

## First Quarter 2011 Results

Santiago, Chile – May 2, 2011 – Empresa Nacional de Telecomunicaciones S.A. (*Bolsa de Comercio de Santiago: ENTEL*) “the Company” or “Entel” today announced unaudited results for the first quarter ended March 31, 2011. All figures are expressed in Chilean Pesos and are reported according to International Financial Reporting Standards (IFRS). The exchange rate at March 31, 2011 was Ch\$ 479.46/US\$ 1. Average inflation from 1Q10 to 1Q11 was 2.9%.

### Consolidated Financial Highlights IFRS

In millions of Chilean pesos  
(except EPS figures)

#### Quarterly Highlights:

- Total mobile customers rose to 7,830,502, 19% growth when compared to first quarter 2010. Post-paid subscriber base (voice and MBB) increased 19%, representing 32% of the total customer base. In addition, prepaid (voice and MBB) grew 19%. Total mobile broadband subscribers (MBB) increased to 666,172, more than doubling the figure reported in 1Q10.
- Revenues during the quarter expanded to Ch\$294.1 billion, up 17% from 1Q10.
- EBITDA for the quarter rose 29% from 1Q10 figures, totaling Ch\$ 132.8 billion. Operating income reached Ch\$67.6 billion, 46% higher than 1Q10.
- Net income increased 42% to Ch\$ 52.4 billion in 1Q10.

	1Q11	1Q10	% Var.	4Q10
<b>Total Revenues</b>	294,118	251,211	17%	301,029
EBITDA	132,839	102,844	29%	115,509
EBITDA Margin	45%	41%		38%
Operating Income (EBIT)	67,618	46,424	46%	52,931
Net Financing Cost	(2,594)	(2,245)	-16%	(3,868)
Tax	(12,583)	(7,246)	-74%	(886)
Net Income	52,441	36,934	42%	48,177
EPS	221.72	156.15	42%	203.69

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**Comments from the Chief Financial Officer:**

- First quarter revenues displayed strong momentum, with a 17% expansion, especially in mobile business (+19%) boosted by customer base expansion within a growing market. Chile wireline (+8%) also reported relevant growth.
- EBITDA expanded 29%, driven by improvements across all business segments. EBIT rose 46%, with increases especially related to the mobile business.
- Net Income rose 42% during the quarter, explained by higher operating income, partially offset by an increased tax rate, from 17% in 1Q10 to 20% in 1Q11, which will be effective for the entire year.
- The income tax rate was raised by the government after the 2010 earthquake, and will decline to 18.5% and 17.0% in 2012 and 2013, respectively.

**Note: Please see an accompanying presentation at [www.entel.cl](http://www.entel.cl), within the “Investors” section for additional information.**

This document contains certain “forward-looking statements” which are based on management’s expectations as well as on a number of assumptions concerning future events resulting from currently available information. Readers are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties and other factors, many of which are out of Entel’s control, which could cause actual results to materially differ from such statements.

## Consolidated Revenues

(in millions of Chilean Pesos)

	1Q11	1Q10	% Var.	4Q10
<b>Total Revenues</b>	<b>294,118</b>	<b>251,211</b>	<b>17%</b>	<b>301,029</b>
Mobile services	228,751	191,968	19%	235,950
Data services (includes IT)	21,860	19,170	14%	25,070
Local telephony (includes NGN-IP)	9,786	9,741	0%	10,479
Long distance	8,686	9,028	-4%	8,074
Internet	4,095	3,869	6%	4,267
Other telecommunication companies	4,511	4,061	11%	4,355
Traffic business	7,362	6,161	19%	5,922
Americatel Perú	4,654	4,892	-5%	4,807
Call Center services and others	2,333	1,895	23%	2,051
Others Revenues - Non core (1)	2,080	426	389%	54

**Consolidated revenues** during the quarter reached Ch\$ 294.1 billion, up 17% when compared to 1Q10 figures. This growth was driven by: a) 19% expansion in mobile services triggered by service revenues expansion (+20%) due to an 18% increase in the average customer base coupled with a 1% increase in ARPU. There was strong customer base expansion across all segments, especially in mobile broadband (+123%). ARPU increased, linked to higher VAS usage (including MBB), while MOU behaved stable. Equipment sales grew 20%, stimulated principally by the prepaid segment, b) 14% growth in data and IT services were fostered by the increase in data center/IT services related to new contracts and integrated solutions provided through MPLS-IP platforms in the corporate and SME segment, c) 19% increase in the low margin traffic business revenue, principally driven by higher traffic, partially offset by lower average tariffs mainly affected by a reduction in the average CH\$/US\$ exchange rate, d) other telecommunication companies revenue increased 11%, triggered by rentals of infrastructure to fixed telecom companies, e) call centers and others revenues grew 23%, mainly due to new contracts signed in Peru, f) Other Revenues (Non Core) increased, principally in-line with the net accruals of insurance claims associated with the 2010 earthquake and net profit related to the sale of building facilities and inventories. These increases were partially offset by: a) 4% reduction in LD, principally related to a decline in DLD revenues linked to a decline in traffic in all segments, partially offset by an increase in ILD revenues mostly explained by an increase in average tariffs across the board, b) 5% drop in Americatel Peru due to a lower CH\$/Peruvian Soles exchange rate.

