



Second Quarter 2010 Results Presentation
July 28, 2010

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- II. Strategic Initiatives & Future Outlook

2Q10 Highlights

- 2Q10 results reflect strong recovery in both passenger and cargo businesses.
- Total revenue increased 31.6% in 2Q10, driven by strong growth of 60.3% in cargo revenues and 24.5% in passenger revenues.
- Operating income for the second quarter 2009 included a US\$52.6 million fuel hedging loss
- EBITDAR margin increased 5.1 points reaching 21.3% in 2Q10.

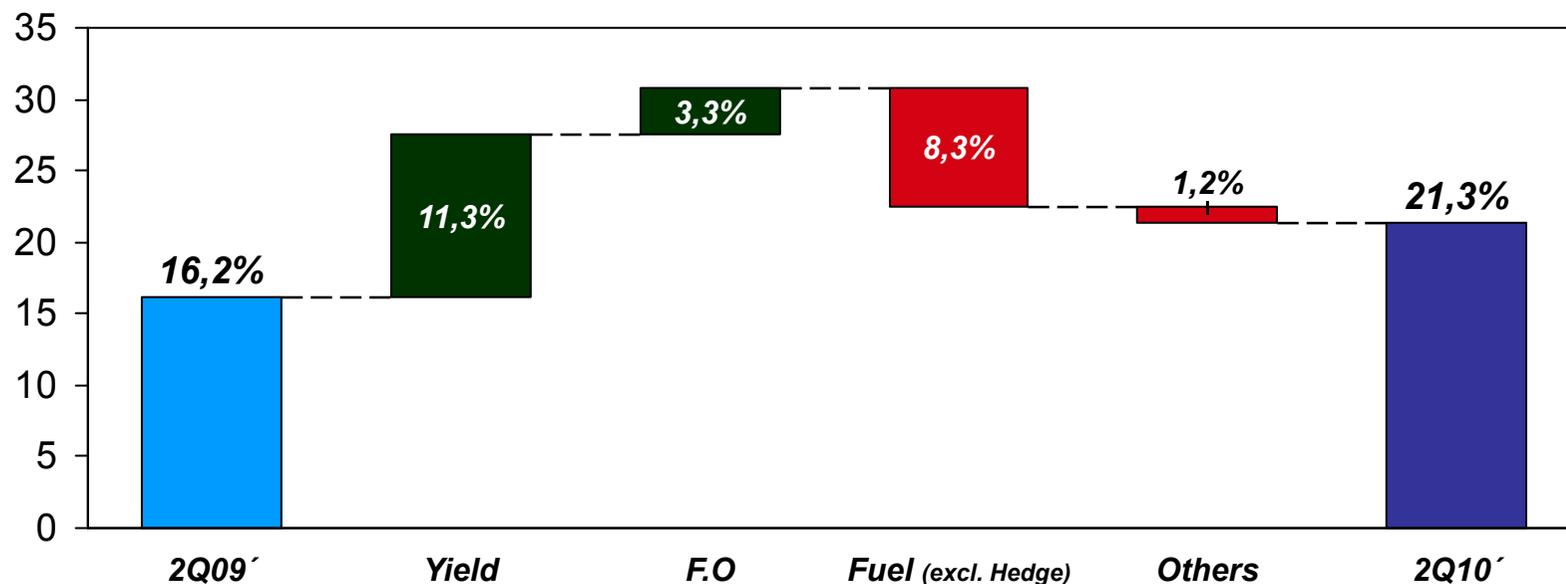
<i>US\$ millions</i>	2Q09	2Q10	% Chg
Total Revenues	785	1,033	31.6%
<i>Passenger Revenues</i>	547	681	24.5%
<i>Cargo Revenues</i>	201	322	60.3%
Total Operating Expenses	(750)	(921)	22.8%
Operating Income	35	113	222.5%
<i>Operating Margin</i>	4.4%	10.9%	6.4 pp
Net Income	4	61	1,332%
EBITDAR*	128	220	72.6%
<i>EBITDAR Margin</i>	16.2%	21.3%	5.1 pp

NOTE = Figures for 2Q09 and 2Q10 under IFRS.

