



First Quarter 2009 Results Presentation
April 29, 2009

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.

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Transition to IFRS

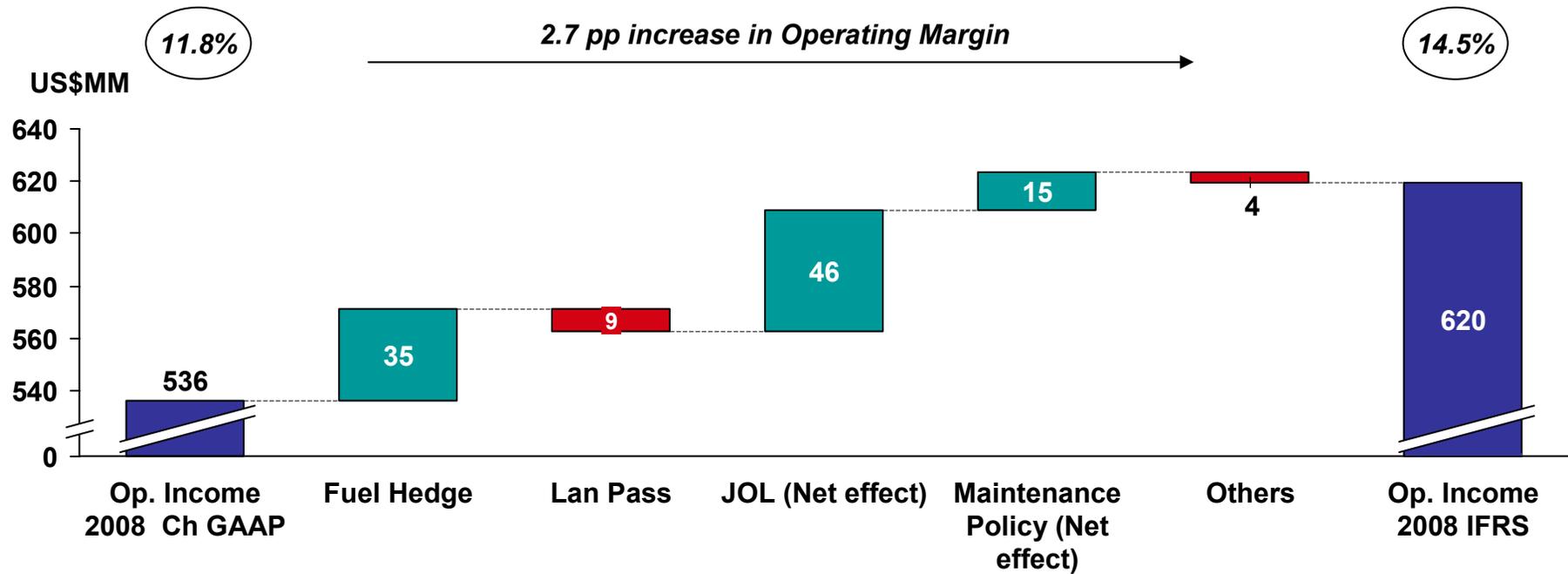
Main effects on LAN's Financial Statements

According to regulations issued by the Chilean Securities and Exchange Commission, as of 1Q09 LAN has adopted International Financial Reporting Standards (IFRS). The main differences vs. Chilean GAAP are:

- **“Japanese Operating Leases” (JOL):** 17 aircraft. These were accounted for as Operating Leases under Chilean GAAP; under IFRS, they will be accounted for as Assets and their corresponding debt will be recognized under Liabilities.
- **Frequent Flier Program “LANPASS”:** Miles will be accounted for at their economic value and will be recognized as revenue at the moment they are flown.
- **Sales Discounts:** Sales Discounts and Commissions previously recognized as a cost are now shown net of Revenues.
- **Hedging:** Realized gains/losses from fuel hedging are recognized as Operating Costs; mark to market value of outstanding contracts will be recognized in an Equity account.
- **Maintenance Policy:** Heavy maintenance of leased fleet is now capitalized and depreciated.

