



LAN AIRLINES REPORTS NET INCOME OF US\$60.6 MILLION FOR THE SECOND QUARTER OF 2010

Santiago, Chile, July 27, 2010 – LAN Airlines S.A. (NYSE: LFL), one of Latin America's leading passenger and cargo airlines, announced today its consolidated financial results for the second quarter ended June 30, 2010. "LAN" or "the Company" makes reference to the consolidated entity, which includes passenger and cargo airlines in Latin America. All figures were prepared in accordance with International Financial Reporting Standards (IFRS) and are expressed in U.S Dollars

HIGHLIGHTS

- LAN reported net income of US\$60.6 million for the second quarter 2010 compared to US\$4.2 million in the same period 2009, marked by a strong recovery in both the cargo and passenger businesses.
- Operating income reached US\$112.6 million in the second quarter 2010, which represents an important increase compared to US\$34.9 million in the second quarter 2009. Operating margin reached 10.9%, an increase of 6.4 points compared to 4.4% in the same period of 2009. Operating income in the second quarter 2009 included a US\$52.6 million realized fuel hedging loss, while the realized fuel hedging gain for the second quarter 2010 totaled US\$1.3 million.
- Total revenues for the second quarter 2010 reached US\$1,033.6 million compared to US\$785.1 million in the second quarter 2009 due to a 24.5% increase in passenger revenues and a 60.3% increase in cargo revenues. Passenger and cargo revenues accounted for 66% and 31% of total revenues, respectively, during the second quarter 2010.
- In July 2010, the Company signed a memorandum of understanding for the purchase of 50 modern Airbus A320 family aircraft to be delivered between 2012 and 2016. The new aircraft will operate regional and domestic flights within Latin America. Regarding LAN's long haul fleet, the Company signed an agreement in July with Boeing to adjust the delivery of 2 Boeing 787-8 Dreamliner aircraft to 2012. This modification to LAN's fleet plan will allow the Company to receive a total of 5 Boeing 787-8 Dreamliner aircraft in 2012. This is in addition to the anticipated delivery of 10 Boeing 787-8 Dreamliner already announced in March 2010. As a result, LAN will be the first airline in the western hemisphere to take delivery of this new and modern aircraft.
- In May 2010, the Company signed an agreement with Colombian airline Aeroasis S.A. ("Aeroasis") to provide it with technical support and service consultancy in the process of obtaining an operating permit from the Colombian Civil Aviation Authority (Unidad Administrativa Especial de Aeronáutica Civil), within the established deadlines.
- In line with the expansion of LAN's passenger operations, during the second quarter 2010, the Company announced various new passenger destinations. For short-haul operations, in August 2010, LAN Peru will launch 3 weekly frequencies between Lima and Brasilia, which starting October 15, 2010, will increase to 5 weekly frequencies. In addition, in June 2010, the Company

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launched 2 daily flights between Sao Paulo and Aeroparque Metropolitano Airport in central Buenos Aires. Also, starting in January 2011, the Company will begin service from Lima to Easter Island and from Lima to Iguazú, subject to required regulatory approvals.

- Regarding LAN's cargo operations, the Company continued to expand operations in the Brazilian domestic market. In June 2010, LAN Cargo's Brazilian affiliate ABSA launched 5 weekly frequencies from Sao Paulo to Recife and Fortaleza, which are in addition to the 9 weekly frequencies already operated between Sao Paulo and Manaus.
- In June 2010, Fitch confirmed LAN's international Investment Grade credit rating at BBB with a 'Stable' outlook.

Management Comments on Second Quarter 2010 Results

LAN reported net income of US\$60.6 million for the second quarter 2010, driven by a strong recovery in both cargo and passenger operations. Net income increased significantly compared to net income of US\$4.2 million reported in the second quarter 2009. This was in line with operating income, which increased from US\$34.9 million in the second quarter 2009 to US\$112.6 million in 2010, reaching a 10.9% operating margin. Operating income in the second quarter 2009 included a US\$52.6 million realized fuel hedging loss, while for the second quarter 2010, operating income included a US\$1.3 million realized fuel hedging gain.

