



Entel Chile

Third Annual Latin America One-on-One Conference

New York, U.S.A.

Host by Goldman Sachs



December 1-2, 2011



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Industry Size and Competitive Environment

Company Overview

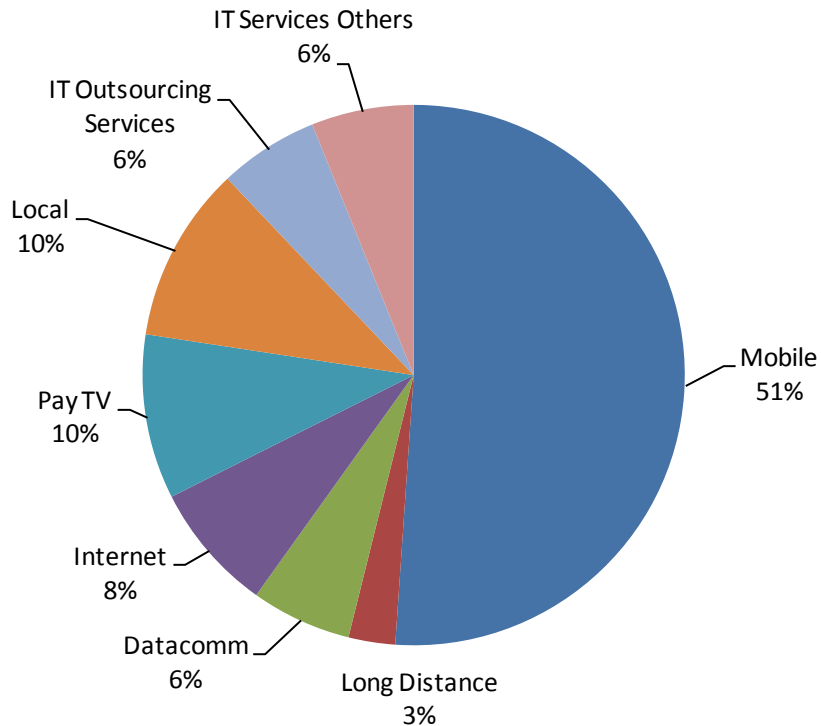
Business Segments

Financial Overview

(*) Values in IFRS

Chilean telecom market: *Mobile Services Leading sector*

Chilean Telecom Market (Year 2010)



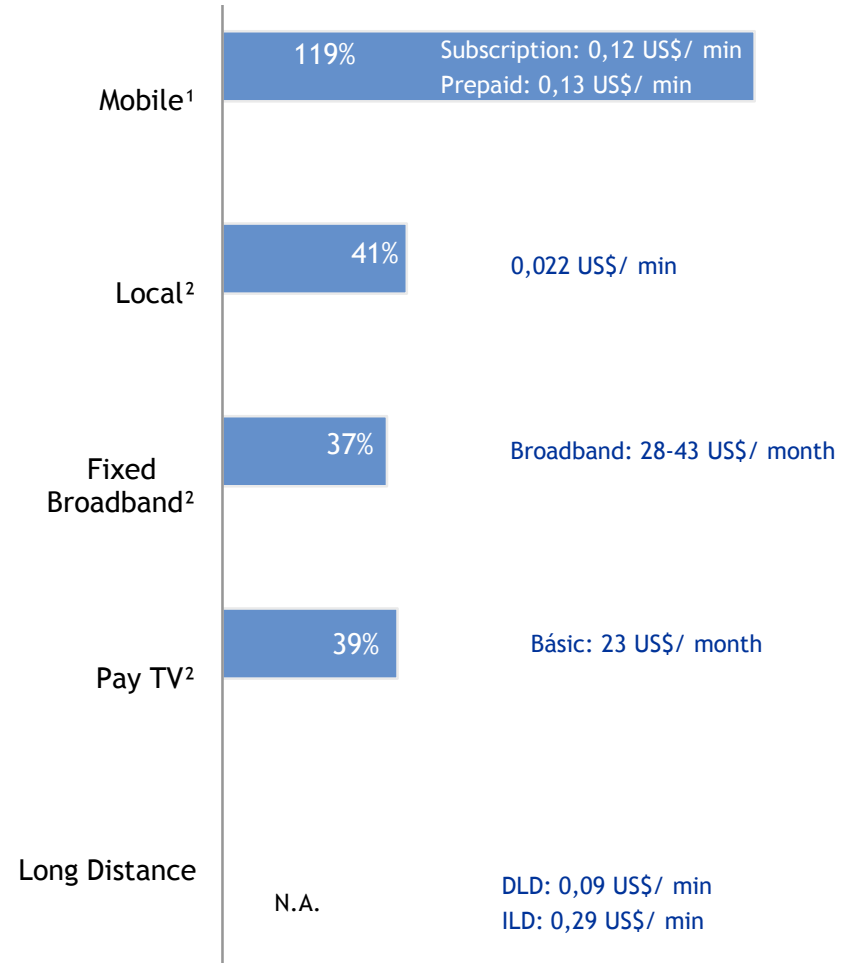
Source: Subtel, IDC, Pukara, Entel estimates