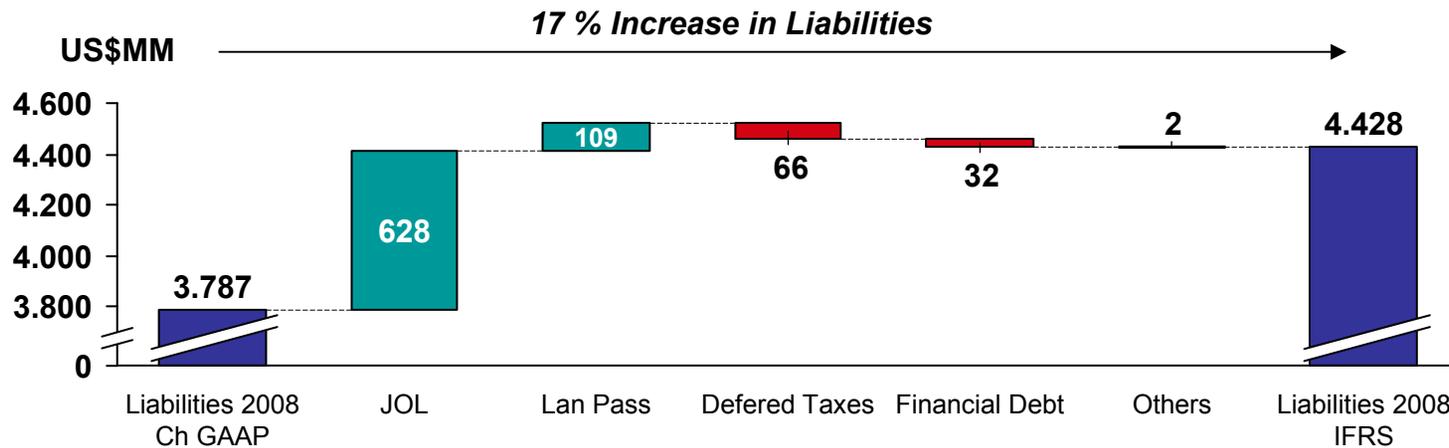
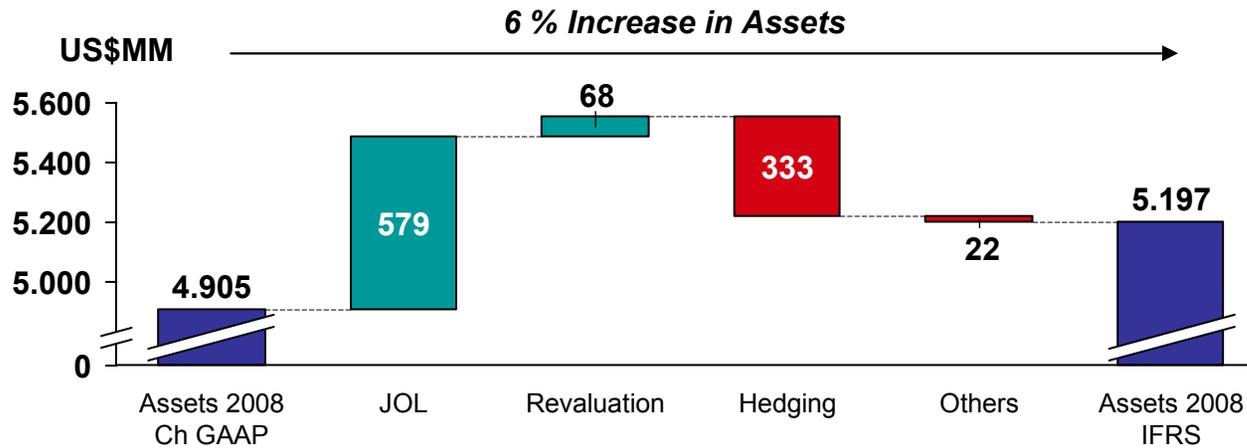
Transition to IFRS