(1) Other revenues (Non-core): revenues which are not a part of the Company's core business include gains/(losses) in sales of fixed assets and interest accrued on past due invoices and leasing operations.

### Consolidated Cost of Operations

(in millions of Chilean Pesos)

	1Q11	1Q10	% Var.	4Q10
<b>Cost of Operations</b>	<b>226,500</b>	<b>204,786</b>	<b>11%</b>	<b>248,097</b>
Access charges & Payments to corresp.	43,774	43,514	1%	45,688
Salaries and expenses	30,051	24,810	21%	33,021
Outsourced, Supplies and Equipment Services	6,466	6,586	-2%	6,763
Bad debt provisions	5,637	6,864	-18%	6,216
Advertising, Sales commissions & expenses	36,354	27,260	33%	47,914
Depreciation, amortization and Impairment	65,221	56,420	16%	62,578
Others	38,997	39,332	-1%	45,917

**Consolidated cost of operations** during the quarter totaled Ch\$ 224.1 billion, increasing 11% from 1Q10. This was attributed to: a) Depreciation, Amortization and Impairments grew 16% principally attributable to the high expansion in the postpaid customer base (including mobile broadband). Chile wireline also reported an increase, b) advertising, sales commissions and sales expenses rose 33%, fueled by higher prepaid equipment costs and sales commissions due to a far above sales activity in the mobile business, partially offset by lower advertising costs in all segments, c) salaries and expenses expanded 21%, principally in the Chile wireline due to a one-time provision related to the reorganization process and higher headcount in the IT business. These increases were partially offset by a) 18% decline in bad debt, principally explained by the absence of additional provisions in 1Q10 in the mobile business related to the earthquake. Furthermore, Chile wireline and Americatel Peru declined.

### EBITDA and Operating Income

Based on results described above, EBITDA for the quarter expanded 29%, reaching Ch\$ 132.8 billion compared to the Ch\$ 102.8 billion in 1Q10, in-line with growth across all business segments, especially in the mobile business (+36%) and Chile wireline (+8%). During 1Q10, EBITDA was negatively affected by the earthquake. Excluding that impact EBITDA would have grown 24% instead of 29% in the comparable periods.

EBITDA margin in 1Q11 rose to 45%, up from the 41% reported in 1Q10, mainly driven by higher margins in the mobile business and Chile wireline.

Operating Income for the quarter reached Ch\$ 67.6 billion, 46% growth when compared to the Ch\$ 46.4 billion reported in 1Q10, triggered by the mobile business and Chile wireline.

### Financial Expenses Results

	1Q11	1Q10	% Var.	4Q10
<b>Net Financing Cost and Others</b>	(2,594)	(2,245)	-16%	(3,868)
Net Financial Expenses	(1,260)	(2,147)	41%	(2,008)
Foreign Exchange Fluctuation & Readjustment	(1,334)	(97)	-1271%	(1,860)

Net Financing Costs and Others during 1Q11 totaled a loss of Ch\$ 2.6 billion, 16% higher than the loss reported in 1Q10. This was due to price level adjustments related to higher inflation in the period and higher losses on mark-to-market accounting for F/X hedging derivatives, partially offset by lower net financial expenses in the quarter resulting from higher interest income over outstanding cash balances.