Telecom Market Size (Revenues) = US\$ 7.6 bn (*)

IT Services Others: includes HW, SW Deploy and Support, Integration and Development, Education and Training and Consulting.

(*) Exchange rate as of June 2011: \$521.76

Penetration / Tariffs

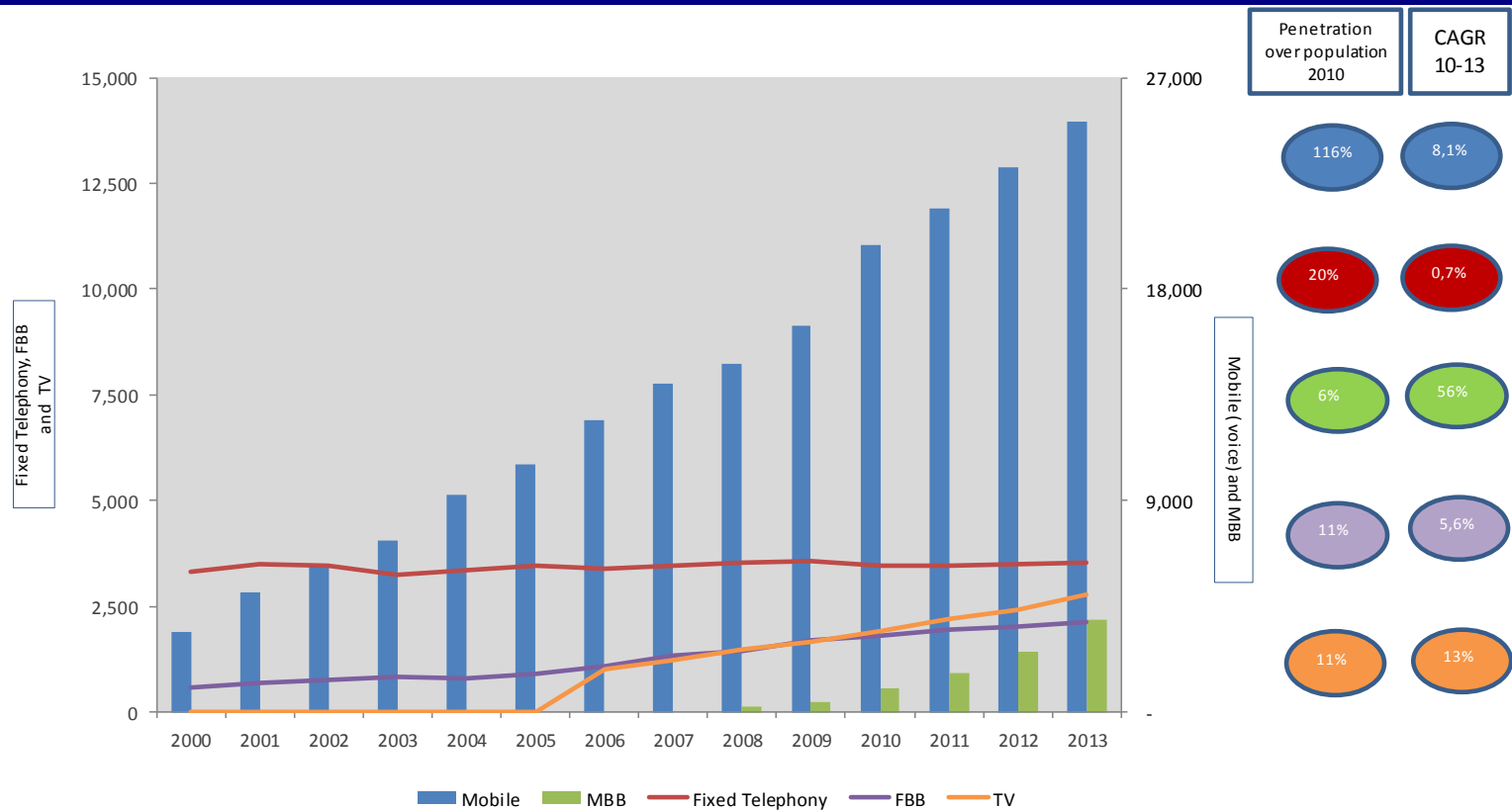


¹ % over population

² % over homes

Telecom Industry: Chile subscribers trends

Subscribers Trends



- Mobile Broadband: Increasing at high rates, and exceeds fixed broadband into 2011 – 2012.

Source: Entel

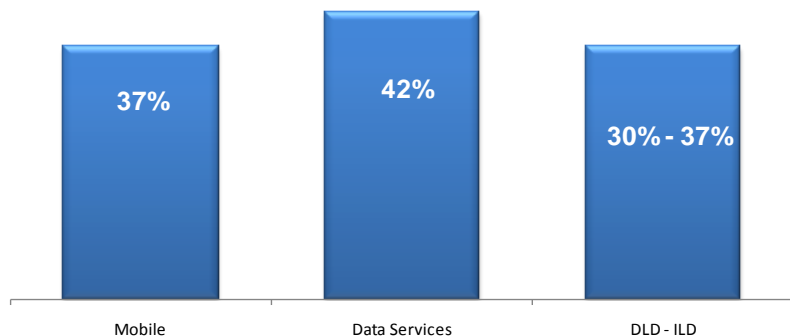