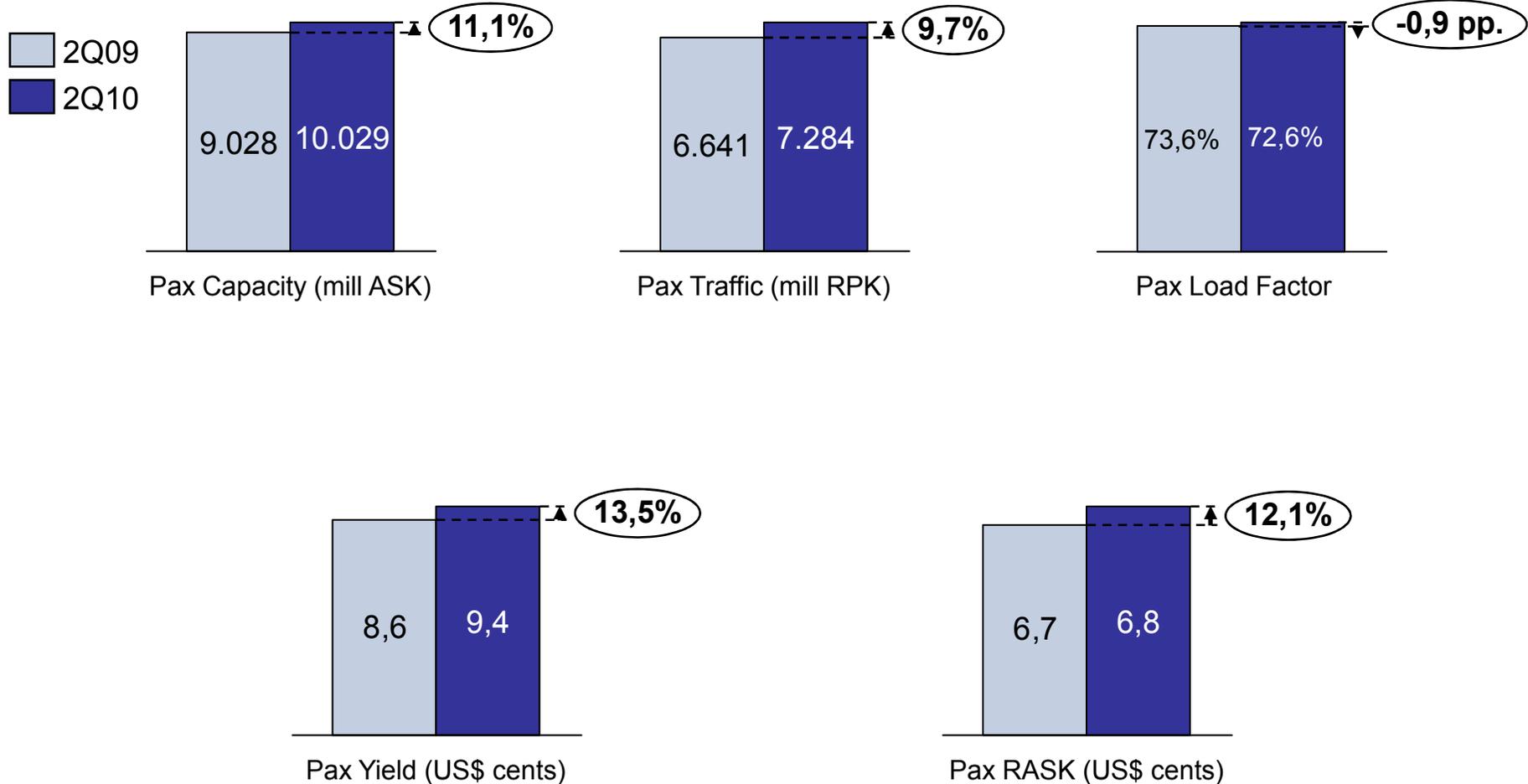
* EBITDAR = Operating income + depreciation & amortization + aircraft rentals