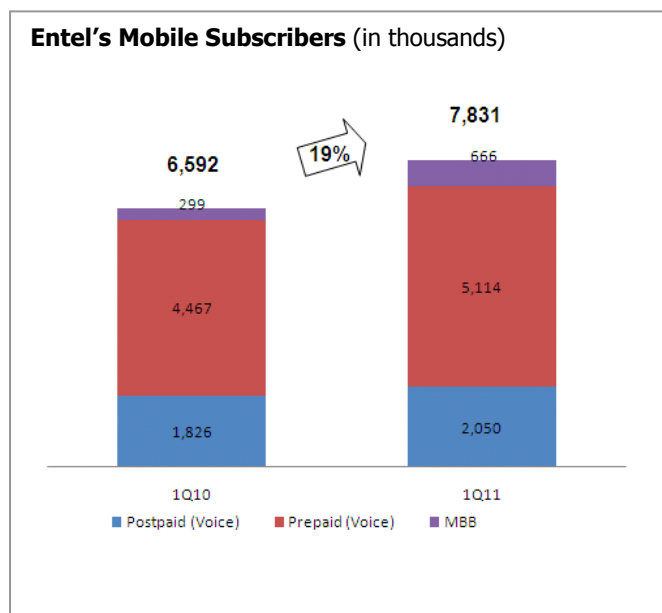
### Net Income

Net Income for the period reached Ch\$ 52.4 billion, 42% higher than the Ch\$ 36.9 billion reported in 1Q10. This result was in-line with higher EBIT, and also reflects the accrual of the increased income tax rate to 20% compared to 17% in 1Q10.

## INDIVIDUAL FINANCIAL STATEMENTS AND RESULTS BY BUSSINESS SEGMENT (2)

### Mobile Business:

Revenues during 1Q11 reached Ch\$ 233.6 billion, 20% expansion when compared to 1Q10. This was driven by strong service revenue growth, increasing 20%, stimulated by the customer base expansion (+19%) coupled with an increase in ARPU (+1%). Monthly voice service and access charge revenues rose, fueled by higher incoming and outgoing traffic in both the post and prepaid segment. VAS revenues continued its expansion (+54%), led by high growth in mobile broadband (+88%) and other innovative services (+50%). Equipment sales revenue also increases 20%, mainly driven by the prepaid segment, in-line with higher activity within the industry.



The mobile subscriber base continued to show strong growth during the first quarter. The total customer base rose 19%, reaching 7,830,502 clients as of March 31, 2011, representing 37% market share of active customers.

The postpaid customer base (voice and MBB) increased 19%, and currently represents 32% of the total base. The growth was principally driven by strong net customer additions in mobile broadband, fueled by marketing offers and promotions. Along these lines, specific marketing efforts and the use of new distribution channels enabled the Company to penetrate new segments.

The prepaid segment base (voice and MBB) increased 19% compared to 1Q10, principally associated with the deepening of alternative distribution channels and promotions.

As part of the previously mentioned customer base expansion, the total mobile broadband customer base continued to increase at very high rates (+123%), achieving 666 thousand customers in 1Q11. This growth demonstrated the effective commercial execution of the Company's strategy across all segments, allowing growth from data services. Also, the development of innovative VAS service was an important aspect in strengthening the Company's business data strategy. The Company is in constant development of providing easy connections to mobile terminals to provide quick access to favorite sites, social networks and email, thus meeting customer needs in terms of devices and price plans.

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(2) Includes Intercompany

Furthermore the Company has upgraded its network to deliver the best experience with mobile broadband and the industry's fastest connection available. Entel became the first operator in Latin America to deploy HSPA + Dual Carrier, a new technological milestone in the evolution of 3G HSDPA +, allowing maximum speeds of up to 22 Mbps, nearly double the 12 Mbps currently available.

As an example of the Company's ongoing effort to provide the best customer service, Entel was ranked as the best iPhone post sales customer service in the world. Furthermore, through the Company's "Express Stores", Entel is providing improved services to customers, achieving greater capillarity and addressing core services more efficiently.

Blended ARPU increased 1% during the quarter, principally supported by higher innovative VAS usage (including broadband). MOU for the period was relatively stable with higher usage in postpaid offset by a decline in prepaid.

The blended churn rate was 2.14% for the quarter, an increase compared to the 1.43% reported in 1Q10. This was principally attributable to last quarter's promotions in the prepaid segment and a higher churn rate in mobile broadband related to the strong market expansion.

EBITDA for the quarter advanced 36%, totaling Ch\$ 103.6 billion compared to the Ch\$ 76.1 billion in 1Q10. Increases were posted in service direct margins, driven by strong net customer additions, strong usage trends and continued growth from data services. In addition, margins were positively impacted by the provision accrued for insurance claim of Ch\$ 1.5 billion. On the other hand, equipment sales margins decreased, mainly in prepaid due to increased sales. SG&A expenses increased principally in sales expenses and salaries in connection with strong sales and increased activity, partially offset by lower bad debt provisions. EBITDA margin in 1Q11 reached 44%, an increase from the 39% reported in 1Q10.

Depreciation in the quarter increased mostly due to the expansion in the postpaid customer base (including mobile broadband). Operating income for the quarter reached Ch\$ 55.9 billion, 54% higher when compared to the Ch\$ 36.2 billion reported in 1Q10.

