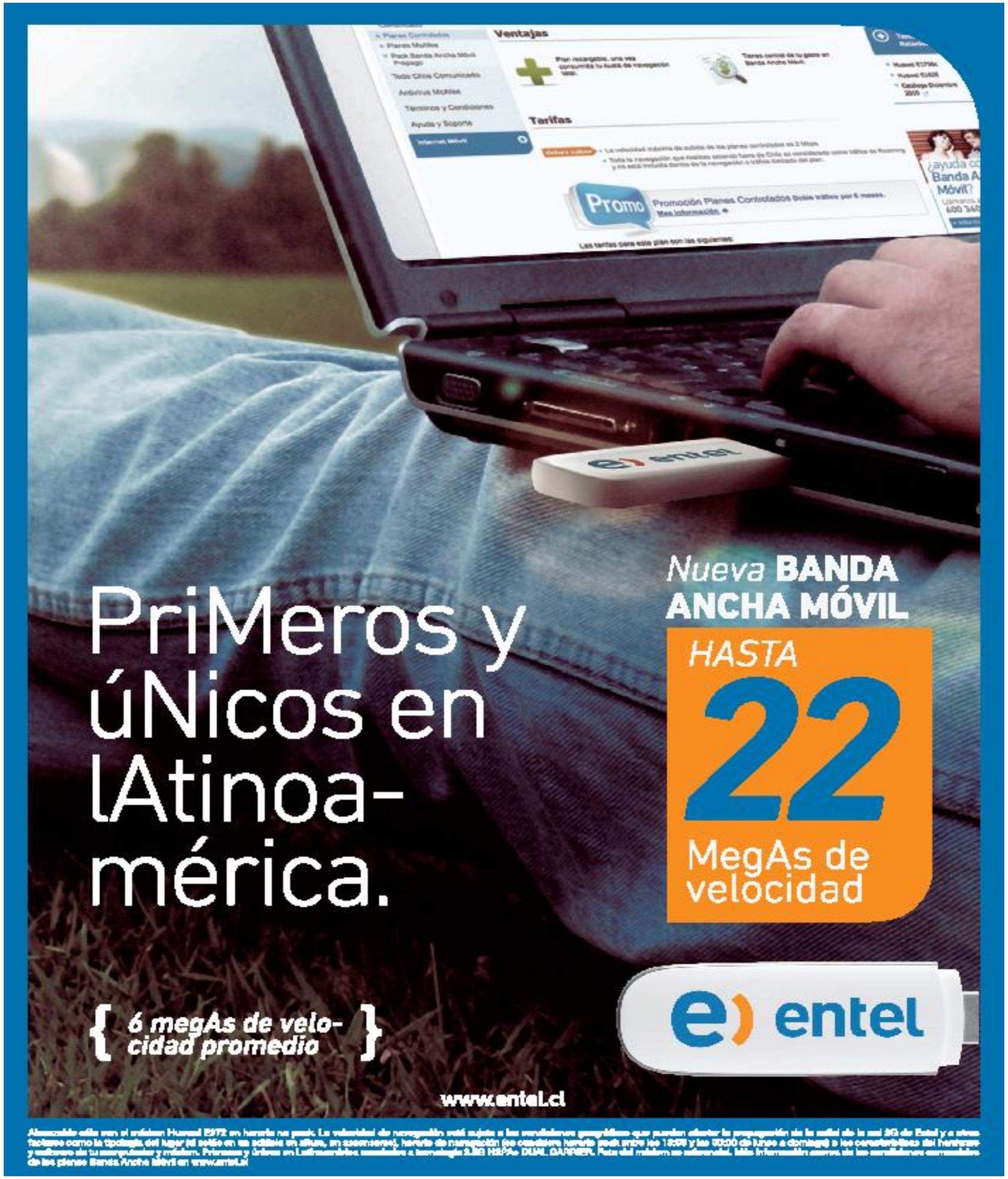
ENTEL Results
First Quarter 2011

Investor Presentation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22
MegAs de velocidad
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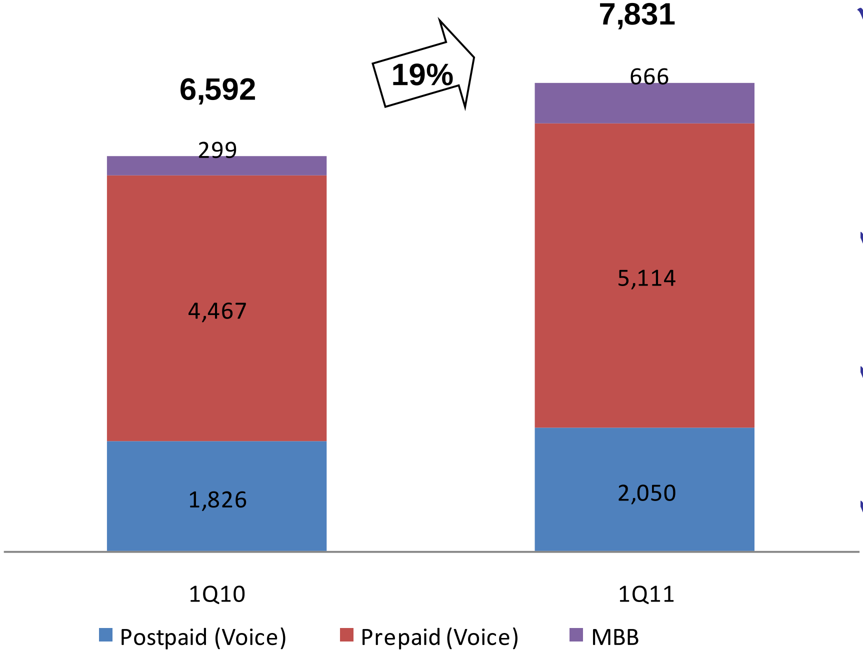
Main Events

- ✓ The Annual Shareholders´ Meeting was held April 26, 2011,
  - ✓ A total dividend of Ch$ 545 per share was approved, totaling 74,75% of 2010 net profit. The remaining Ch$ 445 per share will be paid May 24, 2011 (in December 2010 was paid CH$ 100 per share as interim dividend).
  - ✓ The following Investment and Financing policy changes were approved:
    - ✓ Financing Policy includes a maximum debt as the higher resulting from:
    - (Liabilities) / (Equity) of 1.5 times, or
    - (Liabilities) / (annual EBITDA) of 3.0 times,
    - Liabilities are net of financial investments
    - Changes are justified mainly considering application of IFRS standards starting on 2009.

Activity by Business Sector

Mobile Telephony

Entel's Mobile Subscribers (in thousands)