2Q10 – EBITDAR Margin Improvement

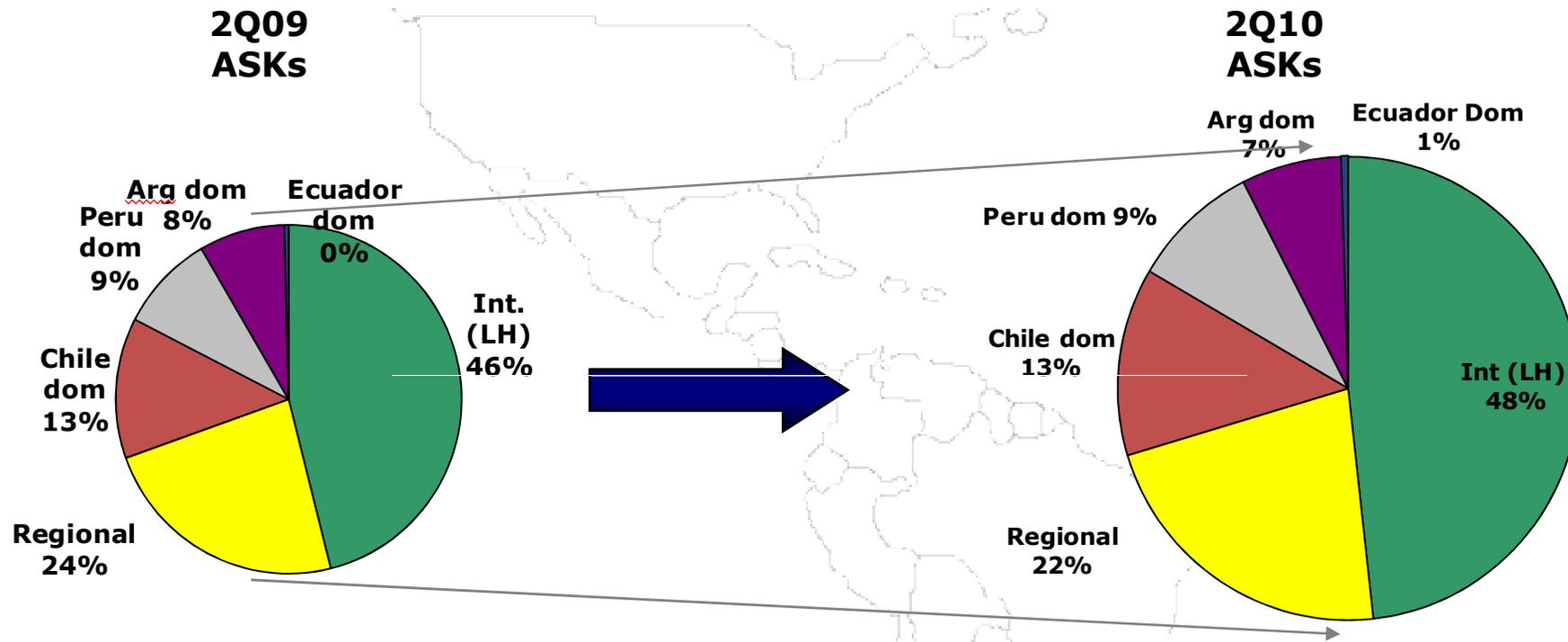
EBITDAR Mg. (%)