Company Overview

Entel is the largest publicly traded telecom company in Chile

Entel Overview

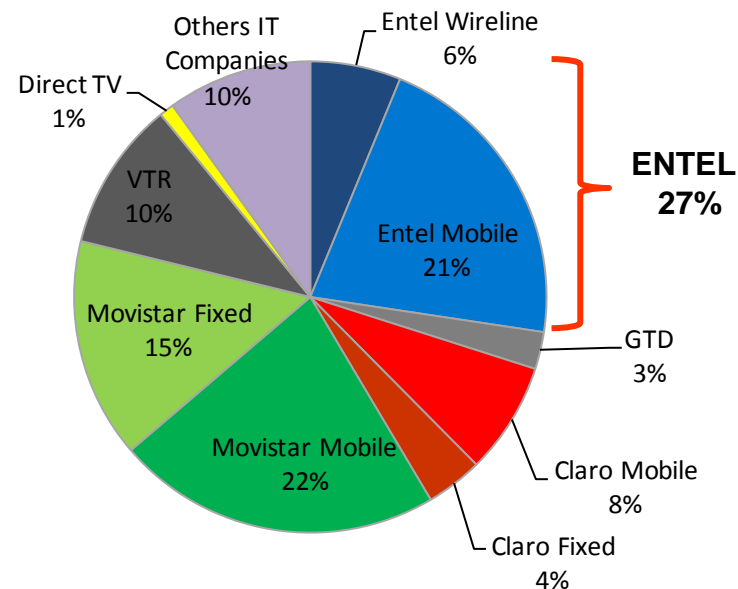
- Leading competitive position in main markets where it participates, based on quality services, technology and innovation.
- Moving to a new organizational structure, responding to fixed and mobile services convergence.
- Wide range of integrated telecom and IT services supported by solid execution and innovative process.
- Top brand in Chilean telecom market.

