LAN

Santiago de Chile

17 de agosto de 2010

Señor
Fernando Coloma Correa
Superintendente
Superintendencia de Valores y Seguros
Av. Libertador Bernardo O'Higgins N°
Santiago
Presente

Ref: Documentos Presentados en el Extranjero

Estimado señor Superintendente:

Por medio de la presente y de conformidad con lo dispuesto en el artículo 218 de la Ley N°18.045 sobre Mercado de Valores, adjuntos a esta comunicación envío a esta Superintendencia los documentos que se individualizan a continuación, todos presentados por Lan Airlines S.A. ("LAN") con fecha 16 de agosto (salvo el N°8, según se detalla abajo) a la autoridad regulatoria de valores en los Estados Unidos de América (*Securities and Exchange Commission*, o "SEC") en Washington, D.C., en relación con el memorándum de entendimiento no vinculante (*non-binding*) informado a esta Superintendencia por medio de hechos esenciales de fecha 6 y 13 de agosto de 2010 (los "Hechos Esenciales"):

1. Presentación denominada "6-K", que consiste en la traducción al inglés del hecho esencial enviado por LAN a esta Superintendencia el día 13 de agosto pasado;

2. Primera presentación efectuada de acuerdo a la regla 425 de la Ley de Valores de los Estados Unidos (*Rule 425 of the Securities Act of 1933*, o "Regla 425"), que consiste en el comunicado de prensa en inglés difundido por LAN el viernes 13 de agosto. Se adjunta también la traducción al idioma español de este documento;

3. Segunda presentación efectuada de acuerdo a la Regla 425, que consiste en una exposición preparada en conjunto por LAN y TAM S.A. ("TAM") dirigida a inversionistas en general, en que se describen diversos aspectos de lo informado en los Hechos Esenciales. La traducción al idioma español de este documento está siendo preparada y será provista a esta Superintendencia y a las Bolsas de Valores a la brevedad posible;

4. Tercera presentación efectuada de acuerdo a la Regla 425, que consiste en una lista de preguntas y respuestas preparadas en conjunto por LAN y TAM

respecto de lo informado en los Hechos Esenciales, dirigidas a los empleados de ambas compañías. Se adjunta también la traducción al idioma español de este documento;

5. Cuarta presentación efectuada de acuerdo a la Regla 425, que consiste en una lista de preguntas y respuestas preparadas en conjunto por LAN y TAM respecto de lo informado en los Hechos Esenciales, dirigidas al público en general. Se adjunta también la traducción al idioma español de este documento;

6. Quinta presentación efectuada de acuerdo a la Regla 425, que consiste en una lista de preguntas y respuestas preparadas en conjunto por LAN y TAM respecto de lo informado en los Hechos Esenciales, dirigidas a los inversionistas en general. Se adjunta también la traducción al idioma español de este documento;

7. Sexta presentación efectuada de acuerdo a la Regla 425, que consiste en la traducción en inglés de una comunicación enviada internamente por LAN a todos sus trabajadores respecto de lo informado en los Hechos Esenciales. Se adjunta también la versión original de este documento en idioma español; y

8. Séptima presentación efectuada de acuerdo a la Regla 425, enviada hoy, que consiste en las distintas páginas con información publicadas en el sitio de internet www.latamairlines.com, preparado en conjunto por LAN y TAM para informar a sus clientes, inversionistas, trabajadores y al público en general de lo indicado en los Hechos Esenciales. Como puede observar el señor Superintendente, el sitio es de acceso libre y público y está publicado en los idiomas español, inglés y portugués.

Sin otro particular, saluda atentamente a usted,

Alejandro de la Fuente Goic
Vicepresidente de Finanzas
Lan Airlines S.A.

CC: Bolsa de Comercio de Santiago
Bolsa de Corredores - Bolsa de Valores de Valparaíso
Bolsa Electrónica de Chile
Comisión Clasificadora de Riesgo

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934

For the month of August 2010

Commission File Number 1-14728

Lan Airlines S.A.
(Translation of registrant's name into English)

Av. Presidente Riesco 5711, Piso 20
Las Condes
Santiago, Chile
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.
Form 20-F ☑ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):___

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(2):___

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.
Yes ☐ No ☑

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-__________.

Exhibit List

Number	Description
99.1	Material Facts.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 16, 2010

LAN AIRLINES S.A.

By: /s/ Cristian Toro Cañas
Name: Cristian Toro Cañas
Title: Senior Vice President and General Counsel

Santiago, August 13, 2010

Mr. Fernando Coloma Correa
Superintendent
Superintendency of Securities and Insurance
Present

REF.: Report Essential Fact.

From our consideration:

According to articles 9 and 10 of Securities Act No. 18,045 and according to General Rule No. 30, and duly authorized by the Board of Directors of LAN Airlines S.A. ("LAN"), Securities Registry No. 306, and in accordance with extraordinary Board meeting held this same date, I hereby inform you as ESSENTIAL FACT that today LAN, Costa Verde Aeronáutica S.A. and Inversiones Mineras del Cantábrico S.A. (the "LAN Controllers"), TAM S.A. ("TAM") and TAM Empreendimentos e Participações S.A. (the "TAM Controllers") have executed a non binding memorandum of understanding (the "MOU") which the fundamental aspects are summarized below.

1. In accordance with the MOU, LAN and TAM have agreed to combine their companies in order to incorporate TAM to a common holding company in order to integrate it to the existing LAN operations to this date, and in which TAM shareholders will be part of the stock ownership of LAN.

LAN would change its name to LATAM Airlines Group S.A. and would incorporate LAN Airlines operations and its subsidiaries in Perú, Argentina and Ecuador, LAN Cargo and its subsidiaries, TAM Lineas Aereas, TAM Mercosur and related companies of LAN and TAM.

2 The exchange ratio between LAN and TAM has been agreed in 0.9 shares of LAN per each share of TAM.

3. This business combination would be carried out through a series of transactions and corporate operations, including a shares exchange offer (the "Shares Exchange Offer") with the purpose that the current shareholders of TAM become shareholders of LAN (which, as noted, would change its name to LATAM Airlines Group S.A.). Furthermore, LATAM Airlines Group S.A. would have the ownership of substantially all the economic rights in TAM (representing today their shares without voting rights) whether directly or through a close corporation incorporated in Chile. And, TAM Controllers would have ownership of 80% of the common shares with voting rights of TAM, thus maintaining control over the same, in accordance with Brazilian law, and LAN would have ownership of the remaining 20% of the common shares with voting rights.

Finally, a shareholders agreement would be executed among LATAM Airlines Group S.A. and TAM Controller, in order to establish the form of corporate governance of TAM and the coordinated alignment of its operations.

It is expected that TAM would be delisted from Bovespa Brazil, and that its ADRs would be also delisted from the New York Stock Exchange ("NYSE"). LATAM Airlines Group S.A. shares will continue to be traded at the stock exchanges of Chile and under the form of ADRs at the NYSE. In addition, the shares of LATAM Airlines S.A will be traded at the Bovespa in Brazil under the form of BDRs.

4. By virtue of a Shareholders Agreement, whose definitive terms must be agreed by the parties, LAN Controllers would grant TAM Controllers the right to be represented at the Board of Directors of LATAM Airlines Group S.A. with the same number of Directors of the LAN Controllers, who would commit themselves to support with the votes as per their stock ownership in LATAM Airlines Group S.A. the election of the director that TAM Controllers would not be able to choose for themselves. In this scenario, LAN Controllers and TAM Controllers would commit themselves to act jointly and, in case of disagreement, the resolution of the Board of LATAM Airlines Group S.A. would be final.

For Shareholder Meeting matters, they would act jointly and in cases of disagreement, and if there is a Board position, it would be resolved by the latter. And, in those cases where there is no position of the Board of Directors, it would be resolved by the LAN Controllers, after LAN Controllers and TAM Controllers having made all good faith efforts in order to agree a common position; and subject, however, as compensation, to certain rights to be granted to the TAM Controllers. The shareholders agreement would also regulate the transfer of shares.

5. The MOU is subject to the parties agreeing on final documentation, to completion of mutual due diligence, and to obtaining of corporate, regulatory and other applicable approvals. In addition, the parties committed themselves to negotiate in good faith the definitive agreements, in order to conclude this process by executing them within 60 days from this date.

The transaction is subject to customary conditions for this kind of operation, among which is the acceptance of the Shares Exchange Offer by 95% of the shares of TAM and obtaining of necessary approvals under the applicable laws and regulations of Chile and Brazil.

6. The member companies of the group of airlines will continue operating under their current brands and their licenses of operation. These companies will work together in order to build an international network of passengers and freight transport in the region. LAN and TAM have operated in shared code during the past three years, along with the cooperation in the maintenance and acquisition of aircraft. This transaction brings this cooperation to the next level, with the total alignment of economic interests of both companies and their shareholders.

Mauricio Rolin Amaro will be the Chairman of LATAM Airlines Group S.A. and Enrique Cueto Plaza, currently the Executive Vice-President of LAN, will be the CEO/Executive Vice-President of LATAM Airlines Group S.A. The airlines will maintain their current structures of managerial leadership. Maria Claudia Amaro will be the Chairman of the Board of TAM, Marco Bologna will remain as CEO of TAM, and Líbano Barroso will remain as CEO of TAM Lineas Aereas S.A. Ignacio Cueto Plaza will be the General Manager of LAN. Each of the member companies of the group will maintain its current headquarters and its corporate governance structure.

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As the Mr. Superintendent can see, this transaction is intended to consolidate the economic interests of different stakeholder groups into one single entity, without prejudice of the compliance with laws and regulations regarding foreign ownership restrictions.

Completion of this transaction is expected to take six to nine months, which is subject to obtaining applicable regulatory approvals necessary for this purpose. Achieved the above, it will form an airline that will be among the 10 major airlines and airline groups in the world, which will provide transport services for passengers and cargo to more than 115 destinations in 23 countries, operating a fleet of more than 220 aircrafts and will have over 40,000 employees.

A copy of the Confidential Essential Fact Notice filed by LAN on August 6, 2010 is attached, by means of which your Superintendence was informed about the negotiations that resulted in the execution of the MOU.

Thanking your attention, yours sincerely,

Enrique Cueto Plaza
Executive Vice-President
LAN Airlines S.A.

Santiago, August 6, 2010

Mr. Fernando Coloma Correa
Superintendent
Superintendency of Securities and Insurance
Present

REF.: Report Confidential Essential Fact.

From our consideration:

According to articles 9 and 10 of Securities Act No. 18,045 and according to General Rule No. 30, and duly authorized by the Board of Directors of LAN Airlines S.A. ("LAN"), Securities Registry No. 306, and in accordance with extraordinary Board meeting held this same date, I hereby inform you as CONFIDENTIAL ESSENTIAL FACT the following:

1. LAN has publicly stated in several occasions, its interest in explore associations or other forms of business combinations with important airlines in the Latin-American region. And within this region, in several opportunities, LAN has expressed publicly its primary interest in participating in the air transport market in Brazil.

2. With respect to the Brazilian market, we have carefully considered the attractiveness of a possible association or business combination with any of the most important in such market.

3. TAM S.A. has always been an interesting potential partner in order to participate in the air transport market in Brazil.

4. In such respect, there is an opportunity of moving forward with the level of precision required in a negotiation of a business combination with TAM S.A.

5. The Board of Directors of LAN has authorized and instructed the Executive Vice-President, Mr. Enrique Cueto Palza, in order to carry on the negotiations of a possible transaction with TAM S.A. in the shortest possible term.

6. Moreover, the Board of Directors, integrated by Merrs. Jorge Awad Mehech, José Cox Donoso, Ramón Eblen Kadis, Juan Cueto Sierra, Darío Calderón González, Juan José Cueto Plaza, Juan Gerardo Jofré Miranda, Carlos Heller Solari and Bernardo Fontaine Talavera, has considered prudent, and agreed by the unanimity of the attendees to the extraordinary Board meeting held this date, to confidentially communicate this information, considering that, if it goes public, this information could induce to error to the shareholders, investors and to the market in general, in connection with the certainty of the execution of the transaction and the agreement of each of its terms and conditions, beginning for the price of the transaction, in circumstances that there is no clarity that the transaction would even finally materialize. Moreover, if this information is made public, at the current stage of the process, put in great risk the possibility and viability of the execution of an eventual transaction of such nature, and therefore, the interest of the company might seriously be affected.

7. In addition to the above, it is important to point out, that accordance to the information we have, the publicity of an eventual transaction before being agreed and communicated to the Brazilian aeronautic authority, put in great risk the possibility and viability of the execution of an eventual transaction of such nature, and therefore, it might seriously affect the interest of the company.

8. In consequence, and according to paragraphs 6 and 7 referred above, we would be most grateful to this Superintendency in keeping this information as confidential while there is no absolute certainty of the proposed transaction.

9. If the negotiations move forward, we estimate the eventual transaction might be public in a term from one week to one month.

10. We will keep this Superintendency informed, as soon as a relevant fact takes place or if the reasons that caused this confidentially cease, and, of course, if the negotiations has prospered at the point that LAN and TAM S.A. could make it public though an essential fact notice.

11. We would like to point out that the Board of Directors has instructed the adoption of all necessary measures in order to keep this information as confidential.