Effect on LAN's FY2008 Operating Margin



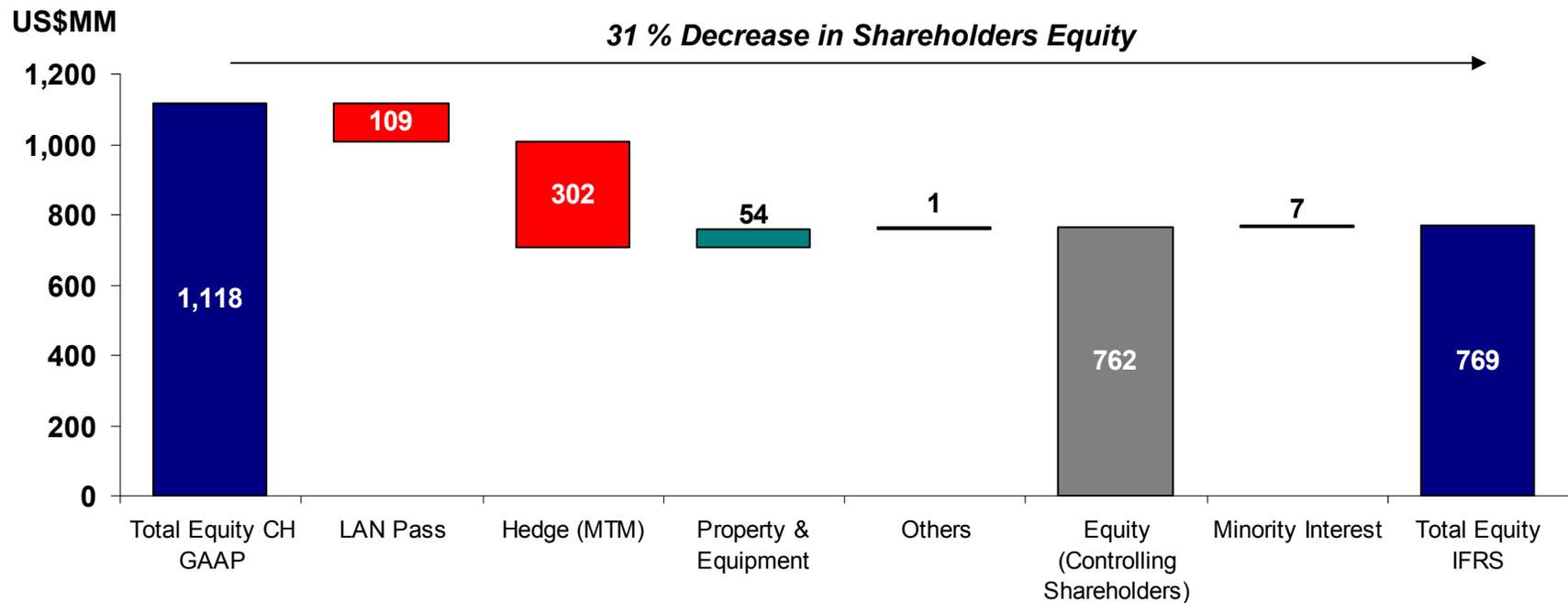
Transition to IFRS

Effect on LAN's 2008 Balance Sheet



Transition to IFRS

Effect on LAN's 2008 Balance Sheet



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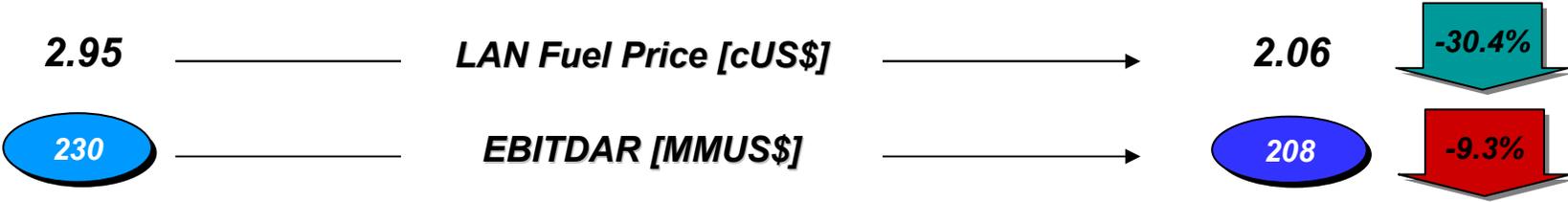
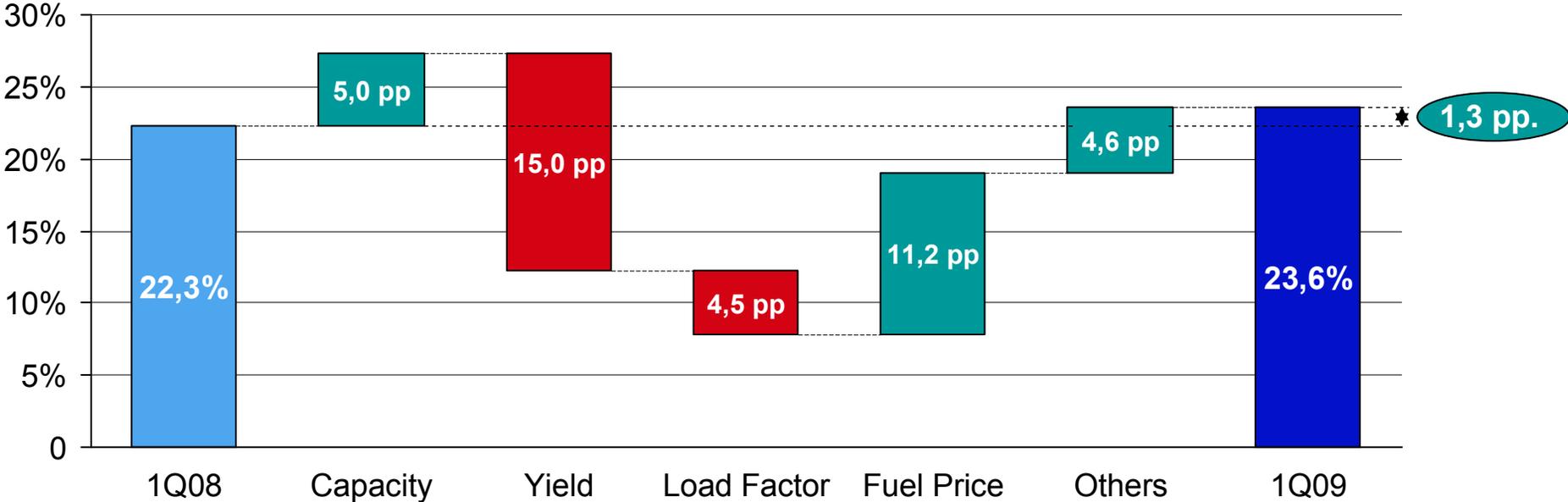
1Q09 Highlights

- **Total Revenue** decline of 14.5% in 1Q09 more than offset by lower fuel costs.
- **Margins** affected by US\$58 MM fuel hedge loss. Excluding fuel hedge, Operating Margin for 1Q09 reached 19.9% and EBITDAR Margin reached 30.2%.

<i>US\$ millions</i>	1Q08	1Q09	% Chg
Total Revenues	1,032	882	(14.5%)
Total Operating Expenses	(882)	(764)	(13.4%)
Operating Income	150	118	(21.0%)
<i>Operating Margin</i>	14.5%	13.4%	(1.1 pp)
Operating Margin (ex fuel hedge)	14.4%	19.9%	5.6 pp
Net Income	100	65	(34.7%)
EBITDAR*	230	208	(9.3%)
<i>EBITDAR Margin</i>	22.3%	23.6%	1.3 pp
EBITDAR Margin (ex fuel hedge)	22.1%	30.2%	8.1 pp

