

Corporate Governance

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Board of Directors

Director	Position	Profession	National ID Number
Jorge Awad Mehech	Chairman	Commercial Engineer	4.756.185-K
Darío Calderón González	Director	Lawyer	5.078.327-8
José Cox Donoso	Director	Commercial Engineer	6.065.868-4
Juan José Cueto Plaza	Director	Commercial Engineer	6.694.240-6
Juan Cueto Sierra	Director	Businessman	3.246.727-K
Ramón Eblen Kadis	Director	Commercial Engineer	4.346.062-5
Bernardo Fontaine Talavera	Director	Economist	6.371.763-0
Andrés Navarro Haeussler	Director	Civil Industrial Engineer	5.078.702-8

Please note that Sebastián Piñera Echenique resigned from the Board of Directors in July 2007 and has not been replaced.

Directors Committee

The Directors Committee consists of three members who are elected for a two-year period and may be reelected. The duties of the committee include, but are not limited to, examining the external auditors' reports, the balance sheet and other financial statements; reviewing the compensation of senior executives and managers; supervising operations with related parties; analyzing reports on weaknesses in internal controls and overseeing the implementation of procedures for the reception, and processing of complaints related to accounting and internal accounting controls.

The current members of the Directors Committee are Jorge Awad Mehech, Ramon Eblen Kadis and Committee president Jose Cox Donoso. In 2007 the Committee met on fourteen occasions.

The Committee's operating costs are funded by an annual budget established at the Annual General Meeting of Shareholders. In 2007, the budgeted amount was UF 1,200.

Activities of the Directors Committee during sessions held in 2007, including operations under Articles 44 and 89 of the Chile Corporations Act (Law No. 18.046):

1) Ordinary Session No. 63 30/1/07

- Progress report on the self-assessment program
- Presentation on fraud by PwC
- State of progress of SOX 404 review (PwC)

2) Ordinary Session No. 64 14/2/07:

- Review of financial statements as at 31/12/06 together with PwC auditors

3) Extraordinary Session No. 4 14/3/07

- Presentation of external auditors' reports on financial statements under US GAAP and internal control certification

4) Ordinary Session No. 65 27/3/07:

- Presentation by IT and Processes Area on information security
- Review of progress on IFRS project
- Proposal by external auditors and private risk rating agencies to board of directors

5) Ordinary Session No. 66 24/4/07:

- Review of financial statements as at March 31, 2007
- Presentation on progress of audit plan 2007

6) Ordinary Session No. 67 29/5/07:

- SOX work plan 2007
- External auditors' fees
- Hiring of consultants for IFRS project
- Analysis of fraud indicators for remote sales
- Sale of LAN Logistics

7) Ordinary Session No. 68 26/6/07:

- Fleet financing
- Accounting and tax treatment of terminated aircraft
- Presentation on progress of audit plan 2007

8) Extraordinary Session No. 5 18/7/07:

- Presentation and assessment of stock option plan for senior executives and managers

9) Ordinary Session No. 69 25/7/07:

- Review of financial statements as at 30/06/07 together with PwC auditors
- Social responsibility balance sheet for airlines (presentation by PwC)

10) Ordinary Session No. 70 28/8/07:

- Corporate governance, better practices for Directors Committee (PwC presentation)
- Presentation regarding action plans on passenger compensation indicators
- LAN fleet market valuation

11) Ordinary Session No. 71 25/9/07:

- Analysis of accounts payable
- Progress report on IFRS convergence project
- Progress on SOX certification

12) Ordinary Session No. 72 24/10/07:

- Naming of new auditor-general and Committee secretary
- Review of financial statements as at 30/9/07
- Presentation on progress of audit plan 2007
- Progress on contracting process for third-party auditing services in Brazil and Mexico affiliates
- Approval of transaction with Chilevisión under Article 44 of the Chile Corporations Act ("Ley de Sociedades")