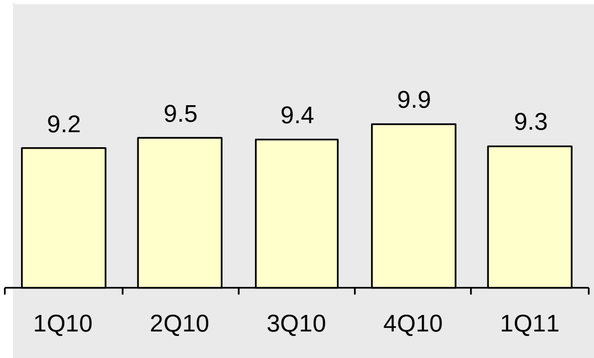
- ✓ Mobile market continued with strong momentum, with quick speed in customer expansion along all segments: Total postpaid base (including voice and MBB postpaid) represents 32% of total customers.
- ✓ Postpaid (voice) grew 12% along with increase capillarity in the distribution channel.
- ✓ Prepaid (voice) rose 14%, driven by strong promotions across the board.
- ✓ Mobile broadband more than doubled, in-line with enlarged array of plans offered and strong market evolution.

Highlights

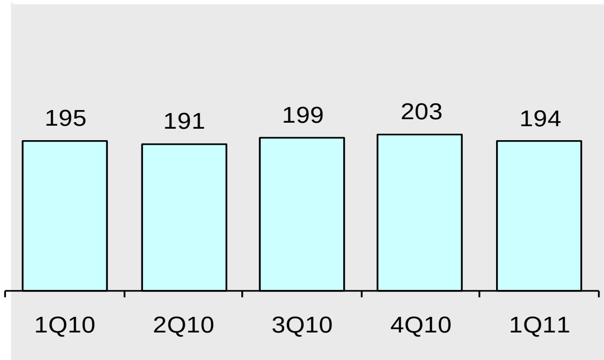
- ✓ Again first operator in Latin America to deploy HSPA+ Dual Carrier, offering up to 22 Mbps, doubling the 12 Mbps currently available.
- ✓ Strengthening its mobile broadband strategy the Company is offering easy data connections with the best network infrastructure, simple services, pricing and best user experience: "Always Connected".
- ✓ Entel through its Express Stores is providing improved services to customer, increasing capillarity and concentrate on core services.