* EBITDAR = Operating income + depreciation & amortization + aircraft rentals

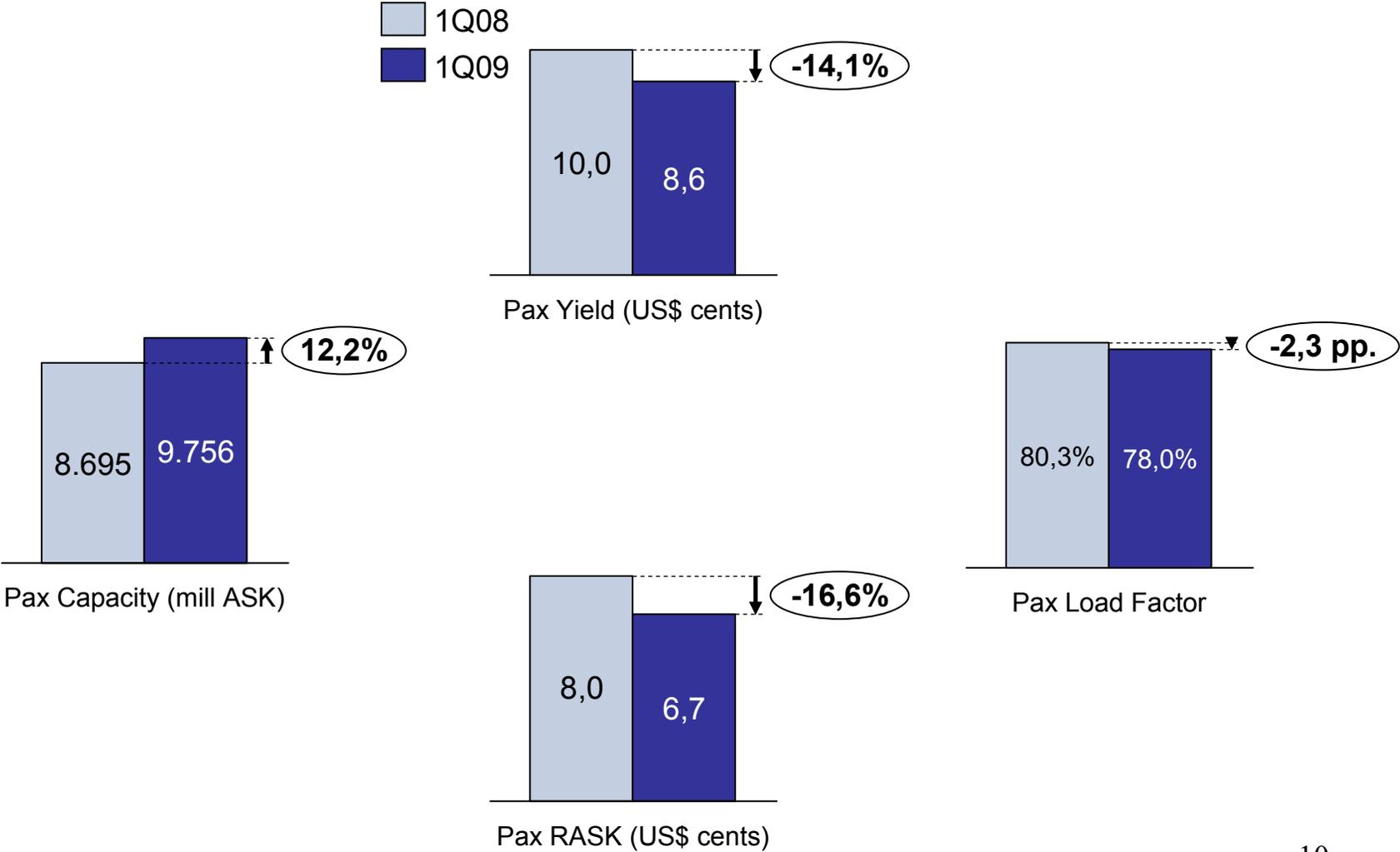
1Q09 – Increase in EBITDAR Margin Driven by Lower Fuel Costs



EBITDAR Margin = Operating income + depreciation & amortization + aircraft rentals / Revenues
 LAN fuel price includes fuel hedge

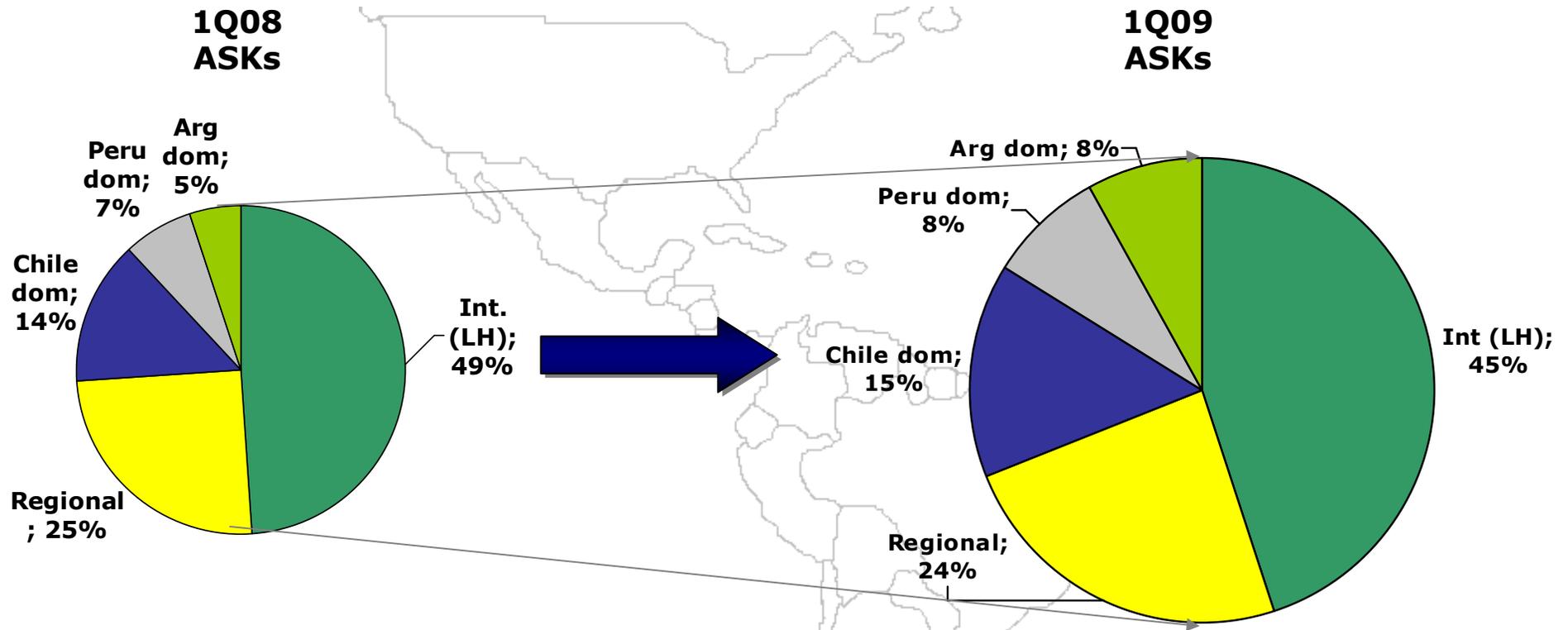
Passenger Business Revenue Decreases 6.4%