During the second quarter 2010, LAN's consolidated revenues increased 31.6% compared to the second quarter 2009. Passenger revenues increased 24.5% during the quarter, driven by continued traffic growth and a 13.5% recovery in yields. Passenger traffic during April and May continued to be negatively impacted by reduced demand as a result of the earthquake that struck Chile on February 27, 2010. Despite this, passenger traffic growth during the quarter reached 9.7% and load factors reached 72.6%, 0.9 points lower than the same period in 2009. Total passenger capacity as measured in ASKs grew 11.1%, with capacity increases focused mainly on domestic routes and long-haul routes to Europe and the United States.

Revenues per ASK (RASK) increased 12.1%, driven by the increase in yields compared to the second quarter 2009. Passenger yields increased mainly as a result of a recovery in the demand environment, as well as higher fuel surcharges due to the 41.7% increase in LAN's average fuel price during the quarter (excluding fuel hedges). Fuel surcharges are adjusted according to variations in the WTI oil price.

During the second quarter 2010, cargo revenues increased 60.3%, reflecting a strong recovery in LAN Cargo's traffic, with RTK growth of 37.9%. Cargo capacity during the quarter grew 28.2%, allowing LAN Cargo to reach a 70.9% load factor, a recovery of 5.0 points compared to the second quarter 2009. Yields showed a 16.3% improvement compared to the second quarter 2009, leading to a 25.1% increase in unit revenue.

As a result of the strategic initiatives undertaken in 2009, LAN Cargo has been well positioned to benefit from the recovery in global cargo markets. LAN Cargo's significant traffic growth has been driven by continued expansion in import markets in Latin America, especially Brazil, as well as an increase in the Company's European operations as a result of the incorporation of the new Boeing 777-200 freighter fleet, which provides an important competitive advantage due to significant cost efficiencies. Additionally, through its Brazilian affiliate ABSA, LAN Cargo continues to expand domestic cargo operations in Brazil. In June 2010, ABSA launched 5 weekly frequencies from Sao Paulo to Recife and Fortaleza, which are in addition to the 9 weekly frequencies already operated between Sao Paulo and Manaus. Furthermore, the Company continues to successfully optimize capacity in the bellies of passenger aircraft, maximizing the synergies of the Company's integrated passenger and cargo operation.

Operating expenses increased 22.8% compared to the second quarter 2009, while costs per ATK (including net financial expenses) increased 4.5%. Excluding fuel, unit costs increased 4.9%, mainly due to higher wages as a result of the appreciation of local currencies during the quarter, as well as higher sales, marketing and other operating expenses. Higher fuel prices generated US\$20.7 million in increased fuel costs for the quarter, including the net impact of fuel hedges. Through a combination of collars and swaps, LAN has hedged approximately 46% of the Company's estimated fuel consumption for the second half of 2010 and 19% for 2011.

LAN continues to maintain a solid financial position, with ample liquidity and a solid financial structure, as reflected by the Company's BBB Investment Grade international credit rating (Fitch). LAN is one of the few airlines in the world with an Investment Grade rating. At the end of the quarter, LAN reported US\$647.6 million in cash and cash equivalents representing 16.0% of revenues for the last twelve months. Additionally, the Company has no short-term debt, while its long-term debt is mainly related to aircraft financing and has 12 to 15 year repayment profiles with competitive interest rates. The Company has limited exposure to foreign exchange rate fluctuations as approximately 80% of revenues are U.S. dollar denominated.

LAN's strong operating results during the quarter are evidence of a global recovery in both cargo and passenger markets. LAN is well positioned to benefit from this recovery based on the strategic actions undertaken throughout 2009, which have enhanced LAN's leadership position in both passenger and cargo markets in Latin America. Based on LAN's diversified, solid and flexible business model, as well as the Company's consistent track record and solid balance sheet, LAN is continuously improving the Company's long-term strategic position by addressing opportunities, strengthening its market presence and increasing competitiveness.