12. In such respect, please see below a list with those individuals that are in possession of this confidential information. This list may be updated as applicable:

a) Members of the Board of Directors of LAN Airlines S.A.
b) The following offices of LAN Airlines S.A. or subsidiaries:

1. Enrique Cueto Plaza
2. Ignacio Cueto Plaza
3. Roberto Alvo Milosawlewitsch
4. Alejandro de la Fuente Goic
5. Armando Valdivieso Montes
6. Cristián Ureta Larraín
7. Emilio del Real
8. Cristián Toro Cañas
9. Damián Scokin
10. Federico Germani
11. René Muga Escobar
12. Enrique Elsaca Hirmas
13. Francisco Recabarren Magofke

c) Juan Ignacio Langlois – JP Morgan Chase (Chile y USA)
d) Dan Chu – UBS AG.
e) José María Eyzaguirre Baeza – Claro y Cia.
f) Alex Dichter – Mackinsey & Company

Filed by Lan Airlines S.A.
pursuant to Rule 425 under the
Securities Act of 1933, as amended.

Subject of the offer: TAM S.A.
(Commission File No.: 1-32826)

Contacts for TAM S.A.	Contacts for LAN Airlines S.A.
Marco Bologna (President TAM S.A.) Líbano Miranda Barroso (Investor Relation Director TAM S.A.) Jorge Bonduki Helito (Investor Relations Manager) Marcus Vinicius Rojo Rodrigues (Investor Relations) Suzana Michelin Ramos (Investor Relations) Tel.: +55 11 5582 9715 Fax: +55 11 5582 8149 invest@tam.com.br www.tam.com.br/ir	Investor Contacts: Alejandro de la Fuente, CFO Gisela Escobar, Director Investor Relations Tel +562 565 8785 gisela.escobar@lan.com investor.relations@lan.com Press Contacts: René Muga Senior Vice President of Corporate Affairs Tel +562 565 3878 rene.muga@lan.com Eric Brielmann / Jamie Moser Joele Frank, Wilkinson Brimmer Katcher (212) 355-4449

FOR IMMEDIATE RELEASE

LAN AND TAM ANNOUNCE INTENTION TO COMBINE

NEW LATIN AMERICAN AIRLINE GROUP WOULD BE AMONG THE LEADING AIRLINES IN THE WORLD

Seamless travel across Latin America and between Latin America and the world

Unparalleled cargo network

Continued commitment to current markets; new destinations to be added; employees would benefit from faster growth and increased job stability

LAN and TAM to continue to operate as distinct airlines and independent brands; Headquarters in Santiago and Sao Paulo to remain

US $400 million in annual expected synergies

SANTIAGO, CHILE and SAO PAULO, BRAZIL – August 13, 2010 – LAN Airlines S.A. (LAN) (NYSE: LFL/IPSA: LAN) and TAM S.A. (TAM) (BM&FBOVESPA: TAMM4/NYSE: TAM) today announced that they have entered into a non-binding MOU that outlines their intentions to combine their holdings under a single parent entity. The combination would create a new Latin American airline group that would offer seamless passenger and cargo service across the continent and around the world. The new group, to be known as LATAM Airlines Group, would include Lan Airlines and its affiliates in Peru, Argentina and Ecuador; Lan Cargo and its affiliates; TAM Lineas Aereas S.A.; TAM Mercosur and all other holdings of LAN and TAM. The transaction is subject to both parties entering into a binding definitive agreement and satisfaction of conditions, including corporate and shareholder approvals and actions and regulatory approvals.

Each of the airlines in the group would continue to operate under their existing operating certificates and brands. The carriers would work to build a comprehensive network of international passenger flights and cargo services throughout the region. Growth enabled by the transaction would reach new destinations, create more opportunities for employees of both companies and more value creation for shareholders and would foster economic development and job growth in the home countries of the Group airlines and the countries they serve.

The all-stock transaction would consolidate the economic interests of LAN and TAM under a single parent entity while satisfying the foreign ownership and control requirements of each country where they operate. In connection with the transaction, LAN Airlines S.A. would be renamed LATAM Airlines Group S.A. (LATAM) and would serve as a parent company that will align activities for all group holdings. TAM shareholders would be offered 0.90 shares of common stock of LATAM for each share of TAM.

LATAM would retain its listing in the Santiago stock exchange and its ADR listing in the New York Stock Exchange and plans to list its shares, via BDRs, in the Bovespa in Brazil.

Within the group, TAM would continue to operate as a Brazilian company with its own structure. The current holdings of LAN Airlines S.A. would operate as an independent business unit within the group (and be referred to as LAN Airlines). Each airline within the group would maintain its current headquarters and governance structure.

The controlling shareholders of LAN and TAM have agreed to a governance model to jointly manage strategic decisions relating to the alignment of the activities of LATAM group holdings. Mauricio Rolim Amaro, currently Vice-chairman of the Board of Directors at TAM S.A., will serve as Chairman of Board of Directors of LATAM and Enrique Cueto, currently CEO of LAN, will serve as LATAM CEO.

Within the Group, Maria Claudia Amaro, currently Chairman of the Board of Directors of TAM, will serve as Chairman of TAM under the new structure. Marco Bologna, currently President/CEO of TAM S.A. will serve as CEO of TAM. Libano Barroso, currently president of TAM Lineas Aereas S.A., will remain in that capacity. Ignacio Cueto, currently President/COO of LAN, will serve as CEO of LAN Airlines.

"This is the completion of the vision of our founder, Captain Rolim, who believed that in an open skies market, a large Latin American airline group would provide much more competitive services to our passengers and cargo customers" said Marco Bologna, CEO of TAM. "Combining our strengths and complementary networks will bring great benefits to our customers, employees, shareholders and Latin America. Together, LAN and TAM will be able to offer new destinations that neither company could have supported on its own. This will position us to compete with the foreign carriers that continue to increase service to our region while creating new jobs in our home countries."

Enrique Cueto, CEO of LAN Airlines said: "Today is a great day for LAN, our customers, our employees and our shareholders. Together we have built LAN into a true leader in Latin America. We have much to be proud of and much to be thankful for. But as the industry consolidates, we cannot stand still. Today we announced our intention to join forces with our friends at TAM, setting forth on a journey that will create one of the leading airline groups in the world. We have great admiration and respect for our friends at TAM and have enjoyed many years of collaboration. They share our passion for service, for integrity and our belief in the great potential of the Latin American market. With this combination, we take two Latin American leaders and create a global leader that will make Latin Americans proud."

The combined airline group would provide passenger services to more than 115 destinations in 23 countries while providing cargo services throughout Latin America and across much of the globe. The airlines of the group would operate a fleet of more than 220 aircraft, and have more than 40,000 employees. In 2009 these carriers had combined revenues of US $8.5 billion, carried more than 45 million passengers and carried combined cargo of 832,000 tons. The Group would be among the leading airline groups in the world in terms of size, profitability and market reach.

The combination is expected to generate annual synergies of approximately US $400 million. These synergies are expected to come broadly in equal proportion from alignment of the passenger networks, growth in the cargo network (both internationally and in Brazil), and reduced cost. Management expects that it would be able to implement approximately one third of the synergies within the first year following the close of the transaction and all synergies by the end of the third year.

Employees would benefit from enhanced career opportunities and faster growth as a result of the combination. The scale and diversity of the new carrier would provide more stability and greater financial strength, benefiting all stakeholders. The combined airlines would have more than 200 aircraft scheduled for future delivery, driving growth and increased employment across the region.

Passengers would benefit from an increase in flights, destinations, and connections as a result of this combination. The combined carrier would allow for seamless travel throughout the region and beyond. Frequent flyer program members would be able to earn and redeem miles on more flights, and be able to earn miles through more partners than ever before.

Cargo customers would have access to the most comprehensive cargo network in Latin America - with more capacity, frequency, and destinations than any other carrier. The combined carriers would work quickly to ensure that customers can book, ship and track cargo seamlessly across the expanded network.

Under the MOU, the two companies will now engage in exclusive negotiations towards a binding definitive agreement, which shall be subject to reaching agreement on the final documentation, due diligence, respective corporate and shareholder approvals and actions, and regulatory approvals. No assurances can be given that a binding definitive agreement will be entered into or that the combination will be completed.

Further information about the transaction can be found at www.latamairlines.com.

Advisors
BTG Pactual is acting as exclusive financial advisor and Turci Attorneys, Machado, Meyer, Sendacz e Opice Advogados, Clifford Chance and Cariola Diez Pérez-Cotapos & Cía. Ltda. are acting as legal advisors to TAM. JP Morgan Securities Inc. is acting as financial advisor and Claro y Cia., Sullivan & Cromwell LLP and Pinheiro Neto Advogados are acting as legal advisors to LAN.

Conference Call and Webcast
LAN and TAM will host a conference call today, August 13, 2010, at 6:00 p.m. Santiago/ U.S. Eastern/7:00 p.m. Brazil time. To access this conference, you can dial one of the following telephone numbers and reference conference ID number 94458484:

- U.S. Participant Dial-In Number: (866) 610-1072
- International Participant Dial-In Number: 1-973-935-2840
- Brazil Participant Dial-In Number: 0 800 891 9722
- Chile Participant Dial-In Number: 1 230 020 6927

In addition, an audio webcast of the call will be available live and will be archived on the investor relations portions of both companies' Web sites at www.lan.com and www.tam.com.br, respectively, as well as on the joint Web site launched by the companies today, www.latamairlines.com.

A replay of the conference call will be available as soon as practicable following the end of the call and be available until August 27, 2010. To access the rebroadcast you will need to dial one of the following telephone numbers and reference conference ID number 94458484:

- U.S. Participant Dial-In Number: (800) 642-1687
- International Participant Dial-In Number: 1-706-645-9291
- Brazil Participant Dial-In Number: 0 800 891 6201
- Chile Participant Dial-In Number: 1 230 020 6914

About LAN

LAN Airlines is a 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 and Ecuadorian domestic markets.

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

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™, an alliance of leading global airlines of which LAN has been a member for over 10 years. For information please visit www.lan.com

About TAM

TAM is a member of the Star Alliance, leader in the Brazilian domestic market since 2003 and held a 43.0% domestic market share and 82.7% international market share in July 2010. TAM operates regular flights to 44 destinations throughout Brazil and serves 88 different cities in the domestic market through regional alliances. Operations abroad include TAM's flights to 18 destinations in the United States, Europe and South America. TAM has code-share agreements that make possible the sharing of seats on flights with international airlines, enabling passengers to travel to 79 other destinations in the U.S., Europe and South America. The Star Alliance network, in turn, offers flights to 1167 airports in 181 countries. At the end of July 2010, TAM had a fleet of 143 aircraft, comprising Airbus A340, A330, A321, A320 and A319 aircraft and Boeing models B777 and B767 aircraft, operating approximately 700 domestic and 80 international flights daily. TAM was the first Brazilian airline company to launch a loyalty program. Currently, the program has over 7.2 million subscribers and has awarded more than 10.8 million tickets. For information please visit www.tam.com.br.

Forward Looking Statements

This press release contains forward-looking statements, including with respect to the negotiation, implementation and effects of the proposed combination. Such statements may include words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "would" 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.

ADDITIONAL INFORMATION ABOUT THE PROPOSED BUSINESS COMBINATION AND WHERE TO FIND IT:
This press release relates to a proposed business combination between Lan Airlines S.A. ("LAN") and TAM S.A. ("TAM"), which will become the subject of a registration statement and prospectus to be filed with the SEC by LAN and a new entity to be formed in connection with the combination. This press release is not a substitute for the registration statement, prospectus and offering materials that LAN and the new entity will file with the SEC or any other documents that they may file with the SEC or send to shareholders in connection with the proposed combination. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT, PROSPECTUS, EXCHANGE OFFER DOCUMENTS AND ALL OTHER RELEVANT DOCUMENTS FILED OR THAT WILL BE FILED WITH THE SEC AS THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED BUSINESS COMBINATION. All such documents, if filed, would be available free of charge at the SEC's website (www.sec.gov) or by directing a request to LAN, through Gisela Escobar Koch, at 56-2-565-3944 or by e-mail at gisela.escobar@lan.com, or to TAM through Jorge Helito, at 55-11-5582-9715 or by e-mail at jorge.helito@tam.com.br.

Contacts for TAM S.A.	Contacts for LAN Airlines S.A.
Marco Bologna (President TAM S.A.) Líbano Miranda Barroso (Investor Relation Director TAM S.A.) Jorge Bonduki Helito (Investor Relations Manager) Marcus Vinicius Rojo Rodrigues (Investor Relations) Suzana Michelin Ramos (Investor Relations) Tel.: +55 11 5582 9715 Fax: +55 11 5582 8149 invest@tam.com.br www.tam.com.br/ir	Investor Contacts: Alejandro de la Fuente, CFO Gisela Escobar, Director Investor Relations Tel +562 565 8785 gisela.escobar@lan.com investor.relations@lan.com Press Contacts: René Muga Senior Vice President of Corporate Affairs Tel +562 565 3878 rene.muga@lan.com Eric Brielmann / Jamie Moser Joele Frank, Wilkinson Brimmer Katcher (212) 355-4449

LAN Y TAM ANUNCIAN INTENCIÓN DE ASOCIARSE

El nuevo grupo de aerolíneas latinoamericano estaría entre las compañías líderes del mundo.

- ***Viajes simples y expeditos en América Latina y entre la región y el mundo.***
- ***La más extensa red de carga .***
- ***Firme compromiso con los países de la región y se agregarán nuevos destinos. Los empleados de ambas compañías se beneficiarían de mayor crecimiento y estabilidad laboral.***
- ***LAN y TAM continuarán operando como aerolíneas distintas con sus marcas de forma independiente y mantendrán sus casas matrices en Santiago y Sao Paulo.***
- ***Sinergias se estiman en US$ 400 millones al año***

Santiago/Sao Paulo 13 de agosto de 2010. En el día de hoy, LAN Airlines S.A. (LAN) (NYSE:LFL) y TAM Airlines S.A (TAM) (NYSE: TAM) informan que han suscrito un Memorándum de Entendimiento (MOU) no vinculante donde acuerdan llevar adelante su intención de asociar sus empresas en virtud de una sola entidad matriz. De esta forma, se crearía un nuevo grupo latinoamericano de aerolíneas que ofrecería a sus pasajeros y clientes de carga nuevos servicios a lo largo de la región y entre Latinoamérica y el resto del mundo.