Entel's Market Share (December 2010)



Source: Entel

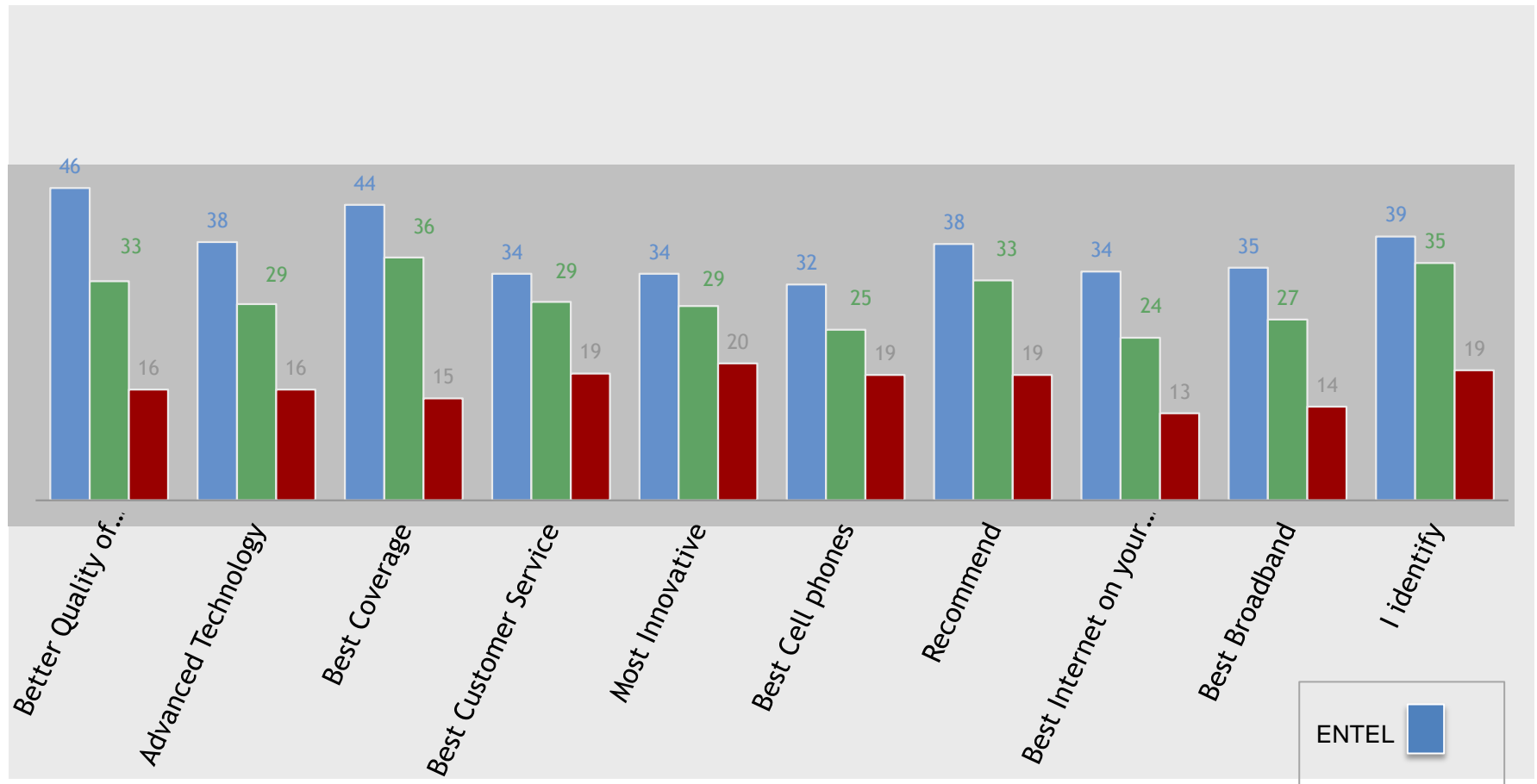
2010 Telecom and IT Revenue Share



(*) Exchange rate as of June 2011: \$521.76

Entel is the top brand in the Chilean industry

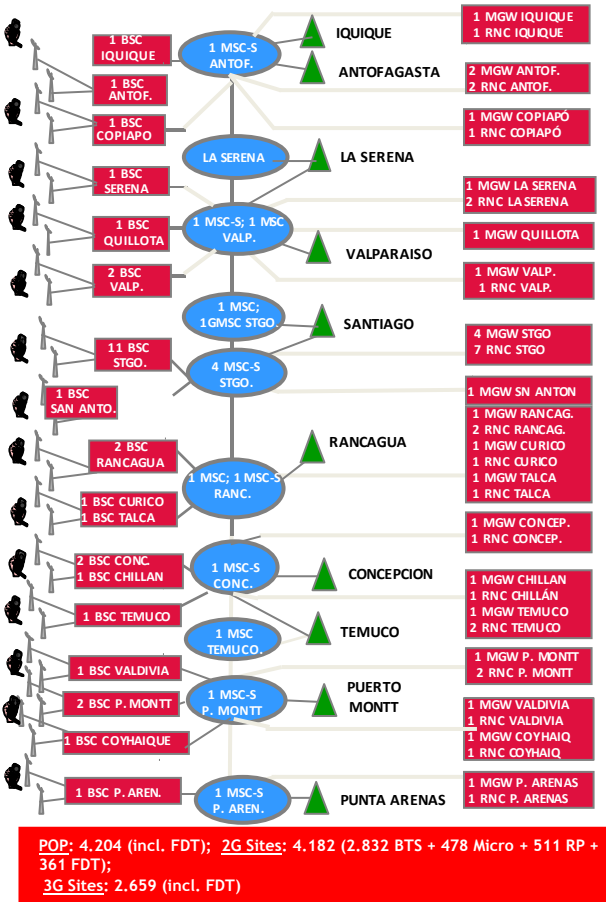
Overall Image Survey Chilean Mobile Phone Sector (January-October 2011)



Source: "Kronos Chile January - October 2011"

Entel's top quality services are provided through its extensive network...

Mobile Network (60 MHz in 1900 MHz Band)