EBITDAR Calculation (1)

The following is a calculation of LAN's EBITDA (earnings before interest, taxes, depreciation and amortization) and EBITDAR (earnings before interest, taxes, depreciation, amortization and aircraft rentals), which the Company considers useful indicators of operating performance.

EBITDAR (in US\$ millions)

	<u>2Q10</u>	<u>2Q09</u>	<u>%Chg</u>	<u>1H10</u>	<u>1H09</u>	<u>%Chg</u>
Revenues	1,033.6	785.1	31.6%	2,068.5	1,667.3	24.1%
Operating Expenses	-921.0	-750.2	22.8%	-1,813.0	-1,514.3	19.7%
Operating Income	112.6	34.9	222.5%	255.5	153.0	67.0%
Depreciation and Amortization	83.4	72.2	15.5%	166.2	146.8	13.3%
EBITDA	196.0	107.1	83.0%	421.8	299.8	40.7%
EBITDA Margin	19.0%	13.6%	5.3 pp.	20.4%	18.0%	2.4 pp.
Aircraft Rentals	24.0	20.3	18.0%	47.5	36.1	31.7%
EBITDAR	220.0	127.5	72.6%	469.2	335.8	39.7%
EBITDAR Margin	21.3%	16.2%	5.1 pp.	22.7%	20.1%	2.5 pp.

(1) EBITDA and EBITDAR are not accounting measures and should not be considered in isolation nor as a substitute for net income prepared in accordance with International Financial Reporting Standards (IFRS) as a measure of operating performance. Furthermore, these calculations may not be comparable to similarly titled measures used by other companies.

Recent Events

Dividend Information

On July 27, 2010, the Company approved an interim dividend related to first half 2010 results to shareholders of record as of August 13, 2010. This dividend payment amounts to US\$74.5 million,

representing approximately US\$0.22 per share/ADR, corresponding to 50.0% of the Company's net income for the first half 2010.

Agreement with Aeroasis

In May 2010, the Company signed an agreement with Colombian airline Aeroasis S.A. to provide it with technical support and service consultancy in the process of obtaining an operating permit from the Colombian Civil Aviation Authority (Unidad Administrativa Especial de Aeronáutica Civil), within the established deadlines. This process includes the hiring of personnel and the elaboration of technical materials, as well as the selection and acquisition of equipment, all according to the applicable legal and regulatory frameworks.

LAN's firm interest is that once Aeroasis obtains an operating permit, the Colombian airline may become part of the LAN group of airline operators, through association and integration agreements, which shall, as applicable, be submitted for review to the corresponding authorities.

Fleet Plan

During the first half of 2010, LAN received 1 Boeing 767-300 aircraft. For the second half of 2010, the Company expects the delivery of 8 Airbus A320 family aircraft. Additionally, during 2011, LAN expects to receive 17 A320 family aircraft to operate domestic and regional routes, as well as 3 Boeing 767-300 and the first 2 Boeing 787-8 Dreamliners for long haul routes. During 2011, the Company's fleet plan also includes the sale of 5 A318 aircraft.

In July 2010, the Company signed a memorandum of understanding for the purchase of 50 modern Airbus A320 family aircraft to be delivered between 2012 and 2016. The new aircraft will operate regional and domestic flights within Latin America. This order includes Airbus A319s and A320s as well as, for the first time, the Airbus A321, which has a capacity of approximately 210 passengers. With this new order, LAN is scheduled to receive a total of 95 new Airbus A320 family aircraft between 2010 and 2016. Additionally, LAN's strategic fleet renewal plan now involves the sale of 15 Airbus A318s between 2011 and 2013.