Strong Recovery in Passenger Business with Revenue Increases of 24.5%



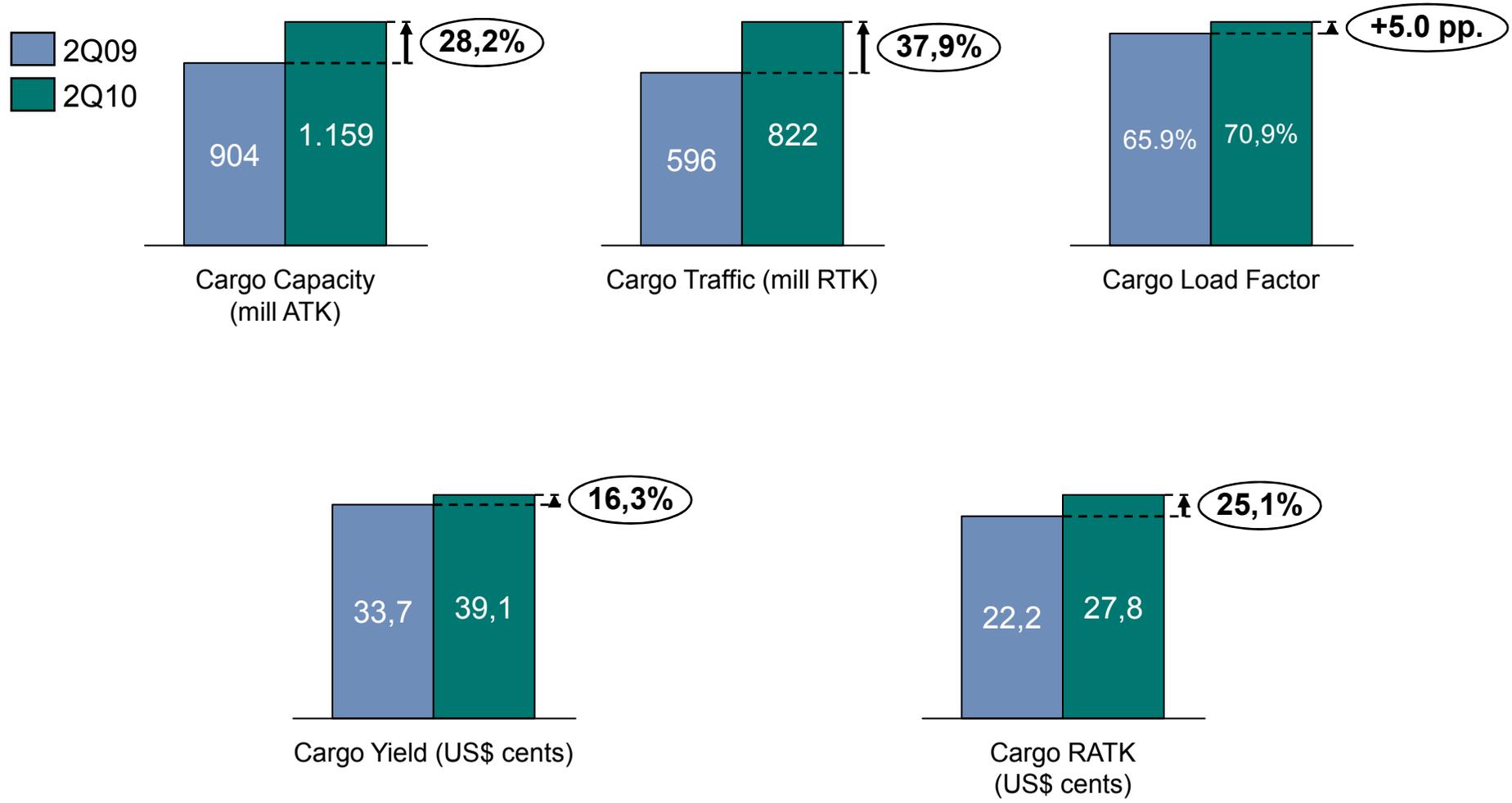
Diversified Passenger Capacity Expansion



Growth in ASK (2010 vs. 2009): +11%

International (Long Haul)	+ 16%
Regional	+ 4%
Chile domestic	+ 15%
Peru domestic	+ 8%
Argentina domestic	+ 0%
Ecuador domestic	+ 31%