Traffic growth of 8.9% offset by 14.1% decrease in yields.



Important Growth in all Passenger Operations

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



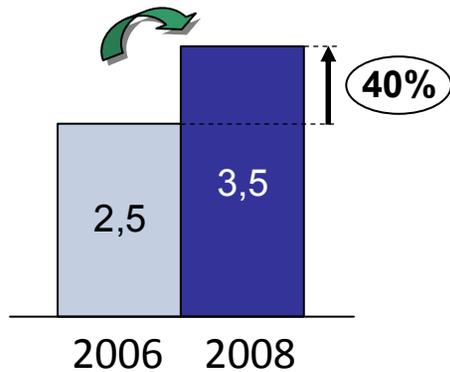
Growth in ASK (1Q09 vs. 1Q08): +12%

International (Long Haul)	+2%
Regional	+8%
Chile domestic	+19%
Peru domestic	+38%
Argentina domestic	+77%

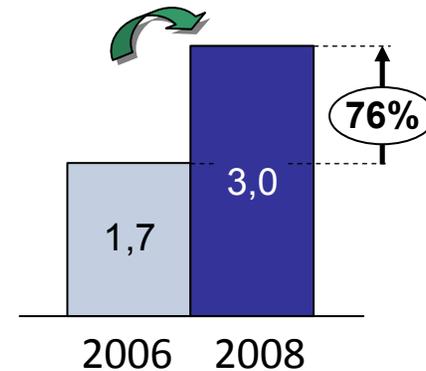
2nd Year Anniversary of “Low Cost” Model

Domestic markets positively impacted by “low cost” model implemented in 2007

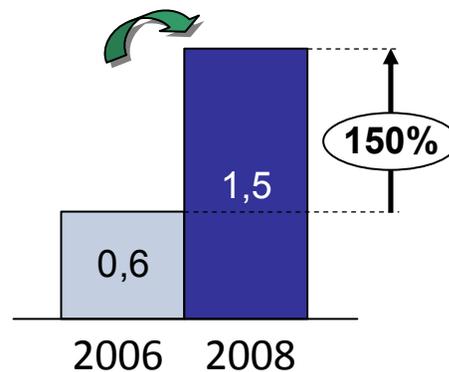
Chile (Pax MM)



Perú (Pax MM)