### Chile Wireline Results:

#### Revenues (in millions of Chilean Pesos)

Ch\$ (millions)	1Q11	1Q10	% Var.	4Q10
<b>Revenues*</b>	<b>75,571</b>	<b>70,812</b>	<b>7%</b>	<b>75,518</b>
Corporate and SME	39,018	36,174	8%	42,386
Residential	6,037	5,734	5%	5,815
Infraest. Serv. Telcos, Traffic B. and Others	30,359	28,679	6%	28,916
Others Revenues (Non-core)	157	224	-30%	-1,599

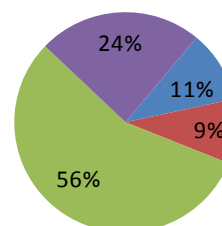
\*Includes inter-company revenues with Mobile and Int'l subsidiaries and support companies.

Chile Wireline revenue totaled Ch\$ 75.6 billion, a 7% increase when compared to the Ch\$ 70.8 billion reported in 1Q10.

**Corporate and SME segment** revenues for the quarter grew 8%, mainly driven by IT/Data services and Internet. This was the result of the impact of new contracts signed during 2010 in the IT business, together with higher revenues coming from integrated solutions. In the same line local telephony increased. Partially offsetting these increases were declines in LD revenues derived mainly from DLD due to lower traffic and tariffs.

#### Corporate and SME Revenue Distribution 1Q11 (local telephony includes NGN)

■ LD & VAS ■ Internet ■ Data/IT ■ LT

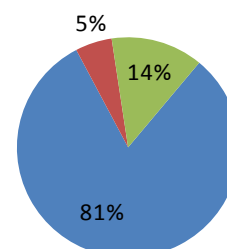


**Residential segment** revenues for the quarter increased 5% when compared to 1Q10 figures. This growth was attributable to local telephony, essentially driven by the incorporation of Transam's operations during 4Q10. Partially offsetting this effect was the decline in Internet services due to the customer base reduction. Furthermore, LD revenue declined attributable to a reduction in traffic and tariffs in DLD, partially offset by higher revenues in ILD.

#### Residential Revenue

##### Distribution 1Q11

■ LD & VAS ■ Internet ■ LT



**Infrastructure service to other Telecom companies, traffic business and other revenues** posted a 6% improvement during the quarter associated with the low margin traffic business due to an increase in traffic and higher revenues related to rentals of infrastructure mainly to local operators.

During the quarter, Operating costs and expenses totaled Ch\$ 64.3 billion, a 6% increase from the Ch\$ 60.9 billion reported in 1Q10. The main increases were in salaries and expenses as a result of the ongoing reorganization process together with higher headcount in IT/Data business. In addition, payments to correspondents and IT costs rose due to increased activity. These increases were partially offset by a reduction in outsourced services, supplies and equipment and maintenance expenses, which in 1Q10 were affected by the earthquake.

Considering the aforementioned aspects, EBITDA during the quarter expanded 8% to Ch\$ 28.0 billion, while the EBITDA margin reached 37%, above the 36% in 1Q10. These improvements were across all segments. Operating income for the quarter totaled Ch\$ 11.2 billion, growing 13% when compared to the Ch\$ 9.9 billion in 1Q10.

#### **Chile Wireline Main Activities by Services:**

- **Data & IT Services – Corporate / SME segments**

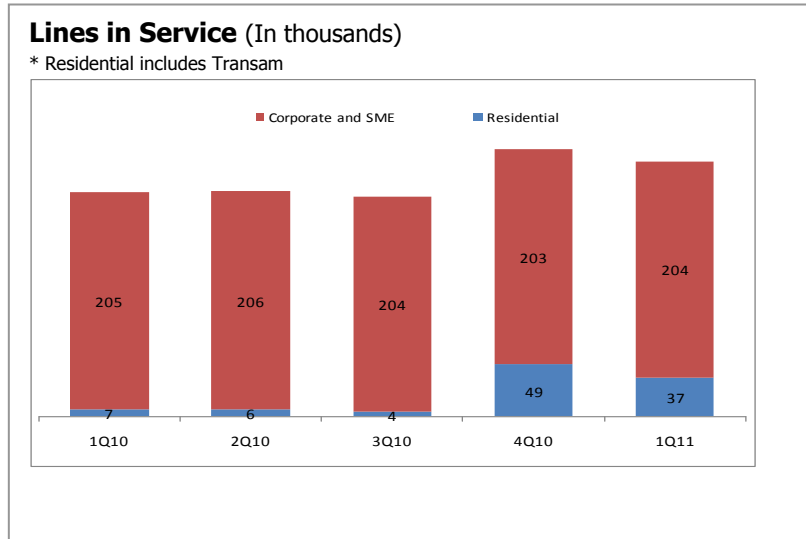
Due to continuous evolution, Entel is advancing with regards to new industry scenarios arising from changes in regulatory frameworks and technology. Convergence of fixed and mobile services is the main global trend in the telecommunication industry. Therefore, the Company is driving technological developments that enable integration and convergence for the corporate and SME segment.