Strong Recovery in Cargo Business with Revenue Increases of 60.3%

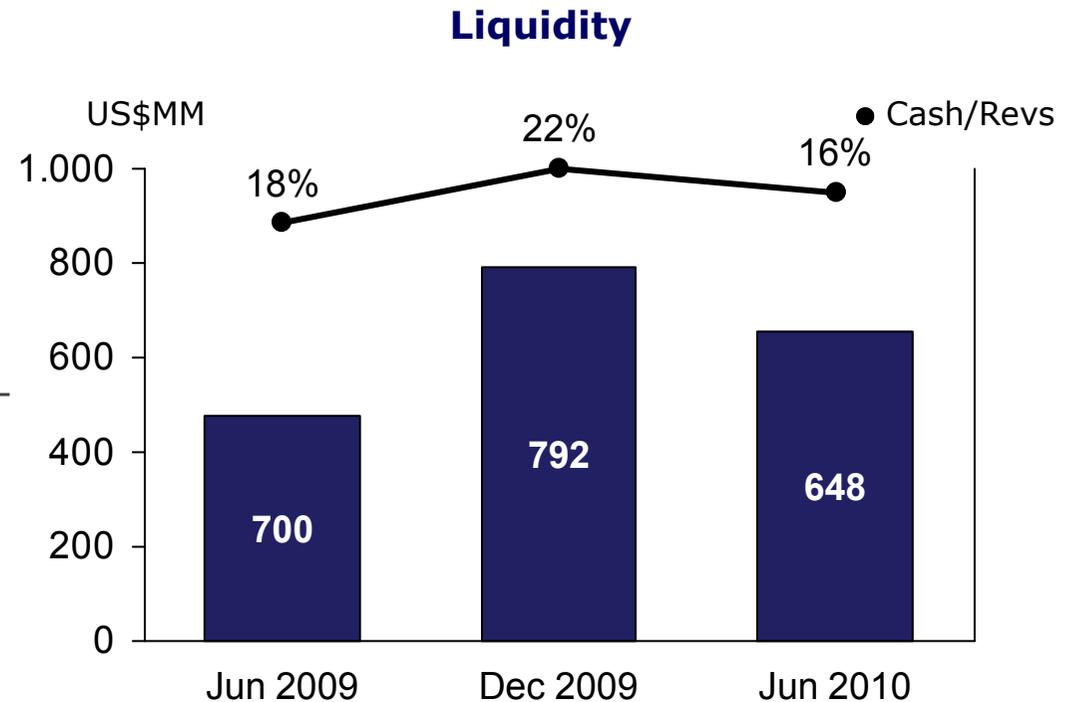


2Q10 - Cost Analysis

Costs (US\$ millions)	2Q10	2Q09	Variation (%)	<u>MAIN IMPACTS</u>
Wages & Benefits	185	149	23,9%	➔ Appreciation of local currencies; increased headcount.
Fuel Costs	277	225	23,2%	➔ Higher fuel costs offset by fuel hedge gain
Commissions to Agents	38	31	23,1%	➔ Increase in passenger and cargo revenues.
Depreciation & Amortization	83	72	15,5%	➔ Incorporation of 3 B767-300.
Other Rental & Landing Fees	135	119	13,8%	➔ Expansion in operations
Passenger Service	25	21	21,0%	➔ More passengers transported and higher compensations.
Aircraft Rentals	24	20	18,0%	➔ Incorporation of 2 B777 Freighters in 2Q09.
Maintenance Expenses	31	30	3,4%	➔ Larger fleet.
Other Operating Expenses	122	83	47,1%	➔ Higher advertising and marketing expenses and higher sales costs
Total Costs	921	750	22,8%	

