

Fourth Quarter and Full Year 2011 Results Presentation

February 1, 2012



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, 2010.

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Highlights 4Q and FY 2011

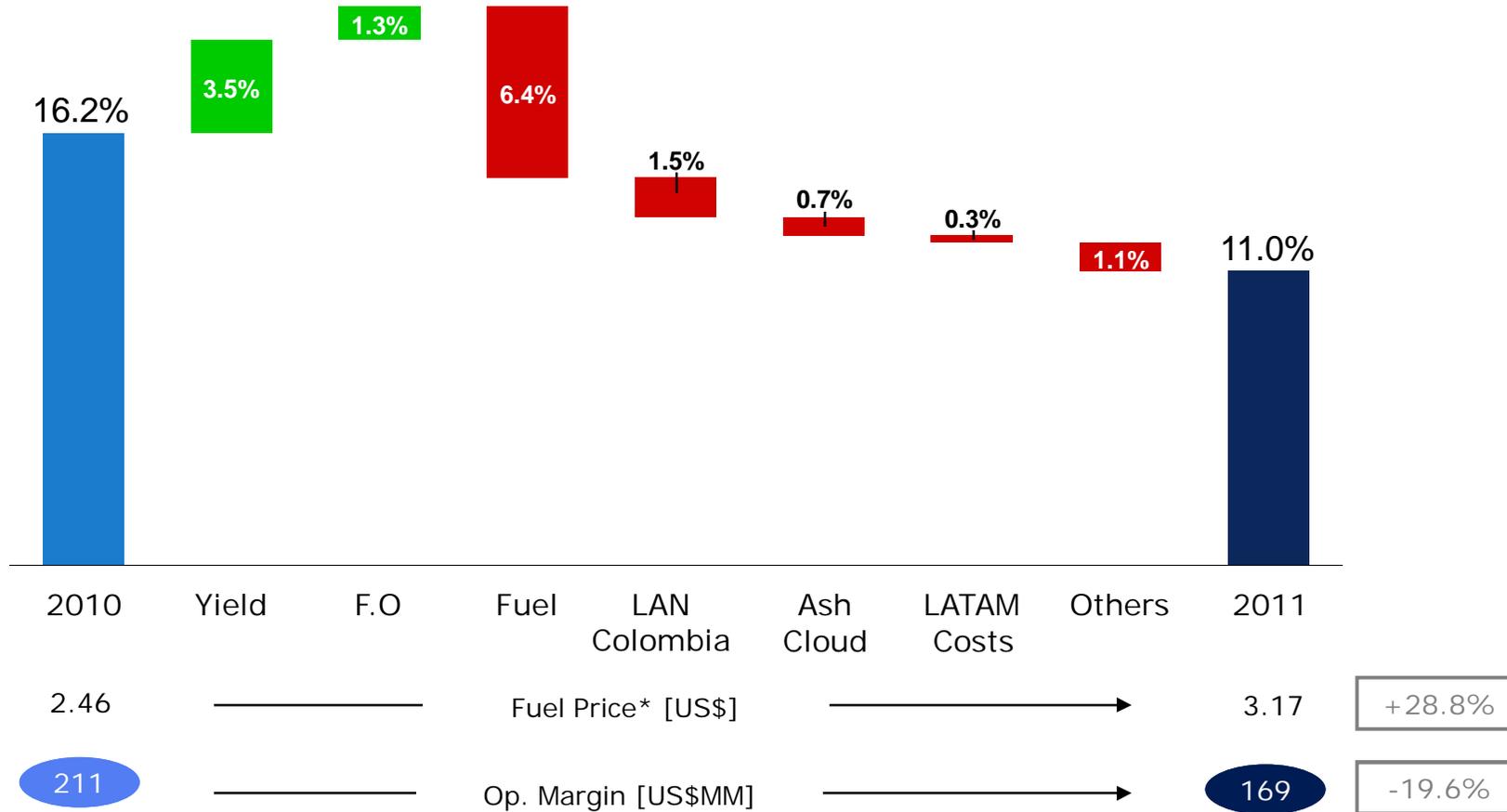
(US\$ million)	4Q 2011	% Change (YoY)	FY 2011	% Change (YoY)
Total Revenues	1,535	17.9%	5,718	26.4%
Passenger Revenues	1,074	20.8%	4,009	28.9%
Cargo Revenues	428	15.8%	1,577	23.1%
Total Operating Expenses	-1,366	25.1%	-5,179	32.8%
Operating Income	169	-19.6%	540	-13.4%
Operating Margin	11.0%	-5.1 pp	9.4%	-4.3 pp
Net Income	113	-31.6%	320	-23.7%
EBITDAR *	322	-2.3%	1,119	5.2%
EBITDAR Margin	21.0%	-4.3 pp	19.6%	-3.9 pp

- 4Q 2011 results continue to reflect solid demand trends in both passenger and cargo operations
- Operating margin in 4Q 2011 reflects higher costs related to the startup of LAN's operations in Colombia and the ongoing effects of the volcanic ash cloud
- Operating margins were also affected by an increase in fuel prices, a part of which were not recovered via the fuel surcharge mechanism