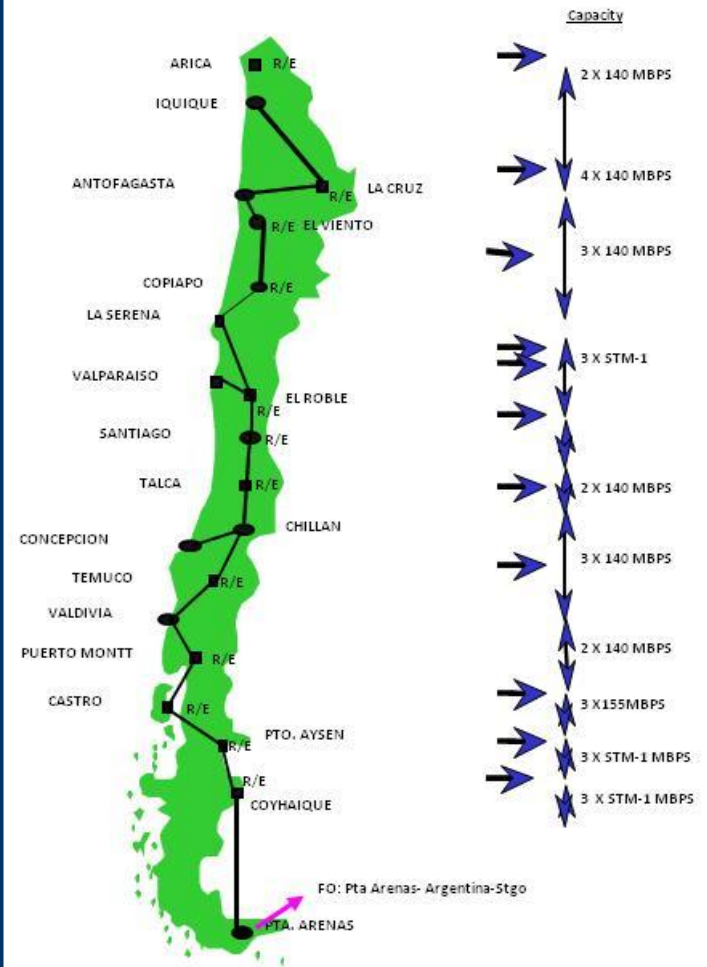


MSC : Mobile Switching Center
 MSC-S : Mobile Switching Server Center
 POP : Point of presence
 BSC : Base Station Controller
 MGW : Media Gateway
 RNC : Radio Network Controller

Fiber Optic Transport Network



Digital Microwave Transport Network



... with presence all along the country

Fixed Access Network (NGN-IP)



- Entel's network provides services to the main cities of Chile (digital and NGN switches and Gigabit ethernet network).
- Nationwide capacity for over 400,000 equivalent lines.
- Copper and GPON access technology