Mobile Telephony

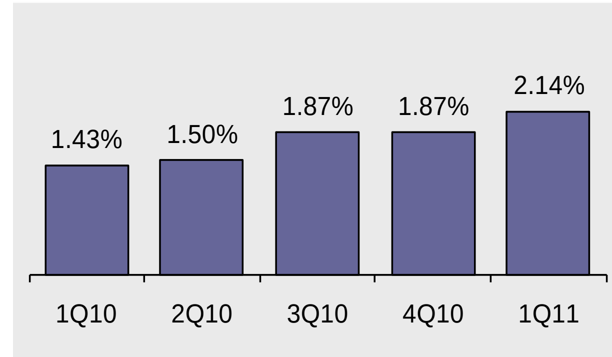
ARPU Average (thousands Ch$)



MOU Average (minutes/month)



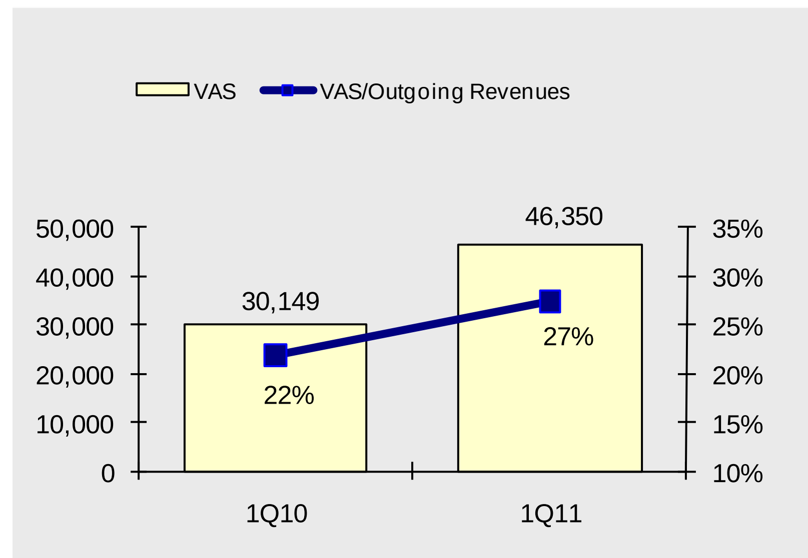
Average Monthly Churn



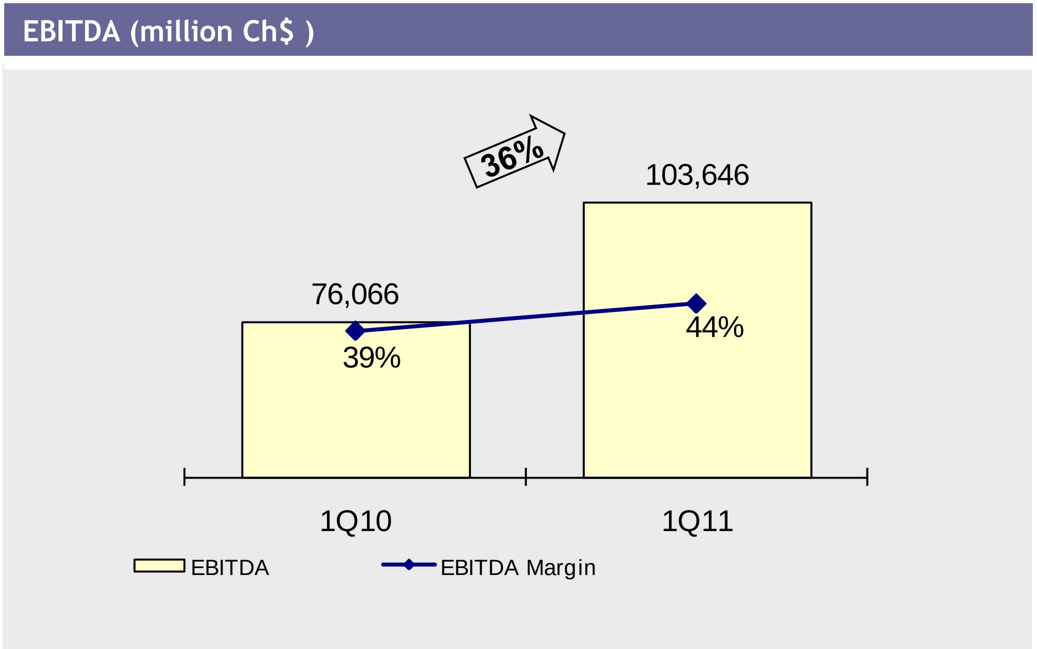
1Q11 vs 1Q10

- ✓ Blended ARPU grew (+1%), driven by higher innovative VAS usage (including MBB).
- ✓ MOU for the period relative stable, showing higher usage in postpaid and slightly declining in prepaid.
- ✓ Churn rate increased to 2.14% from 1.43% in 1Q10 affected by strong promotions in the prepaid segment during 4Q10 and in mobile broadband due to market strong growth.
- ✓ VAS revenues rose 54%, supported by the expansion of mobile broadband customers (+123%) and the high demand of innovative VAS services.