Regarding LAN's long haul fleet, in July, the Company signed an agreement with Boeing to adjust the delivery of 2 Boeing 787-8 Dreamliner aircraft to 2012. This modification is in addition to the anticipation of 10 Dreamliners announced in March 2010. As a result, the Company expects to take delivery of 2 Boeing 787-8s in 2011, 5 in 2012 and 5 in 2013. This will allow LAN to be the first airline in the western hemisphere to take delivery of this new and modern aircraft.

LAN's estimated fleet plan and associated capital expenditures are shown in the table below.

Year	2010	2011	2012	2013
PASSENGER FLEET				
A321/A320/A319/A318	61	73	81	91
B767-300 ER	28	31	31	31
B787-8	-	2	7	12
A340-300	5	5	5	5
TOTAL PASSENGER FLEET	94	111	124	139
CARGO FLEET				
767-300 F	9	9	9	11
777-200 F	2	2	3	3
TOTAL CARGO FLEET	11	11	12	14
TOTAL FLEET	105	122	136	153
Total Fleet Capex (US\$ millions)	412	1,108	1,139	1,317

Outlook

Considering current market conditions, the Company maintains its expectations for passenger ASK growth of approximately 10% in 2010. LAN Cargo currently expects approximately 20% growth in cargo capacity for 2010, mainly driven by higher utilization of the freighter fleet, especially the two Boeing 777-200 freighters received in the first half of 2009.

Consolidated Second Quarter 2010 Results

Net income for the second quarter 2010 amounted to US\$60.6 million compared to US\$4.2 million in the same period 2009. **Net margin** for the quarter increased from 0.5% in 2009 to 5.9% in 2010.

Operating income amounted to US\$112.6 million in the second quarter 2010 compared to US\$34.9 million in the second quarter 2009. **Operating margin** for the quarter increased from 4.4% in 2009 to 10.9% in 2010.

Total operating revenues increased 31.6% compared to the second quarter 2009, reaching US\$1,033.6 million. This reflected a:

- 24.5% increase in **passenger revenues** to US\$680.9 million,
- 60.3% increase in **cargo revenues** to US\$321.9 million, and a
- 17.5% decrease in **other revenues** to US\$30.9 million.

Passenger and cargo revenues accounted for 66% and 31% of total revenues for the quarter, respectively.

Passenger revenues increased 24.5%, driven by 9.7% growth in traffic and a 13.5% increase in yields. Load factors decreased from 73.6% to 72.6%, as the 11.1% increase in capacity outpaced the growth in traffic. Overall, revenues per ASK increased 12.1%. Traffic grew as a result of a 12.5% increase in domestic traffic (including domestic operations of LAN and its affiliates in Chile, Argentina, Peru and Ecuador), and an 8.4% increase in international traffic. Traffic growth in April and May continued to be impacted by decreased demand as a result of the earthquake that struck Chile on February 27, 2010. International traffic accounted for 70% of total passenger traffic during the quarter. Yields increased 13.5% due to higher fuel surcharges, as well as higher fares due to a stronger demand environment.

Cargo revenues increased 60.3% in the quarter, driven by a 37.9% increase in cargo traffic and a 16.3% increase in yields, reflecting a strong recovery in global cargo markets. Capacity increased 28.2% during the quarter. As a consequence, load factors increased from 65.9% to 70.9%. Revenues per ATK increased 25.1% compared to the second quarter 2009.

Other revenues decreased 17.5%, mainly driven by a decrease in revenues from aircraft leases to third parties.

Total operating expenses increased 22.8% during the quarter and unit (ATK) costs increased 4.5% compared to second quarter 2009. Higher jet fuel prices during the quarter led to approximately US\$20.7 million in higher fuel costs (net of fuel hedges). Excluding fuel, unit costs increased 4.9% mainly due to higher wages and salaries as a result of the appreciation of local currencies during the quarter, as well as higher sales, marketing and other operating expenses. Changes in operating expenses were mainly due to the following:

- **Wages and benefits** increased 23.9%, driven mainly by the impact of the appreciation of domestic currencies in Latin America, coupled with an increase in average headcount during the quarter, in line with the expansion in the Company's operations.

