

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

FORM 6-K

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

For the month of December 2006

(Commission File No. 1-14728)

Lan Airlines S.A.

(Translation of registrant's name in English)

Avenida Americo Vespucio Sur 901

Renca,

Santiago, Chile

(Address of Principal Executive Offices)

(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 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 ☒

MATERIAL FACT

Santiago, December 27, 2006

Mr. Alberto Etchegaray de la Cerda
Superintendent of Securities and Insurance
Present

Re: Material Fact

To whom it may concern:

In compliance with current regulations, and specifically Circular N°660 of the Superintendence of Securities and Insurance, I inform you of the material fact that at its ordinary session, held on December 26, 2006, the Board of Directors of Lan Airlines S.A. authorized the distribution of an interim dividend of US\$0.21256 per share out of profits for the 2006 fiscal year, which will be paid beginning on January 18, 2007 to all registered shareholders on the fifth business day before the aforementioned date.

Sincerely,

/s/ Alejandro De La Fuente G.
Alejandro De La Fuente G.
Vice President of Corporate Finance
Lan Airlines S.A.

cc. Bolsa de Comercio de Santiago
Bolsa de Comercio de Valparaíso
Bolsa Electrónica de Chile

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: December 29, 2006

Lan Airlines S.A.

/s/ Alejandro de la Fuente
By: Alejandro de la Fuente
Chief Financial Officer