

Second Quarter 2011 Results

Santiago, Chile – August 1, 2011 – Empresa Nacional de Telecomunicaciones S.A. (*Bolsa de Comercio de Santiago: ENTEL*) “the Company” or “Entel” today announced unaudited results for the second quarter ended June 30, 2011. All figures are expressed in Chilean Pesos and are reported according to International Financial Reporting Standards (IFRS). The exchange rate at June 30, 2011 was Ch\$ 468.15/US\$ 1. Average inflation from 2Q10 to 2Q11 was 3.3%

Consolidated Financial Highlights IFRS

In millions of Chilean pesos
(except EPS figures)

Quarterly Highlights:

- Total mobile customers reached 8,268,327, a 22% expansion when compared to second quarter 2010. Post-paid subscriber base (voice and MBB) grew 19%, representing 32% of the total customer base, while prepaid (voice and MBB) increased 23%. Total mobile broadband subscribers (MBB) rose to 813,050 (including M2M data cards), 137% higher than the figure reported in 2Q10.
- Revenues during the quarter increased to Ch\$301.7 billion, up 13% from 2Q10.
- EBITDA for the quarter grew 21%, reaching Ch\$ 133.1 billion. Operating income amounted to Ch\$66.0 billion, 28% higher than 2Q10.
- Net income rose 22% when compared to 2Q10, reaching Ch\$ 51.4 billion.

	2Q11	2Q10	% Var.	1Q11	6M11	6M10	% Var
Total Revenues	301,657	267,213	13%	294,118	595,776	518,424	15%
EBITDA	133,134	110,444	21%	132,839	265,974	213,288	25%
EBITDA Margin	44%	41%		45%	45%	41%	
Operating Income (EBIT)	65,976	51,385	28%	67,618	133,594	97,810	37%
Net Financing Cost	(5,551)	(1,545)	-259%	(2,594)	(8,145)	(3,790)	-115%
Tax	(9,066)	(7,912)	-15%	(12,583)	(21,649)	(15,158)	-43%
Net Income	51,359	41,928	22%	52,441	103,800	78,862	32%
EPS	217.14	177.27	22%	221.72	438.86	333.42	32%

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Comments from the Chief Financial Officer:

- In the second quarter, the mobile industry continued its rapid expansion. Within this environment, mobile services revenues grew 14%, fueled by customer base growth (+22%) and data services revenue. Chile wireline also reported solid revenue growth (+9%).
- EBITDA reported strong growth (+21%) due to solid results in the mobile business.
- Net income grew 22% during the period, principally attributable to higher operating income (+28%), partially offset by higher net financing costs.

Note: Please see an accompanying presentation at 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)

	2Q11	2Q10	% Var.	1Q11	6M11	6M10	% Var
Total Revenues	301,657	267,213	13%	294,118	595,776	518,424	15%
Mobile services	235,412	206,323	14%	228,751	464,163	398,291	17%
Data services (includes IT)	23,156	19,849	17%	21,860	45,016	39,018	15%
Local telephony (includes NGN-IP)	10,696	9,814	9%	9,786	20,482	19,555	5%
Long distance	7,460	8,462	-12%	8,686	16,145	17,490	-8%
Internet	4,193	3,786	11%	4,095	8,288	7,655	8%
Other telecommunication companies	4,910	4,284	15%	4,511	9,420	8,345	13%
Traffic business	6,990	6,679	5%	7,362	14,352	12,840	12%
Americatel Perú	4,525	4,934	-8%	4,654	9,180	9,827	-7%
Call Center services and others	2,317	1,716	35%	2,333	4,650	3,611	29%
Others Revenues - Non core (1)	1,998	1,366	46%	2,080	4,078	1,791	128%

Consolidated revenues during the quarter totaled Ch\$ 301.7 billion, growing 13% when compared to 2Q10 figures. This expansion was triggered by: a) 14% expansion in mobile services fueled by service revenues expansion (+17%), supported by a 21% increase in the average customer base, partially offset by lower ARPU (- 4%). Customer base expansion was solid across all segments, mainly in mobile broadband (+137%). ARPU declined due to a reduction in voice net average tariffs, partially offset by higher VAS usage (including MBB). MOU for the period remained almost flat. Equipment sales posted a decline of 9% due to lower handset prices in the prepaid segment, partially offset by the postpaid segment (including MBB), b) data and IT services posted 17% growth, driven by data center/IT services, in-line with the Company's strengthening position in this market coupled with higher revenues from integrated solutions supplied over MPLS-IP platforms for the corporate and SME segment, c) 9% increase in local telephony mainly impacted by the consolidation of Transam (acquired in the fourth quarter 2010), d) 15% growth in other telecommunication companies revenue as a result of higher rentals of infrastructure to fixed telecom companies, e) 35% increase in call centers and others revenues due to new contracts signed in both Peru and Chile, f) 5% expansion in the low margin traffic business revenue attributed to higher traffic in part counterbalanced by lower tariffs resulting from a 9% decline in the average CH\$/US\$ rate, g) Other Revenues (Non Core) increased mainly as a result of net accruals of insurance claims in the mobile business related to the 2010 earthquake. These increases were partially offset by: a) 13% decline in LD, principally associated with a reduction in DLD and ILD revenues tied to lower traffic, b) 8% decline in Americatel Peru, fully explained by a 10% decline in the CH\$/Peruvian Soles exchange rate.