El nuevo grupo, denominado LATAM Airlines Group, incluirá a LAN Airlines y sus filiales en Perú, Argentina y Ecuador; además de LAN CARGO y sus filiales; TAM Airlines, TAM Mercosur y todas las demás filiales de ambas compañías. El proceso está sujeto a la firma de un acuerdo vinculante definitivo en condiciones satisfactorias entre las aerolíneas incluyendo aprobaciones corporativas y de los accionistas así como también por parte de las respectivas autoridades regulatorias.

Cada una de las aerolíneas del grupo continuarían operando con sus actuales certificados de operación y marcas de manera independiente y trabajarían de forma conjunta para construir una completa red de vuelos internacionales de pasajeros y servicios de carga a lo largo de la región. El crecimiento se reflejaría en nuevos destinos, creando más oportunidades para sus empleados y mayor creación de valor para sus accionistas y estimularía el desarrollo económico de los países servidos por el grupo de aerolíneas.

El acuerdo consolidaría todos los intereses económicos de LAN y TAM en virtud de una sola entidad matriz, cumpliendo con las normativas que regulan la propiedad y control extranjero en cada país donde operan. Como parte de este acuerdo, LAN Airlines S.A. pasaría a denominarse LATAM Airlines Group S.A. (LATAM) y actuaría como sociedad matriz que coordinará las actividades de todas las compañías del grupo. A los accionistas de TAM se les ofrecerían 0,90 acciones ordinarias de LATAM por cada acción de TAM.

LATAM mantendría las acciones listadas en la Bolsa de Valores de Santiago y los ADR's en la Bolsa de Nueva York. Adicionalmente, planea listar sus acciones, vía BDRs, en el Bovespa, de Brasil

Dentro del grupo, TAM continuaría operando como una compañía brasileña con su propia estructura. A su vez, el actual *holding* de LAN Airlines S.A. operaría como una unidad de negocios independiente (referida a LAN Airlines) dentro del grupo. Cada aerolínea mantendría su actual casa matriz y estructura de gestión.

Los accionistas controladores de LAN y TAM han acordado un modelo de gobierno corporativo para compartir en forma conjunta las decisiones estratégicas relacionadas con el alineamiento de actividades para todo el grupo LATAM Airlines Group. Mauricio Rolim Amaro, actual vicepresidente del Directorio de TAM S.A., será Presidente del Directorio de LATAM y Enrique Cueto, actual CEO de LAN, asumirá como CEO de LATAM.

A su vez, Maria Claudia Amaro, actual Presidente del Directorio de TAM S.A., será Presidente de TAM bajo la nueva estructura. Marco Bologna, actual Presidente y CEO de TAM S.A. será CEO de TAM. Libano Barroso mantendrá su posición como Presidente de TAM Líneas Aéreas S.A. Ignacio Cueto, quien actualmente ocupa la gerencia general de LAN, asumirá como nuevo CEO de LAN Airlines.

"Esto completa la visión de nuestro fundador, Comandante Rolim, quien creía que un mercado de cielos abiertos un gran grupo de líneas aéreas latinoamericanas aportaría más servicios competitivos a sus pasajeros y clientes de carga ", señaló Marco Bologna, CEO de TAM. "Combinando nuestras fortalezas y redes complementarias brindaremos diversos beneficios a nuestros pasajeros y clientes de carga, empleados y accionistas en América Latina", agregó. "En conjunto, LAN y TAM, podrán ofrecer nuevos destinos, a los que ninguna de las dos podrían haber operado de forma independiente. Esto nos posicionará para competir con aerolíneas extranjeras y continuar incrementando el servicio en nuestra región, creando más empleos en nuestros países".

Enrique Cueto, CEO de LAN Airlines expresó: "Hoy es un gran día para LAN, nuestros clientes, nuestros empleados y accionistas. En conjunto hemos hecho de LAN un líder de Latinoamérica. Tenemos mucho de que enorgullecernos y estar agradecidos. Pero a medida que la industria se consolida no podemos permanecer inmóviles. Hoy día hemos anunciado nuestra intención de unir fuerzas con nuestros amigos de TAM iniciando un camino que creará uno de los grupos de aerolíneas líderes en el mundo. Tenemos gran admiración y respeto por nuestros amigos de TAM y hemos disfrutado muchos años de colaboración. Ellos comparten nuestra pasión por el servicio, la integridad y nuestra creencia en el gran potencial del mercado latinomericano. Con esta asociación dos líderes de la región se convierten en un líder global que hará que los latinoamericanos se sientan orgullosos".

Las compañías del Grupo ofrecerían servicios de pasajeros a más de 115 destinos en 23 países, además de brindar servicios de carga a lo largo de Latinoamérica y a nivel mundial. Las aerolíneas del Grupo operarían una flota conformada por más de 220 aviones y sus equipos humanos están integrados por más de 40.000 empleados. En 2009, registraron ingresos combinados por US$8.500 millones y en conjunto trasladaron más de 45 millones de pasajeros y 832.000 toneladas de carga. El Grupo sería uno de los líderes a nivel mundial en términos de tamaño, rentabilidad y cobertura de mercados.

Se estima que se generarán sinergias anuales por aproximadamente US$ 400 millones. En líneas generales, provendrán en igual proporción del alineamiento de las redes de pasajeros, crecimiento en la cobertura de las operaciones de carga (internacionalmente así como en Brasil) y reducción de costos. Aproximadamente, un tercio de las sinergias se alcanzarían durante el primer año siguiente al cierre del proceso y todas al finalizar el tercero.

Los empleados se beneficiarían de mejores oportunidades para su desarrollo profesional y un crecimiento más rápido como resultado de esta asociación. La escala y diversidad de la nueva compañía promovería la estabilidad y solidez financiera, beneficiando a todos los grupos de interés. Las aerolíneas, en conjunto, tendrían más de 200 nuevos aviones programados para futuras entregas, impulsando el crecimiento y la generación de empleo en la región.

Los pasajeros se beneficiarían de un incremento en las operaciones, destinos y conexiones. A su vez, disfrutarían de viajes expeditos a través de la región y hacia y desde Latinoamérica. Los miembros de los programas de pasajero frecuente podrían acumular y cobrar premios en más vuelos y, al mismo tiempo, ganarían millas en más compañías asociadas obteniendo mayores beneficios que antes.

Los clientes de carga tendrían acceso a la más completa red en Latinoamérica, con más capacidad, frecuencias y destinos que ninguna otra aerolínea. Las compañías trabajarían rápidamente para asegurar que sus clientes puedan reservar, embarcar y realizar los seguimientos a sus envíos de forma simple y expedita a lo largo de la extensa red de servicios.

Según el Memorándum de Entendimiento (MOU), ambas compañías se comprometen a realizar negociaciones exclusivas en orden a alcanzar un acuerdo definitivo de carácter vinculante, que estará sujeto a la documentación final, *due dilligence*, y a las respectivas aprobaciones de sus accionistas y entidades reguladoras. En este momento, no puede darse certezas respecto a que se alcanzará un acuerdo definitivo y/o que la asociación será finalmente implementada.

Para más información acerca de la transacción se ruega visitar la página www.latamairlines.com.

Advisors
BTG Pactual is acting as exclusive financial advisor and Turci Attorneys, Machado, Meyer, Sendacz e Opice Advogados, Clifford Chance and Cariola Diez Pérez-Cotapos & Cía. Ltda. are acting as legal advisors to TAM. JP Morgan Securities Inc. is acting as financial advisor and Claro y Cia., Sullivan & Cromwell LLP and Pinheiro Neto Advogados are acting as legal advisors to LAN.

Conference Call and Webcast
LAN and TAM will host a conference call today, August 13, 2010, at 6.00 p.m. Santiago/ U.S. Eastern/7.00 p.m. Brazil time. To access this conference, you can dial one of the following telephone numbers and reference conference ID number 94458484:

- U.S. Participant Dial-In Number: (866) 610-1072
- International Participant Dial-In Number: 1-973-935-2840
- Brazil Participant Dial-In Number: 0 800 891 9722
- Chile Participant Dial-In Number: 1 230 020 6927

In addition, an audio webcast of the call will be available live and will be archived on the investor relations portions of both companies' Web sites at www.lan.com and www.tam.com.br, respectively, as well as on the joint Web site launched by the companies today, www.latamairlines.com.

A replay of the conference call will be available as soon as practicable following the end of the call and be available until August 27, 2010. To access the rebroadcast you will need to dial one of the following telephone numbers and reference conference ID number 94458484:

- U.S. Participant Dial-In Number: (800) 642-1687
- International Participant Dial-In Number: 1-706-645-9291
- Brazil Participant Dial-In Number: 0 800 891 6201
- Chile Participant Dial-In Number: 1 230 020 6914

Acerca de LAN

LAN Airlines es una de las aerolíneas líderes de Latinoamérica en el transporte de pasajeros y carga. La compañía sirve alrededor de 70 destinos en el mundo a través de una extensa red que ofrece amplia conectividad dentro de la región uniendo, a su vez, Latinoamérica con Estados Unidos, Europa y el Pacífico Sur. A través de diversos acuerdos de códigos compartidos, LAN sirve adicionalmente otros 70 puntos internacionales. LAN Airlines y sus filiales lideran los mercados domésticos de Chile y Perú, además de tener una importante presencia en las rutas nacionales de Argentina y de haber cumplido un año de operación doméstica en el Ecuador.
Actualmente LAN Airlines opera 87 aviones de pasajeros y su filial LAN CARGO opera 11 aeronaves de carga. Posee una de las flotas más modernas del mundo, lo que ha significado mayor eficiencia y una significativa reducción de las emisiones de CO2, reflejando así su importante compromiso con la protección del medio ambiente.

LAN es una de las pocas aerolíneas en el mundo clasificadas como *Investment Grade (BBB).* Sus estándares internacionales de calidad le han valido ser miembro de **one**world™, la alianza global de aerolíneas que LAN integra desde hace 10 años y que reúne a las mejores compañías a nivel mundial. Para más información visite www.lan.com o www.oneworldalliance.com".

About TAM

TAM is a member of the Star Alliance, leader in the Brazilian domestic market since 2003 and held a 43.0% domestic market share and 82.7% international market share in July 2010. TAM operates regular flights to 44 destinations throughout Brazil and serves 88 different cities in the domestic market through regional alliances. Operations abroad include TAM's flights to 18 destinations in the United States, Europe and South America. TAM has code-share agreements that make possible the sharing of seats on flights with international airlines, enabling passengers to travel to 79 other destinations in the U.S., Europe and South America. The Star Alliance network, in turn, offers flights to 1167 airports in 181 countries. At the end of July 2010, TAM had a fleet of 143 aircraft, comprising Airbus A340, A330, A321, A320 and A319 aircraft and Boeing models B777 and B767 aircraft, operating approximately 700 domestic and 80 international flights daily. TAM was the first Brazilian airline company to launch a loyalty program. Currently, the program has over 7.2 million subscribers and has awarded more than 10.8 million tickets. For information please visit www.tam.com.br.

Este informe contiene declaraciones a futuro. Tales declaraciones pueden incluir palabras tales como "anticipa", "estima", "espera", "proyecta", "pretende", "planea", "cree" u otras expresiones similares. Las declaraciones a futuro son declaraciones que no son hechos históricos, incluyendo declaraciones sobre nuestros puntos de vista y expectativas. Estas declaraciones se basan en los actuales planes, estimaciones y proyecciones, y, por lo tanto, usted no debe basar su confianza totalmente en ellos. Las declaraciones a futuro implican riesgos e incertidumbres inherentes. Le advertimos que un número de factores importantes podrían causar que los resultados reales difieran materialmente de aquellos contenidos en cualquier declaración a futuro. Estos factores e incertidumbres incluyen, en particular, los descritos en los documentos que hemos presentado ante la Securities and Exchange Commission de EE.UU. Las declaraciones prospectivas se refieren sólo a la fecha en que se hacen, y no asumimos ninguna obligación de actualizar públicamente ninguna de ellas, ya sea a la luz de nueva información, eventos futuros u otros.

INFORMACIÓN ADICIONAL ACERCA DE LA COMBINACIÓN DE NEGOCIO PROPUESTA Y DÓNDE ENCONTRARLA:

Este comunicado de prensa se refiere a una propuesta de combinación de negocios entre Lan

Airlines S.A. ("LAN") y TAM S.A., la que será objeto de una declaración de registro y prospecto que se presentará ante la SEC por LAN y de la cual se formará una nueva entidad con respecto a esa combinación. Este comunicado de prensa no es un sustituto de la declaración de registro, del prospecto o de los materiales de oferta que LAN y la nueva entidad presentarán ante la SEC o cualquier otro documento que se pueda presentar a la SEC o enviar a los accionistas en relación con la combinación de negocios propuesta. LOS INVERSORES Y TENEDORES DE VALORES DEBEN LEER LA DECLARACIÓN DE INSCRIPCIÓN, PROSPECTO, DOCUMENTOS DE OFERTA DE CAMBIO Y TODOS OTROS DOCUMENTOS RELEVANTES PRESENTADOS O QUE SERÁN PRESENTADOS ANTE LA SEC A MEDIDA QUE SE ENCUENTREN DISPONIBLES PUES CONTENDRÁN INFORMACIÓN IMPORTANTE SOBRE LA COMBINACIÓN DE NEGOCIOS PROPUESTA. Todos esos documentos, de presentarse, estarán disponibles de forma gratuita en la página web de la SEC (www.sec.gov) o enviando directamente una solicitud a LAN, a Gisela Escobar Koch, al teléfono 56-2-565-3944 o al correo electrónico gisela.escobar@lan.com.