- **Fuel costs** increased 23.2%, mainly driven by a 41.7% increase in prices, coupled with a 14.0% increase in consumption. In addition, the Company recognized a US\$1.3 million fuel hedge gain, compared to a US\$52.6 million fuel hedge loss in the second quarter of 2009.
- **Commissions to agents** increased 23.1% due to a 34.1% increase in traffic revenues (passenger and cargo), partially offset by a 0.3 point reduction in average commissions. This reduction was mainly related to lower commissions in the passenger business.
- **Depreciation and amortization** increased 15.5%, mainly due to the incorporation of three new Boeing 767 aircraft between November 2009 and February 2010.
- **Other rental and landing fees** increased 13.8%, mainly due to increased costs of aeronautical rates and handling costs, in line with the expansion in the Company's operations during the quarter.
- **Passenger service** expenses increased 21.0%, driven by an 11.5% increase in the number of passengers transported, as well as higher compensation paid to passengers during the quarter.
- **Aircraft rentals** increased 18.0%, mainly driven by an increase in the average rental cost due to the incorporation of two leased B777 freighters during April and May 2009.
- **Maintenance expenses** increased 3.4% due to a larger fleet and the escalation of certain maintenance contracts.
- **Other operating expenses** increased 47.1% due to higher advertising and marketing expenses, higher employee travel expenses and higher sales costs.

Non-operating results

- **Interest income** decreased from US\$5.1 million in second quarter of 2009 to US\$1.8 million in second quarter of 2010, mainly due to lower average interest rates.
- **Interest expense** increased 0.9% as higher debt related to fleet financing was offset by a lower average interest rate.
- Under **Other income (expense)**, the Company recorded a US\$2.6 million loss mainly related to foreign exchange losses, compared to a US\$2.5 million gain in the second quarter of 2009.

Consolidated First Half 2010 Results

Net income for the first half 2010 amounted to US\$148.9 million compared to US\$69.2 million in the same period 2009. **Net margin** for the first half increased from 4.2% in 2009 to 7.2% in 2010.

Operating income amounted to US\$255.5 million in the first half 2010 compared to US\$153.0 million in the first half 2009. **Operating margin** for the first half increased from 9.2% in 2009 to 12.4% in 2010.

Total operating revenues increased 24.1% compared to the first half 2009, reaching US\$2,068.5 million. This reflected a:

- 18.6% increase in **passenger revenues** to US\$1,421.7 million,
- 47.9% increase in **cargo revenues** to US\$588.0 million, and a
- 17.5% decrease in **other revenues** to US\$58.9 million.

Passenger and cargo revenues accounted for 69% and 28% of total revenues for the first half of 2010, respectively.

Passenger revenues increased 18.6%, driven by 8.1% growth in traffic and a 9.7% increase in yields. Load factors remained stable at 76.0% as compared to 75.9% in the first half 2009, as capacity increased 7.9%. Overall, revenues per ASK increased 10.0%. Traffic grew as a result of an 8.8% increase in domestic traffic (including domestic operations of LAN and its affiliates in Chile, Argentina, Peru and Ecuador), and a 7.7% increase in international traffic. Traffic growth during the first half 2010 was impacted by decreased demand as a result of the earthquake that struck Chile on February 27, 2010. International traffic accounted for 70% of total passenger traffic during the first half 2010. Yields increased 9.7% due to higher fuel surcharges, as well as higher fares as a result of a stronger demand environment.

Cargo revenues increased 47.9% in the first half of 2010, driven by a 33.6% increase in cargo traffic and a 10.8% increase in yields, reflecting a strong recovery in global cargo markets. Capacity increased 25.2% during the first half of the year. As a consequence, load factors increased from 65.5% to 69.9%. Revenues per ATK increased 18.1% compared to the first half 2009.

Other revenues decreased 17.5%, mainly driven by a decrease in revenues from aircraft leases to third parties.