Revenues in the first half 2011 grew 15% when compared to the same period 2010.

(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)

	2Q11	2Q10	% Var.	1Q11	6M11	6M10	% Var
Cost of Operations	235,681	215,828	9%	226,500	462,181	420,614	10%
Access charges & Payments to corresp.	44,535	39,083	14%	43,774	88,310	82,598	7%
Salaries and expenses	30,801	27,116	14%	30,051	60,852	51,927	17%
Outsourced, Supplies and Equipment Services	5,486	5,737	-4%	6,467	11,952	12,324	-3%
Bad debt provisions	8,193	5,888	39%	5,637	13,830	12,752	8%
Advertising, Sales commissions & expenses	40,127	35,003	15%	36,354	76,481	62,264	23%
Depreciation, amortization and Impairment	67,158	59,059	14%	65,221	132,380	115,479	15%
Others	39,382	43,941	-10%	38,995	78,377	83,272	-6%

Consolidated cost of operations during the quarter reached Ch\$ 235.7 billion, increasing 9% when compared to 2Q10. This was driven by: a) Depreciation, Amortization and Impairments, which posted an increase of 14% mainly attributed to mobile postpaid handsets due to strong growth in the customer base. In addition, Chile wireline also accounted for a slight increase, b) 14% growth in access charges and payment to correspondents due to higher traffic in the mobile business. Chile wireline also posted an increase due to the absence of non-recurring benefits booked in 2Q10, c) advertising, sales commissions and sales expenses grew 15% connected with prepaid equipment cost growth and sales commissions related to higher sales activity in the mobile business, partially offset by lower advertising costs across all segments, d) salaries and expenses expanded 14% mainly in the Chile wireline and mobile services associated with severance costs, in-line with the reorganization process, the consolidation of Transam operations and increased activity in the IT business and call center. These were partially offset by lower salaries in Americatel Peru, e) bad debt increased 39%, mainly in the mobile business due to higher market penetration together with one time charges related to distribution channels, and in Chile wireline. These increases were partially offset by a) 9% drop in other costs principally in the mobile business related to maintenance (high costs in 2Q10 associated to the earthquake) and lower VAS content, b) a 4% decline in outsourced supplies and equipment services, mainly in the Chile wireline.

Cost of operations in the first half 2011 increased 10%.

EBITDA and Operating Income

Based on the above results, EBITDA for the quarter reached Ch\$ 133.1 billion, expanding 21% when compared to the Ch\$ 110.4 billion reported in 2Q10, principally associated with the mobile business (+28%). Americatel Peru also posted growth in EBITDA, while the Chile wireline remained almost flat due to the absence of non-recurring benefits booked in 2Q10.

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EBITDA margin in 2Q11 reached 44%, up from the 41% reported in 2Q10 largely tied to higher margins in the mobile business.

Operating Income in the quarter totaled Ch\$ 66.0 billion, 28% growth when compared to the Ch\$ 51.4 billion reported in 2Q10, principally generated by the mobile business.

For the first half 2011, EBITDA and Operating Income rose 25% and 37%, respectively. EBITDA margin posted growth, reaching 45% from the 41% reported in the same period of the previous year.

Financial Expenses Results

	2Q11	2Q10	% Var.	1Q11	6M11	6M10	% Var
Net Financing Cost and Others	(5,551)	(1,545)	-259%	(2,594)	(8,145)	(3,790)	-115%
Net Financial Expenses	(1,623)	(2,151)	25%	(1,260)	(2,883)	(4,298)	33%
Foreign Exchange Fluctuation & Readjustment	(3,928)	606	n.a	(1,334)	(5,262)	509	n.a

Net Financing Costs and Others in 2Q11 totaled a loss of Ch\$ 5.6 billion, higher than the \$1.5 billion loss reported in 2Q10. This was attributed to higher losses derived from price level adjustments, in-line with higher inflation during the period and higher losses on mark-to-market accounting for F/X hedging derivatives, partially offset by a reduction in net financial expenses during the quarter mainly related to higher interest income on outstanding cash balances.