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

4Q 2011 - Operating Margin Analysis

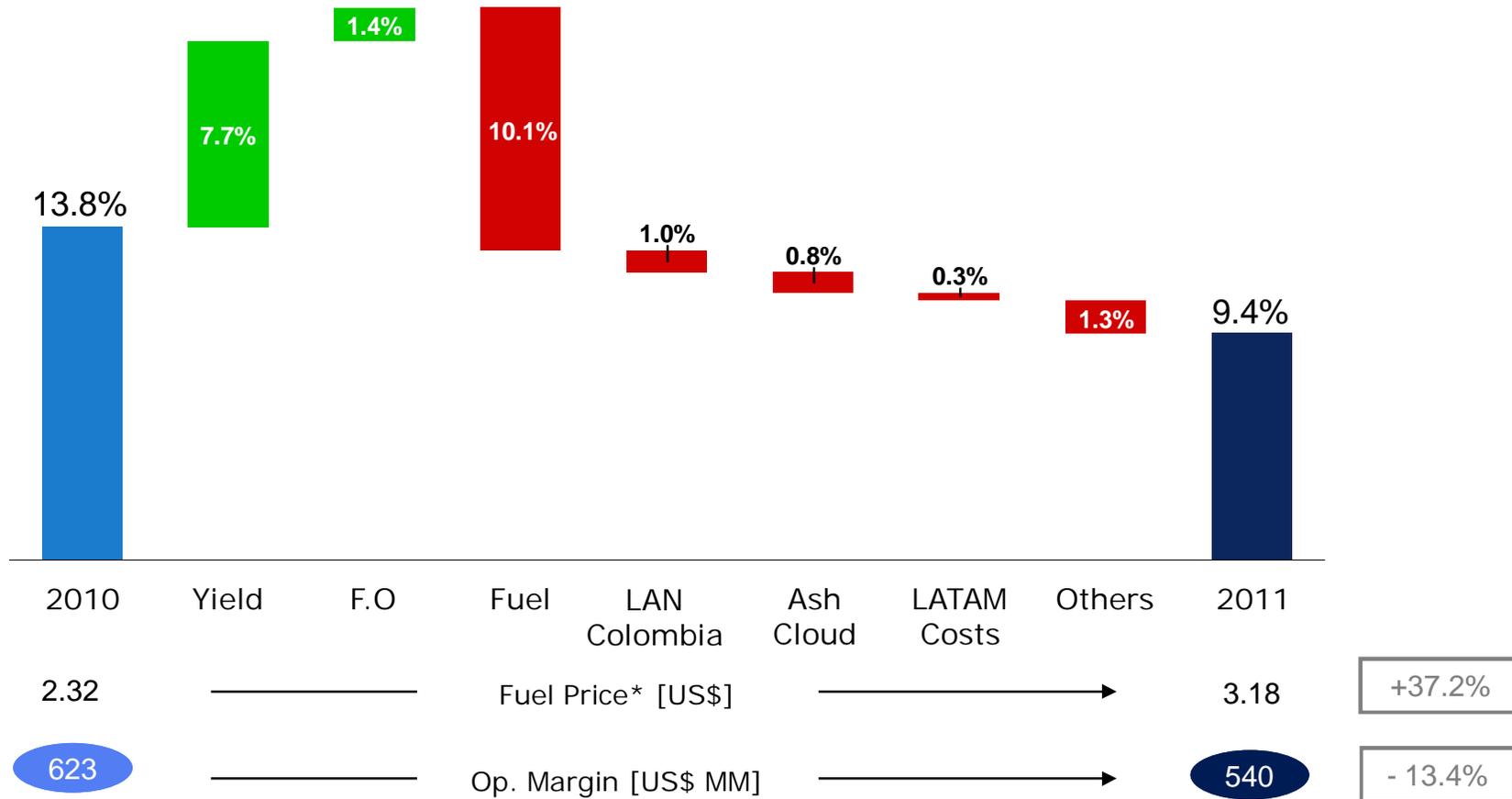
Operating Margin (%)