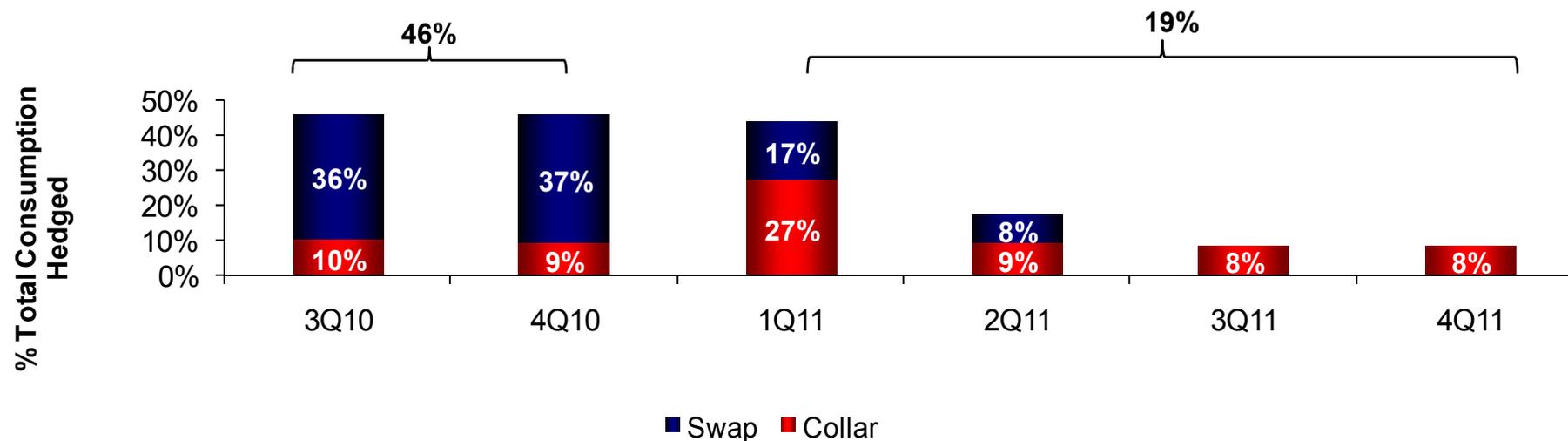
Solid Financial Position

- June 2010 Cash Balance: US\$648 million, representing 16% of LTM revenues.
- Completed EX-IM supported financing for one Boeing B767s and accessed capital markets with the new "EX-IM – Bond" product.
- Fitch affirms LAN's BBB rating with stable outlook.



LAN remains one of the few investment grade airlines in the world

Fuel Hedging



	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
Swaps 79.0 US\$/bbl	36%	-	-	-	-	-
Swaps 79.4 US\$/bbl	-	-	17%	-	-	-
Swaps 79.7 US\$/bbl	-	-	-	8%	-	-
Swaps 81.4 US\$/bbl	-	37%	-	-	-	-
Collar 80 @ 55	10%	-	-	-	-	-
Collar 85 @ 55	-	9%	-	-	-	-
Collar 85 @ 60	-	-	17%	8%	-	-
Collar 85 @ 65	-	-	10%	-	-	-
Collar 90 @ 60	-	-	-	-	8%	8%
	46%	46%	44%	16%	8%	8%

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Agreement with Aeroasis in Colombia



→ Agreement with Aeroasis to provide technical support and service consultancy in the process of obtaining an operating permit from the Colombian Civil Aviation Authority.

→ February 2011 deadline to obtain permission from the authorities

→ LAN's interest is that Aeroasis become part of the LAN group

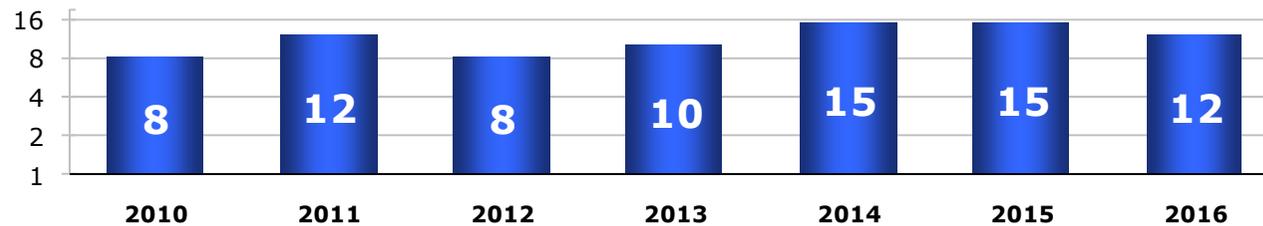
→ Second largest domestic market in the region, with 10 million passengers a year (0.22 trips/pers.)

