

May 21, 2007



The **BANK**  
of **NEW YORK**

**A SECURITIES SERVICING  
DEPOSITARY RECEIPTS**

## Corporate Action

**ATTENTION: International Research, Sales, Trading and Operations Staff**

### SEC Registered Rights Offering

**Name:** Lan Airlines S.A.

**Country:** Chile

**Symbol:** LFL

**CUSIP Number:** 501723100

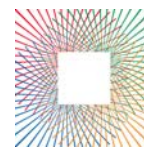
**Exchange:** NYSE

**Ratio:** 1 ADR : 5 ORDs

Please be advised that Lan Airlines S.A. filed a Form F-3 Registration Statement with the SEC in connection with the company's rights offering whereby holders of its common shares and holders of American depositary shares are offered preemptive rights to subscribe for new common shares and new ADSs respectively.

Below please find further details of this offering:

- ADS Record date: May 16, 2007
- 0.062343 ADS Right for every 1 ADS held on the ADS Record Date. Each ADS Right will allow the holder to subscribe to 1 new ADS.
- Fractional ADS rights will not be issued. Fractional ADSs must be rounded down to the nearest whole number. The rights agent will aggregate and arrange for the sale of any preferred share rights underlying fractional ADS rights and will distribute the net proceeds of such sale, if any, to ADS rights holders entitled to such proceeds.
- ADS Subscription price: The US dollar equivalent of the subscription price of CH\$ 42,005 per new American depositary share converted into U.S. dollars based on the “dolar observado” or “observed” exchange rate published by Banco Central de Chile ( which we refer to as the Central Bank of Chile) on May 18, 2007 at the rate of CH\$ 521.41 per US\$ 1.00, plus an additional 10% to cover for fees and expenses and foreign exchange fluctuations – a total estimated ADS Subscription payment of U.S.\$ 88.62 per new ADS.
- The ADS rights are not transferable and will not be traded on the NYSE.
- The ADS rights exercise period is from May 18, 2007 thru June 11, 2007.
- ADS rights expiration date is June 11, 2007 at 5 p.m. NYC time.
- The exercise of ADS rights is irrevocable.



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- We will attempt to sell unexercised rights and may be able to make a distribution of the net proceeds of the sale.
- New ADSs expected to be delivered: as soon as practicable on or after June 18, 2007.
- Registration under SEC 1933 Act effective May 7, 2007.

To learn more about ADRs and issuer programs, please call our marketing desks:

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