Filed by Lan Airlines S.A.
pursuant to Rule 425 under the
Securities Act of 1933, as amended.

Subject of the offer: TAM S.A.
(Commission File No.: 1-32826)

Forward Looking Statements

This presentation contains forward-looking statements, including with respect to the negotiation, implementation and effects of the proposed combination. Such statements may include words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "would" 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.

ADDITIONAL INFORMATION ABOUT THE PROPOSED BUSINESS COMBINATION AND WHERE TO FIND IT:
This presentation relates to a proposed business combination between Lan Airlines S.A. ("LAN") and TAM S.A., which will become the subject of a registration statement and prospectus to be filed with the SEC by LAN and a new entity to be formed in connection with the combination. This presentation is not a substitute for the registration statement, prospectus and offering materials that LAN and the new entity will file with the SEC or any other documents that they may file with the SEC or send to shareholders in connection with the proposed combination. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT, PROSPECTUS, EXCHANGE OFFER DOCUMENTS AND ALL OTHER RELEVANT DOCUMENTS FILED OR THAT WILL BE FILED WITH THE SEC AS THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED BUSINESS COMBINATION. All such documents, if filed, would be available free of charge at the SEC's website (www.sec.gov) or by directing a request to LAN, through Gisela Escobar Koch, at 56-2-565-1944 or by e-mail at gisela.escobar@lan.com , or through Jorge Helito, at 55-11-5582-9715 or by e-mail at jorge.helito@tam.com.br .

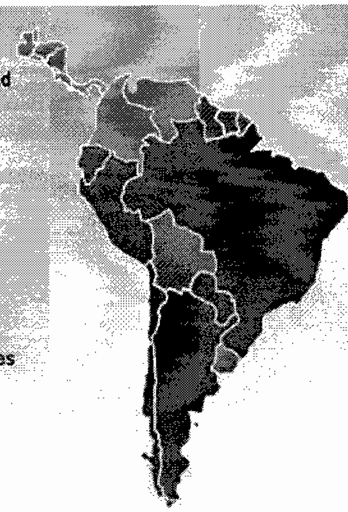
LAN TAM | 2

Evolving global context has created the opportunity for a Latin American leader to emerge

- **The world is consolidating**
  - International players are consolidating, either through mergers or broad anti-trust agreements
  - These airlines are looking at Latin America for growth
- **Regional consolidation creates the opportunity for a Latin American carrier to enter on an equal footing with the world leaders**
  - Creation of a world-class Latin American carrier
  - World-class Latin American carrier would have a strong presence in all major home markets across Latin America
  - Increased importance to the global alliance picture
- **LAN and TAM have the opportunity to create this global champion**
  - Leading home market positions across Latin America
  - Shared focus on creating value for investors, caring service for customers and opportunities for employees

Two local leaders = one global champion

- Extensive route network
  - Complementary networks with little overlap
  - Existing relationship on codeshare flights, maintenance and aircraft purchasing
  - Seamless travel throughout the region and beyond
  - Increased cargo capacity, frequency and destinations
- Unparalleled service in the region
- Combination expected to generate estimated annual synergies of US ~$400M
- Shared focus on building shareholder value, providing world-class service to customers and benefits to employees
- Provides opportunities for the group to grow faster and increase profits
- Strongest frequent flyer program in the region



This is the right time for TAM and LAN

- Unique opportunity to lead Latin America – one of the fastest growing regions in the world
- Economic growth and improving consumer disposable income are accelerating demand for competitive transportation product offerings in the region
- Current environment provides the opportunity to build a continental leader unparalleled across Latin America, as well as a strong global presence
- Both have solid financial and operating positions

Corporate structure

LATAM Chairman of the Board
Mauricio Rolim Amaro

LATAM CEO
Enrique Cueto

LAN

LAN CEO
Ignacio Cueto

Plus affiliates
- LAN Peru
- LAN Argentina
- LAN Ecuador
- LAN Cargo

TAM

TAM SA Chairman
Maria Cláudia Amaro

TAM SA CEO
Marco Bologna

TAM Linhas Aereas CEO
Libano Barroso

Plus affiliates
- TAM Mercosur
- Multiplus

- **All stock transaction** – TAM Shareholders offered newly issued shares of LAN
- **Structure designed to comply with foreign ownership restrictions**, including Brazil 20% foreign ownership restriction
- **Economic alignment of all shareholders** while the Amaro family would retain majority voting at TAM subject to veto rights

No change of control at either TAM

Transaction overview

Deal terms

- On Friday August 13th, a non-binding MOU was signed outlining their intentions to combine their holdings into the leading Latin American airline group
- TAM shareholders are to receive 0.90 shares in LAN for each TAM share

Corporate governance

- Organization model will be based on the balance of two principles:
  - BU heads operating as CEOs with real autonomy to run the business
  - Group structure/processes designed to ensure integration, full synergy capture and optimization
- Shareholders agreements will govern relations among the two companies and the controlling shareholders

Corporate structure

- LAN would be the holding vehicle of the combined operations, along with changing its name to LATAM
- LATAM would be listed in New York, Santiago and Sao Paulo

Business operations

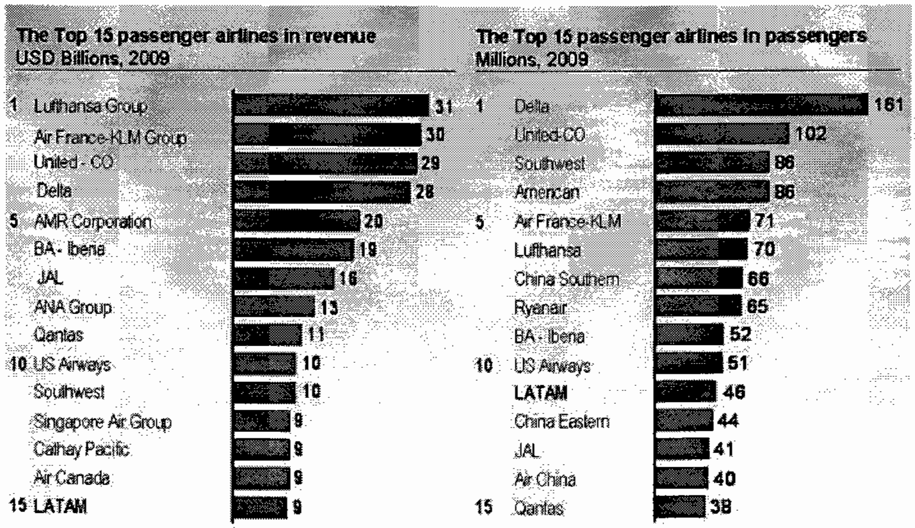
- Each entity would retain its own brand and independent operations
- TAM will continue to operate in Brazil and Paraguay, and LAN will continue to operate in Chile, Argentina, Peru, and Ecuador
- Carriers would build a comprehensive passenger and cargo network

LAN and TAM today

		TAM	LAN
Operational	▪ Passengers (millions)	30.4	15.4
	▪ Destinations	63	70
	▪ Countries served	14	17
	▪ Employees (thousands)	26.3	17.7
	▪ Aircraft	143	98
	▪ Aircraft orders	90+	121
	▪ 2009 ASKs (billions)	64.7	38.8
	▪ Tons (thousands)	183	649
Financial	▪ 2009 Revenue (USD billions)	4.9	3.7
	▪ 2009 EBITDAR margin	14.0%	22.5%

Note: Most recent figures except for financials and ASK (as of Dec 2009)

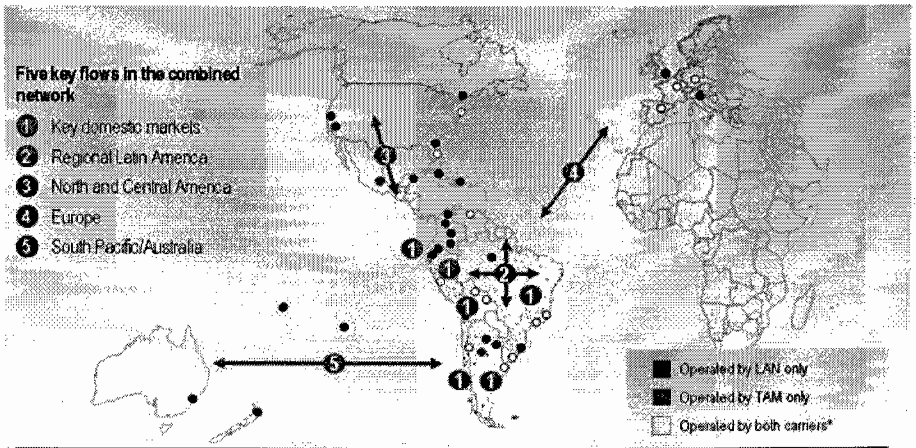
Combined, LATAM will be among the leading airlines in the world



SOURCE: Company reports for LAN and TAM, Airline Business

LAN TAM

LATAM will have an extensive passenger network offering

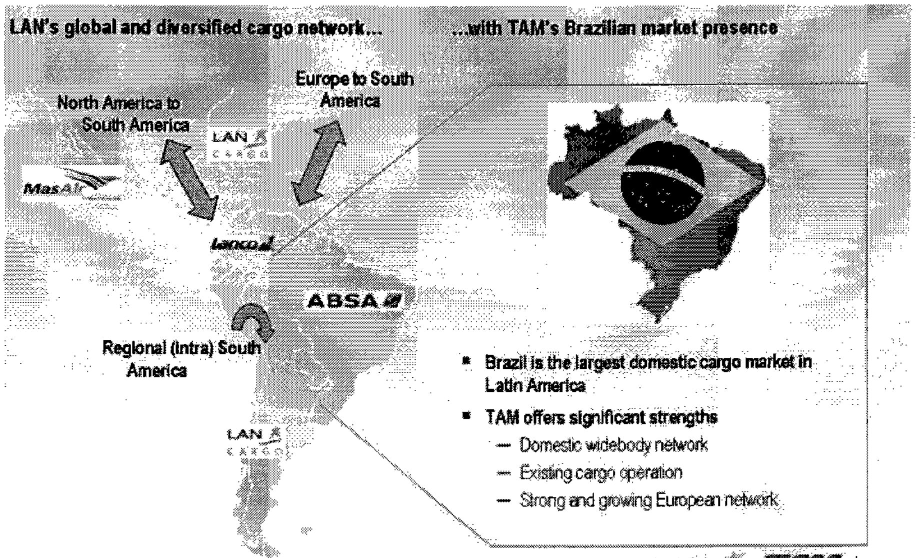


South America + Domestics	US and Canada	Europe and Rest of World
102 Destinations	6 Destinations	12 Destinations
10 Countries	2 Countries	11 Countries
+1200 Daily Departures	~19 Daily Departures	~14 Daily Departures

Source: OAG

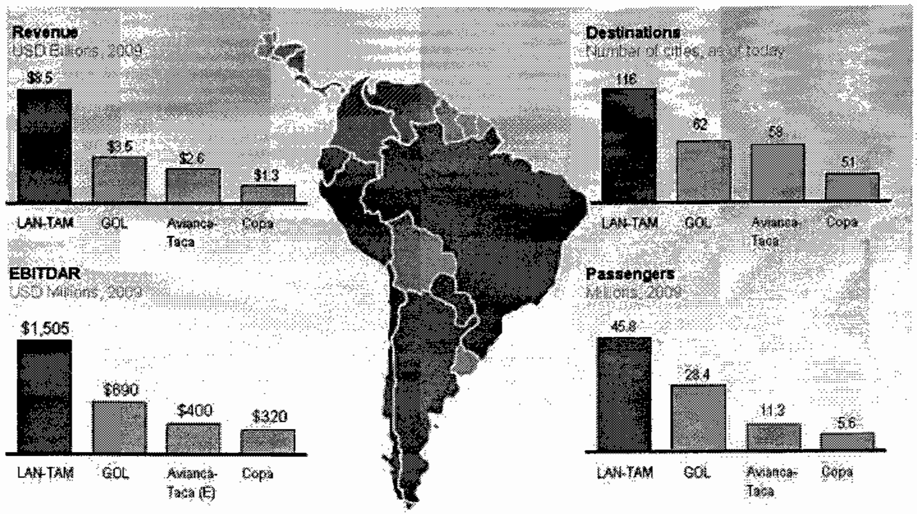
LAN TAM | 10

LAN cargo expertise + TAM market opportunity = cargo growth



- Brazil is the largest domestic cargo market in Latin America
- TAM offers significant strengths
  - Domestic widebody network
  - Existing cargo operation
  - Strong and growing European network

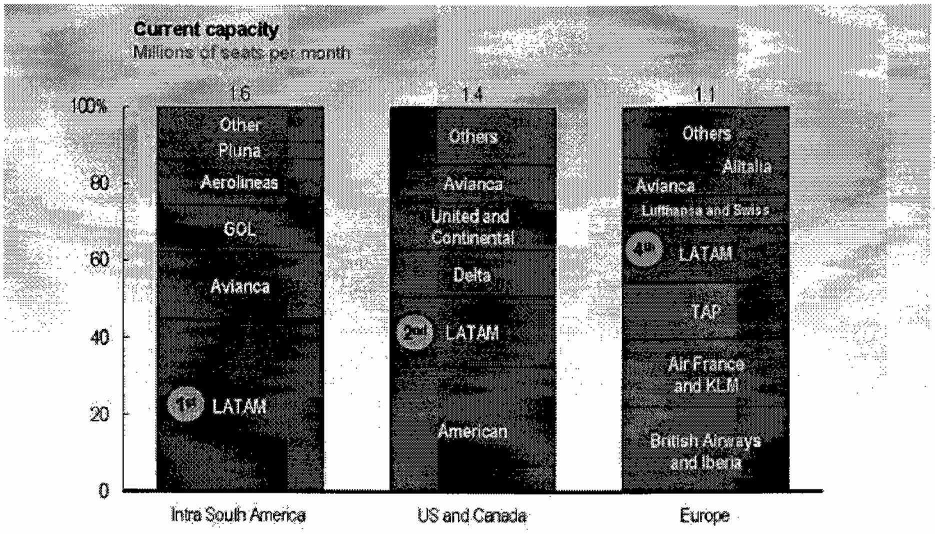
LATAM would offer an unparalleled level of service in the region



