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LAN AIRLINES PLACES \$2.4bn ORDER FOR ROLLS-ROYCE TRENT 1000

One of Latin America's premier carriers, LAN Airlines S.A, has selected the Rolls-Royce Trent 1000 to power a new fleet of up to 41 Boeing 787 Dreamliners. The order, which is the first LAN has placed with Rolls-Royce, covers engines for 26 firm and 15 option aircraft with deliveries commencing in 2012.

In addition, the engines will be supported under a long-term TotalCare® service agreement. The potential value of the engine order and service contract to Rolls-Royce is over \$2.4 billion at catalogue prices.

Enrique Cueto, Chief Executive Officer of LAN, said: *"Our evaluation proved the Trent solution was ideal for our network. Trent family heritage, combined with sensible introduction of technology, provides LAN the low-risk solution we need to ensure we meet our operational requirements. The services package offered under TotalCare will give us tailored and comprehensive engine support, underpinned by Rolls-Royce's experience and expertise."*

Mark King, President - Civil Aerospace, at Rolls-Royce commented: *"We are delighted to welcome LAN as a new customer to the growing list of Trent operators and to be in a position to help them achieve their plans for international growth"*.

The Trent 1000 is the launch engine for all versions of the 787 Dreamliner, which enters service in 2008. The engine has, like all Trents before, achieved on-time certification from the airworthiness authorities for all variants of the 787 and continues to set the pace on the 787 programme - first engine to run and first engine to be certified.

Including business yet to be announced, orders have been placed for over 600 Trent 1000 engines by 19 operators and five leasing companies – approximately half the Boeing 787 customers who have made an engine decision. For more information about the Trent 1000, visit www.rolls-royce.com/trent1000.

NOTE TO EDITORS:

1. "LAN" refers includes LAN Airlines, LAN Express, LAN Peru, LAN Ecuador, and LAN Argentina, as well as LAN Cargo and its affiliates. Currently, the LAN Alliance operates 70 passenger aircraft and 10 dedicated freighters, and serves destinations in Chile, Peru, Argentina, Ecuador, other Latin American countries, the Caribbean, the United States, Europe and the South Pacific, as well as 52 additional international destinations through its various code-share agreements.
2. LAN Airlines is a member of oneworld®, the world's leading global airline alliance. It has bilateral commercial agreements with oneworld partners American Airlines, British Airways, Iberia and Qantas, as well as with Alaska

Airlines, AeroMexico, Mexicana, TAM, Korean Air and JAL. For more information visit www.lan.com or www.oneworldalliance.com.

3. TotalCare agreements, tailored for individual operators, offer a range of services extending to aspects of support such as latest predictive maintenance, asset and logistics management, as well as repair and overhaul. TotalCare offers the opportunity to remove uncertainties from engine management and provides airlines with greater financial confidence from managing predictable costs.
4. Rolls-Royce is present throughout Latin America:
 - The Rolls-Royce Brazil aftermarket centre at São Paulo in Brazil has served the region since it was established more than 50 years ago.
 - Rolls-Royce has supplied more than 2,000 AE3007 engines to Embraer for the ERJ 145 series of regional aircraft. Embraer also builds the AMX aircraft for the Brazilian air force, which is powered exclusively by Rolls-Royce.
 - In the energy sector, particularly oil and gas, Rolls-Royce is a major supplier to Petrobras.
5. Rolls-Royce is working hard to improve the environmental impact of its products. Each year Rolls-Royce, in collaboration with its partners, invests around £700 million on research and development, aimed primarily at reducing noise and emissions.

For further information:

Martin Johnson
Vice President, Communications
Rolls-Royce plc
Tel: +44 (0)7788 497358
Fax: +44 (0)1332 269911
Email: martin.johnson@rolls-royce.com