During the quarter, the following contracts were signed, among others:

- **MINEDUC (Ministry of Education):** This agreement will provide convergence of fixed and mobile services solutions that considers communication infrastructure at the WAN level and business continuity services for its headquarters and 1,500 branches nationwide. In addition, this contract includes data-IP, voice (fixed and mobile) and Internet services.
- **ABC DIN (Department Store):** This agreement consists of the provisioning of data center services. As part of this project, data centers will be consolidated into two main sites. In addition, the contract will provide the provisioning of management services, monitoring and system operations.
- **MINERA KINGROSS GOLD (Mining):** The agreement includes the implementation, commission and provisioning of infrastructure including telephony and data over the MPLS-IP platform, across all branches.

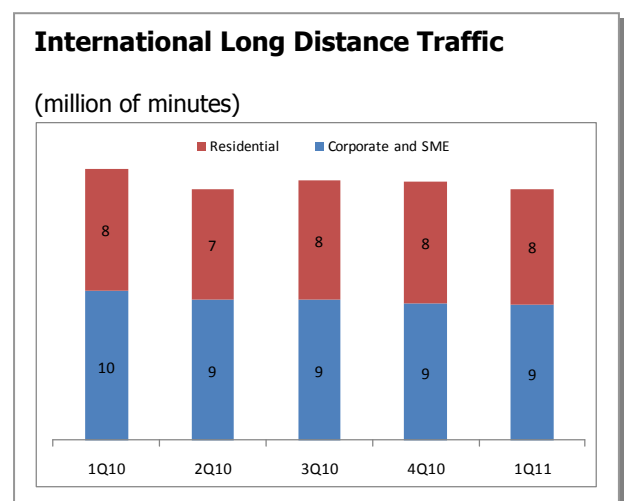
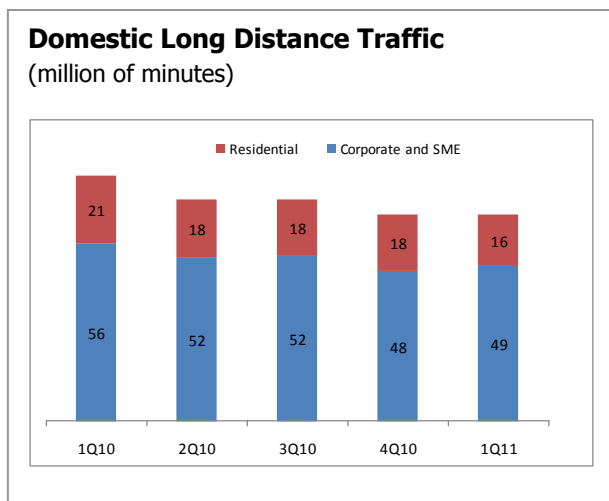
• **Local Telephony (including NGN-IP)**

Total lines in service at the end of 1Q11 reached 241 thousand, a 14% increase when compared to last year. This growth was fully associated with the integration of Transam operations, partially offset by a slight decline in total lines in the enterprise segment.



**Long Distance**

- DLD traffic declined 18%, mainly due to reduced activity across all segments. In addition, average tariffs declined slightly.
- ILD traffic declined 7%, principally associated with lower traffic in all segments, while average tariffs increased across the board.
- Entel's ILD average market share during 1Q10 was 38%, while DLD market share reached 30%.

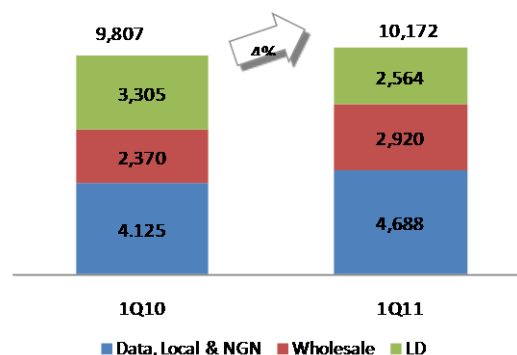


### Americatel Peru

Revenues for the quarter totaled US\$ 10.2 million, 4% higher than the figure reported in 1Q10. This increase was principally attributed to datacom and satellite services provided to the enterprise segment. In addition, wholesale revenues increased due to higher average tariffs. However, there was a reduction in LD related to a decline in DLD revenues associated with a change in regulations that took place in September 2010 abolishing DLD on mobile services, partially offset by the mobile ILD multicarrier code ruling introduced in 4Q10.