SOURCE: Company 20-F filings, Airline Business, + IR presentation, Company websites

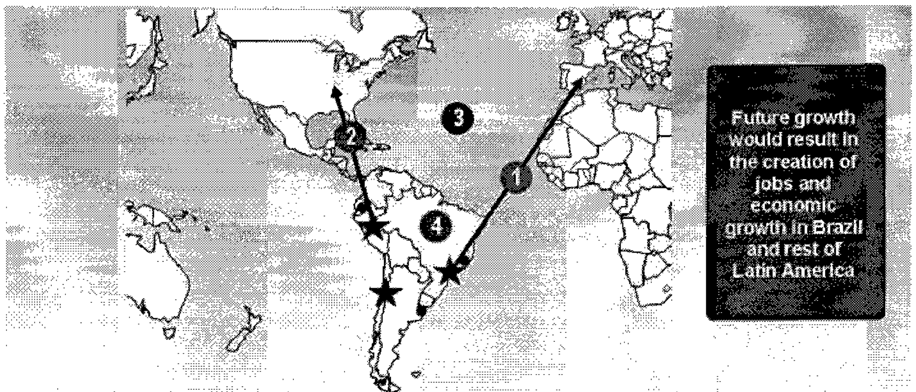
LAN TAM | 12

LATAM would be the clear #1 within South America and co-leader on routes to/from the U.S. and Canada



NOTE: International non-stop segments
SOURCE: OAG as of July 2010

And would have the ability to grow into new markets

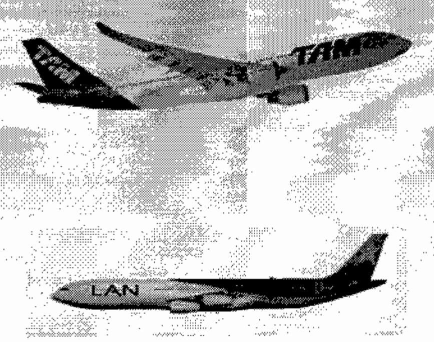


Four primary growth areas for the network initially…

1	Brazil to Europe/Africa	Increased Southern cone feed to support new service to Europe
2	Lima to North/Central Am.	Increased Brazil feed supports new service to US and Mexico
3	New hubs	Potential new hubs could connect to Europe and US
4	Cargo	Combination of LAN's expertise and TAM's footprint

Provides opportunities for the group to grow faster and increase profits

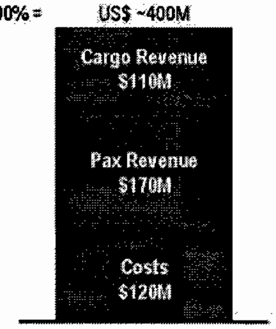
- **Faster top-line growth**
  - Enhances ability to launch new flights
  - Increases alternatives for passenger and cargo customers, capturing new customers
- **Improved cost competitiveness**
  - Leverages economies of scale
  - Benefits from best practice sharing
  - Operational coordination in international markets
- **Enhanced strategic positioning**
  - Creates the leading Latin American carrier
  - Better able to compete with other global carriers



The transaction is expected to generate estimated annual synergies of US ~$400M

Annual synergies Break-Down

100% = US$ ~400M



Highlights

- Estimated total synergies of ~4% of combined revenues (in line with other recent industry transactions)
- Management expects to implement approximately one third of the synergies within the first year, largely offsetting one time costs
- All synergies would be implemented by the end of the third year
- Potential integration risks should be mitigated by the complementary nature of networks
- Synergy values do not include other potential benefits, such as expansion of domestic cargo and sharing of best practices in domestic passenger business units

Detailing the estimated US ~$400M in synergies

Revenue: Cargo ~$110M, Pax ~$170M

Synergy source	Value US$ Millions	Rationale
Cargo	110	New service, sharing of best practices
Network relevance	50	Improved access to joint hubs and combined network appeal (especially to high yield)
New and increased connectivity	40	Combined network creates new city pairs and increased service
New flights	35	Combined network supports new flights and hubs
Other passenger revenue	35	Including consolidation of partner airline contracts and increased utilization
Frequent flyer	10	Consolidation of the programs and sharing of best practices

Cost ~$120M

Synergy source	Value US$ Millions	Rationale
Airports	25	Consolidation of functions in overlapping stations
Procurement	25	Leveraging economies of scale in contracts
Corporate	20	Streamlining of corporate overhead and some functions
IT	20	Efficiencies of common IT platforms
Maintenance	15	Leveraging economies and efficiencies of scale
Sales	15	Efficiency of combined sales efforts

LAN TAM | 17

Committed to a superior customer experience

- More destinations and greater schedule options
- LATAM would serve more than 115 destinations in 23 countries
- More opportunities to earn and redeem miles in the strongest frequent flyer program in the region
- Sharing of customer service best practices

The combination would also benefit employees

- **More career opportunities**
  - Access to new stations across the combined network
  - Fast growing airline with over 200 airplanes on order
- **Improved job stability** from our enhanced ability to compete with global leaders
- **Pride in creating a global leader** that would drive economic growth throughout the region
- Both airlines will continue to fly with their current certificates, **relying on their respective pilots and flight attendants**

LATAM would have the strongest frequent flyer program in the region

- As of the end of 2009, Fidelidade had ~7M and LANPASS ~4M members
- Going forward, combining Fidelidade and LANPASS would provide a strong starting position to gain further scale in the region
- We anticipate that the new combined frequent flyer program would drive customer loyalty, business growth and ancillary revenue streams

LATAM: creating the world-class global airline group for Latin America

- Latin American leader with major strategic and economic benefits for employees, customers and shareholders
- LATAM would have pro-forma combined revenues of US $8.5B (as of year-end 2009), serving more than 115 destinations, and would become one of the most valuable airlines worldwide
- Complementary assets and market positions expected to contribute to a stronger competitive position for the company, and further growth through new destinations and more flights
- Synergies as a part of the arrangement are expected to save US ~$400M annually, ~1/3 of which are expected to be implemented by the end of year one, largely offsetting one-time costs


LAN
TAM
LAN and TAM announce intention to combine
Investor Presentation
August 13, 2010

This fax cover sheet is NOT part of the official filing and is meant as a courtesy only. Please disregard this page if you plan to submit changes via email. Email is the preferred method for submitting changes.

Fax Cover Sheet

To:	Matthew Judge	From:	
Fax:	646-349-9655	Phone:	
Phone:	(212) 201-7018	Pages:	
Project:	v194144	Form Type:	425
Client:	Lan Airlines SA		

Comments:

Filed by Lan Airlines S.A.
pursuant to Rule 425 under the
Securities Act of 1933, as amended.

Subject of the offer: TAM S.A.
(Commission File No.: 1-32826)

Employees

What was announced today?

LAN and TAM today announced that they have entered into a non-binding Memorandum of Understanding (MOU) to combine their holdings under a single parent entity, creating a new world-class Latin American airline group that would be better able to serve customers across the continent and around the world.

This combination is about the future of Latin American aviation. We would be able to offer service to Europe, North America and beyond and would have the ability to launch new flights to places neither airline could on a standalone basis. Importantly, we believe the combination would contribute to the economic growth of Latin America.

Will this announcement have any impact on my job today?

Until the combination is completed, it will be business as usual for both companies. LAN and TAM will continue to operate as distinct airlines and independent brands, and LAN and TAM will continue to codeshare on select flights.

As we do every day, we should all focus on continuing to deliver the great service our customers have come to expect, with safety as our first priority.

Will employee jobs be impacted once the combination is completed?

We believe employees would benefit from enhanced career opportunities and faster growth as a result of the combination. The scale and diversity of the new carrier would help promote stability and financial health, benefiting all stakeholders, including employees.

The route networks of LAN and TAM have very little overlap and in most stations, there would be no changes as a result of the combination.

It is important to keep in mind that the combination would position the company for long-term growth. The combined airlines would have more than 200 aircraft scheduled for future delivery. This future growth would require the support of our valuable employees, who would have the opportunity to experience new and exciting roles and career opportunities throughout our combined global network.

What would the combined company be called? Where would the combined company be located?

The combined airline group would be called LATAM Airlines Group. Both LAN and TAM would keep their existing headquarters.

We understand and value both of the LAN and TAM brands as they exist today, and we all take pride in being part of our respective airlines. As such, LAN and TAM would continue to operate under their own brands, within LATAM.

Would our corporate culture change?

No - We are very proud of the company cultures that exist today at both LAN and TAM. We believe this combination would allow for the preservation of the values and cultures of both companies. Both the LAN and TAM families are dedicated to preserving the identities of their individual airlines.

Furthermore, we would have the opportunity to share our culture and ideas with each other, and to work together towards our common goal of creating a leading global airline group that would be able to compete effectively with other leading carriers.

Would the new company hire more employees in the years to come?

Both LAN and TAM believe that new growth enabled by the transaction would result in more opportunities for both companies' employees, while fostering economic development and job growth in the home countries of the group's airlines and the countries they serve.

How would unions be impacted by the combination?

There would be no change to union contracts or representation as a result of the business combination. Pilots and flight attendants would continue to be based in their respective countries and would continue to be represented by their local unions. This applies to employees throughout the organization.

Would LAN and TAM continue to fly all of their routes?

LATAM would maintain all existing routes of both airlines. The combined airline group would provide passenger and cargo operations to more than 115 destinations in 23 countries.

Would the company combine Operations Control, Reservations, Flight Training and Maintenance facilities? Where would they be located?

We don't have answers to that kind of detail yet. We have announced that headquarters would remain in Santiago and Sao Paulo and also made a commitment that we would maintain the existing routes of both airlines.

What would be the plan to integrate the LAN and TAM workforces? When would that happen?

While LAN and TAM would remain distinct and independent airlines until closing, LAN and TAM would oversee an integration planning committee comprised of senior leadership from both companies, which would work to develop a detailed and thoughtful integration plan to make the post-closing integration as efficient as possible.

I'm involved in a major strategic project at LAN/TAM. Will my project continue?

In the short term, projects will continue as planned. We have work to do to align the many strategic initiatives across both companies. We will work together with project leaders to create a joint plan going forward and provide updates as we work through this process.

Would there be changes to my compensation and benefits as a result of the combination?

There will be no immediate changes to compensation and benefits directly as a result of the transaction. Employees changing positions as a result of position realignment or standardization of pay could experience a change related to compensation and benefits. This will unfold as we go forward, and we plan to keep you fully informed as the process evolves.

Would I need to relocate?

Keep in mind that until the combination is completed, it will be business as usual. Because both LAN and TAM would retain separate headquarters, we expect any need for relocation would be minimal. We will continue to keep you updated as the combination progresses.

What would happen to employee travel benefits?

We would work to develop a unified set of rules regarding employee flight for the combined company, the details of which have yet to be defined. We plan to update you as soon as an employee flight program has been established.

What uniforms would we wear?

Because LAN and TAM would retain their separate brands, we would expect the uniforms to remain as they do today, along with respective LAN and TAM brand, colors and logos.

Would the combination be permissible given current foreign ownership restrictions?

The combination would comply with all foreign ownership and control requirements.

What would happen with our fleet plan? Would we have both A350s and 787s?

LAN and TAM fleets are very similar, which is an important advantage. We both fly A320 and A340 family aircraft, in addition to the 767. We would grow faster and would possibly need to increase our aircraft orders as a result of the combination. Everything would be analyzed carefully by both companies and decisions would be made on the basis of what is best for the combined company.

What would happen to TAM Mercosur?

Nothing will change in the short term. TAM Mercosur would benefit greatly from this transaction because intraregional flying is expected to grow substantially. We would start planning how to integrate TAM Mercosur. Everything would be analyzed carefully and decisions would be made on the basis of what is best for the combined company.

What would happen to Pantanal? To the Brazilian regional market?

Nothing will change in the short term. Our increased scale would allow us to reach more cities. Our plans for the domestic Brazilian market, including for medium density routes, would not be impacted by the transaction. We would expand our intraregional network possibly into medium density routes as well.

Will our customers see any changes to our service right now as a result of today's announcement?

No. Until the transaction closes, both LAN and TAM will continue to operate independently, as separate carriers. For both carriers, this means focusing on providing our customers with the safe, reliable, convenient service they expect from us.

Following the close of the transaction, we believe passengers would benefit from an increase in flights, destinations, and connections. The combined carrier would allow for seamless travel throughout the region and beyond. Frequent flyer program members would be able to earn and redeem miles on more flights, and would be able to earn miles through more partners than ever before.

Forward Looking Statements

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Q & A Empleados

¿Qué se anunció hoy?

LAN y TAM anunciaron hoy que han suscrito un Memorándun de Entendimiento (MOU) no vinculante para asociarse, creando un nuevo grupo de aerolíneas latinoamericano de clase mundial que será capaz de servir a sus clientes en el continente y a lo largo del mundo.

La asociación se relaciona con el futuro de la aviación latinoamericana. Ofreceremos servicios a Europa, Norteamérica y el resto del mundo y tendremos la capacidad para lanzar nuevos vuelos a lugares que ninguna aerolínea podría haber operado de forma independiente. Creemos que la asociación contribuirá al crecimiento económico de Latinoamérica.