*Fuel price excludes fuel hedge

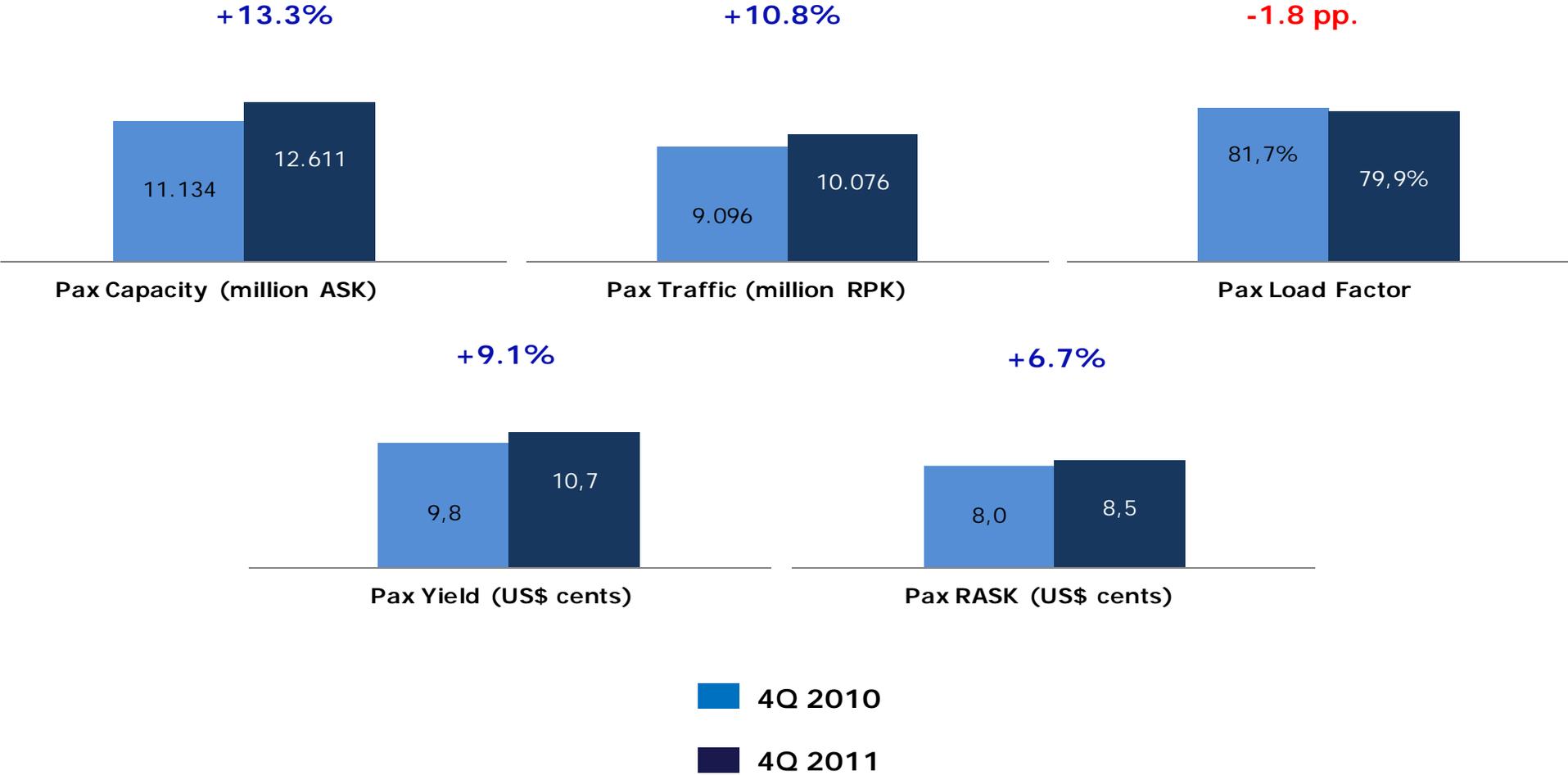
FY 2011 - Operating Margin Analysis

Operating Margin (%)