#### Quarterly Revenues

In thousand US\$ (Peruvian Soles divided by 2.80)



During the quarter, Operating costs increased 4% compared to 1Q10. The main increases were in access charges and satellite interconnections, in-line with higher wholesale business activity and new satellite service provided to the corporate segment, respectively. Depreciation and amortization increased, aligned with the larger customer base in datacom (NGN-IP). In addition, sales expenses increased, associated with increased commercial activity. Partially offsetting this increase was a reduction in advertising and maintenances. For the 1Q11 period, EBITDA reached US\$ 1.0 million, an increase of 5% when compared to 1Q10 figures.

## **BALANCE SHEET**

### **Consolidated Balance Sheet (limited review)**

(in millions of Chilean Pesos)

	<b>3M11</b>	<b>3M10</b>	<b>Var %</b>
<b>Assets</b>	<b>1,504,255</b>	<b>1,384,037</b>	<b>9%</b>
Current assets	401,839	341,857	18%
Property, plant & equipment, net	969,918	932,491	4%
Others Non-current assets	132,498	109,690	21%
<b>Liabilities &amp; shareholders'</b>	<b>1,504,255</b>	<b>1,384,037</b>	<b>9%</b>
Current liabilities	350,480	278,960	26%
Non Current Liabilities	395,667	411,875	-4%
Shareholders' equity	758,108	693,202	9%

## **Financial Indexes**

	<b>3M11</b>	<b>3M10</b>	<b>Dec-10</b>
Current assets/Current liabilities	1.15	1.23	1.01
EBITDA/Financial expenses	55.19	42.81	45.09
Gross Financial debt/EBITDA*	0.63	0.86	0.66
Total liabilities/(equity + min. interest)	0.98	1.00	1.06

\* EBITDA last 12 months.

As of March 31, 2011, gross financial debt amounted to Ch\$ 300.6 billion, a 14% decline when compared to same period last year. This reduction was mainly explained by a 9% decrease in the CH\$/US\$ exchange rate affecting outstanding debt, and the payment of commercial paper (Ch\$ 20.0 billion). Net debt (gross debt less cash and net balance from hedging activities including mark to market accruals) for the period totaled Ch\$ 248.6 billion, a 23% reduction from the Ch\$ 324.5 billion reported in 1Q10. .

## **RECENT EVENTS**

- The Annual Shareholder's Meeting was held April 26, 2011. A total dividend of Ch\$ 545 per share was approved, corresponding to 74.75% of 2010 net profit, of which Ch\$ 445 per share will be paid May 24, 2011. In December 2010, an interim dividend equivalent of Ch\$ 100 per share was paid.
- A new financing policy was approved that considers maximum debt level as the higher resulting from: (liabilities) / equity of 1.5 times or (liabilities) / annual EBITDA of 3 times. For the calculation of both parameters, liabilities are net of financial investments. The main reason for this change is related to the application of IFRS standards starting in 2009.

### **Company Description**

Empresa Nacional de Telecomunicaciones S.A. is the largest telecommunications Company in Chile with Ch\$ 1,086,816 million in annual revenues reported in December 2010. The Company provides mobile and wireline services (including Data & IT, Internet, local telephony, call center, long distance and related services). Entel also has wireline and call center operations in Peru. Entel is listed on the Chilean Stock Exchange (Bolsa de Comercio de Santiago) under the ticker symbol ENTEL and is headquartered in Santiago, Chile.

## Glossary of Terms

**ARPU:** Average Revenue per User. It is presented on a monthly basis.

**BPO:** Business Process Outsourcing.

**Capex:** Capital Expenditure.

**Churn:** Disconnection Rate. It is presented on a monthly basis.

**DLD:** Domestic Long Distance.

**EBIT:** Operating earnings.

**EBITDA:** Operating earnings excluding depreciation, amortization and fixed assets impairment.

**EDGE:** Enhanced Data rates for GSM Evolution. A technology that gives GSM the capacity to handle data services.

**EPS:** Earnings Per Share.

**GAAP:** Generally Accepted Accounting Principles.

**GPRS:** General Packet Radio Service. Enables GSM networks to offer higher capacity, Internet-based content and packet-based data services. It is a second generation technology.

**GSM:** Global System for Mobile communications.

**HSPA:** High Speed Packet Access. A family of high-speed 3G digital data services that use the GSM technology. The service works with HSPA mobile phones as well as laptops and portable devices with HSPA modems.

**HSDPA:** High Speed Downlink Packet Access. Is an enhanced 3G (third generation) mobile telephony communications protocol in the High-Speed Packet Access (HSPA) family.

**IFRS:** International financial reporting standards.

**ILD:** International Long Distance.

**IT:** Information Technology.

**LIS:** Lines In Service.

**LTE:** Long Term Evolution, is the fourth generation of radio technologies designed to increase the capacity and speed of mobile telephone networks.

