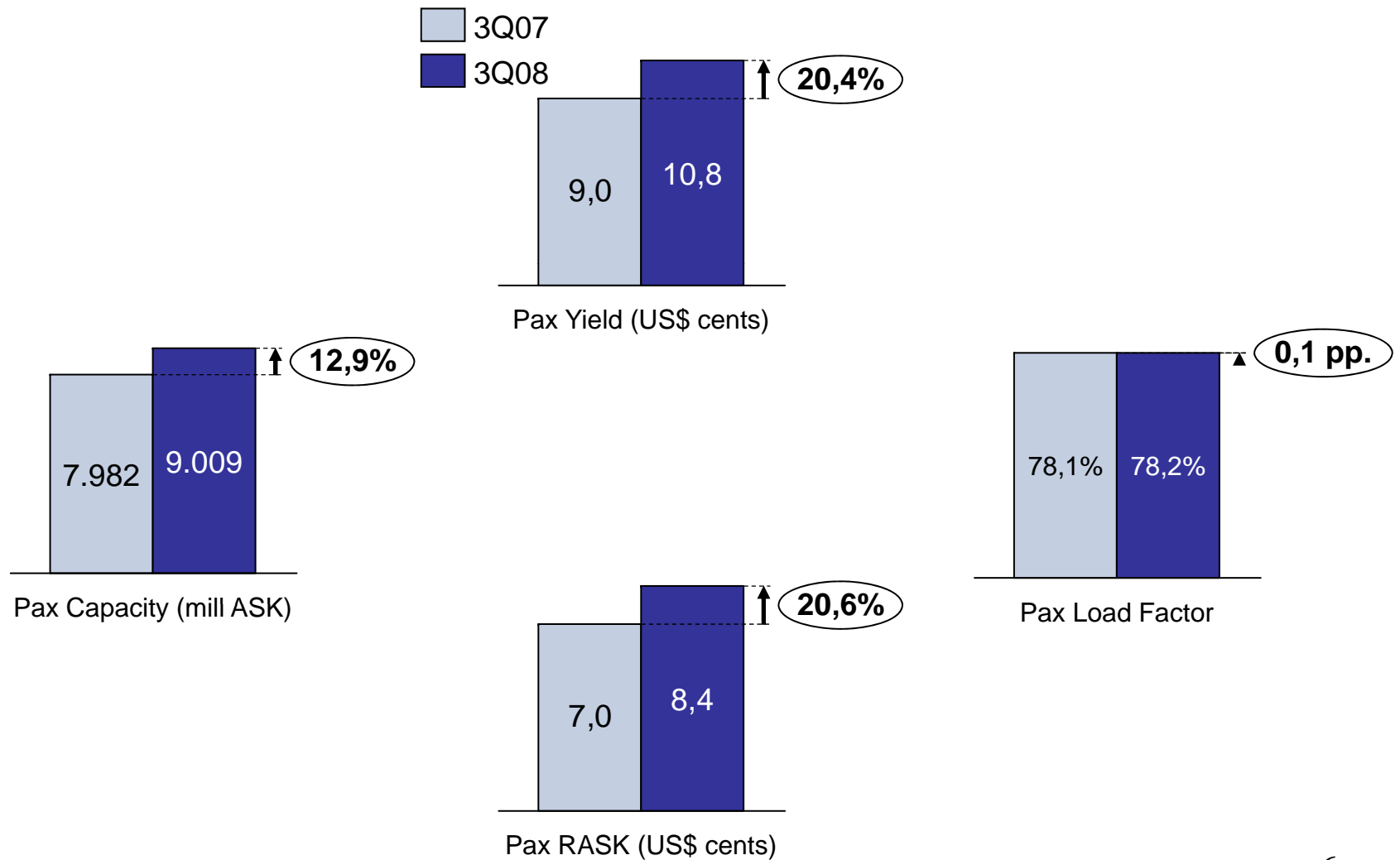


Growth in ASK (3Q08 vs. 3Q07): +13%

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

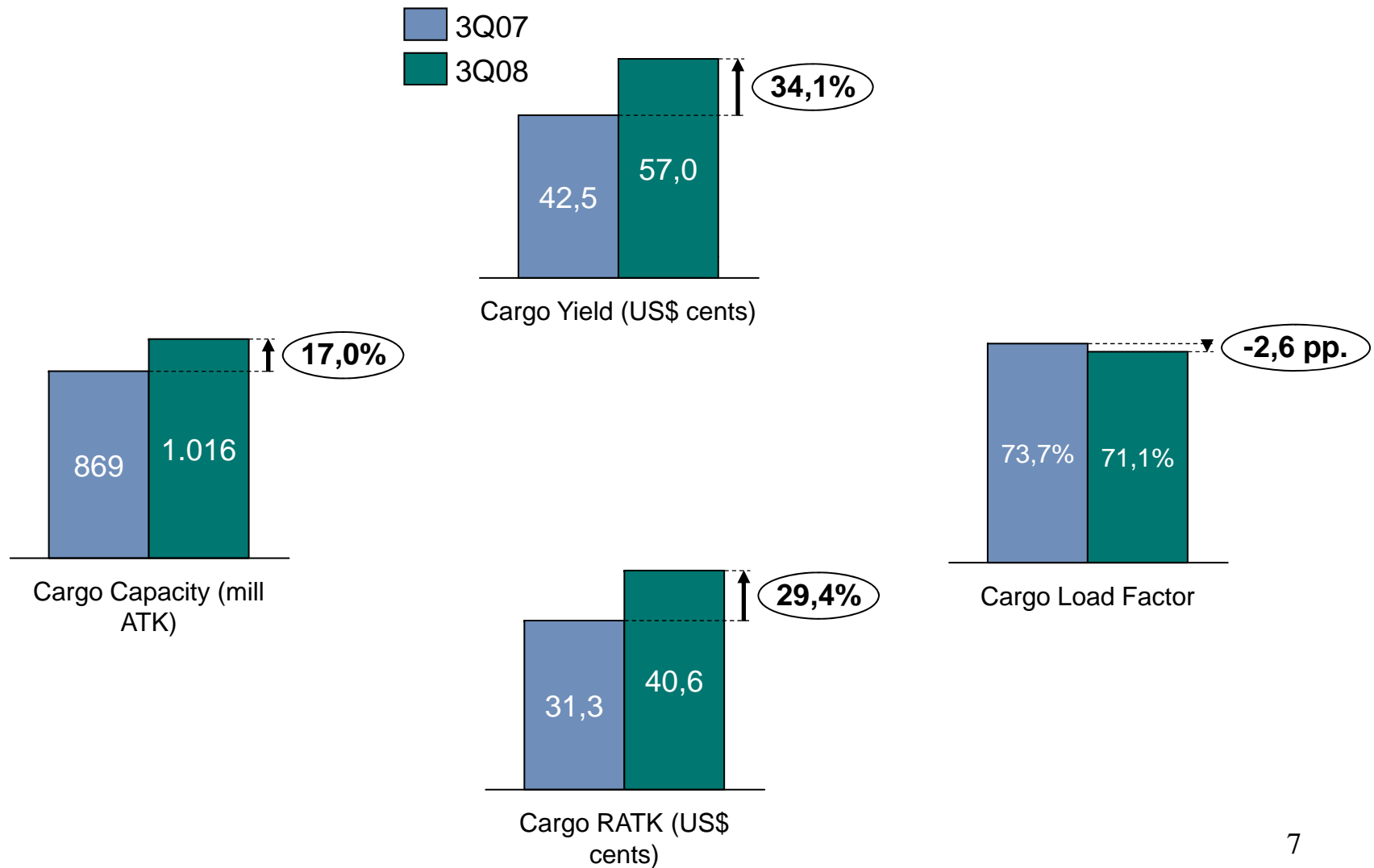
Passenger Business

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	3Q07	Variation (%)		<u>MAIN IMPACTS</u>
	<small>(US\$ millions)</small>				
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.
Total Costs	1,069	776	37.7%		