VAS Revenues (million Ch$)



Mobile Telephony



- ✓ EBITDA increased 36%, mostly explained by higher gross service margins (+31%) aligned with 20% increased in revenues due to strong customer base expansion and data usage. On the other hand equipment sales margins declined due to higher prepaid sales. SG&A expenses grew, driven by higher acquisition costs, partially offset by lower bad debt provision.

- ✓ EBITDA margin reached 44%, above the 39% reported in 1Q10.

EBITDA: Operating income + Depreciation+ Amortization + Impairment

Chile Wireline

Corporate and SME Segment

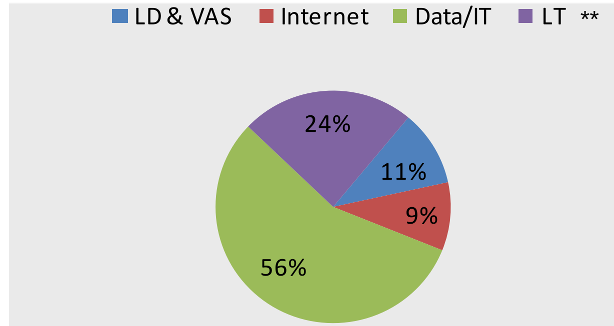
Data Services, Local Telephony, Internet and Long Distance

1Q11 vs 1Q10

- ✓ Moving to new scenarios, the company is driving technological developments that enable integration and convergence on fixed and mobile services leveraged with outsourced IT solutions.
- ✓ The deployment of fiber optic network (GPON), upscales Entel market position in the enterprise segment.
- ✓ Revenue grew 8%, driven by the provisioning of new recently signed contracts in IT/data. Partially offsetting, were decreases in LD due to lower DLD traffic.

(*) Includes intercompany revenues.

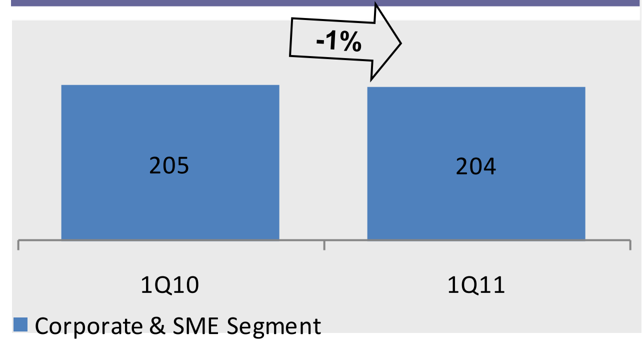
Corp & SME Revenue Distribution (1Q11) *



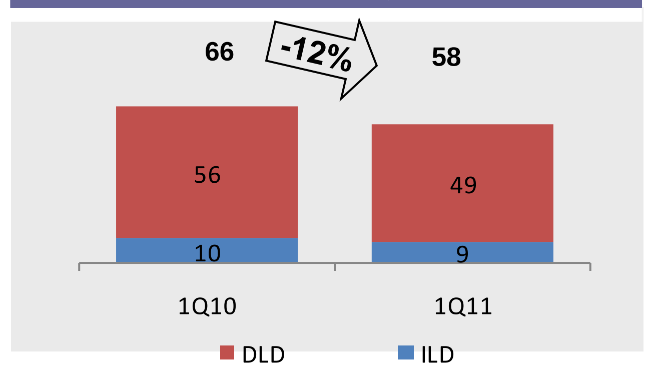
Total Revenues (Ch$ mill.): 39,018; 8% vs 1Q10

* Includes intercompany revenues ** Includes NGN

Lines in Service (in thous.) of Local Tel.

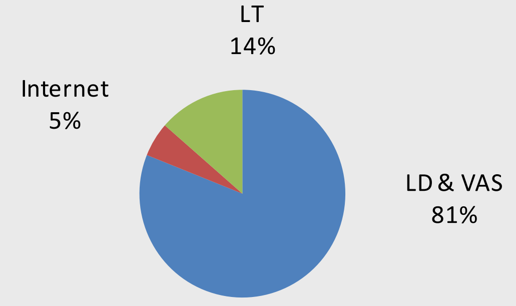


LD Traffic (million of min.)