Incorporation of 50 Airbus A320 Family Aircraft

Delivery Schedule for 2012-2016

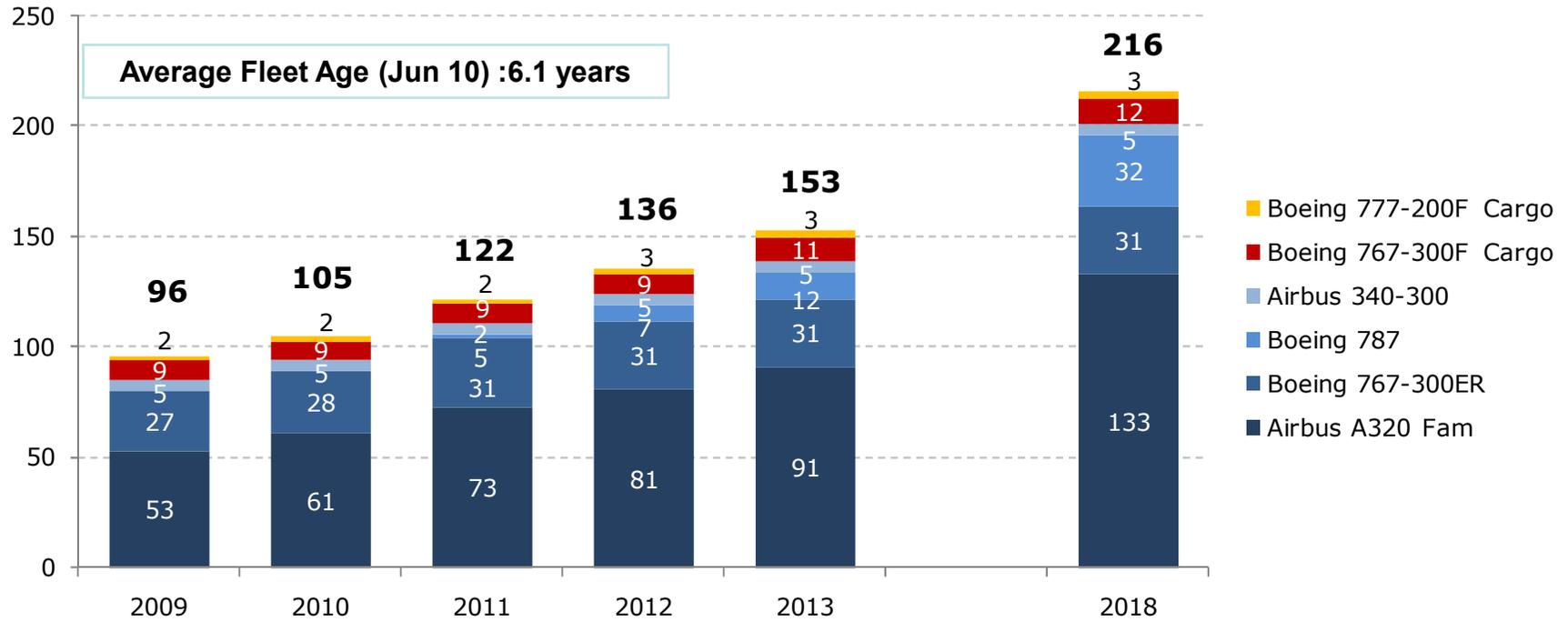


Total Airbus 320 Delivery Schedule



Includes previous orders of A 320's plus effect of disposal of 15 A 318's in 2011-2013