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LAN maintains a Solid Financial Position

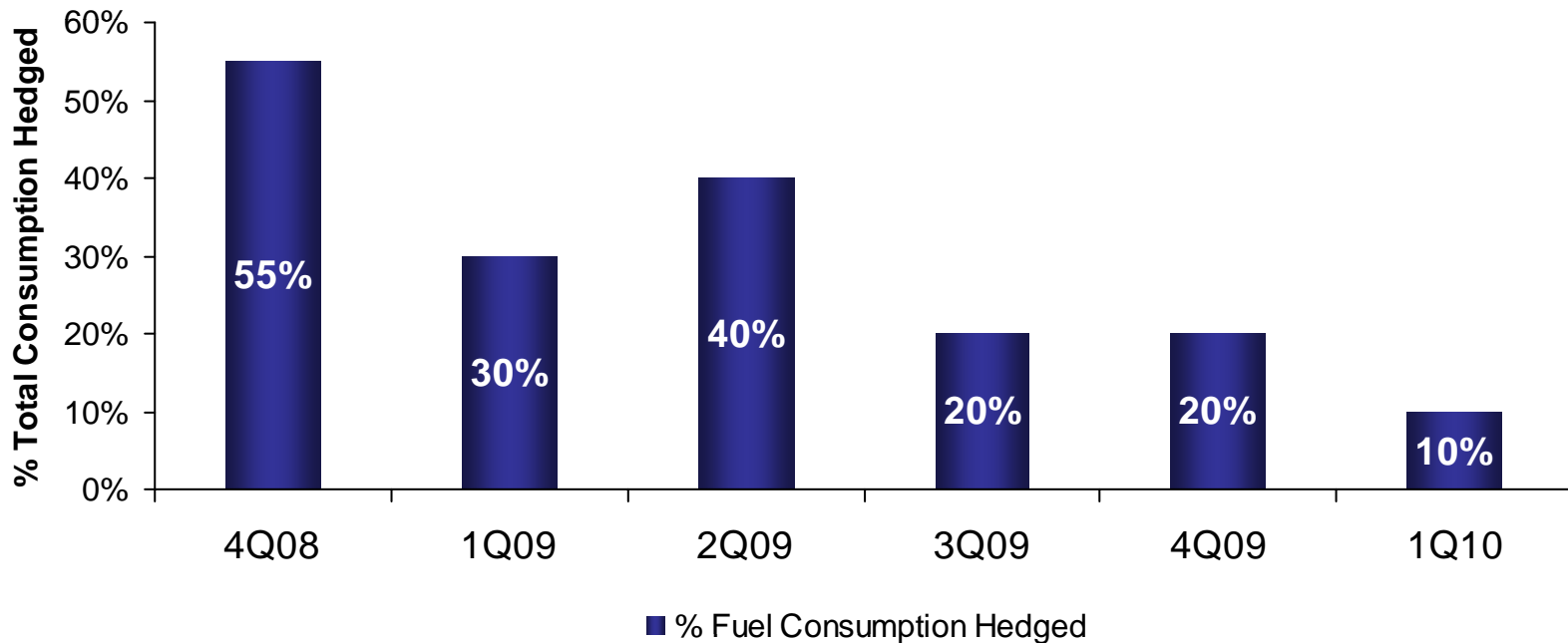