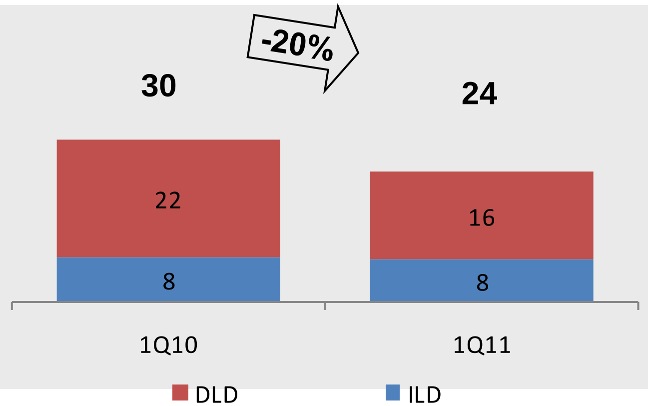
Residential Segment

Residential Revenue Distribution (1Q11) *



Total Revenues (Ch$ millions): 6,037; +5% vs 1Q10
* Includes intercompany revenues

LD Traffic (million of minutes)



- ✓ Revenues increased, principally in local telephony attributed to the integration of Transam operations, partially offset by Internet services and LD due to customer base reduction and lower traffic and tariffs in DLD, respectively.
- ✓ Entel´s ILD average market share reached 38%, stable when compared to 1Q10; while DLD was 30%.

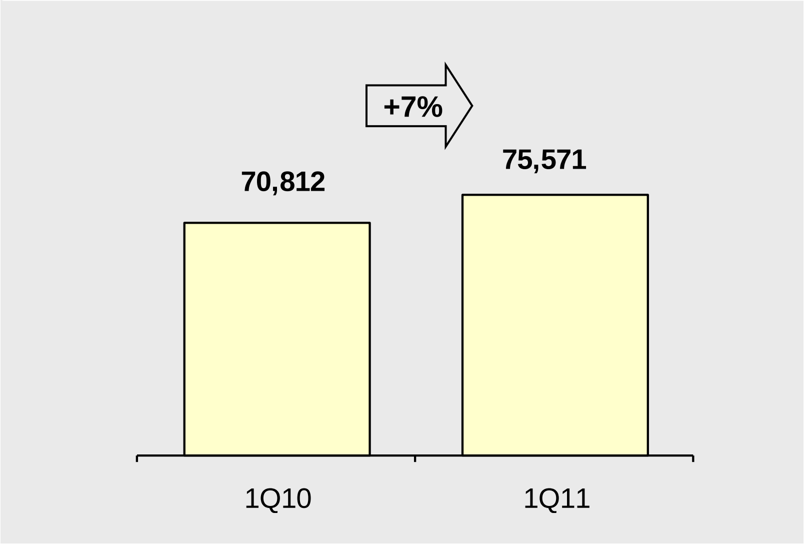
Infrast. Serv. to Other Telecom Comp. and others

Ch$ (millions)	1Q11	1Q10	% Var.	4Q10
Infraest. Serv. Telcos, Traffic B. and Others	30,359	28,679	6%	28,916

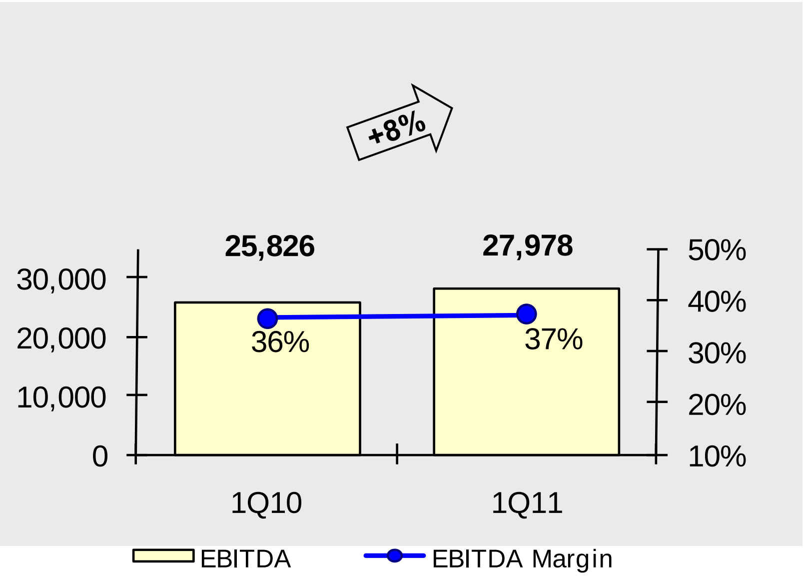
- ✓ Revenues grew 6%, mainly in the low margin traffic business due to higher traffic and services provided to other fixed lines operators.