Net Income

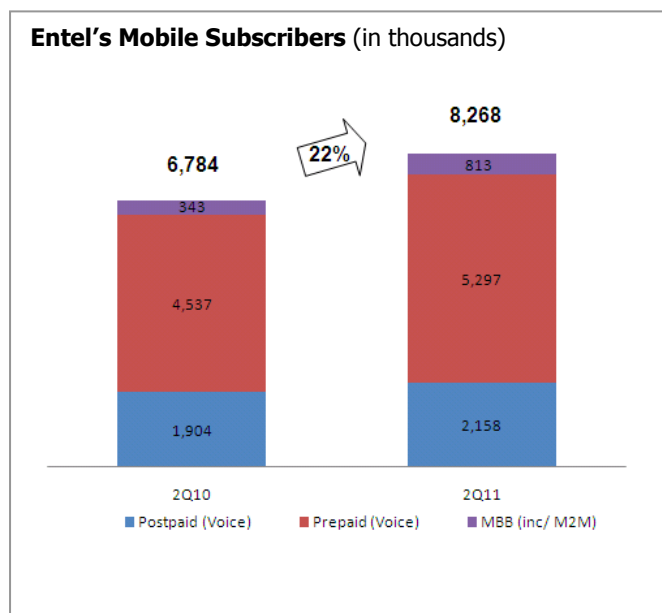
Net Income in the period rose to Ch\$ 51.4 billion, an expansion of 22% when compared to the Ch\$ 41.9 billion reported in 2Q10.

For the first half 2011, Net Income rose 32%, reaching Ch\$103.8 billion when compared to 2010.

INDIVIDUAL FINANCIAL STATEMENTS AND RESULTS BY BUSSINESS SEGMENT (2)

Mobile Business:

Revenues during 2Q11 totaled Ch\$ 240.4 billion, 14% growth when compared to 2Q10. This was fostered by solid service revenue growth, increasing 17% fueled by robust customer expansion (+22%). Monthly voice service and access charge revenues grew boosted by increased traffic. Also, VAS revenue (+47%) drove expansion, fueled by mobile broadband (+69%) and other innovative services (+50%). On the other hand, equipment sales revenue declined (-9%) due to the prepaid segment as a result of higher subsidies due to increased activity within the industry. Partially offsetting this reduction was an increase in the postpaid segment's equipment sales.



The mobile subscriber base keeps on expanding at high rates during the second quarter. The total customer base grew 22% to 8,268,327 clients as of June 30, 2011, representing 37% market share of active customers.

The postpaid customer base (voice and MBB) expanded 19%, and represents 32% of the total base. Entel has continued to strengthen promotions of voice and innovative VAS service offerings, stimulating growth and demand within customers. Promotions during the quarter were highlighted by multimedia Blackberry plans, frequent fare plans and controlled account multimedia plans, among others.

The prepaid segment base (voice and MBB) increased 23% year-over-year, in-line with improved economic conditions, leveraging new distribution channels and strong promotions.

Within the previously mentioned customer expansion, the total mobile broadband (MBB including data cards for enterprise applications) customer base continued to increase at exceptional rates (+137%), reaching 813 thousand customers in 2Q11. The Company is expanding penetration in massive segments. As a result, prepaid mobile broadband (MBB) reported growth of approximately 10 times compared to last year. In addition, the Company has developed different services to serve this segment, such as charging for session time slots.

In the postpaid mobile broadband segment, commercial offers were adjusted from unlimited plans to controlled account mobile plans, which are rechargeable and allow customers to browse at speeds up to 12Mbps, with download capacity of 7 GB.

In addition, services focused on the enterprise segment to automate productive processes and communications via GPRS / EDGE / HSDPA / HSDPA + Dual Carrier using M2M plans (Machine to Machine) were delivered. These plans are especially designed for telemetry projects, point of sale, location and automation for field sales force personnel. "Entel GPS Solution", allows enterprises greater control over their business.

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In terms of enhancing client loyalty, a new program entitled "It All Adds Up", was launched, which accumulates points based on customers' voice usage, texts or browsing activity, and are redeemable for products and services.

Blended ARPU decreased 4% in 2Q11 vs. 2Q10 mainly due to a decline in net average voice tariffs, partially offset by higher innovative VAS usage (including broadband). MOU for the period maintained stable.

The blended churn rate was 2.16% in the quarter, an increase compared to the 1.5% reported in 2Q10. This was largely attributable to the voice prepaid segment due to heavy promotions carried out by the industry during the year.