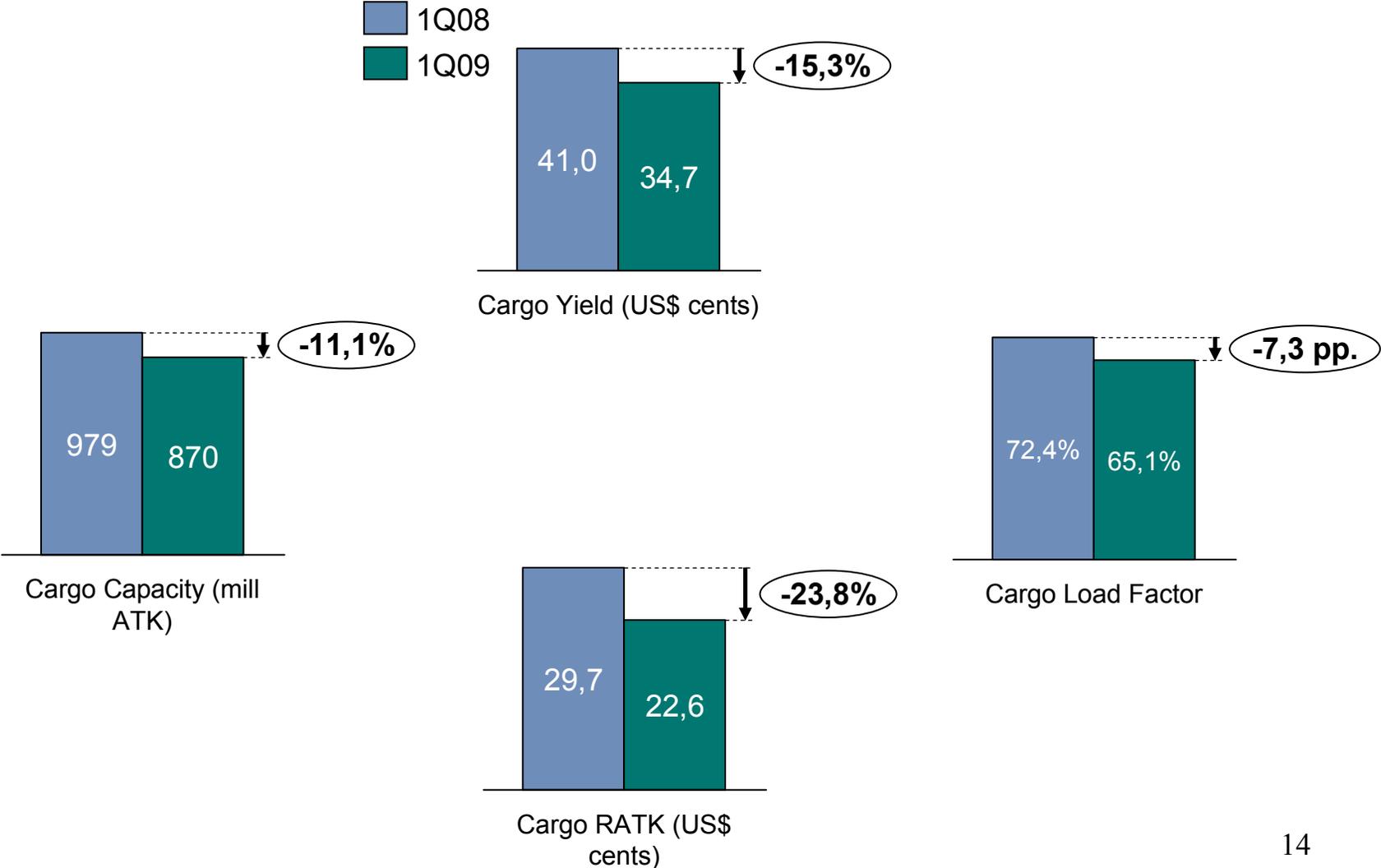


Argentina (Pax MM)



Cargo Business Revenue Decreases 32.3%

Capacity reduction of 11.1% in line with 20.1% decline in traffic.



New Cargo Operations in South America



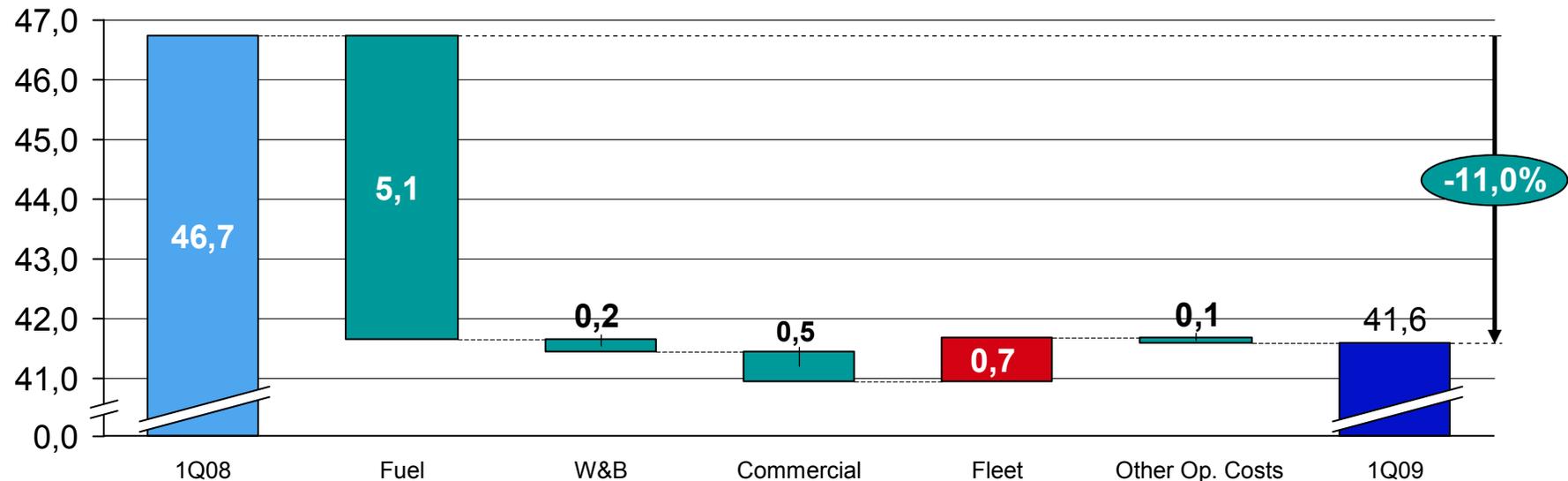
- New Colombian affiliate started operations in March 2009
- Colombia is the largest air cargo market in Latin America in terms of exports to USA (Estimated volume of 200 thousand tons annually)
- This new operation will increase connectivity between Colombia and the rest of the region, USA and Europe



- During March 2009, ABSA began domestic operations in Brazil
- Sao Paulo – Manaus is the first domestic route operated by ABSA
- Domestic operations in Brazil will consolidate LAN Cargo's network in the region

1Q09 - Cost Analysis

CATK (US\$ cent)



• Unit costs decreased 11.0% in 1Q09 driven by:

- Fuel costs decreased 30.1% driven by a 48.3% decline in fuel prices which was offset by a US\$57.9 million fuel hedge loss.
- Wages & Benefits decreased 3.4%, driven mainly by the impact of the devaluation of domestic currencies in the region, partly offset by the increase in average headcount during the quarter.
- Commercial costs decreased in the quarter driven by a 19.5% reduction in commissions.
- Fleet Costs increased 11.3% mainly due to the incorporation of 20 new aircraft.
- Other Operating Costs decreased 8.3% driven by lower sales cost and onboard sales costs.