Solid balance sheet & low FX exposure

- 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

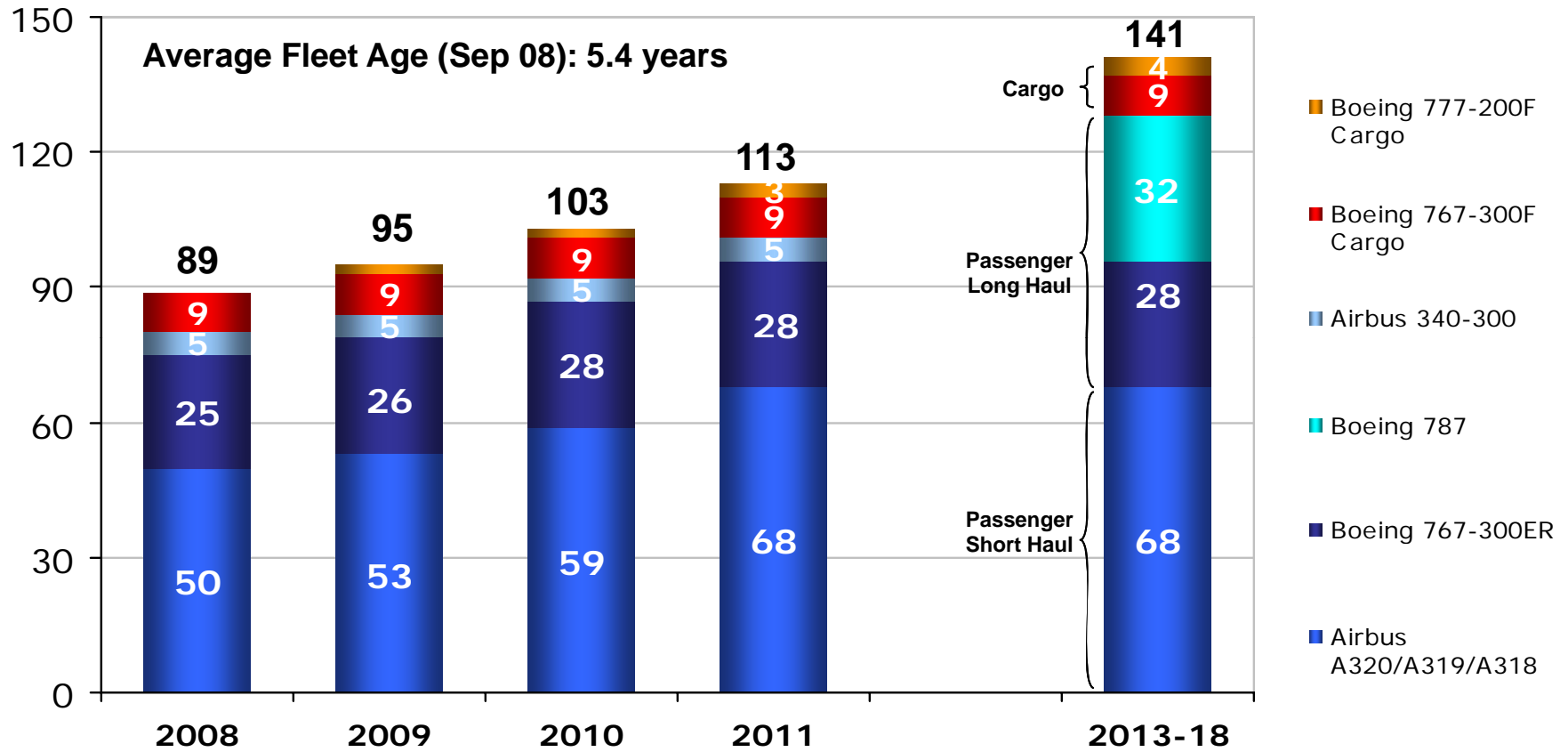
Fuel Hedging Program 2008-2009 (*)