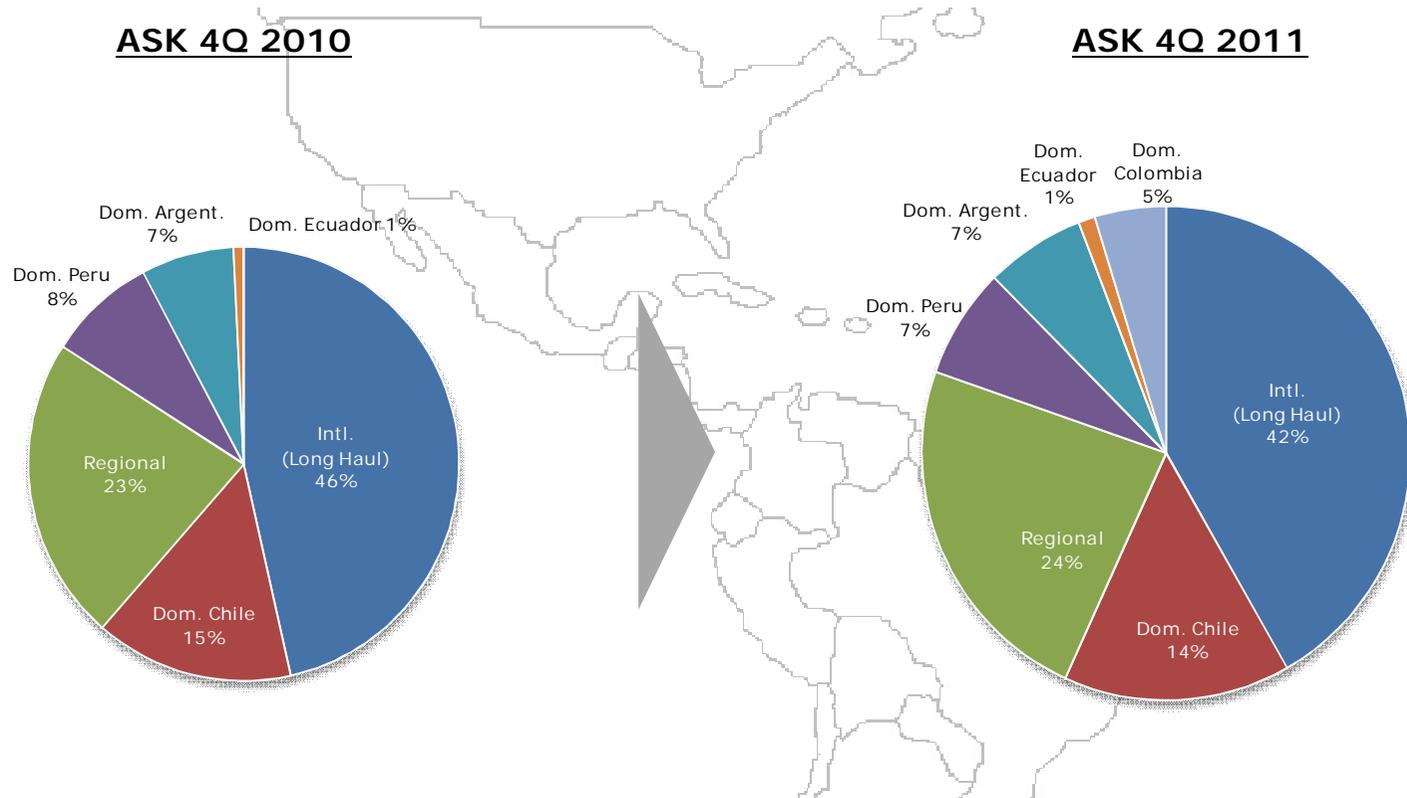


*Fuel price excludes fuel hedge

Passenger Business - Revenue Increases 20.8% in 4Q 2011



Passenger Business - Capacity Growth 4Q 2011



Growth in ASK (4Q11 vs. 4Q10)

13.3%

International (Long Haul)	1.3%
Regional	17.2%
Chile Domestic	9.9%
Peru Domestic	0.4%
Argentina Domestic	22.3%
Ecuador Domestic	54.8%

Integrating LAN Colombia

Turnaround Process

- ➔ Recover reliability and OTP
- ➔ LAN safety and security standards(IOSA)
- ➔ Improve flight offers & quality of service
- ➔ Recover profitability
- ➔ Rebranding AIRES to LAN (Dec 2011)
- ➔ Grow capacity with Airbus A320 fleet