**MBB:** Mobile broadband.

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**MOU:** Minutes of Use per subscriber. The ratio of traffic in a given period to the average number of subscribers in that same period. It is presented on a monthly basis.

**MPLS:** Multiprotocol Label Switching, Is a switching technology created to provide virtual circuits in IP networks.

**Net debt:** Total short and long term debt less cash and net balances from hedging activities.

**Net debt / EBITDA:** The ratio of total short and long term debt less cash and net balances from hedging activities to trailing 12-month period income before interest, taxes, depreciation and amortization.

**NGN:** Next Generation Network, The convergence of the public switched telephone network (PSTN) voice network, the internet and the data network.

**Other Revenues – Non core:** revenues which are not a part of the Company's core business. Concepts included are gain/(loss) in sales of fixed assets and interest accrued on past due invoices and leasing operations.

**SAC:** Subscriber Acquisition Cost. The sum of handset subsidies, marketing expenses and commissions to distributors for handset activation. Handset subsidy is calculated as the difference between equipment cost and equipment revenues.

**SG&A:** Selling, General and Administrative Expenses.

**SME:** Small & Medium-Sized Enterprises.

**SMS:** Short Message Service.

**VAS:** Value Added Services.

**WIMAX:** Worldwide Interoperability for Microwave Access, a standard-based wireless technology which provides access network.

**3.5G:** Commercial name for HSDPA, the third generation service given by Entel PCS.

## Individual Consolidated Results by Business Segment

(in millions of Chilean Pesos)

	<b>1Q11</b>	<b>1Q10</b>	<b>% Var.</b>
<b>Mobile Telephony</b>			
<b>Total Revenues</b>	<b>233,623</b>	<b>195,215</b>	<b>20%</b>
- Service Revenues and equipment	230,604	193,688	19%
- Others Revenues	3,019	1,527	98%
<b>Cost of Operations</b>	<b>177,758</b>	<b>158,990</b>	<b>12%</b>
Depreciation and Amortization and Impairment	47,781	39,841	20%
Salaries & Expenses	11,151	9,578	16%
<b>EBITDA</b>	<b>103,646</b>	<b>76,066</b>	<b>36%</b>
EBITDA Margin	44%	39%	
<b>Operating Income</b>	<b>55,865</b>	<b>36,225</b>	<b>54%</b>
Operating Margin	24%	19%	

	<b>1Q11</b>	<b>1Q10</b>	<b>% Var.</b>
<b>Chile Wireline (*)</b>			
<b>Total Revenues</b>	<b>75,571</b>	<b>70,812</b>	<b>7%</b>
<b>Cost of Operations</b>	<b>64,347</b>	<b>60,910</b>	<b>6%</b>
Depreciation and Amortization and Impairment	16,754	15,924	5%
Salaries & Expenses	16,424	12,513	31%
<b>EBITDA</b>	<b>27,978</b>	<b>25,826</b>	<b>8%</b>
EBITDA Margin	37%	36%	
<b>Operating Income</b>	<b>11,224</b>	<b>9,902</b>	<b>13%</b>
Operating Margin	15%	14%	

(\*) Includes data services, IT, local telephony, LD, Internet, traffic business and capacity rentals to other telecom companies.

## Individual Consolidated Results Americatel Peru.

(in thousands of Peruvian Soles and in million of Chilean Pesos)

	<b>1Q11</b>	<b>1Q10</b>	<b>% Var.</b>	<b>1Q11</b>	<b>1Q10</b>	<b>% Var.</b>
<b>Americatel Peru</b>	<b>(SOL\$)</b>	<b>(SOL\$)</b>		<b>(Ch\$)</b>	<b>(Ch\$)</b>	
<b>Total Revenues</b>	<b>28,522</b>	<b>27,481</b>	<b>4%</b>	<b>4,945</b>	<b>4,764</b>	<b>4%</b>
<b>Cost of Operations</b>	<b>28,359</b>	<b>27,255</b>	<b>4%</b>	<b>4,916</b>	<b>4,725</b>	<b>4%</b>
Depreciation and Amortization and Impairment	<b>2,704</b>	<b>2,509</b>	<b>8%</b>	<b>469</b>	<b>435</b>	<b>8%</b>
Salaries & Expenses	<b>4,463</b>	<b>4,372</b>	<b>2%</b>	<b>774</b>	<b>758</b>	<b>2%</b>
<b>EBITDA</b>	<b>2,867</b>	<b>2,735</b>	<b>5%</b>	<b>497</b>	<b>474</b>	<b>5%</b>
<b>EBITDA Margin</b>	<b>10%</b>	<b>10%</b>		<b>10%</b>	<b>10%</b>	
<b>Operating Income</b>	<b>163</b>	<b>226</b>	<b>-28%</b>	<b>28</b>	<b>39</b>	<b>-28%</b>
<b>Operating Margin</b>	<b>1%</b>	<b>1%</b>		<b>1%</b>	<b>1%</b>	