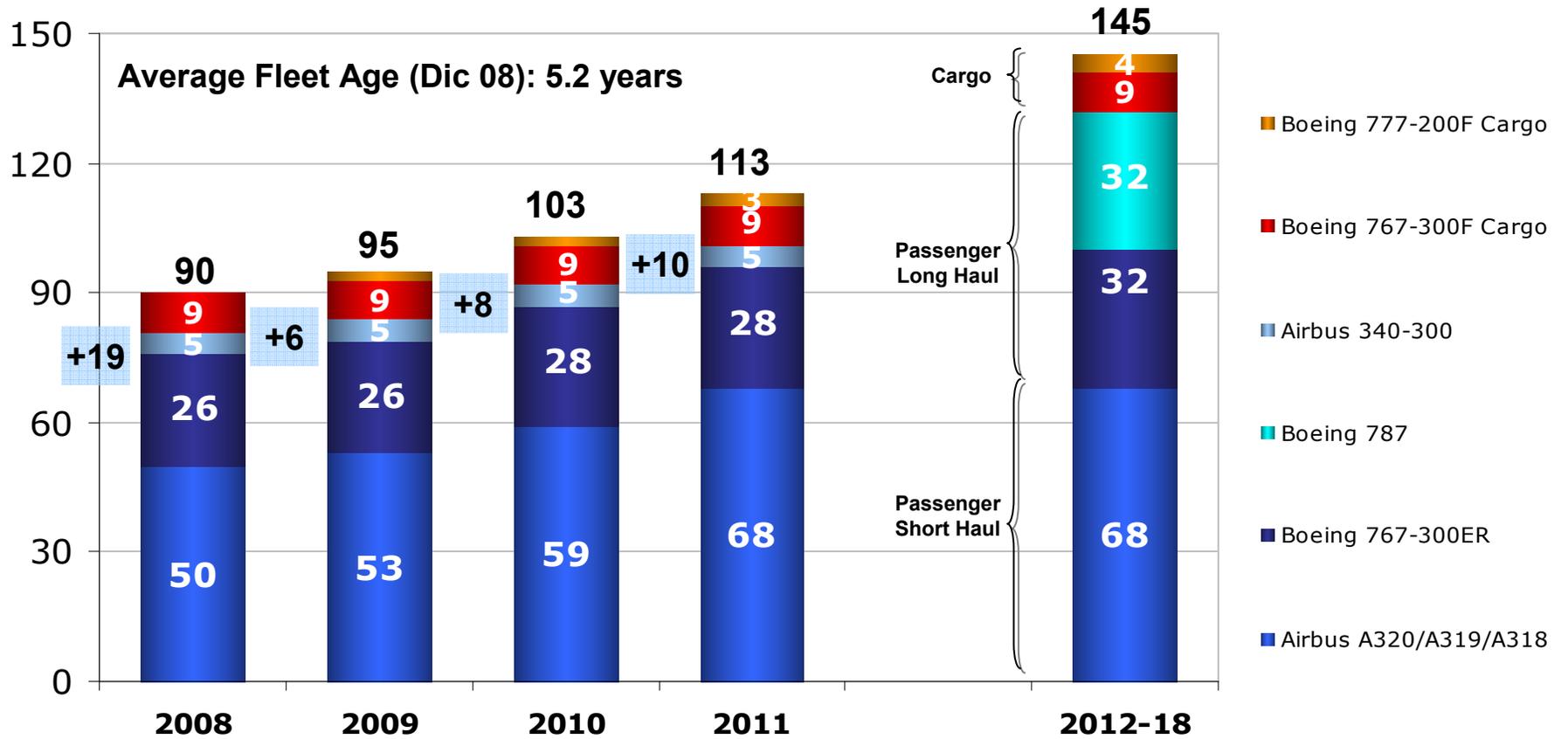
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Fleet Plan

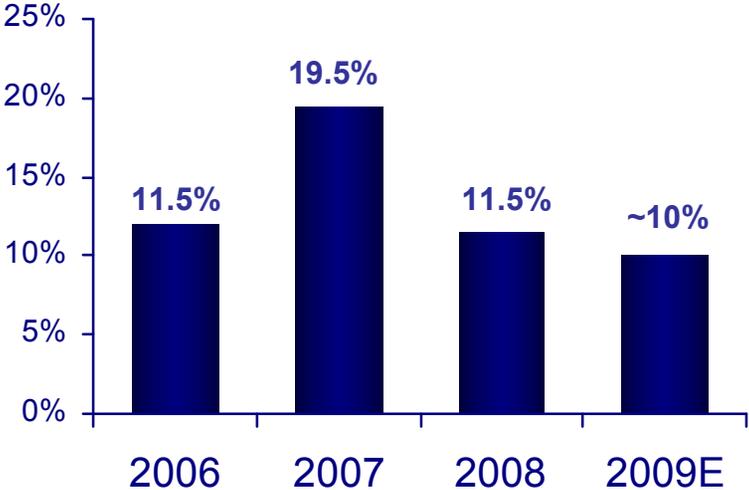


CAPEX (US\$MM)	2008	2009	2010	2011	2012-18
Aircraft	754	274	493	599	4.300
Non Aircraft	124	165	124	109	