EBITDA in the quarter spiked 28%, amounting to Ch\$ 103.0 billion compared to the Ch\$ 80.6 billion in 2Q10. Direct service margins posted an expansion across all segments, principally driven by the sustained and solid growth of the customer base. Strengthening top line growth was also fueled by the heavy adoption of data services such as mobile broadband and innovative services (VAS). On the other hand, equipment sales margins declined due to the prepaid segment, in-line with higher activity and subsidies. Increases were posted in SG&A expenses, principally in sales expenses and bad debt, mostly due to higher sales activity and salaries, which were negatively impacted by restructuring costs. EBITDA margin in 2Q11 reached 43%, an improvement from the 38% reported in 2Q10.

During the quarter, depreciation increased mainly associated with subscriber equipment costs aligned with the strong and continuous postpaid customer base expansion (including mobile broadband). Operating income in the quarter amounted to Ch\$ 53.5 billion, 38% higher when compared to the Ch\$ 38.7 billion reported in 2Q10.

For the first six-month 2011 period, EBITDA reached Ch\$ 206.6 billion, 32% growth compared to the same period in 2010. EBITDA margin reached 44%, above the 39% figure reported in 2010.

For the first six months 2011, EBIT amounted to Ch\$ 109.3 billion, a 46% increase when compared to 2010.

Chile Wireline Results:

Revenues
(in millions of Chilean Pesos)

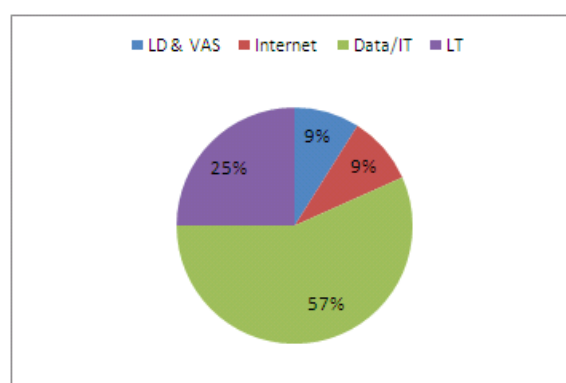
Ch\$ (millions)	2Q11	2Q10	% Var.	1Q11	6M11	6M10	% Var
Revenues*	77,906	71,787	9%	75,571	153,477	142,599	8%
Corporate and SME	40,669	37,184	9%	39,018	79,687	73,358	9%
Residential	5,716	5,163	11%	6,037	11,753	10,897	8%
Infraest. Serv. Telcos, Traffic B. and Others	31,333	29,128	8%	30,359	61,692	57,808	7%
Others Revenues (Non-core)	188	312	-40%	157	345	536	-36%

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

Chile Wireline revenue reached Ch\$ 77.9 billion, a 9% increase when compared to the Ch\$ 71.8 billion reported in 2Q10.

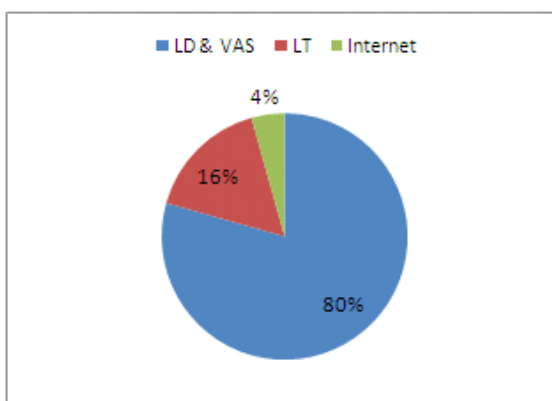
Corporate and SME segment revenues in the quarter increased 9%, principally supported by IT/Data services and Internet. This growth was due to the start-up of new IT contracts, a market where Entel has reached a relevant position, coupled with higher revenue tied to integrated solutions over MPLS-IP network. Partially offsetting these increases were declines in LD revenue associated with lower traffic and average tariffs in both DLD and ILD.

Corporate and SME Revenue Distribution 2Q11 (local telephony includes NGN)



Residential segment revenues in the quarter posted an 11% improvement when compared to 2Q10 figures. This increase was principally in local telephony due to the incorporation of Transam's operations in 4Q10. LD revenues were relatively stable, in line with increased value added services offset by lower DLD multicarrier revenues. Finally, Internet revenues fell, in-line with the customer base reduction.

Residential Revenue Distribution 2Q11



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Infrastructure service to other Telecom companies, traffic business and other revenues posted 8% growth during the quarter, combined with higher revenues in infrastructure rentals to related parties and other fixed line operators, and in the low margin traffic business due to an increase in traffic.