¿Este anuncio tendrá impacto en mi trabajo diario?

Hasta que la asociación sea implementada, las compañías desarrollarán sus negocios de forma absolutamente normal. LAN y TAM continuarán con sus operaciones de códigos compartidos en vuelos seleccionados.

Tal como lo hacemos cada día, deberemos focalizarnos en continuar entregando a nuestros clientes el servicio de calidad mundial que ellos esperan, con la seguridad como nuestra primera prioridad.

¿Nuestros empleos se verán impactados cuando la asociación sea implementada?

Creemos que los empleados se beneficiarán de mejores oportunidades en sus carreras profesionales y un crecimiento más rápido como resultado de esta asociación. La escala y la diversidad del nuevo grupo promoverá la estabilidad y salud financiera, beneficiando a todos los grupos de interés, incluyendo a los empleados.

Las rutas de las redes de LAN y TAM tienen muy poca superposición, por lo que en la mayoría de los destinos no habrá cambios como resultado de esta asociación.

Es importante tener en mente que la asociación posiciona a la compañía para el largo plazo. El grupo tiene más de 200 nuevos aviones programados para entrega. El futuro crecimiento requerirá del invaluable apoyo de sus empleados, quienes tendrán la oportunidad de experimentar nuevos y desafiantes roles y diversas oportunidades en sus carreras a través de una red global combinada.

¿Cómo se llamará la compañía asociada? Dónde se ubicará?

El grupo se denominará LATAM Airlines Group S.A. Ambas TAM y LAN mantendrán sus actuales casas matrices en Sao Paulo y Santiago.

Entendemos el valor de las marcas de LAN y TAM tal como ellas existen hoy y todos nosotros tenemos el orgullo de pertenecer a nuestras respectivas aerolíneas. LAN y TAM continuarán operando con sus actuales certificados de operación y marcas de manera independiente y trabajarán de manera conjunta para construir una completa red de vuelos internacionales de pasajeros y clientes de carga a lo largo de la región.

¿Cambiará nuestra cultura corporativa?

No. Estamos muy orgullosos de las culturas de nuestras compañías en LAN y TAM. Creemos que esta asociación permitirá preservar los valores y culturas de ambas compañías. LAN y TAM están dedicadas a preservar la identidad de sus aerolíneas individuales.

Por otra parte, tendremos la oportunidad de compartir nuestra cultura e ideas entre nosotros y de trabajar en conjunto con una meta común para crear un grupo de aerolíneas globales que será capaz de competir de forma efectiva con otras aerolíneas líderes.

¿Contratará esta nueva compañía más empleados en los años venideros?

LAN y TAM creen firmemente que el nuevo crecimiento que permitirá esta asociación, resultará en más oportunidades para ambas compañías y empleados, impulsando al mismo tiempo el desarrollo económico y el crecimiento del empleo en los países servidos por el grupo de aerolíneas.

¿Cómo los sindicatos serán impactados con esta asociación?

No habrá cambios en los acuerdos ni convenios o representación como resultado de esta asociación. Pilotos y tripulantes de cabina continuarán en sus respectivos países y seguirán siendo representados por sus sindicatos locales. Esto aplica también a los demás empleados a lo largo de toda la organización.

¿LAN y TAM continuarán volando a todas sus rutas?

LATAM mantendrá las rutas existentes de ambas aerolíneas. La asociación del grupo de aerolíneas proveerá operaciones de carga y pasajeros a más de 115 destinos en 23 países.

La compañía asociará el control de operaciones, reservas, entrenamiento de tripulaciones e instalaciones de mantenimiento? Dónde estarán ubicadas?

Por el momento, no podemos responder preguntas de este tipo en detalle. Hemos anunciado que la casa matriz permanecerá en Santiago y Sao Paulo y existe el compromiso de mantener las actuales rutas de ambas aerolíneas.

¿Qué plan tiene LAN y TAM de integrar sus fuerzas de trabajo? ¿Que pasará?

Mientras LAN y TAM permanezcan como aerolíneas independientes hasta el cierre del proceso, no existiran cambios. Paralelamente, se formará un comité de compuesto por un liderazgo *senior* de ambas compañías, el que trabajará para desarrollar un detallado y completo plan para llevar adelante el proceso lo más eficientemente posible.

Cabe recordar, sin embargo, que las rutas de las redes de LAN y TAM tienen muy poca superposición, por lo que en la mayoría de los destinos no habrá cambios como resultado de esta asociación.

¿Estoy involucrado en un proyecto estratégico para LAN/TAM, ¿continuará mi proyecto?

En el corto plazo, los proyectos continúan tal cual han sido planificados. Hemos trabajado para alinear las iniciativas estratégicas en ambas empresas. A medida que vayamos avanzando en el proceso, trabajaremos junto a los líderes de los proyectos para llevar a cabo un plan de cara al futuro.

¿Habrá cambios en mis compensaciones y beneficios como resultado de esta asociación?

No habrá cambios en las compensaciones y beneficios directamente como resultado de esta asociación. En el caso de empleados que cambien de posición como efecto de alguna reorganización o estandarización podrían experimentar un cambio relacionado con compensaciones o beneficios. Esto se desarrollarán en la medida que vayamos avanzando y los mantendremos completamente informados a medida que evolucione el proceso.

¿Seré reubicado?

Es importante tener en consideración que hasta que la asociación se haya implementado, el negocio se desarrollará de forma habitual. LAN y TAM están manteniendo sus casa matrices separadas y esperamos que las necesidades de reubicación sean mínimas. Continuaremos manteniéndolos actualizados a medida que la asociación avance.

¿Qué pasará con los beneficios de viaje de los empleados?

Estamos trabajando para desarrollar un set de reglas unificado en relación a los vuelos de los empleados para la compañía asociada. Detalles aún tienen que ser definidos. Les informaremos tan pronto el programa se haya establecido.

¿Qué uniformes usaremos?

Dado que TAM y LAN están manteniendo sus marcas de forma independiente, esperamos que los uniformes se mantengan como hasta hoy, con las respectivas imágenes y marcas de LAN y TAM, colores y logos.

¿Esta combinación es possible dadas las restricciones a la propiedad extranjera?

Esta asociación cumple con todos los requerimientos que regulan la propiedad extranjera.

¿Qué pasará con nuestro plan de flota? ¿Tendremos A350 y 787?

Las flotas de LAN y TAM son muy similares, lo que representa una importante ventaja. Ambas compañías vuelan aviones familia A320 y A340, además de 767. Creceremos rápido y podríamos necesitar incrementar las órdenes de aviones como resultado de esta asociación. Todo será analizado cuidadosamente por ambas compañías y las decisiones se tomarán en base a lo que ellas consideren mejor para el grupo.

¿Qué pasará con TAM Mercosur?

Nada cambiará en el corto plazo. TAM Mercosur se beneficiará enormemente con esta asociación debido al crecimiento de los vuelos interegionales que se incrementarán en forma sustancial. Comenzaremos a trabajar en el plan de asociación en las próximas semanas. Todo será analizado cuidadosamente por ambas compañías y las decisiones se tomarán en base a lo que ellas consideren mejor para el grupo.

¿Qué pasará con Pantanal? ¿Con el Mercado regional brasileño?

Nada cambiará en el corto plazo. Nuestra escala creciente nos permitirá alcanzar más ciudades. Nuestros planes para el mercado doméstico brasileño, incluyendo rutas de mediana densidad, no se verán impactadas. Expandiremos nuestra red intraregional así como probablemente nuestras redes de mediana densidad también.

¿Nuestros clientes verán cambios en nuestro servicios ahora o como resultado del anuncio de hoy?

No. Hasta que el proceso se cierre, LAN y TAM continuarán operando de forma independiente como aerolíneas separadas. Para ambas compañías, esto significa que nos enfocaremos en entregar a nuestros clientes el servicio con los más elevados estándares de seguridad, confiabilidad y eficiencia que ellos esperan de nosotros.

Cuando el proceso se cierre, tenemos la convicción de que los pasajeros se beneficiarán de un incremento en los vuelos, destinos y conexiones. La aerolínea asociada permitirá brindar viajes simples y expeditos a través de la región y más allá. Los miembros de los programas de pasajero frecuente podrán acumular y canjear kilómetros en más vuelos yganarán más millas que nunca a través de más aerolíneas asociadas.

Este documento contiene declaraciones a futuro. Tales declaraciones pueden incluir palabras tales como "anticipa", "estima", "espera", "proyecta", "pretende", "planea", "cree" u otras expresiones similares. Las declaraciones a futuro son declaraciones que no son hechos históricos, incluyendo declaraciones sobre nuestros puntos de vista y expectativas. Estas declaraciones se basan en los actuales planes, estimaciones y proyecciones, y, por lo tanto, usted no debe basar su confianza totalmente en ellos. Las declaraciones a futuro implican riesgos e incertidumbres inherentes. Le advertimos que un número de factores importantes podrían causar que los resultados reales difieran materialmente de aquellos contenidos en cualquier declaración a futuro. Estos factores e incertidumbres incluyen, en particular, los descritos en los documentos que hemos presentado ante la Securities and Exchange Commission de EE.UU. Las declaraciones prospectivas se refieren sólo a la fecha en que se hacen, y no asumimos ninguna obligación de actualizar públicamente ninguna de ellas, ya sea a la luz de nueva información, eventos futuros u otros.

INFORMACIÓN ADICIONAL ACERCA DE LA COMBINACIÓN DE NEGOCIO PROPUESTA Y DÓNDE ENCONTRARLA:

Este documento se refiere a una propuesta de combinación de negocios entre Lan Airlines S.A. ("LAN") y TAM S.A., la que será objeto de una declaración de registro y prospecto que se presentará ante la SEC por LAN y de la cual se formará una nueva entidad con respecto a esa combinación. Este documento no es un sustituto de la declaración de registro, del prospecto o de los materiales de oferta que LAN y la nueva entidad presentarán ante la SEC o cualquier otro documento que se pueda presentar a la SEC o enviar a los accionistas en relación con la combinación de negocios propuesta. LOS INVERSORES Y TENEDORES DE VALORES DEBEN LEER LA DECLARACIÓN DE INSCRIPCIÓN, PROSPECTO, DOCUMENTOS DE OFERTA DE CAMBIO Y TODOS OTROS DOCUMENTOS RELEVANTES PRESENTADOS O QUE SERÁN PRESENTADOS ANTE LA SEC A MEDIDA QUE SE ENCUENTREN DISPONIBLES PUES CONTENDRÁN INFORMACIÓN IMPORTANTE SOBRE LA COMBINACIÓN DE NEGOCIOS PROPUESTA. Todos esos documentos, de presentarse, estarán disponibles de forma gratuita en la página web de la SEC (www.sec.gov) o enviando directamente una solicitud a LAN, a Gisela Escobar Koch, al teléfono 56-2-565-3944 o al correo electrónico gisela.escobar@lan.com.

Filed by Lan Airlines S.A.
pursuant to Rule 425 under the
Securities Act of 1933, as amended.

Subject of the offer: TAM S.A.
(Commission File No.: 1-32826)

General FAQs

Why are LAN and TAM combining?

LAN and TAM have entered into a non-binding Memorandum of Understanding that outlines their intentions to combine their holdings under a single parent entity. Together, they would create a Latin American airline group, which would be among the leading airlines in the world. The airlines of the group would offer more destinations for customers, more opportunities for employees, and greater value for shareholders. The combination would allow the group airlines to grow and represent Latin America around the world, as well as create new jobs and spur economic development in their home countries.

The airlines of the group would have more than 40,000 employees serving more than 45 million customers a year, with flights to more than 115 destinations in 23 counties.

The route networks of LAN and TAM make the carriers ideal partners. There is very little overlap in service today – meaning that this agreement is about creating growth for employees and our home country economies, and creating more travel options for our customers.

What would be the corporate structure of LATAM Airlines Group?

This agreement would create an airline group called LATAM Airlines Group owned by the current shareholders of LAN and TAM. Both airlines would continue to operate as distinct airlines and independent brands as members of LATAM.

Mauricio Rolim Amaro, currently Vice-chairman of the Board of Directors at TAM S.A., would serve as Chairman of Board of Directors of LATAM and Enrique Cueto, currently CEO of LAN, would serve as LATAM CEO.

Within the Group, Maria Claudia Amaro, currently Chairman of the Board of Directors of TAM, would serve as Chairman of TAM under the new structure. Marco Bologna, currently President/CEO of TAM S.A. would serve as CEO of TAM. Libano Barroso, currently president of TAM Lineas Aereas S.A., would remain in that capacity. Ignacio Cueto, currently President/COO of LAN, would serve as CEO of LAN Airlines. Each airline in the group would retain its existing headquarters and governance structure.

How would customers benefit from the transaction?

Our customers would have access to the best route network in Latin America and beyond, with service to more than 115 destinations in 23 countries. Travel throughout Latin America would become easier with enhanced connectivity through the region's leading hubs. The partnership would also increase options for international travel by allowing the airlines to expand and serve locations neither carrier would be able to serve independently. In addition, our frequent flyer members would be able to earn and redeem miles on more flights to more destinations.

Cargo customers would benefit from increased shipping options and the most comprehensive network in Latin America.

How would employees benefit from the transaction?

Employees would benefit from increased stability and growth as a result of the creation of LATAM. The route networks of TAM and LAN are complementary with very little overlap in service – as a result, this combination is about growth, not reducing service. Once the transaction is finalized, there may be realignment of staff to support the needs of the combined airline group – but more importantly, there would be exciting opportunities for growth and movement within the group as a result of the creation of LATAM.

What impact would the creation of LATAM have on the cities and countries LAN and TAM serve?