Total operating expenses increased 19.7% during the first half 2010 and unit (ATK) costs increased 4.0% compared to the first half 2009. Higher jet fuel prices during the first half of the year led to approximately US\$45.5 million in higher fuel costs (net of fuel hedges). Excluding fuel, unit costs increased 3.9% mainly due to higher wages and salaries as a result of the appreciation of local currencies during the first half of the year, as well as higher sales, marketing and other operating expenses. Changes in operating expenses were mainly due to the following:

- **Wages and benefits** increased 21.6%, driven mainly by the impact of the appreciation of domestic currencies in Latin America, coupled with an increase in average headcount during the first half of the year, in line with the expansion in the Company's operations.
- **Fuel costs** increased 21.1%, mainly driven by a 43.8% increase in prices, coupled with an 11.1% increase in consumption. In addition, the Company recognized a US\$1.3 million fuel hedge loss, compared to a US\$110.6 million fuel hedge loss in the first half 2009.
- **Commissions to agents** increased 17.6% due to a 25.9% increase in traffic revenues (passenger and cargo), partially offset by a 0.3 point reduction in average commissions. This reduction was mainly related to lower commissions in the passenger business.
- **Depreciation and amortization** increased 13.3%, mainly due to the incorporation of three new Boeing 767 aircraft between November 2009 and February 2010.
- **Other rental and landing fees** increased 12.4%, mainly due to increased costs of aeronautical rates and handling costs, in line with the expansion in the Company's operations during the first half of the year.
- **Passenger service** expenses increased 18.3%, driven by a 9.7% increase in the number of passengers transported during the first half of the year, as well as higher compensation paid to passengers during this period.
- **Aircraft rentals** increased 31.7%, mainly driven by an increase in the average rental cost due to the delivery of two leased B777 freighters during April and May 2009.
- **Maintenance expenses** decreased 0.3% due to lower maintenance provisions related to a higher proportion of new aircraft in the fleet, partially offset by the escalation of certain maintenance contracts.
- **Other operating expenses** increased 34.2% due to higher advertising and marketing expenses, higher employee travel expenses and higher sales costs.

Non-operating results

- **Interest income** decreased from US\$7.6 million in the first half 2009 to US\$5.1 million in the first half 2010, mainly due to a lower average interest rate.
- **Interest expense** increased 0.5% as higher debt related to fleet financing was offset by a lower average interest rate.
- Under **Other income (expense)**, the Company recorded a US\$4.7 million loss mainly related to foreign exchange losses, compared to a US\$1.7 million gain in the first half 2009.

About LAN

LAN Airlines is one of the leading passenger and cargo airlines in Latin America. The company and its affiliates serve over 70 destinations around the world through an extensive network that offers full connectivity within Latin America, while also linking the region with North America, Europe and the South Pacific, as well as 70 additional international destinations through its various alliances. LAN Airlines and its affiliates have a leading position in their respective domestic markets of Chile and Peru as well as an important presence in the Argentinean domestic markets and having completed one year in the Ecuadorian domestic market.

Currently, LAN Airlines and its affiliates operate one of the most modern fleets in the world, with 87 passenger aircraft, and its cargo subsidiary, LAN CARGO and its respective cargo affiliates, have a fleet of 11 dedicated freighters. The Company has one of the youngest fleets in the world, which has meant greater efficiency and a significant reduction in CO2 emissions, reflecting its strong commitment to environmental protection.

LAN is one of the few Investment Grade airlines in the world (BBB). The company's world class quality standards enabled its membership in oneworld™, the global alliance which LAN has been a member of for over 10 years that encompasses the best airlines in the world. For more information please visit www.lan.com or www.oneworldalliance.com

Note on Forward-Looking Statements

This report contains forward-looking statements. Such statements may include words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe" or other similar expressions. Forward-looking statements are statements that are not historical facts, including statements about our beliefs and expectations. These statements are based on current plans, estimates and projections, and, therefore, you should not place undue reliance on them. Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. These factors and uncertainties include in particular those described in the documents we have filed with the U.S. Securities and Exchange Commission. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them, whether in light of new information, future events or otherwise.