Operating costs and expenses increased 11% reaching Ch\$ 65.8 billion when compared to the Ch\$ 59.4 billion reported in 2Q10. The major increases were in salaries and expenses due to the Company's reorganization process and in IT/Data as a result of increased activity. In addition, access charges, payment to correspondents and bad debt rose due to the absence of one-time benefits accounted for last year. Also, depreciation increased during the quarter. Advertising and sales commissions reported a decline.

As a result of the above, second quarter operating income reached Ch\$ 12.1 billion, 2% lower when compared to 2Q10. EBITDA remained flat at Ch\$ 29.0 billion, whereas EBITDA margin reached 37%, below the 40% in 2Q10. This drop was impacted by one-time benefit accruals made in 2Q10 totaling Ch\$ 3.2 billion.

For the first half 2011, EBITDA was Ch\$ 57.0 billion, 4% higher when compared to the same period in 2010. EBITDA margin reached 37% in the same period.

For the first half 2011, EBIT reached Ch\$ 23.3 billion compared to Ch\$ 22.3, a 5% higher when compared to the same period in 2010.

Chile Wireline Main Activities by Services:

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

Entel possesses a solid portfolio of solutions for the Corporate and SME segment based on the latest technology and powerful infrastructure.

Within the integrated solutions for voice, data and Internet, the Company's current offerings include convergent fixed and mobile services, and IT outsourcing services, developing innovative solutions that meet the needs of each segment.

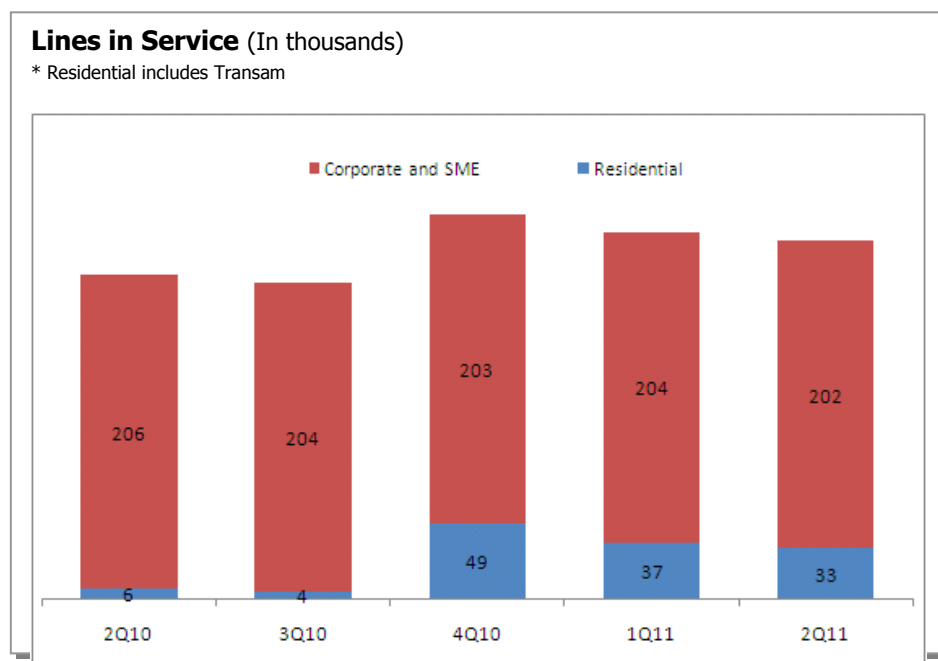
Entel was awarded the "Technology Excellence Partner of the Year Award - Virtualization" by Cisco. This distinction was based on Entel's cloud computing services provided through a virtual platform as an on-demand service hosted in a modern data center located in Ciudad de los Valles. The factors that prompted this recognition were the Company's innovation and leading industry position.

During June, Entel's fourth annual industry summit took place. This event is Chile's leading technological conference and presented the latest trends in telecommunications and IT. The summit included strong participation from Entel's customers, interest groups and partners.