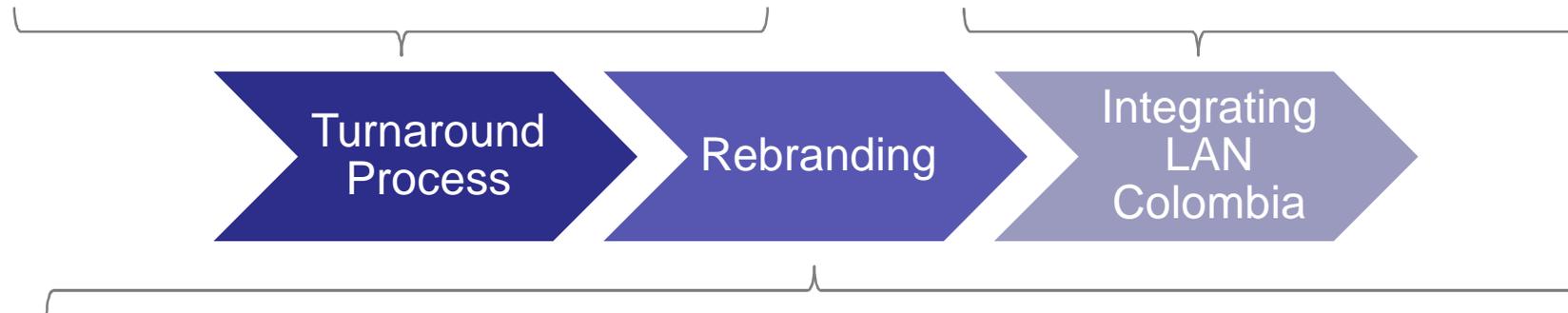
LAN Colombia's Fleet

BOEING 737-700
Aircraft: 6
Seats: 148

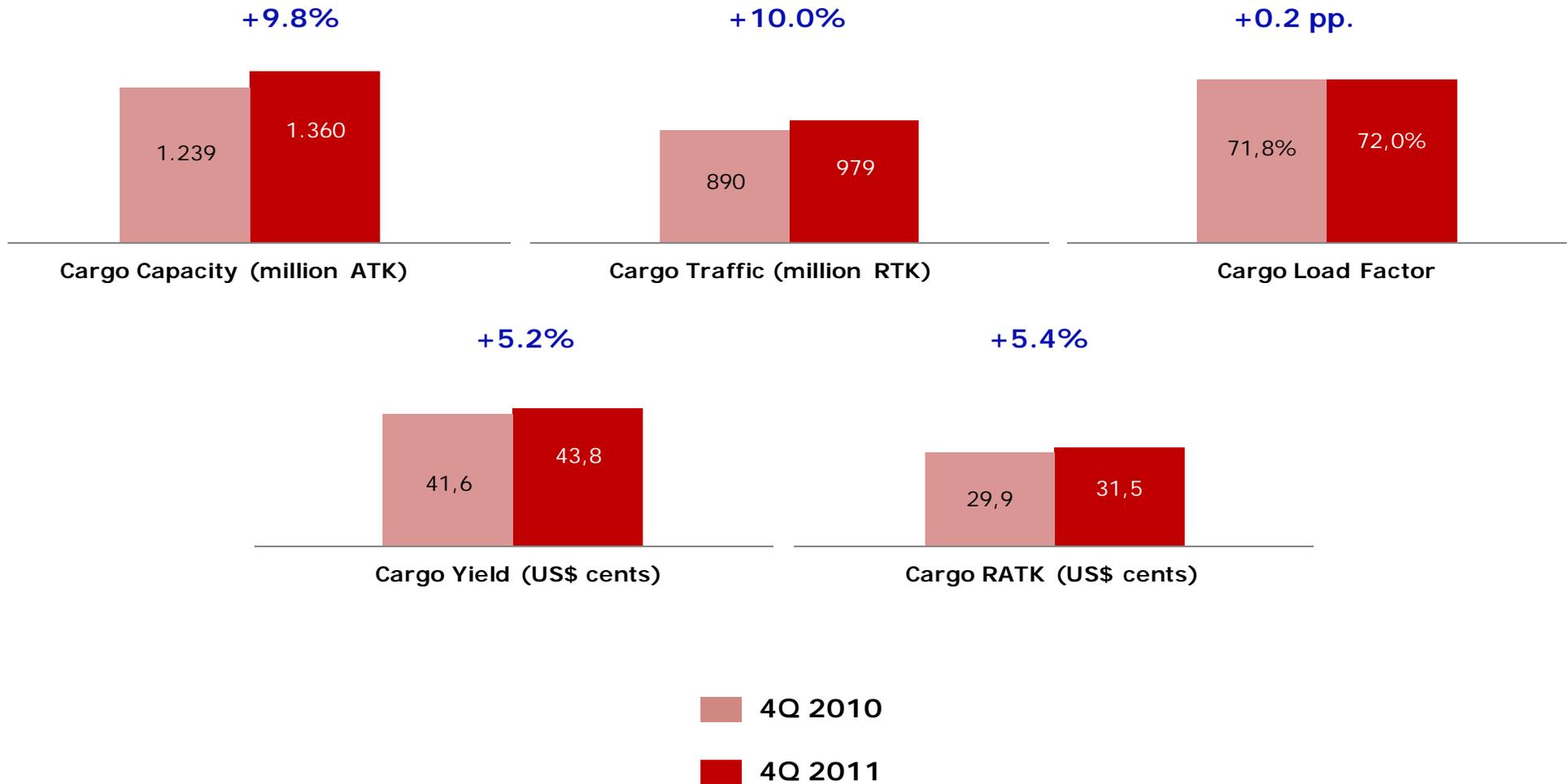
AIRBUS A320
Aircraft: 3
Seats: 168/174

DASH 8-Q400
Aircraft: 4
Seats: 78

DASH 8-200
Aircraft: 10
Seats: 37



Cargo Business - Revenue Increases 15.8% in 4Q 2011

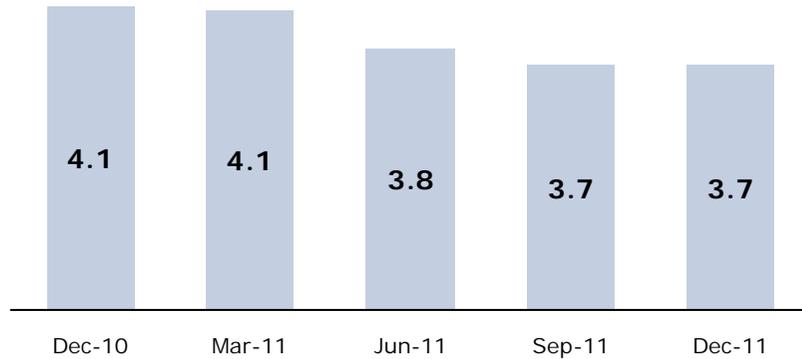


4Q 2011- Cost Analysis

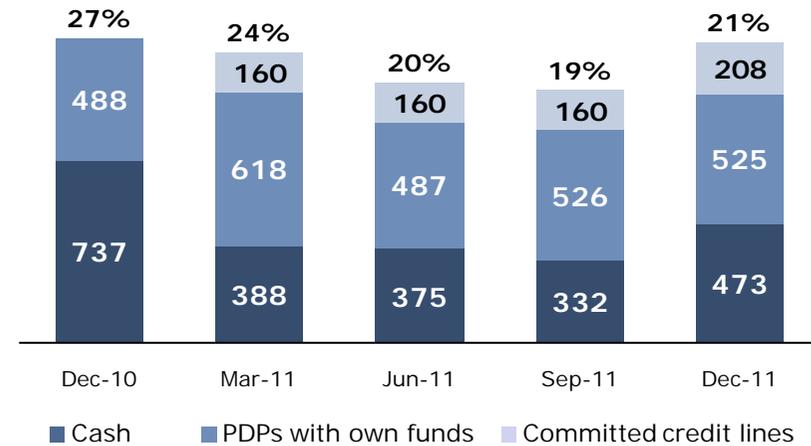
Costs (US\$ millions)	4Q11	4Q10	Variation (%)		Main Impacts
Wages & Benefits	251	229	10%		Increased headcount, LAN Colombia, partially offset by depreciation of Latin American currencies
Fuel Costs	468	319	47%		29% higher fuel costs
Commissions to Agents	55	49	14%		19% increase in passenger and cargo traffic revenues
Depreciation & Amortization	108	92	17%		Delivery of 14 A320 Family and 3 Boeing 767-300 passenger aircraft