13) Ordinary Session No. 73 27/11/07:

- Presentation of internal control report by PwC
- Review of executive pay and compensation plan

14) Ordinary Session No. 74 21/12/07:

- Analysis of impact of IFRS on financial statements
- Presentation on progress of audit plan 2007

Director's Remuneration

Director	Director's Fees (US\$)	Director's Committee Member's Fees (US\$)
Jorge Awad Menech	25,464.82	10,912.26
Dario Calderon González	10,913.49	
José Cox Donoso	10,014.65	10,013.42
Juan Cueto Sierra	10,025.84	
Juan José Cueto Plaza	10,913.49	
Ramon Eblen Kadis	10,913.49	10,912.26
Bernardo Fontaine Talavera	10,913.49	
Andres Navarro Haeussler	9,138.11	
Sebastian Piñera Echenique	8,106.20	
Total	106,403.59	31,837.94
TOTAL FEES	138,241.53	

Please note that totals may differ from the sum of individual amounts due to rounding.

Principal Executives

Executives	Position	Profession	National ID Number
Enrique Cueto Plaza	CEO LAN	Commercial Engineer	6.694.239-2
Ignacio Cueto Plaza	President and COO LAN	Businessman	7.040.324-2
Armando Valdivieso Montes	CEO Passenger	Commercial Engineer	8.321.934-3
Cristián Ureta Larraín	CEO Cargo	Civil Engineer	9.488.819-0
Alejandro de la Fuente Goic	Chief Financial Officer	Commercial Engineer / Agronomist Engineer	6.947.715-1
Marco Jofré Marín	Senior Vice President Operations, Engineering and Maintenance	Civil Engineer	7.502.352-9
Carlos Prado Cánepa	Senior Vice President Corporate Investment	Pilot	5.193.770-8
Emilio del Real Sota	Senior Vice President Human Resources	Psychologist	9.908.112-0
Enrique Elsaca Hirmas	Senior Vice President Strategic Planning	Commercial Engineer	8.732.095-2

Total remuneration paid to company executives in 2007 was US\$48.4 million, plus a further US\$10.9 million in incentive payments. Severance compensation amounted to US\$2.8 million.

Share ownership

Main Shareholders	2007		2006	
	Shares	% of the Total	Shares	% of the Total
INV COSTA VERDE LTDA Y CIA EN COMANDITA POR ACCIONES	85,083,567	25.1%	86,133,567	27.0%
AXXION S.A.	64,477,874	19.0%	65,827,874	20.6%
THE BANK OF NEW YORK	32,712,367	9.7%	43,542,425	13.7%
INVERSIONES SANTA CECILIA S.A.	24,767,920	7.3%	23,417,920	7.3%
INVERSIONES ANDES S.A.	22,288,695	6.6%	21,288,695	6.7%
LARRAIN VIAL S.A. CORREDORA DE BOLSA	7,784,508	2.3%	5,241,616	1.6%
BANCHILE CORREDORES DE BOLSA S.A.	6,099,607	1.8%	2,264,900	0.7%
INVERSIONES ALCALA S.A.	4,744,677	1.4%	-	-
INVERSIONES LOS GUINDOS S.A.	4,744,677	1.4%	-	-
TRES MARES S.A.	4,677,797	1.4%	6,590,598	2.1%
CITIBANK CHILE CTA.DE TERCEROS CAP.XIV RES	4,349,569	1.3%	1,874,321	0.6%
CELFIN CAPITAL S.A. CORREDORES DE BOLSA	3,994,341	1.2%	3,450,017	1.1%

Under the terms of a shareholders' agreement signed in 2004, LAN is jointly controlled by the Cueto group (represented by Inversiones Costa Verde Ltda. y Cía. en Comandita por Acciones and Inversiones Mineras del Cantábrico S.A.) and the Piñera group (acting through Axxion S.A. and Inversiones Santa Cecilia S.A.).