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

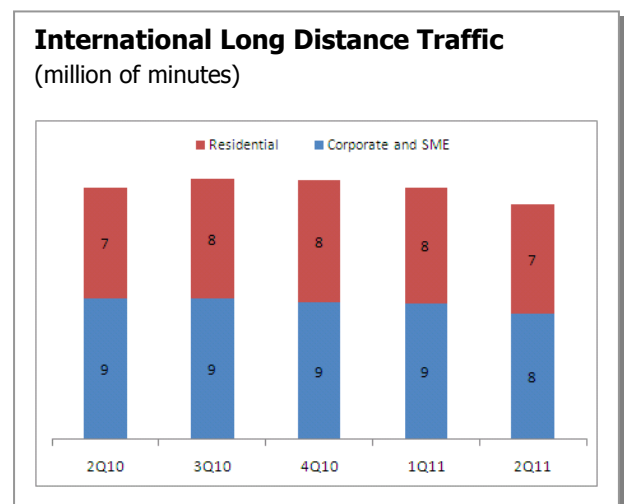
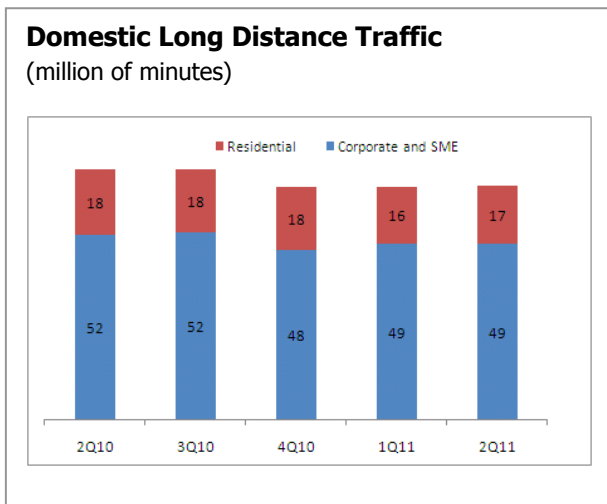
- **BANCO ESTADO (Government Bank):** This agreement provides Housing services for the bank's backup site, as well as interconnection services with customer networks and the bank's primary site.
 - **SCOTIABANK (Private Bank):** This agreement consists of providing Hosting infrastructure for X86, AIX and iOS operating systems, as well as on-demand services modality. This service will be provided to different branches in Latin America.
 - **Viñedos y Frutales Agrosuper (Wine and Fruit Company):** The agreement provides integrated solutions covering infrastructure and access communication over IP. It also includes SAP hosting services, emails and Blackberry Enterprise Server platforms.
- **Local Telephony (including NGN-IP)**

At the end of 2Q11, lines in service totaled 235 thousand, 11% growth when compared to last year. This increase was entirely related to the incorporation of Transam's operations, partially offset by a decrease in total lines in the corporate segment.



Long Distance

- DLD traffic decreased 6%, posting reductions in all segments. Average tariffs also declined across all segments.
- ILD traffic was down 7%, mostly related to the enterprise segment, while average tariffs decreased in the enterprise segment and grew in residential.
- Entel's ILD average market share in 2Q11 was 38%, while DLD market share reached 28%.

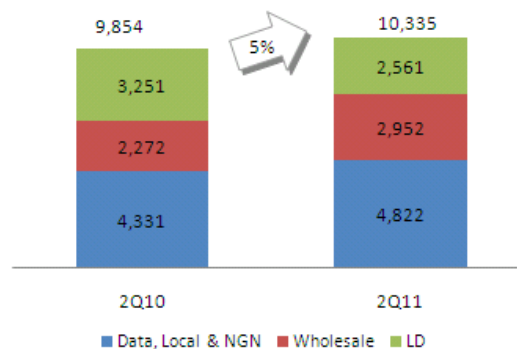


Americatel Peru

Revenues in the quarter reached US\$ 10.3 million, 5% higher than the figure reported in 2Q10. This growth was mainly due to wholesale revenue as a result of higher traffic and average tariffs. Also, revenues from datacom services offered to the enterprise segment expanded. On the other hand, there was a decline in LD linked to DLD resulting from changes in regulations, which took place in September 2010 that brought an end to DLD on mobile services, mainly offset by the mobile ILD multicarrier code introduced in 4Q10.

Quarterly Revenues

In thousand US\$ (Peruvian Soles divided by 2.75)



During the quarter, operating costs and expenses increased 6% compared to 2Q10. The most important increases were in access charges and satellite rentals, in-line with increased activity in the wholesale business and new satellite service supplied to the corporate segment, respectively. Depreciation and amortization increased, associated with equipment provided to a larger customer base in datacom (NGN-IP). In addition, sales expenses, energy and maintenance increased, associated with services expansion. For the 2Q11 period, EBITDA reached US\$ 1.0 million, an increase of 5% when compared to 2Q10 figures.