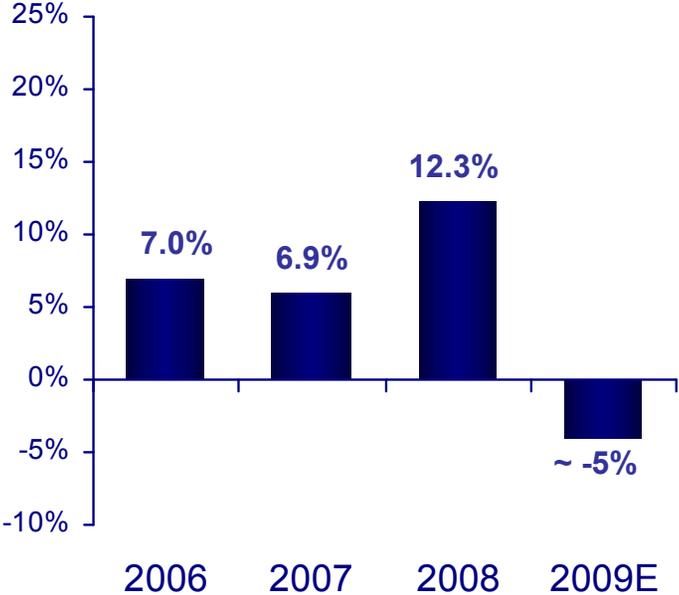
US\$5.6 Billion
2009-2018

2009 Estimated Capacity Expansion

Passenger ASK Growth



Cargo ATK Growth



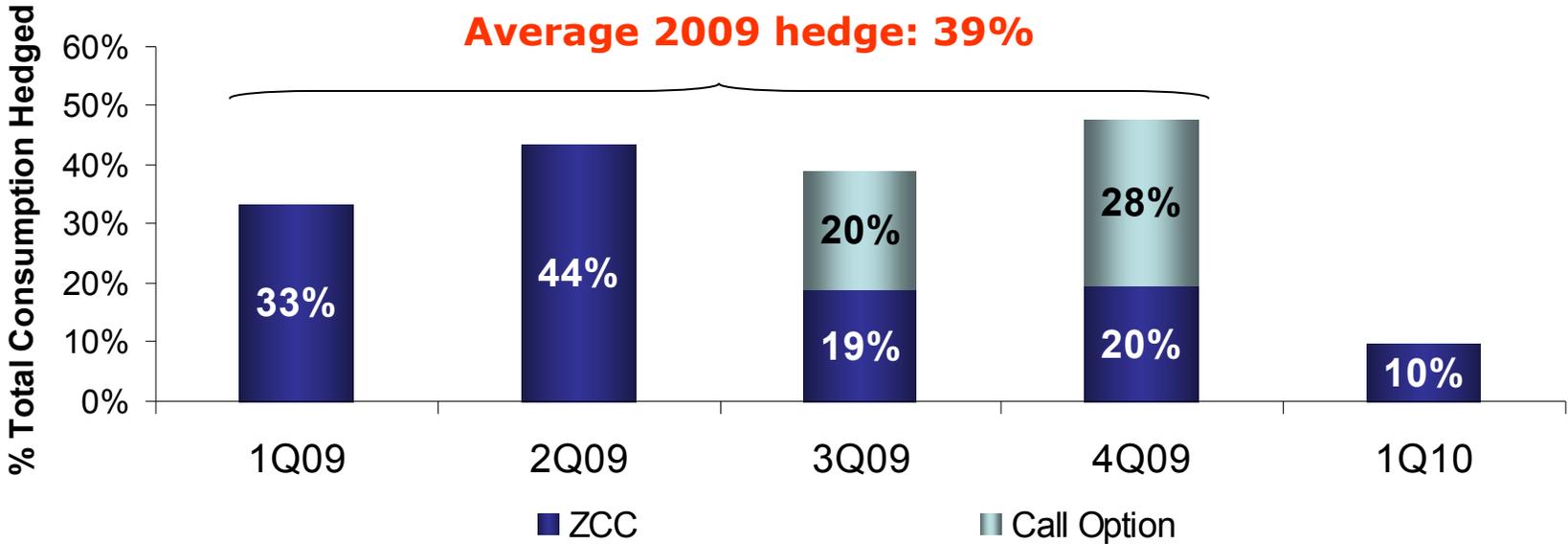
Solid Financial Position

- Fitch recently affirmed the company's rating at “BBB” with an outlook of “Stable”. LAN is one of the few investment grade airlines in the world.
- 1Q09 Cash Balance: US\$477 million, representing 11% of LTM revenues.
- LAN expects to raise approx. US\$250 million in bilateral loans in the Chilean market during 2009 in order to enhance its liquidity position

Fuel Hedging

Fuel Hedging Program 2009-2010

ZCC Floor *	US\$107	US\$104	US\$94	US\$92	US\$92
Call Option**	-	-	US\$ 70	US\$ 70	-



*ZCC corresponds to a price range with a ceiling of US\$140/Bbl and an average floor of US\$101/Bbl for FY2009

**Call Options have been taken for Q3 and Q409, with a strike price of US\$ 70/Bbl

Hedging position as of April 09



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