FOR IMMEDIATE RELEASE

LAN Airlines S.A. Consolidated Income Statement (in thousands of US Dollars)

	For the three month period ended June 30			For the six month period ended June 30		
	2010	2009	% Change	2010	2009	% Change
REVENUE						
Passenger	680,880	546,918	24.5%	1,421,669	1,198,512	18.6%
Cargo	321,852	200,756	60.3%	587,963	397,437	47.9%
Other	30,890	37,465	-17.5%	58,888	71,364	-17.5%
TOTAL OPERATING REVENUE	1,033,622	785,139	31.6%	2,068,520	1,667,313	24.1%
Expenses						
Wages and Benefits	-184,959	-149,313	23.9%	-361,911	-297,725	21.6%
Aircraft Fuel	-277,353	-225,176	23.2%	-549,118	-453,443	21.1%
Comissions to Agents	-38,329	-31,140	23.1%	-79,581	-67,673	17.6%
Depreciation and Amortization	-83,404	-72,222	15.5%	-166,232	-146,771	13.3%
Other Rental and Landing Fees	-135,222	-118,795	13.8%	-266,433	-237,130	12.4%
Passenger Services	-24,904	-20,583	21.0%	-51,376	-43,422	18.3%
Aircraft Rentals	-24,000	-20,338	18.0%	-47,480	-36,059	31.7%
Aircraft Maintenance	-30,571	-29,560	3.4%	-59,518	-59,672	-0.3%
Other Operating Expenses	-122,258	-83,087	47.1%	-231,343	-172,435	34.2%
TOTAL OPERATING EXPENSES	-921,000	-750,214	22.8%	-1,812,992	-1,514,330	19.7%
OPERATING INCOME	112,622	34,925	222.5%	255,528	152,983	67.0%
<i>Operating Margin</i>	10.9%	4.4%	6.4 pp	12.4%	9.2%	3.2 pp
Interest Income	1,796	5,113	-64.9%	5,106	7,579	-32.6%
Interest Expense	-40,737	-40,363	0.9%	-78,500	-78,104	0.5%
Other Income (Expense)	-2,589	2,517	-202.9%	-4,686	1,738	-369.6%
INCOME BEFORE TAXES AND MINORITY INTEREST	71,092	2,192	3143.2%	177,448	84,196	110.8%
Income Taxes	-11,980	-783	1430.0%	-30,070	-13,827	117.5%
INCOME BEFORE MINORITY INTEREST	59,112	1,409	4095.3%	147,378	70,369	109.4%
Attributable to:						
Shareholders	60,630	4,233	1332.3%	148,929	69,247	115.1%
Minority Interest	-1,518	-2,824	-46.2%	-1,551	1,122	-238.2%
NET INCOME	60,630	4,233	1332.3%	148,929	69,247	115.1%
<i>Net Margin</i>	5.9%	0.5%	5.3 pp	7.2%	4.2%	3.0 pp
Effective tax rate	16.5%	15.6%		16.8%	16.6%	
Shares outstanding	338,790,909	338,790,909		338,790,909	338,790,909	
Earnings per share (US\$)	0.18	0.01	1332.3%	0.44	0.20	115.1%