Chile Wireline

Revenues (Ch$ million)

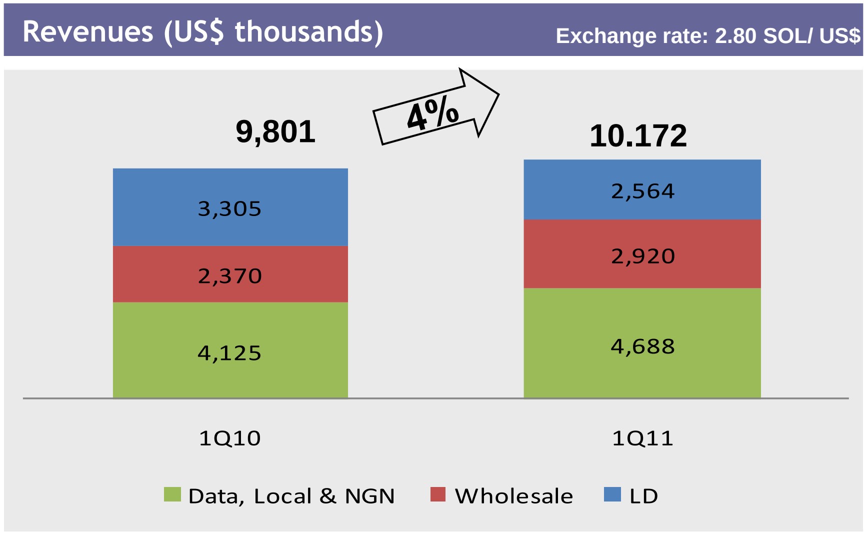


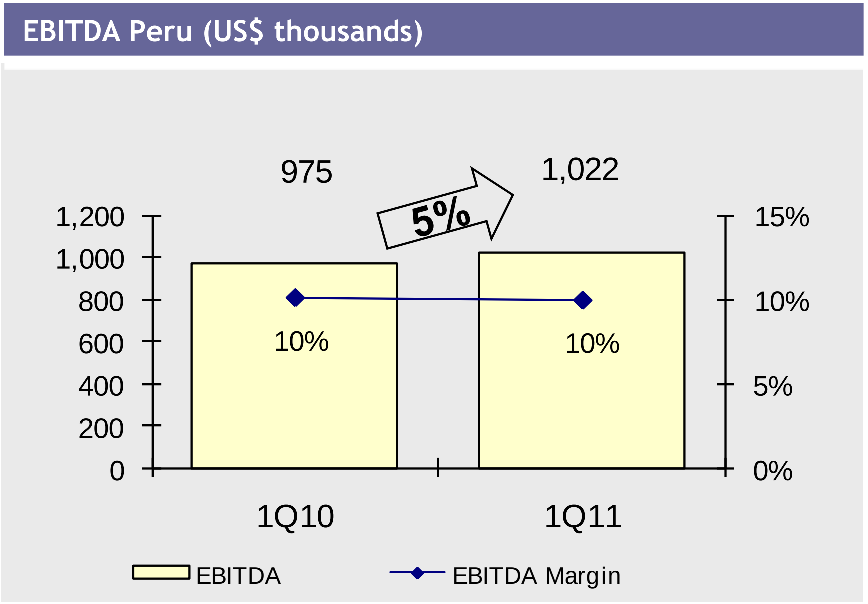
EBITDA (Ch$ million)



- ✓ Revenues rose across all segments, primarilly in the corporate and SME and network rentals.
- ✓ EBITDA and EBITDA margin increased across the board mostly in the enterprise segment.

Americatel Peru





- ✓ Revenue increased, explained by datacom and satellite services provided to the enterprise segment. Also, wholesale increased due to higher average tariffs. Partially offsetting these, was a decline in LD mainly in DLD revenues driven by the change in regulations that eliminated mobile DLD services, counterbalanced in part by ILD due to the introduction of the mobile ILD multicarrier code ruling in the last quarter.

- ✓ EBITDA increased mainly as a result of datacom margin expansion, as well as improvements in the wholesales business.

Financial Results
First Quarter 2011

- ❑ Consolidated Operating Results
- ❑ Non-Operating Results

- **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 1Q11 to 1Q10 was 2.9%.**

Consolidated Quarterly Results

	1Q11	1Q10	Change %
Net Revenues (CH$ Million)	**294,118**	**251,211**	**17%**
Cost of operations	226,500	204,786	11%
EBITDA	**132,839**	**102,844**	**29%**
EBITDA Margin	**45%**	**41%**	
Operating Income	**67,618**	**46,424**	**46%**
Net Financing Expenses	(2,594)	(2,245)	-16%
Tax	(12,583)	(7,246)	-74%
Net Income	**52,441**	**36,934**	**42%**

- **Revenues** rose, especially in the mobile business boosted by the customer base expansion (+19%) together with explosive growth in data usage (+54%). Chile wireline grew 7% and Americatel Peru 4% measured in local currency.
- **EBITDA and EBIT** expanded, driven by improvements across all business segments.
- **Net financing** cost increased, due to combination of losses on price level adjustments related to higher inflation and mark-to-market accounting for hedging derivatives, partially offset by lower net financial expenses resultant from higher interest income over cash balance.
- **Net income** grew in line with higher operating income and partially offset by the increase in income tax rate from 17% to 20%.