BALANCE SHEET

Consolidated Balance Sheet (limited review)

(in millions of Chilean Pesos)

	Jun-11	Jun-10	Var %
Assets	1,451,519	1,374,876	6%
Current assets	333,073	300,550	11%
Property, plant & equipment, net	985,660	956,643	3%
Others Non-current assets	132,786	117,683	13%
Liabilities & shareholders'	1,451,519	1,374,876	6%
Current liabilities	453,916	279,837	62%
Non Current Liabilities	279,429	421,056	-34%
Shareholders' equity	718,174	673,984	7%

Financial Indexes

	Jun-11	Jun-10	Mar-11
Current assets/Current liabilities	0.73	1.07	1.15
EBITDA/Financial expenses	53.70	44.55	55.19
Gross Financial debt/EBITDA*	0.59	0.87	0.63
Total liabilities/(equity + min. interest)	1.02	1.04	0.98

* EBITDA last 12 months.

As of June 30, 2011, gross financial debt amounted to Ch\$ 293.0 billion, a 19% reduction when compared to same period last year. This decline was mainly explained by a 14% drop in the CH\$/US\$ exchange rate impacting outstanding debt, and the repayment of commercial paper (Ch\$ 20.0 billion). Net debt (gross debt less cash and net balance from hedging activities including mark to market accruals) during the period totaled Ch\$ 336.4 billion, an 8% decline from the Ch\$ 366.9 billion reported in 2Q10.

RECENT EVENTS

- The Company filed two bond issuances for 10 and 30 years in the amount of 5,000,000 Unidades de Fomento (UF), respectively, with the local regulator (Superintendencia de Valores y Seguros). Proceeds from the sale of the bonds will be used to refinance liabilities, operations and financing investments. Both issuances are expected to be placed in the second half 2011 for a maximum amount of UF 5 millions. Furthermore, both bonds were classified 'AA' by rating agencies Fitch and Feller.
- At the Board of Directors Meeting held June 6 2011, the Board accepted the resignation of Mr. Bernardo Matte L. and appointed Mr. Andrés Echeverría as his replacement. Mr Echeverría holds a MBA from UCLA and currently serves on the Board of CMPC S.A (a Chilean Pulp and Paper Company).
- During the quarter, collective bargaining contract with the Chile Wireline Engineers union was signed, setting conditions for the next two years.

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.

HSDPA + Dual Carrier: Is a wireless broadband standard based on HSPA that is defined in 3GPP UMTS release 8, which enables mobile broadband speeds of up to 22 Mbps.

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.

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M2M: Machine to Machine, includes the automating of communication processes between machines (Machine to Machine) between mobile devices and machines (Mobile to Machine), and between men and machines (Man to Machine).

MBB: Mobile broadband.

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.

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Individual Consolidated Results by Business Segment

(in millions of Chilean Pesos)

	2011	2010	% Var.	6M11	6M10	% Var
Mobile Telephony						
Total Revenues	240,353	210,232	14%	473,976	405,447	17%
- Service Revenues and equipment	237,334	207,464	14%	467,938	401,152	17%
- Others Revenues	3,019	2,768	9%	6,038	4,295	41%
Cost of Operations	186,879	171,524	9%	364,637	330,514	10%
Depreciation and Amortization and Impairment	49,498	41,849	18%	97,279	81,690	19%
Salaries & Expenses	11,901	9,580	24%	23,052	19,158	20%
EBITDA	102,973	80,557	28%	206,618	156,623	32%
EBITDA Margin	43%	38%		44%	39%	
Operating Income	53,474	38,708	38%	109,339	74,933	46%
Operating Margin	22%	18%		23%	18%	

	2Q11	2Q10	% Var.	6M11	6M10	% Var
Chile Wireline (*)						
Total Revenues	77,906	71,787	9%	153,477	142,599	8%
Cost of Operations	65,789	59,388	11%	130,136	120,298	8%
Depreciation and Amortization and Impairment	16,930	16,514	3%	33,684	32,438	4%
Salaries & Expenses	16,478	14,415	14%	32,902	26,927	22%
EBITDA	29,047	28,913	0%	57,025	54,739	4%
EBITDA Margin	37%	40%		37%	38%	
Operating Income	12,118	12,400	-2%	23,341	22,302	5%
Operating Margin	16%	17%		15%	16%	

(*) 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)

	2011	2010	% Var.	6M11	6M10	% Var.	2011	2010	% Var.	6M11	6M10	% Var.
Americatel Peru	(SOLs)	(SOLs)		(SOLs)	(SOLs)		(Chs)	(Chs)		(Chs)	(Chs)	
Total Revenues	28,410	27,089	5%	56,932	54,571	4%	4,857	4,632	5%	9,734	9,330	4%
Cost of Operations	28,751	27,180	6%	57,110	54,435	5%	4,916	4,647	6%	9,764	9,307	5%
Depreciation and Amortization and Impairment	2,981	2,606	14%	5,684	5,115	11%	510	446	14%	972	875	11%
Salaries & Expenses	4,667	4,681	0%	9,130	9,053	1%	798	800	0%	1,561	1,548	1%
EBITDA	2,640	2,515	5%	5,507	5,251	5%	451	430	5%	942	898	5%
EBITDA Margin	9%	9%		10%	10%		9%	9%		10%	10%	
Operating Income	-341	-90	277%	-178	135	na	-58	-15	277%	-30	23	na
Operating Margin	-1%	0%		0%	0%		-1%	0%		0%	0%	