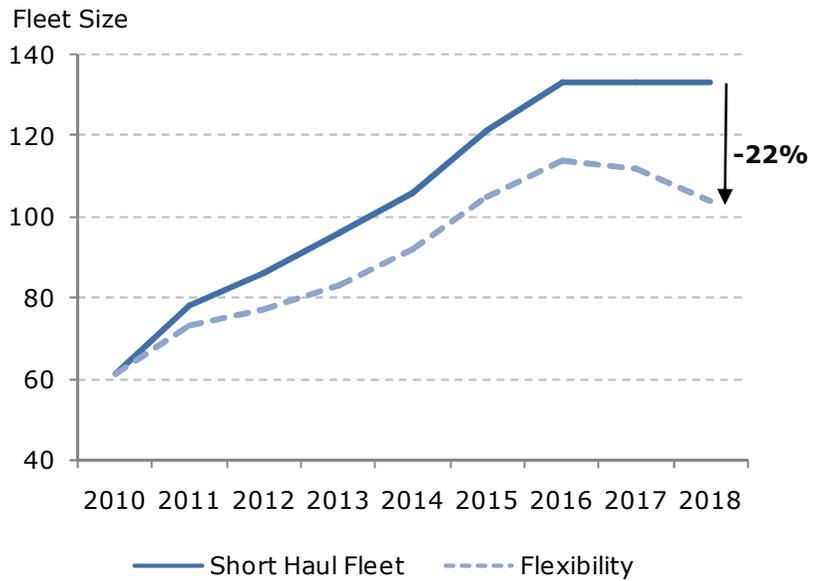
Fleet Plan



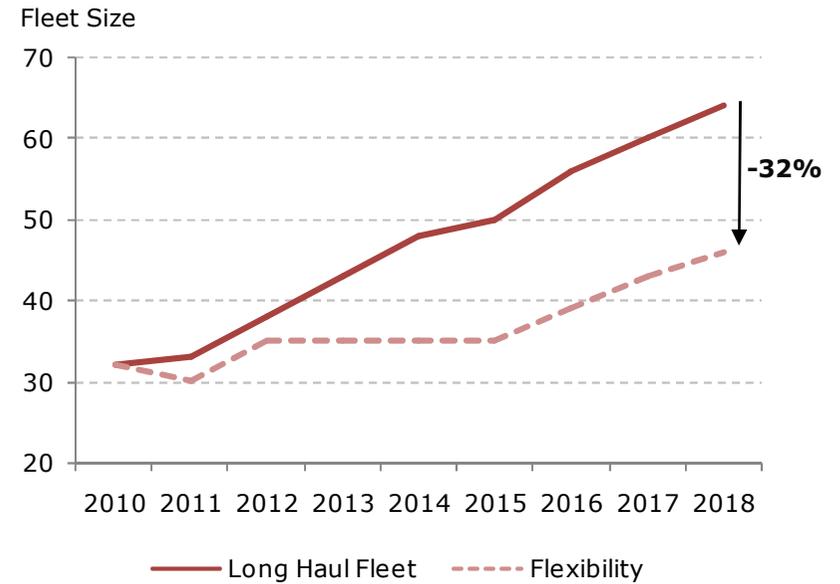
CAPEX (US\$ million)	2010	2011	2012	2013	2014 - 2018	Total
	412	1,108	1,139	1,317	3,663	7.639

Fleet Plan Flexibility

Narrowbody Fleet

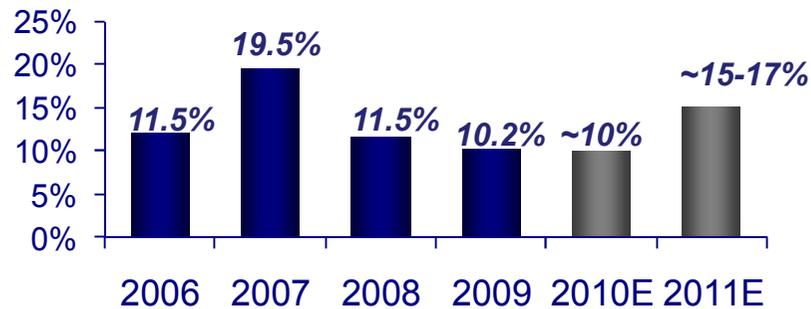


Widebody Fleet



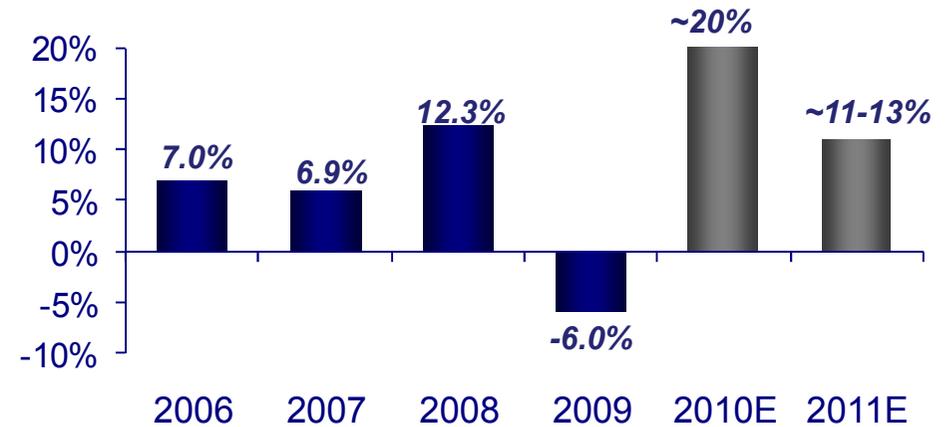
2011 Estimated Capacity Expansion

Passenger ASK Growth



- Expansion in international markets
- Strengthen our Lima hub and increase connectivity within the region.
- Continue growth in domestic markets.

Cargo ATK Growth



- Increased operations in Brazil and Europe.
- Higher cargo fleet utilization.
- Increased capacity in bellies of passenger aircraft.



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