Air connectivity is one of the key drivers of economic growth, and this combination would create a leading global airline group offering more flights to more destinations than any other Latin American carrier. LAN and TAM would continue to operate as distinct airlines and independent brands. The combination also positions the airline group for future growth, allowing the addition of more service to more destinations in the future – supporting economic development in our home countries, while creating jobs at the same time.

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Preguntas y respuestas generales

¿Por qué ambas aerolíneas se están asociando?

La asociación les permitirá crecer y representar a Latinoamérica en el mundo, así como también crear nuevas oportunidades de empleo y estimular el desarrollo económico en sus países. LAN Airlines S.A. y TAM S. A. han suscrito un MOU no vinculante donde acuerdan llevar adelante su intención de asociarse. Juntas crearán un grupo de aerolíneas latinoamericanas que estará entre las líderes del mundo. De esta forma, ambas compañías ofrecerán más destinos a sus clientes, nuevas oportunidades a sus empleados y mayor valor a sus accionistas. La asociación les permitirá crecer y representar a Latinoamérica en el mundo, así como también crear nuevas oportunidades de empleo y estimular el desarrollo económico en sus países.

En conjunto sumarán 40.000 empleados atendiendo más de 50 millones de pasajeros al año, con vuelos a más de 115 destinos en 23 países.

Las rutas que conforman las redes de LAN y TAM hacen de ambas compañías, socios ideales. Hay muy poca superposición de destinos, lo que significa que este acuerdo se relaciona con las oportunidades de crecimiento para sus empleados y de desarrollo económico para los países que sirven, ofreciendo más opciones para sus clientes.

¿Cuál es la estructura de LATAM Airlines Group (LATAM)?

Este acuerdo tendrá como resultante un grupo de aerolíneas denominada LATAM, propiedad de los actuales accionistas de LAN y TAM. Ambas aerolíneas continuarán operando con sus marcas de forma independiente como miembros de LATAM.

Mauricio Rolim Amaro, actual vicepresidente del Directorio de TAM, será Presidente del Directorio de LATAM y Enrique Cueto, actual vicepresidente ejecutivo de LAN, asumirá como CEO de LATAM.

A su vez, dentro del grupo Maria Claudia Amaro, actual Presidente del Directorio de TAM S.A., será Presidente de TAM bajo la nueva estructura. Marco Bologna, actual Presidente y CEO de TAM Airlines S.A. será CEO de TAM. Libano Barroso mantendrá su posición como Presidente de TAM Líneas Aéreas S.A. Ignacio Cueto, quien actualmente ocupa la gerencia general de LAN, asumirá como nuevo vicepresidente ejecutivo de esta compañía. Cada aerolínea del grupo mantendrá sus actuales casas matrices y estructuras de gobierno.

¿Cómo se beneficiarán los clientes de esta asociación?

Nuestros clientes tendrán acceso a la mayor red en Latinoamérica y hacia y desde la región, con servicios a más de 115 destinos en 23 países. Viajar a través de Latinoamérica será más fácil con mayor conectividad a través de los centros de conexiones más importantes de la región. La asociación incrementará las opciones para los viajes internacionales permitiendo agregar servicios que ninguna aerolínea podría operar en forma independiente. A su vez, los miembros de los programas de pasajero frecuente podrán acumular millas y cobrar premios en más vuelos y a más destinos.

Los clientes de carga se beneficiarán de un incremento en las opciones para sus embarques y de la más completa red en Latinoamérica.

¿Cómo se beneficiarán los empleados?

Los empleados se beneficiarán de una mayor estabilidad laboral y crecimiento como resultado de la asociación. La red de rutas de TAM y LAN son complementarias con muy poca superposición de servicios, por ende, esta asociación tiene que ver con crecimiento y no con reducción de servicios. Una vez que sea finalizada, podría existir algún realineamiento del personal para apoyar las necesidades del grupo, pero más relevante que eso, serán las importantes oportunidades de crecimiento y desarrollo dentro del grupo de aerolíneas.

¿Qué impacto tendrá en las ciudades y países que LAN y TAM sirven?

La conectividad aérea es uno de los factores claves en el crecimiento económico y esta asociación creará un grupo de aerolíneas global, ofreciendo más vuelos a más destinos que ninguna otra compañía latinoamericana. LAN y TAM continuarán operando en sus países con su propia marca e identidad. La asociación también posiciona al grupo para el futuro crecimiento, permitiendo la incorporación de más servicios a más destinos en el futuro, aportando al desarrollo económico de nuestros países y, al mismo tiempo, creando empleo.

Este documento contiene declaraciones a futuro. Tales declaraciones pueden incluir palabras tales como "anticipa", "estima", "espera", "proyecta", "pretende", "planea", "cree" u otras expresiones similares. Las declaraciones a futuro son declaraciones que no son hechos históricos, incluyendo declaraciones sobre nuestros puntos de vista y expectativas. Estas declaraciones se basan en los actuales planes, estimaciones y proyecciones, y, por lo tanto, usted no debe basar su confianza totalmente en ellos. Las declaraciones a futuro implican riesgos e incertidumbres inherentes. Le advertimos que un número de factores importantes podrían causar que los resultados reales difieran materialmente de aquellos contenidos en cualquier declaración a futuro. Estos factores e incertidumbres incluyen, en particular, los descritos en los documentos que hemos presentado ante la Securities and Exchange Commission de EE.UU. Las declaraciones prospectivas se refieren sólo a la fecha en que se hacen, y no asumimos ninguna obligación de actualizar públicamente ninguna de ellas, ya sea a la luz de nueva información, eventos futuros u otros.

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Filed by Lan Airlines S.A.
pursuant to Rule 425 under the
Securities Act of 1933, as amended.

Subject of the offer: TAM S.A.
(Commission File No.: 1-32826)

Investors

Why are we pursuing a business combination as opposed to a stronger alliance?

LAN and TAM have entered into a non-binding Memorandum of Understanding that outlines their intentions to combine their holdings under a single parent entity. The combination of LAN and TAM would create a Latin American global airline group that would be better able to serve customers across the continent and around the world. As a single entity, LATAM would be able to capture greater synergies, and grow more rapidly than would otherwise be possible if LAN and TAM continue to exist as two separate entities.

Furthermore, a combined carrier group would be better able to compete on a global scale – which is key in today's environment of airline consolidation.

What are the expected synergies from the transaction?

The combination is expected to generate annual synergies of approximately US $400 million. These synergies are expected to come broadly in equal proportion from alignment of the passenger networks, growth in the cargo network (both internationally and in Brazil), and reduced cost. Management expects that it would be able to implement approximately one third of the synergies within the first year following the close of the transaction and all synergies by the end of the third year.

How is the transaction structured, and where will the stock trade?

The all-stock transaction would consolidate the economic interests of LAN and TAM under a single parent entity while satisfying the foreign ownership and control requirements of each country where they operate. In connection with the transaction, LAN Airlines S.A. would be renamed LATAM Airlines Group (LATAM) and would serve as the parent company that would coordinate and align activities for all group holdings. TAM shareholders would be offered 0.90 shares of common stock of LATAM for each share of TAM.

LATAM would retain its listing in the Santiago stock exchange and its ADR listing in the New York Stock Exchange and plans to list its shares, via BDRs, in the Bovespa in Brazil.

What is the expected dividend policy?

The dividend policy would be decided by the new Board of Directors after the transaction closes. Until that time, each company's dividend policy is expected to remain in place.

What are the risks to the creation of LATAM Airlines Group?

We believe that there is minimal integration risk. The route networks of LAN and TAM have very little overlap, and many aspects of the businesses would remain unchanged. LAN and TAM brands would continue to operate as distinct airlines and independent brands, and employee groups would benefit from increased opportunities created by the new airline.

How does the combination impact LAN's cooperation with AeroOasis in Colombia?

There are no changes to LAN's plan in Colombia. LAN will continue supporting AeroOasis through the certification and startup process. If regulatory approval is received, LAN would like to acquire AeroOasis and make it part of its company. The new carrier would become part of LATAM Airlines Group.

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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.

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Inversionistas

Porque queremos una asociación en vez de crear una alianza mas fuerte?

LAN y TAM han entrado en un memorándum de acuerdo no vinculante que manifiesta sus intenciones de asociación. La asociación de LAN y TAM va a crear un grupo de aerolineas latino Americana global que va a estar mejor preparada para servir a sus clientes en el continente y el mundo. Como entidad única, LATAM puede capturar la mayoría de las sinergias, y crecer más rápidamente que en el caso que LAN y TAM continuaran existiendo como dos entidades separadas.

Incluso, una asociación va a permitir estar más preparado para competir a escala global- lo que es clave en el contexto actual de la consolidación en la industria de las aerolíneas.

¿Cuáles son las sinergias que se esperan en esta transacción?

La asociación espera generar sinergias anuales por aproximadamente 400 millones de dólares. Estas sinergias serian generadas en iguales proporciones por la alineación de las redes de pasajeros , crecimiento en el negocio de carga(Internacional y Brazil), y reducciones en costos. La administración espera implementar aproximadamente un tercio de las sinergias durante el primer año después de cerrada la transacción y tener implementadas todas las sinergias al final del tercer año.

¿Como está estructurada la transacción y donde se va a transar la accion?

La acción va a consolidar los intereses económico de LAN y TAM en virtud de una entidad matriz, cumpliendo con las normativas que regulan la propiedad extranjera en cada país.. Como parte de este acuerdo, LAN Airlines S.A. pasará a denominarse LATAM Airlines Group S.A. (LATAM) y actuará como sociedad matriz alineando y coordinando las actividades de todas las compañías del grupo.

A los accionistas de TAM se les ofrecerá 0,90 acciones ordinarias de LATAM por cada acción de TAM. LATAM mantendrá las acciones listadas en la Bolsa de Valores de Santiago y los ADR's en la Bolsa de Nueva York. Adicionalmente, planea listar sus acciones, vía BDRs, en el Bovespa, de Brasil

¿Cual es la política de dividendos esperada?

La política de dividendos será decidida por el nuevo directorio luego de que la transacción sea ejecutada. Hasta ese minuto se espera que la política de dividendo de cada compañía se mantenga.

Cuales son los riesgos de la creación de LATAM Global Airlines Group?

Creemos que existe un riesgo mínimo de integración. Las redes de rutas de TAM y LAN tienen muy poca superposición, y muchos aspectos del negocio no serán modificados. Las marcas de LAN y TAM van a continuar operando independientemente, y los grupos de empleados se van a beneficiar de mayores oportunidades creadas por la nueva aerolínea.

Como la asociación de LAN impacta la cooperación con Aeroasis en Colombia?

No existen cambios en relación al plan de LAN en Colombia. LAN va a continuar apoyando a AeroOasis a través de los procesos certificación e inicio de operaciones. Si la aprobación regulatoria es recibida, a LAN le intersaria adquirir Aeroasis y hacerla parte de la Compañía. El nuevo carrier seria parte de LATAM Global Airlines Group.

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(Commission File No.: 1-32826)

Friday, August 13, 2010

Dear all:

Today is a historic day for LAN. With great pride we want to inform you that today we announced our intention to combine with TAM S.A., Brasil's most important airline, to create the region's largest Latin American airline group, called LATAM Airlines Group S.A.

We are convinced this is the best way to achieve the goal which all of us at LAN have been working on for the last years: to become the beast Latin American airline, and one among the top ten in the world.

LAN and TAM are leaders in their respective markets. With this association we would become in one of the leading groups in the world, allowing us to compete and confront challenges of a global marketplace and of an industry in increasing consolidation, in addition to offering a product that no other company will be able to offer its clients in the region.

With Tam we have a long history of collaboration, we share the same values and strategic vision, making it an ideal partner. Our networks are complementary, both in destinations, passengers and cargo, thus will enable the growth of both and of the markets in which we operate.

This association would allow us to fly to 115 destinations in 23 countries throughout the world, including Europe, North America and Asia, and to operate a fleet that exceeds 220 aircraft. In addition, to provide the most extensive and complete services network for passengers and cargo in the region, being a team of 40,000 people dedicated to deliver the best product to our passengers and cargo clients.

This key milestone would open the doors to growth and development opportunities for all of us, including our people which will have more opportunities of growth and personal development.

If this association is materialized, our family will be part of the controlling group of shareholders together with the Amaro family, owner of TAM. Both airlines will maintain their respective leadership and corporate governance structures. Enrique will lead LATAM Airlines Group S.A. as CEO and Ignacio shall assume as executive vice president of LAN.

Each company shall preserve its identity and corporate brand, employing the same logos and colors, and the parent companies shall remain Santiago and Sao Paulo, as today. This is, without a doubt, an important point we would to highlight. The key elements of our LAN culture will be an essential part of this new group of airlines.

We hope that this process to be finalized during the first half of next year, and will require the approval of the relevant regulatory authorities. We will work to develop a plan, of which we will be timely informing you with clarity. We have also prepared a questionnaire to answer the initial questions that you may have, included in the website www.latamairlines.com, which will be permanently updated with information on this topic.

Today's announcement is likely to garner media and investor attention. Should you be contacted by members of the media or the financial community, please refer all inquiries to Cristina Pérez Iñigo, writing to her at cristina.perezinigo@lan.com.

Dear all, this moment would not have been possible without the work, dedication, commitment and care that each of you has given to this company for many years. That is why we are happy and want you to feel entirely proud to be part of LAN in this historic moment, and of this team that will put the name of our region in the highest position in the world. We invite you to continue with your work normally, but in particular we invite you to feel part of this new and transcendent stage that we begin today.

Best regards,

Enrique Cueto
CEO, LAN Airlines

Ignacio Cueto
COO, LAN Airlines

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NOTICIAS INTERNAS

Estimados/as:

Hoy es un día histórico para LAN. Con enorme orgullo queremos informarles que hoy hemos anunciado nuestra intención de asociarnos con la aerolínea más importante de Brasil, TAM. S.A., para crear el grupo latinoamericano de aerolíneas de clase mundial más grande de la región, denominado LATAM Airlines Group S.A.