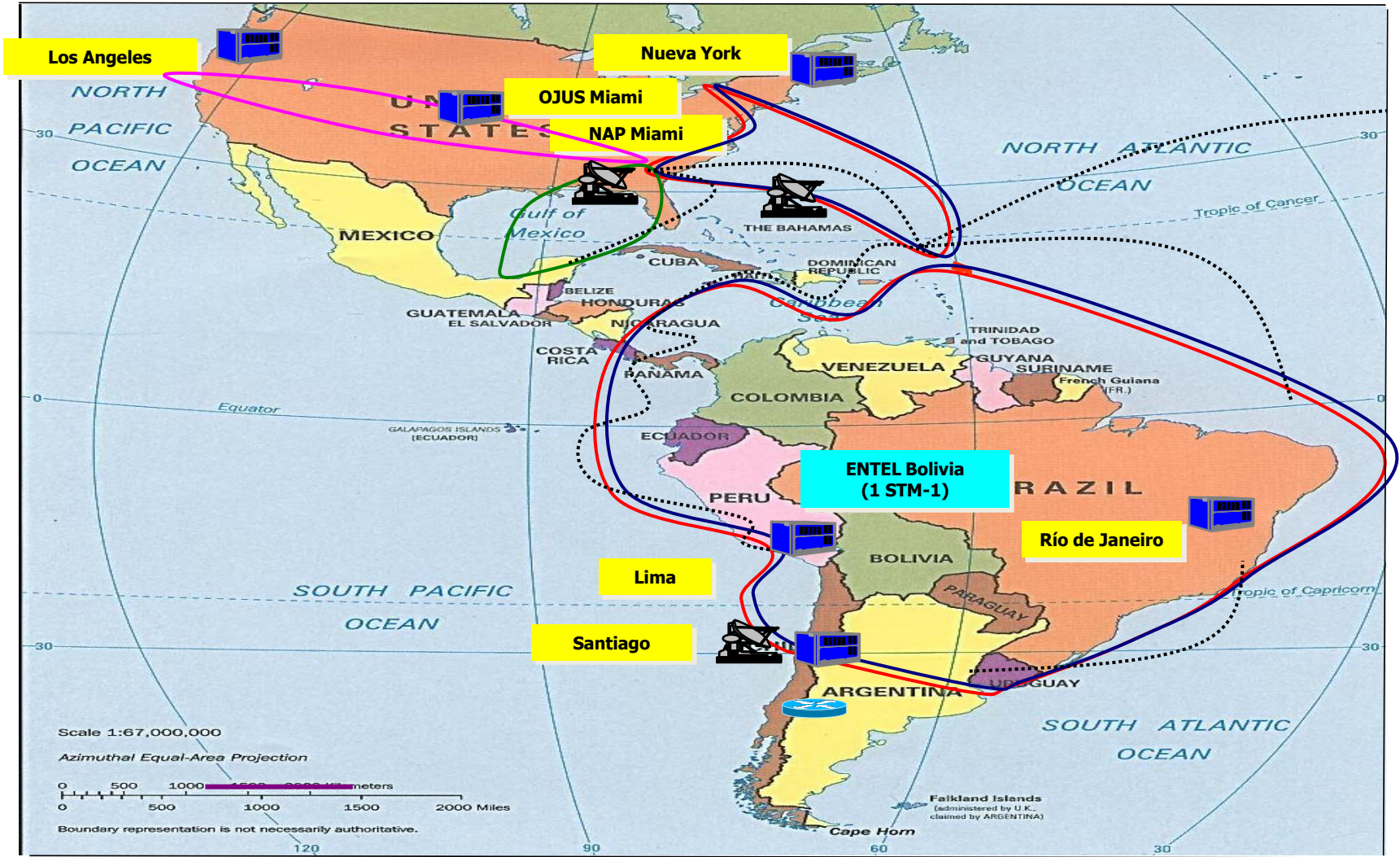
Fixed Wireless Coverage



- 2 nationwide coverage licenses: 100 MHz total spectrum frequency in 3.5 GHz band, 20Mhz total spectrum frequency in 900 MHz band.

Entel also provides transportation capacity via global consortiums

Fiber Optic and Satellites



Entel is progressing forward in Social Responsibility



Third publication of biannual Sustainability Report prepared under the Global Reporting Initiative (GRI)



Entel Group maintains commitment to United Nations Global Compact ...

Social Responsibility is an essential part of Entel's corporate management...



... In order to ensure long term sustainability, contributing to the development and welfare of society.

... Voluntarily manifesting the ability to listen, understand and meet the expectations and interests of the Company's stakeholders ...



Entel services and products play a central role under CSR framework, encouraging academic excellence and improvements in quality of life