The Piñera Group held shares in LAN as of December 31, 2007 through two companies: Axxion S.A., which owns 19.0%, and Inversiones Santa Cecilia S.A., which owns 7.3%. Santa Cecilia S.A. holds 99.9855% of Axxion S.A. stock. The only shareholders of Inversiones Santa Cecilia S.A., owning their interests indirectly, were Miguel Juan Sebastián Piñera Echenique, National ID No. 5.126.663-3, with 9.72%; Cecilia Morel Montes, National ID No. 7.052.438-4, with 6.75%; Magdalena María Piñera Morel, National ID No. 12.797.919-7, with 20.88%; María Cecilia Piñera Morel, National ID No. 13.434.538-1, with 20.88%; Juan Sebastián Piñera Morel, National ID No. 15.382.284-0, with 20.88% and Cristóbal Piñera Morel, National ID No. 15.960.200-1, with 20.88%.

The Cueto Group was a shareholder in Lan Airlines S.A. on December 31, 2007 through Inversiones Costa Verde Ltda., y Cía. en Comandita por Acciones owning 25.1% of the company's shares and Inversiones Mineras del Cantábrico S.A. owning 0.4%. The natural persons holding indirect interests of both companies are Enrique Cueto Plaza, National ID No. 6.694.239-2, with 20%; Juan José Cueto Plaza, National ID No. 6.694.240-6, with 20%; Ignacio Cueto Plaza, National ID No. 7.040.324-2, with 20%; Esperanza Cueto Plaza, National ID No. 7.040.325-0, with 20%; Isidora Cueto Cazes, National ID No. 18.391.071-K, with 6.66%; Felipe Cueto Ruiz-Tagle, National ID No. 20.164.894-7, with 6.66% and María Emilia Cueto Ruiz Tagle, National ID No. 20.694.332-7, with 6.66%.

Common Share & ADR Price Trend 2005-2007

LAN Shares, Quarterly Statistics (Santiago Stock Exchange)

2005	Shares Traded	Average Price (CH\$)	Total Volume (CH\$)
First quarter	20,785,758	3,937	81,535,841,666
Second quarter	20,817,293	4,172	86,077,156,710
Third Quarter	36,456,318	3,782	132,502,371,222
Fourth Quarter	37,907,161	3,632	137,794,150,122
2006			
First quarter	15,137,981	4,083	61,535,699,453
Second Quarter	16,361,971	3,774	61,207,501,057
Third Quarter	49,545,952	3,645	180,429,240,868
Fourth Quarter	55,052,056	4,914	273,046,834,223
2007			
First quarter	63,764,272	7,087	450,574,711,323
Second Quarter	65,791,460	8,244	532,608,050,131
Third Quarter	59,686,078	8,316	458,701,603,999
Fourth Quarter	63,843,686	7,499	476,075,212,779

LAN ADRs, Quarterly Statistics (New York Stock Exchange)

2005	ADRs Traded	Average Price (US\$)	Total Volume (US\$)
First quarter	28,769,500	6.79	194,161,851
Second Quarter	20,936,000	7.17	150,441,522
Third Quarter	36,159,500	6.83	240,539,354
Fourth Quarter	35,504,000	6.94	246,516,467
2006			
First quarter	20,886,000	7.77	161,504,413
Second Quarter	23,313,500	7.15	164,123,315
Third Quarter	34,302,000	6.77	232,448,520
Fourth Quarter	40,239,000	9.25	375,044,925
2007			
First quarter	59,348,620	13.14	793,287,205
Second Quarter	44,811,105	15.63	707,785,273
Third Quarter	42,054,500	16.01	667,262,126
Fourth Quarter	42,217,368	14.93	624,666,734

Note: One ADR represents one common share. On August 16, 2007 LAN changed the ADR ratio from 5:1 to 1:1. In order to reflect this change, the information prior to this date has been recalculated.