FOR IMMEDIATE RELEASE

LAN Airlines S.A. Consolidated Operational Statistics

	For the three month period ended June 30,			For the six month period ended June 30,		
	2010	2009	% Change	2010	2009	% Change
Operating Statistics						
System						
ATKs (millions)	2,171	1,828	18.8%	4,286	3,692	16.1%
ASKs (millions)	10,029	9,028	11.1%	20,261	18,784	7.9%
RTKs (millions)	1,478	1,194	23.8%	2,939	2,445	20.2%
RPKs (millions)	7,283	6,641	9.7%	15,402	14,250	8.1%
Overall Load Factor (based on ATKs)%	68.1%	65.3%	2.7 pp	68.6%	66.2%	2.3 pp
Break-Even Load Factor (based on ATK)%	63.1%	65.4%	-2.2 pp	62.4%	62.8%	-0.4 pp
Yield based on RTKs (US Cents)	67.9	62.6	8.4%	68.4	65.3	4.8%
Operating Revenues per ATK (US Cents)	46.2	40.9	12.9%	46.9	43.2	8.5%
Operating Costs per ATK (US Cents)	42.8	40.9	4.7%	42.7	41.0	4.1%
Fuel Gallons Consumed (millions)	120.4	105.6	14.0%	240.6	216.6	11.1%
Average Trip Length (thousands km)	1.864	1.896	-1.7%	1.927	1.955	-1.4%
Total number of employees	17,679	16,580	6.6%	17,679	16,580	6.6%
Passenger						
ASKs (millions)	10,029	9,028	11.1%	20,261	18,784	7.9%
RPKs (millions)	7,283	6,641	9.7%	15,402	14,250	8.1%
RTKs (millions)	656	598	9.7%	1,386	1,283	8.1%
Passengers Transported (thousands)	3,907	3,503	11.5%	7,994	7,290	9.7%
Load Factor (based on ASKs) %	72.6%	73.6%	-0.9 pp	76.0%	75.9%	0.2 pp
Yield (based on RPKs, US Cents)	9.3	8.2	13.5%	9.2	8.4	9.7%
Yield (based on RTKs, US Cents)	103.9	91.5	13.5%	102.6	93.5	9.7%
Revenue/ASK (US cents)	6.8	6.1	12.1%	7.0	6.4	10.0%
Cargo						
ATKs (millions)	1,159	904	28.2%	2,222	1,774	25.2%
RTKs (millions)	822	596	37.9%	1,553	1,163	33.6%
Tons Transported (thousands)	197	153	28.7%	371	291	27.1%
Load Factor (based on ATKs) %	70.9%	65.9%	5.0 pp	69.9%	65.5%	4.4 pp
Yield based on RTKs (US Cents)	39.1	33.7	16.3%	37.9	34.2	10.8%
Revenue/ATK (US Cents)	27.8	22.2	25.1%	26.5	22.4	18.1%

FOR IMMEDIATE RELEASE

LAN Airlines S.A.
Consolidated Balance Sheet (in thousands of US\$)

	As of June 30, 2010	As of June 30, 2009
Total Assets	5,907,519	5,449,963
Total Liabilities	4,777,003	4,453,566
Total Equity (*)	1,130,516	996,397
Total Liabilities and Shareholders equity	5,907,519	5,449,963
Net Debt		
Current and long term portion of loans from financial institutions	2,595,578	2,400,050
Current and long term portion of obligations under capital leases	249,712	320,095
Other liabilities current and long term portion	306,847	292,287
Cash and cash equivalents	-647,635	-699,740
Total Net Debt	2,504,502	2,312,692

(*) Under IFRS, Equity includes Minority Interest, which amounted to US\$ Th 6,798 as of June 2009, and US\$ Th 5,488 as of June 2010

FOR IMMEDIATE RELEASE

**LAN Airlines S.A.
Consolidated Fleet**

	As of June 30, 2010		
	Leased	Owned	Total
Passenger Aircraft			
Airbus A318-100	0	15	15
Airbus A319-100	0	20	20
Airbus A320-200	2	16	18
Boeing 767-300	10	18	28
Airbus A340-300	1	4	5
TOTAL	13	73	86
Cargo Aircraft			
Boeing 777-200F	2	0	2
Boeing 767-300F	1	8	9
TOTAL	3	8	11
Total Fleet	16	81	97

Note: Table does not include one Boeing 767-200 leased to Aerovías de México S.A. and three Boeing 737-200 leased to Sky Services S.A.