Any distortion in the figures is due to monetary exchange fluctuation

First Quarter 2011 Results  
May 2, 2011

## Entel Group Consolidated Income Statement

(in thousands of Chilean Pesos)

INCOME STATEMENT	YTD		Var%
	01-01-2011 31-03-2011 M\$	01-01-2010 31-03-2010 M\$	
Operating Revenues	292,037,889	250,785,663	
Other Revenues	3,544,831	365,347	
Salaries and Expenses	(30,051,097)	(24,810,697)	
Depreciation and amortization	(64,096,173)	(55,501,946)	
Impairment and bad debt	(6,762,367)	(7,781,842)	
Other Operating Expenses	(125,590,539)	(116,691,772)	
Gain (Loss) on sale of non-current assets	(1,464,420)	59,734	
Financial income	1,147,285	255,186	
Financial expenses	(2,407,070)	(2,402,433)	
Exchange gain (Loss)	(464,284)	299,004	
Other monetary adjustment	(870,112)	(396,331)	
<b>Profit/(loss) before income Tax</b>	<b>65,023,943</b>	<b>44,179,913</b>	<b>47%</b>
Income Tax	(12,583,002)	(7,245,804)	
<b>Net Income for the period</b>	<b>52,440,941</b>	<b>36,934,109</b>	<b>42%</b>
<b>Earnings per share</b>	<b>221.72</b>	<b>156.15</b>	
<b>Other Income and (Expense), debit / credit directly to Equity</b>			
Cash Flow Coverage	(274,145)	(6,256,578)	
Conversion Adjustments	251,096	609,008	
Income Tax	47,975	1,063,618	
<b>Other Income and Expense with debits and credits in the Equity, Total</b>	<b>24,926</b>	<b>(4,583,952)</b>	
<b>Net Results</b>	<b>52,465,867</b>	<b>32,350,157</b>	<b>62%</b>

## Entel Group Consolidated Balance Sheet

(in thousands of Chilean Pesos)

ASSETS	31-03-2011	31/12/2010	Var%
<b>Current assets</b>	<b>401,839,489</b>	<b>379,676,583</b>	<b>6%</b>
Cash and cash equivalents	107,681,899	75,272,215	
Other financial assets	974,391	870,798	
Other non financial assets	14,032,751	13,145,025	
Trade and other receivables	227,436,302	236,011,842	
Accounts receivable from related entities	562,873	469,192	
Inventory	33,321,693	36,799,196	
Tax assets	17,829,580	17,108,315	
<b>Non-current assets</b>	<b>1,102,415,815</b>	<b>1,109,597,566</b>	<b>-1%</b>
Other Financial Assets	5,722,040	6,057,517	
Other non Financial assets	6,707,988	3,935,778	
Trade and other receivables	2,270,420	2,807,389	
Intangible assets	32,837,329	32,665,098	
Goodwill	45,821,474	45,821,474	
Property, plant and equipment	969,917,503	978,457,143	
Deferred tax assets	39,139,061	39,853,167	
<b>TOTAL ASSETS</b>	<b>1,504,255,304</b>	<b>1,489,274,149</b>	<b>1%</b>

LIABILITIES AND SHAREHOLDERS EQUITY	31-03-2011	31/12/2010	Var%
<b>Current Liabilities</b>	<b>350,480,411</b>	<b>376,371,289</b>	<b>-7%</b>
Other financial liabilities	10,032,280	14,570,686	
Trade and other payables	297,319,260	319,275,469	
Other provisions	813,155	689,270	
Income tax	1,714,508	201,105	
Other liabilities non financial	40,601,208	41,634,759	
<b>Non Current Liabilities</b>	<b>395,666,785</b>	<b>391,528,337</b>	<b>1%</b>
Other financial liabilities	352,950,630	350,331,042	
Other provisions long term	4,140,534	4,001,616	
Deferred income tax	19,429,033	21,345,618	
Employee severance and others	8,219,934	8,257,812	
Other non financial liabilities	10,926,654	7,592,249	
<b>Equity</b>	<b>758,108,108</b>	<b>721,374,523</b>	<b>5%</b>
Paid-in Capital	522,667,566	522,667,566	
Retained Earnings	298,423,725	261,715,066	
Other Reserves	(62,983,183)	(63,008,109)	
Minority interests	-	-	
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>1,504,255,304</b>	<b>1,489,274,149</b>	<b>1%</b>