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



(*) Hedging as of October 2008

Current Fleet Plan

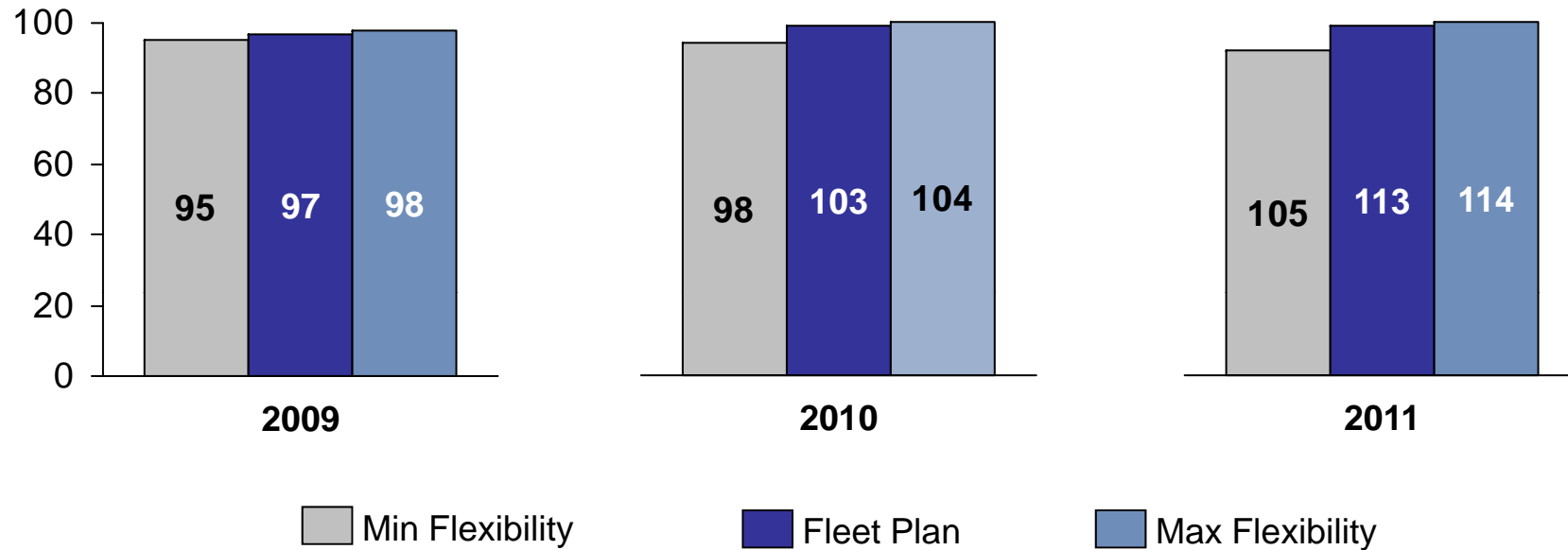


CAPEX '08-'18 (USD MM)	2008	2009	2010	2011	2013-18
	753	273	422	521	4,000

US\$6.0 Billion
2008-2018

Current Fleet Plan Flexibility

Number of Aircraft



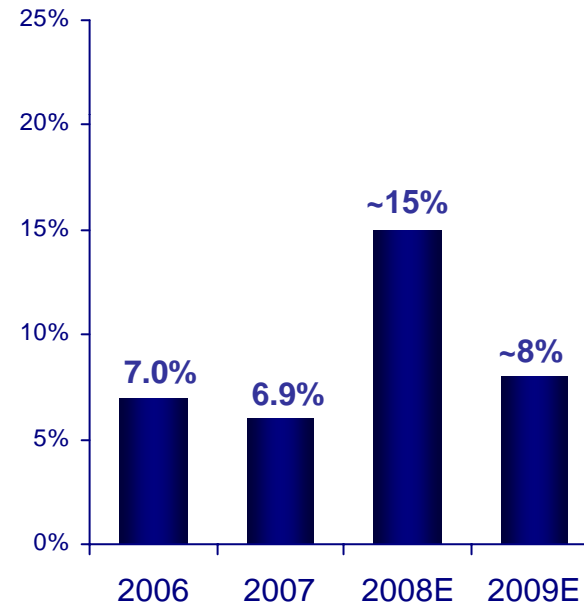
LAN maintains flexibility to reduce fleet between 2 - 8 aircraft per year

2008 Estimated Capacity Expansion

Passenger ASK Growth



Cargo ATK Growth





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