Any distortion in the figures is due to monetary exchange fluctuation

Second Quarter 2011 Results
August 1, 2011

Entel Group Consolidated Income Statement

(in thousands of Chilean Pesos)

INCOME STATEMENT	YTD		QTD	
	01-01-2011 30-06-2011	01-01-2010 30-06-2010	01-04-2011 30-06-2011	01-04-2010 30-06-2010
	M\$	M\$	M\$	M\$
Operating Revenues	591,696,749	516,632,344	299,658,860	265,846,681
Other Revenues	5,419,613	1,724,599	1,874,782	1,359,252
Salaries and Expenses	(60,852,134)	(51,926,508)	(30,801,037)	(27,115,811)
Depreciation and amortization	(130,128,821)	(112,765,701)	(66,032,648)	(57,263,755)
Impairment and bad debt	(16,080,526)	(15,464,799)	(9,318,159)	(7,682,957)
Other Operating Expenses	(255,119,922)	(240,457,136)	(129,529,383)	(123,765,364)
Gain (Loss) on sale of non-current assets	(1,340,758)	66,738	123,662	7,004
Financial income	2,069,978	493,449	922,693	238,263
Financial expenses	(4,953,041)	(4,791,717)	(2,545,971)	(2,389,284)
Exchange gain (Loss)	(2,252,734)	2,307,827	(1,788,450)	2,008,823
Other monetary adjustment	(3,009,176)	(1,799,120)	(2,139,064)	(1,402,789)
Profit/(loss) before income Tax	125,449,228	94,019,976	60,425,285	49,840,063
Income Tax	(21,649,393)	(15,157,913)	(9,066,391)	(7,912,109)
Net Income for the period	103,799,835	78,862,063	51,358,894	41,927,954
Earnings per share	438.86	333.42	217.14	177.27
Other Income and (Expense), debit / credit directly to Equity				
Cash Flow Coverage	1,463,935	(3,869,068)	1,738,080	2,387,510
Conversion Adjustments	211,368	1,234,344	(39,728)	625,336
Income Tax	(256,189)	657,741	(304,164)	(405,877)
Other Income and Expense with debits and credits in the Equity, Total	1,419,114	(1,976,983)	1,394,188	2,606,969
Net Results	105,218,949	76,885,080	52,753,082	44,534,923

Entel Group Consolidated Balance Sheet

(in thousands of Chilean Pesos)

ASSETS	30-06-2011	31/12/2010
Current assets	333,072,582	379,676,583
Cash and cash equivalents	18,237,219	75,272,215
Other financial assets	761,212	870,798
Other non financial assets	15,983,183	13,145,025
Trade and other receivables	232,979,116	236,011,842
Accounts receivable from related entities	552,069	469,192
Inventory	51,822,446	36,799,196
Tax assets	12,737,337	17,108,315
Non-current assets	1,118,446,114	1,109,597,566
Other Financial Assets	5,672,197	6,057,517
Other non Financial assets	5,491,786	3,935,778
Trade and other receivables	3,540,073	2,807,389
Intangible assets	32,640,232	32,665,098
Goodwill	45,821,474	45,821,474
Property, plant and equipment	985,659,714	978,457,143
Deferred tax assets	39,620,638	39,853,167
TOTAL ASSETS	1,451,518,696	1,489,274,149

LIABILITIES AND SHAREHOLDERS EQUITY	30-06-2011	31/12/2010
Current Liabilities	453,915,995	376,371,289
Other financial liabilities	122,812,915	14,570,686
Trade and other payables	286,665,181	319,275,469
Other provisions	801,377	689,270
Income tax	3,578,173	201,105
Other liabilities non financial	40,058,349	41,634,759
Non Current Liabilities	279,429,028	391,528,337
Other financial liabilities	238,221,329	350,331,042
Other provisions long term	4,520,003	4,001,616
Deffered income tax	17,826,550	21,345,618
Employee severance and others	7,215,063	8,257,812
Other non financial liabilities	11,646,083	7,592,249
Equity	718,173,673	721,374,523
Paid-in Capital	522,667,566	522,667,566
Retained Earnings	257,095,102	261,715,066
Other Reserves	(61,588,995)	(63,008,109)
Minority interests	-	-
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	1,451,518,696	1,489,274,149