Other Rental & Landing Fees	176	173	1%		Higher handling costs and aeronautical rates partially offset by lower ACMI leasing costs.
Passenger Service	33	32	4%		More passengers transported
Aircraft Rentals	45	27	66%		Incorporation of 23 aircraft of LAN Colombia, 1 B767F and 6 Airbus A320s
Maintenance Expenses	43	30	45%		Larger fleet, including LAN Colombia
Other Operating Expenses	186	142	32%		Commercial and distribution system expenses
Total Costs	1,366	1,092	25%		

Solid Financial Position

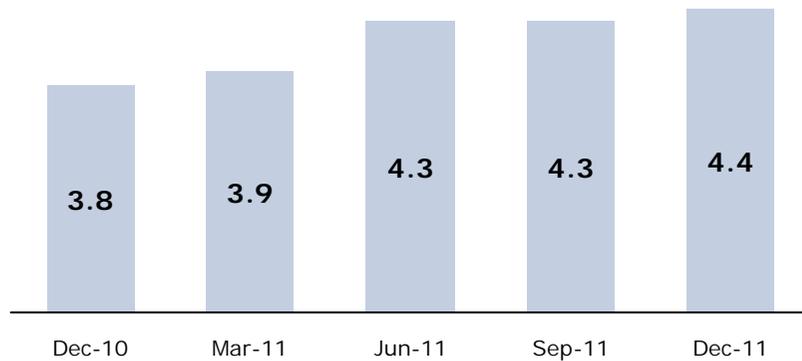
EBITDAR/ Interest expenses



Liquidity (US\$ mm) (% of revenues LTM)



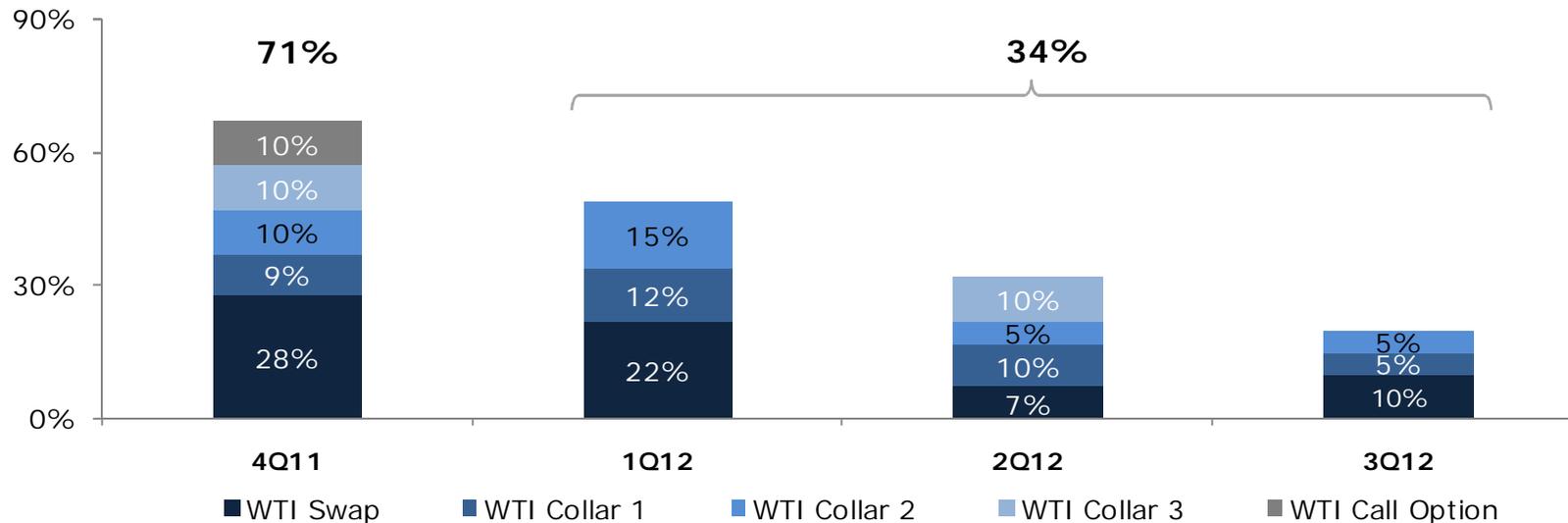
Adj. Debt/ EBITDAR



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

Fuel Hedges

Fuel Hedges
(% of consumption)