Consolidated Revenues

Net Revenues (CH$ Million)	1Q11	1Q10	Change %	Var millions$
Net Revenues (CH$ Million)	294,118	251,211	17%	42,908
Mobile services	228,751	191,968	19%	36,782
Data services (includes IT)	21,860	19,170	14%	2,690
Local telephony (includes NGN-IP)	9,786	9,741	0%	45
Long Distance	8,686	9,028	-4%	(342)
Internet	4,095	3,869	6%	226
Other telecommunication companies	4,511	4,061	11%	450
Traffic business	7,362	6,161	19%	1,201
Americatel Perú	4,654	4,892	-5%	(238)
Call Center and other services	2,333	1,895	23%	438
Other Revenues- Non core	2,080	425	389%	1,656

- Mobile services: increased stimulated by service revenue (+20%) aligned with the 19% customer base expansion. VAS revenues expanded (+54%) in-line with mobile broadband growth (+123%). ARPU increased (+1%) boosted by VAS usage. Equipment sales improved, especially in the prepaid segment.

- Data services & IT: rose driven by new data center/ IT services and integrated solutions provided through MPLS/IP platforms in the corporate and SME segment.

- Traffic business: increased principally driven by higher traffic activity, partially offset by lower average tariffs affected by a reduction in the average exchange rate CH$/US$.

- Other telecommunication companies: increased fuelled by, network rentals to fixed line operators.

- Call Center and other services; increased mainly due to new contracts signed in Peru.

- Internet : expanded tied to access supplied to the SME segment.

- Other Revenues (Non-core): increased principally linked with the accruals of insurance claims associated with last year´s earthquake and net sales of building facilities and inventories..

- Long distance: decreased influenced by lower traffic and tariffs across all segments in DLD.
- Americatel Peru; decline was determined by the reduction in exchange rate CH$/S$ (Peruvian Soles) excluding this effect , remain flat.

Consolidated Costs and Expenses

Cost of operations (CH$ Million)	1Q11	1Q10	Change %	Var millions$
Cost of operations (CH$ Million)	226,500	204,786	11%	21,714
Access Charges & Payments to corresp.	43,774	43,514	1%	260
Salaries & expenses	30,051	24,810	21%	5,241
Bad debt provision	5,637	6,864	-18%	(1,227)
Outsourced, Supplies and Equipment Services	6,466	6,586	-2%	(122)
Advertising, Sales commissions & Sales Expenses	36,354	27,260	33%	9,094
Depreciation & amortization and Imperment	65,221	56,420	16%	8,801
Others (including Sup. and Equip. and Outs. services)	38,995	39,331	-1%	(338)