Estamos convencidos de que este es el mejor camino para lograr el anhelo por el cual todos quienes formamos parte de LAN hemos estado trabajando en los últimos años: convertirnos en la mejor línea aérea Latinoamericana y una de las 10 mejores a nivel mundial.

LAN y TAM son líderes en cada uno de sus mercados. Con esta asociación nos convertiríamos en uno de los grupos líderes del mundo, permitiéndonos competir y enfrentar los desafíos de un mercado global y de una industria en creciente consolidación, además de ofrecer un producto que ninguna otra compañía podrá brindar a sus clientes en la región.

Con TAM tenemos una larga historia de colaboración, compartimos los mismos valores y visión estratégica, convirtiéndola en un aliado ideal. Nuestras redes son complementarias tanto en destinos como en rutas, en pasajeros y carga, por lo que potenciarán el crecimiento de ambas y de los mercados en donde operamos.

Esta asociación nos permitiría volar a 115 destinos en 23 países alrededor del mundo, incluyendo Europa, Norteamérica y Asia y operar una flota que supera los 220 aviones. Asimismo, brindar la más extensa y completa red de servicios para pasajeros y carga en la región y ser un equipo de 40.000 personas dedicado a entregar el mejor producto a nuestros pasajeros y clientes de carga.

Este paso trascendental abriría también las puertas a enormes oportunidades de crecimiento y desarrollo para todos, incluidas nuestras personas quienes con esta asociación tendrían más oportunidades de crecimiento y desarrollo laboral.

De concretarse la asociación, nuestra familia será parte del grupo controlador de accionistas en conjunto con la familia Amaro, propietaria de TAM. Ambas aerolíneas mantendrán sus respectivas estructuras de liderazgo y gobierno corporativo. Enrique liderará LATAM Airlines Group S.A. como CEO e Ignacio asumirá como vicepresidente ejecutivo de LAN.

Cada compañía conservará invariable su identidad e imagen corporativa, utilizando los mismos logos y colores y las casas matrices permanecerán en Santiago y Sao Paulo, como hasta ahora. Este es, sin duda, un punto muy importante que queremos enfatizar.

Los elementos claves de nuestra cultura LAN, serían parte esencial del nuevo grupo de aerolíneas.

Esperamos que este proceso finalice durante el primer semestre del próximo año y ello requerirá de las aprobaciones de las respectivas autoridades regulatorias. Trabajaremos para llevar a cabo un plan que les estaremos informando en forma clara y oportuna. También hemos preparado un cuestionario para responder a las preguntas iniciales que puedan tener, el que se encuentra en el sitio web www.latamairlines.com, el cual iremos actualizando permanentemente con información sobre el tema.

Este anuncio que estamos haciendo hoy, atraerá sin duda el interés de la prensa e inversionistas. Te solicitamos que en caso de ser contactado por algún periodista o miembro de la comunidad financiera, lo deriven a Cristina Pérez Íñigo escribiéndole a cristina.perezinigo@lan.com.

Estimados, llegar a este momento no hubiese sido posible sin el trabajo, dedicación, compromiso y cariño que cada uno de ustedes ha entregado a esta Compañía por muchos años. Es por eso que hoy estamos contentos y queremos que ustedes también se sientan plenamente orgullosos de pertenecer a LAN en este momento histórico, y de formar parte del equipo de personas que pondrá el nombre de nuestra región en el sitial más alto del mundo. Los invitamos a continuar desarrollando sus labores con normalidad pero, especialmente, los invitamos a que comiencen a sentirse los protagonistas de esta nueva y trascendental etapa que hoy comenzamos.

Un gran saludo,

Enrique Cueto
Vicepresidente Ejecutivo LAN Airlines

Ignacio Cueto
Gerente General LAN Airlines

EL VUELO COMIENZA contigo

LAN

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(Commission File No.: 1-32826)

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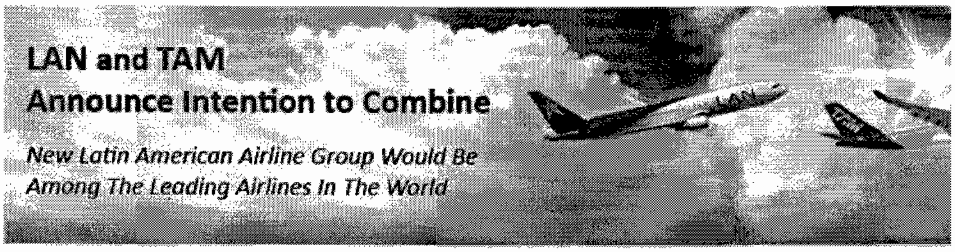
LAN TAM



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To continue, you must click on the 'Acknowledge' button at the bottom of the page.

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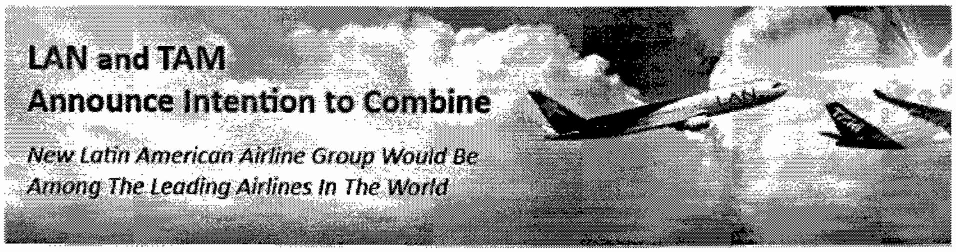

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- Investors
- Employees
- Customers
- Press
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Documents

- Press Release
- LAN-TAM Investor Presentation
- Frequently Asked Questions

Investor Conference Call
Aug. 13, 2010 - 6pm ET / 7pm Brazil

Sign-up for Alerts

Highlights of the Transaction

LAN Airlines S.A. (LAN) and TAM S.A. (TAM) announced that they have entered into a non-binding Memorandum of Understanding (MOU) that outlines their intentions to combine their holdings under a single parent entity.

The combination of LAN and TAM would create a new Latin American airline group that would offer seamless passenger and cargo service across the continent and around the world.

The new group, to be known as LATAM Airlines Group, would include LAN Airlines and its affiliates in Peru, Argentina and Ecuador; Lan Cargo and its affiliates; TAM S.A.; TAM Mercosur and all other holdings of LAN and TAM.

LAN and TAM would continue to operate under their existing operating certificates and brands. Each airline within the group would maintain its current headquarters in Santiago and Sao Paulo.

Growth enabled by the transaction would reach new destinations, create more opportunities for employees of both companies and more value creation for shareholders and would foster economic development and job growth in the home countries of the group airlines and the countries they serve.

The group would be among the leading airline groups in the world in terms of size, profitability and market reach.

The transaction is subject to both parties entering into a binding definitive agreement and satisfaction of conditions, including corporate and shareholder approvals and actions and regulatory approvals.

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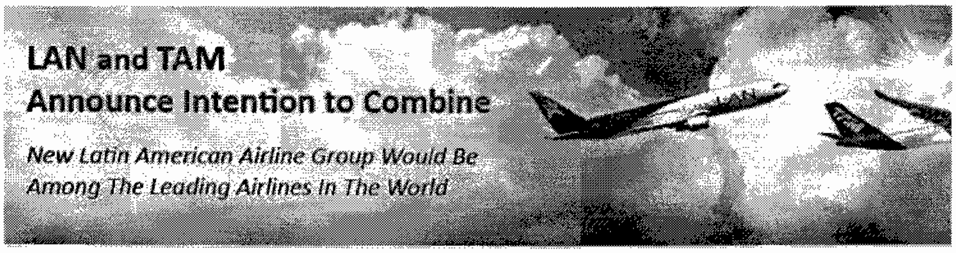

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To Our Investors

Welcome to the investor section of the LAN and TAM transaction website.

The combination of LAN and TAM would create a new Latin American airline group that would offer seamless passenger and cargo service across the continent and around the world.

The group would be among the leading airline groups in the world in terms of size, profitability and market reach.

We believe that growth enabled by the transaction would reach new destinations, create more opportunities for employees of both companies and more value creation for shareholders.

In 2009, these carriers had combined revenue of US $8.5 billion, carried more than 45 million passengers and carried combined cargo of 832,000 tons.

The combination is expected to generate annual synergies of approximately US $400 million. These synergies are expected to come broadly in equal proportion from alignment of the passenger networks, growth in the cargo network (both internationally and in Brazil), and reduced cost. Management expects that it would be able to implement approximately one third of the synergies within the first year following the close of the transaction and all synergies by the end of the third year.

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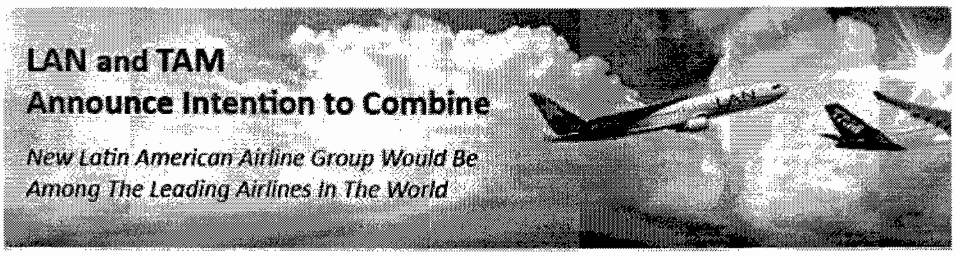
LAN TAM



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To Our Customers

Welcome to the customer section of the LAN and TAM transaction website.

The combination of LAN and TAM would create a new Latin American airline group that would offer seamless passenger and cargo service across the continent and around the world.

Together, we would be better able to serve customers. Our complementary networks are a natural fit and we look forward to working together in this new capacity.

LAN and TAM would continue to operate under their existing operating certificates and brands. Each airline within the group would maintain its current headquarters in Santiago and Sao Paulo.

The combined company would provide passenger services to more than 115 destinations in 23 countries while providing cargo services throughout Latin America and across much of the globe. The airlines of the group would operate a fleet of more than 220 aircraft, and have more than 40,000 employees.

Passengers would benefit from an increase in flights, destinations, and connections as a result of this combination. Frequent flyer program members would be able to earn and redeem miles on more flights, and be able to earn miles through more partners than ever before.

Cargo customers would have access to the most comprehensive cargo network in Latin America - with more capacity, frequency, and destinations than any other carrier. The combined carriers would work quickly to ensure that customers can book, ship and track cargo seamlessly across the expanded network.

All existing reservations and tickets are unaffected by the announcement.

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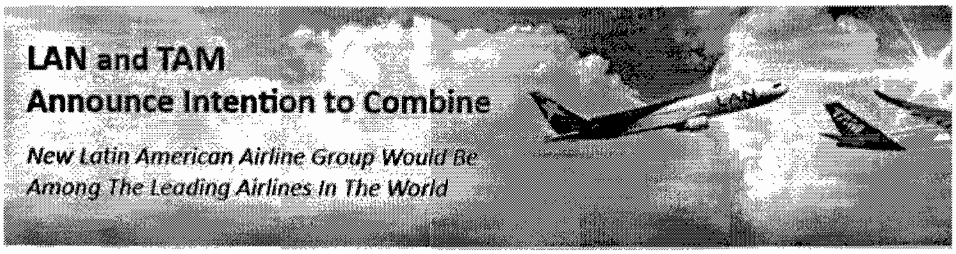

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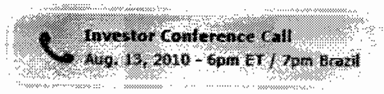

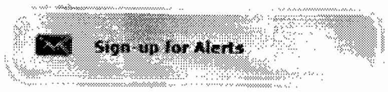

In the News

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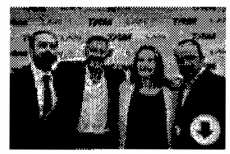
LAN / TAM		
August 13, 2010	**LAN and TAM Announce Intention to Combine**	

Press Rooms

LAN Pressroom
TAM Pressroom

Family owners celebrate the signing of the MOU that outlines the intentions of Lan Airlines S.A. and Tam S.A. to combine their holdings under a single parent entity.



FROM LEFT: Vice-chairman of the TAM S.A. Board of Directors Mauricio Rolim Amaro, LAN CEO Enrique Cueto, Chairman of the TAM Board of Directors Maria Claudia Amaro and LAN President/COO Ignacio Cueto.

Lan Airlines S.A. and Tam S.A. family owners congratulating each other on their intention to combine to create a new Latin American airline group that would be among the leading airlines in the world.

FROM LEFT: Mauricio Rolim Amaro, Enrique Cueto, Maria Claudia Amaro and Ignacio Cueto

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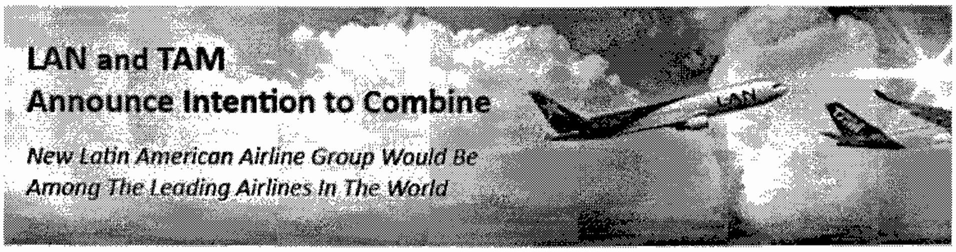
LAN TAM



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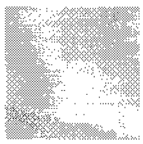

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