	4Q11	1Q12	2Q12	3Q12
→ WTI Swap:	\$94.1	\$94.5	\$85.3	\$86.4
→ WTI Collar 1:	\$60 / \$90	\$70 / \$95	\$75 / \$95	\$75 / \$100
→ WTI Collar 2:	\$75 / \$100	\$75 / \$95	\$75 / \$97	\$70 / \$93.6
→ WTI Collar 3:	\$75 / \$97	—	\$70 / \$91.9	—
→ WTI Call Option:	\$130	—	—	—

Note: hedging position as of January 31, 2012

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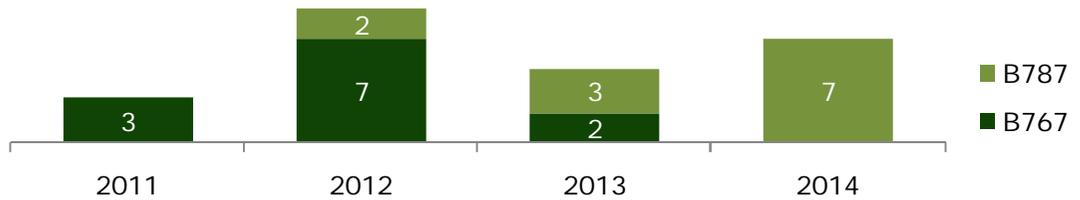
Net Fleet Deliveries 2012 - 2014



Short Haul



Long Haul



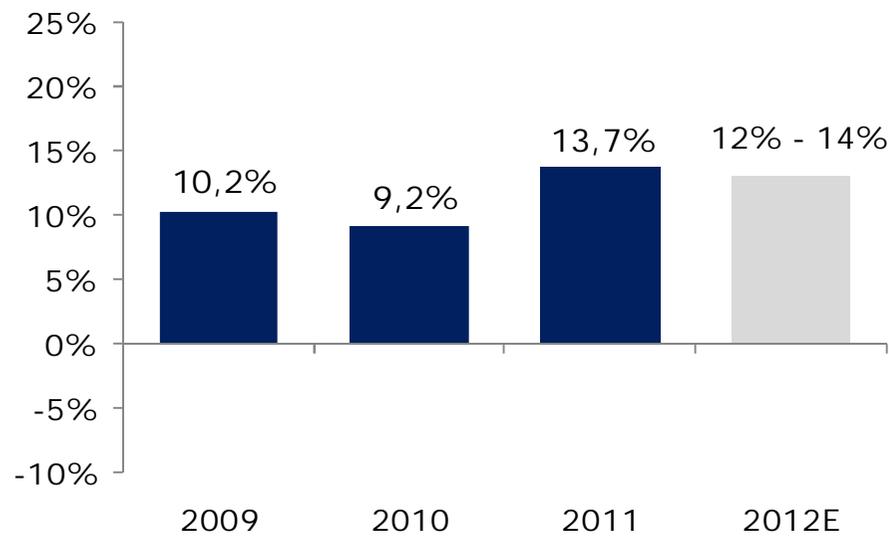
Cargo



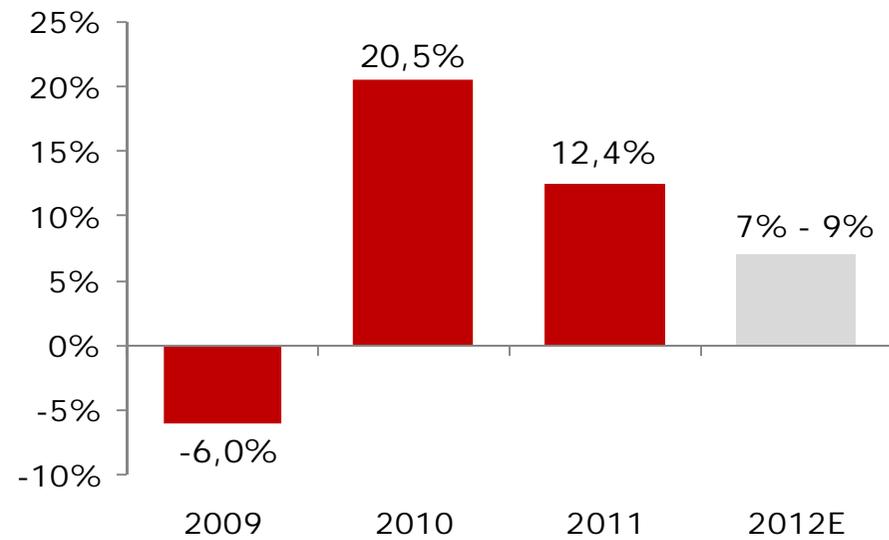
Total Fleet CAPEX (US\$ millions)	2011	2012	2013	2014	Total CAPEX (2012-2018)
	841	1,759	1,374	1,598	US\$ 8.9 bn