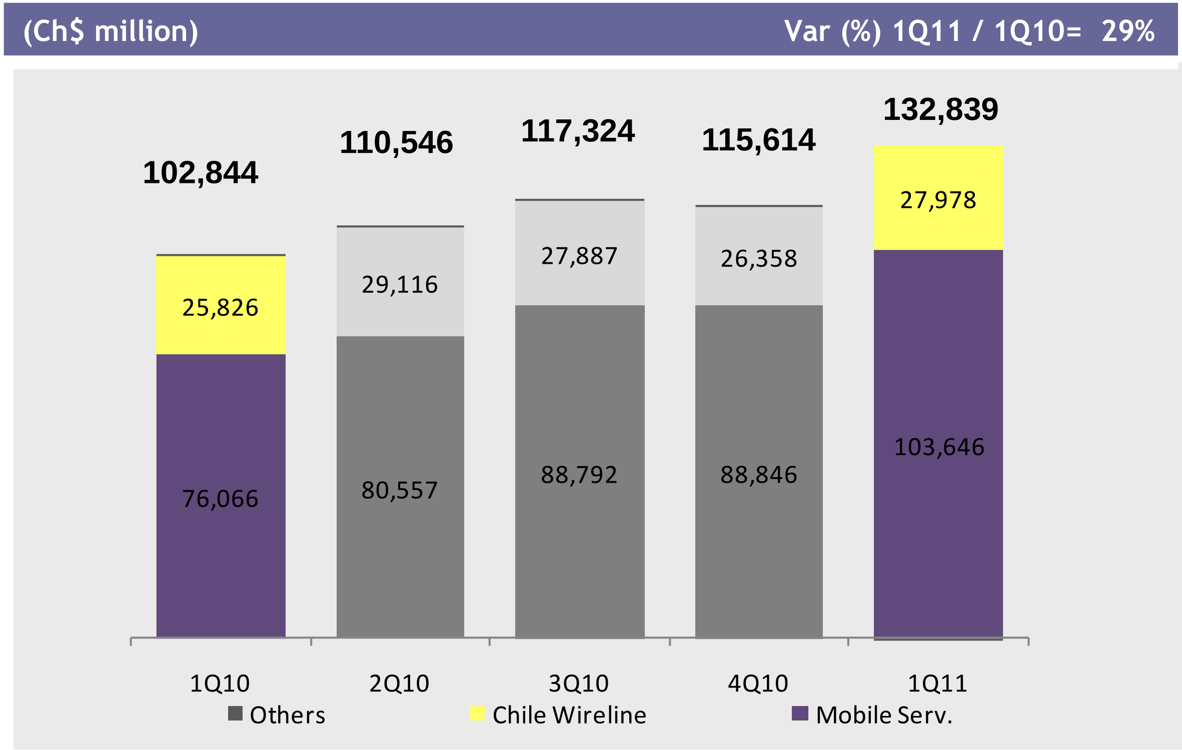
- Depreciation, amortization and impairment: grew principally due to the high expansion in postpaid customer base (including mobile broadband). Also, Chile wireline increased due to data center/IT.
- Advertising cost, sales commissions and expenses: expanded caused by higher prepaid equipment cost and sales activity in the mobile business, alligned to the customer base expansion, partially offset by lower advertising cost across the segments.
- Salaries & expenses: increased, mostly in the Chile wireline due to one-time provision accrued relative to reorganization process and higher headcount in the IT business.
- Bad debt provisions: decreased, principally explained by the absence of additional provision in the mobile business related to the earthquake in 1Q10.

Consolidated Non-Operating Results

	1Q11	1Q10	Change %	Var millions$
Financing cost and others (CH$ Million)	(2,594)	(2,245)	-16%	(350)
Interest income	1,147	255	350%	892
Financial expenses	(2,407)	(2,402)	0%	(5)
Exchange Fluctuation & Mark to Market Accruals	(1,334)	(97)	-1271%	(1,237)

- Net financing cost and others: increased mainly related to price level adjustments related to higher inflation and higher losses on mark-to-market accounting for F/X hedging derivatives, partially offset by lower net financial expenses in the period due to higher interest income over outstanding cash balances.

Consolidated Cash Generation*



- EBITDA expanded, in-line with improvements in the mobile business (+36%), Chile wireline (+8%) and Americatel Peru (+5%).
- EBITDA margin reached 45%, higher when compared to the 41% in 1Q10.

(*) Operating Income + Depreciation + Amortization + Impairment.

Simplified Free Cash Flow

(Ch$ millions)

	YTD Mar/11	YTD Mar/10
EBITDA	132,839	102,844
CAPEX	(39,534)	(32,439)
Postpaid Handset Purchases	(23,565)	(20,527)
Net Financial Expenses	(1,260)	(2,147)
Cash Flow	**68,481**	**47,731**

- Net cash flow increased 43%:
  - EBITDA rose across all businesses, principally in the mobile business and Chile wireline.
  - CAPEX increased mainly in Chile wireline due to network and data service expansion.
  - Postpaid handset purchases increased, in line with the customer base expansion.
  - Net financial expenses declined mainly due to higher interest income over cash in balance.

Consolidated Debt & Hedging

(Ch$ millions) Exchange rate: 479,46 Ch$/ US$	YTD Mar/11	YTD Mar/10
Consolidated Average Gross Debt (Ch$ MM)	317,775	347,041
Effective Interest Rate of the Period	0.68%	0.64%
Final Gross Financial Debt (Ch$ MM)	299,984	348,957
Final Net Debt (Ch$ MM)	248,605	324,522

- Fully hedged to F/X exposure.
- 43% of debt is at fixed rates.

Financial Ratio Trends

	3M11	3M10
Current assets/Current liabilities	1.15	1.23
EBITDA/Financial expenses	55.19	42.81
Gross Financial debt/EBITDA*	0.63	0.86
Total liabilities/(equity + min. interest)	0.98	1.00

*** EBITDA last 12 months.**

- Debt ratios continue to reflect the Company's healthy financial position.

Thank You !

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