2012 Estimated Capacity Expansion

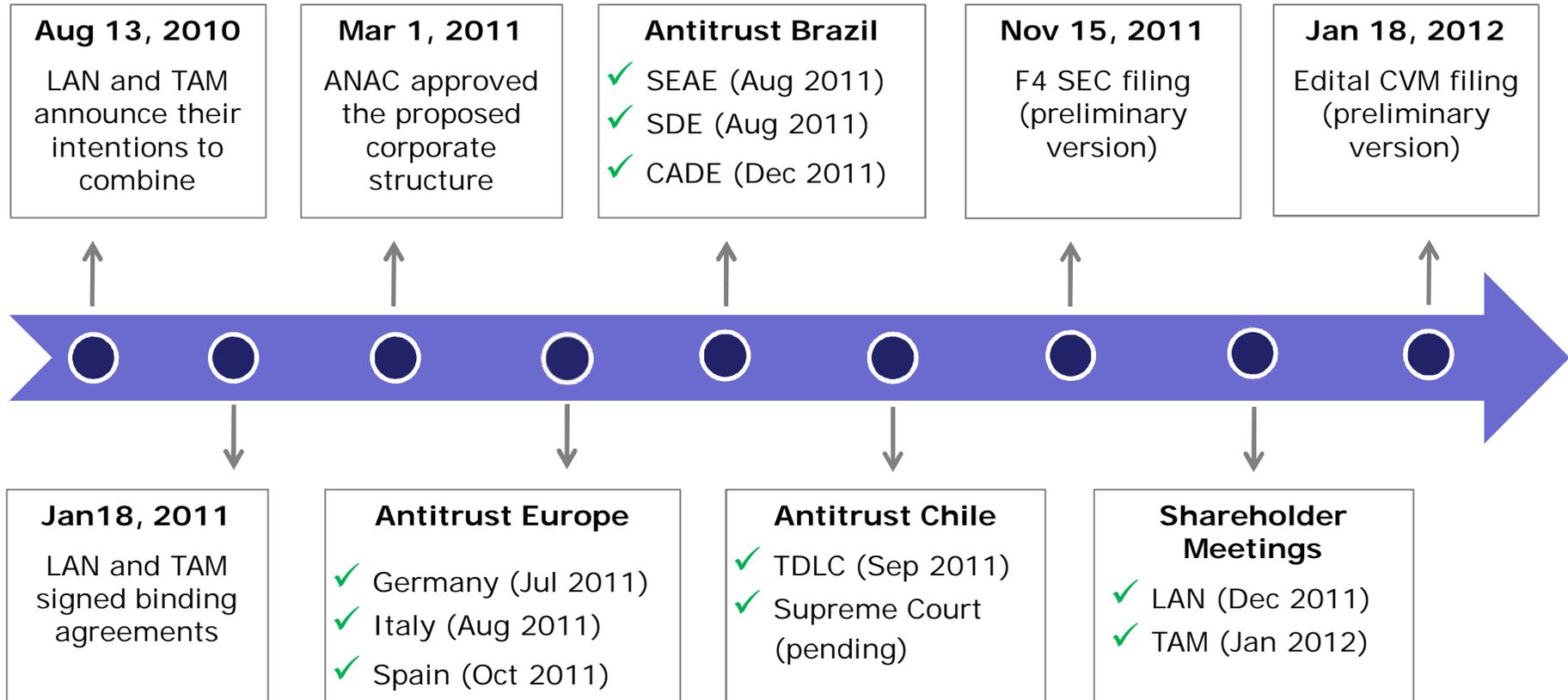
Passenger ASK Growth



Cargo ATK Growth



Milestones in the Merger with TAM



Detailing the Updated Estimated US\$600~700M in Synergies

Revenue: Cargo~\$120-125M, Pax ~\$240-285M

Cost: ~\$240-290M

Lower bound
Upper bound

Synergy source	Value US\$ Millions	Rationale	Synergy source	Value US\$ Millions	Rationale
Cargo	120 125	New service, sharing of best practices	Airports	30 35	Consolidation of functions in overlapping stations
Network relevance	75 85	Improved access to joint hubs and combined network appeal	Procurement	70 100	Leveraging economies of scale in contracts
New and increased connectivity	70 80	Combined network creates new city pairs and increased service	Corporate	20 20	Streamlining of corporate overhead and some functions
New flights	45 45	Combined network supports new flights and hubs	IT	65 70	Efficiencies of common IT platforms
Other passenger revenue	35 50	Includes consolidation of partner airline contracts and increased utilization	Maintenance	20 25	Leveraging economies and efficiencies of scale
Frequent flyer	15 25	Consolidation of the programs and sharing of best practices	Sales	35 40	Efficiency of combined sales efforts

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