Second Phase of "Todo Chile Comunicado" was deployed: as of to date it includes the connection of 1,000 new rural villages along the country with mobile broadband, benefiting 2.7 million inhabitants. The total project reaches 1,400 rural areas and 3.0 million people.

Entel shares are traded in the Chilean stock market

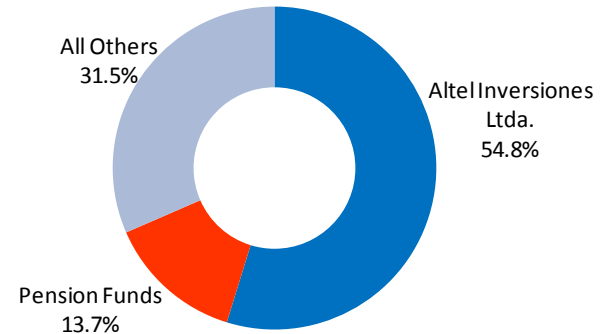
Highlights

- Listed on Santiago stock exchange.
- Market cap¹: US\$ 4.4 billion.
- Daily average trading volume²: US\$ 5.1 million.

1: Exchange rate 517.96 Ch\$/1 US\$.- Stock price as of november 23, 2011.

2: Average from November 2009 to October 2011.

Entel's Ownership – Strong and experienced



As of October 31, 2011

3: Altel is a wholly-owned subsidiary of Almendral (Holding Company) and its main controllers are Matte, Fernandez/Hurtado, Izquierdo and Gianoli Economic Groups.

Entel's corporate governance at high standards.

- Board of Directors composed by 9 members
 - Controlling parties appoint 7 members
 - 2 members are independents.
- Board Committee composed by 3 Directors
 - 2 members are independent.
- Procedure related to market disclosure of information.
- Release of relevant information in company's website.
- Adoption of Ethic Code .
- Ranked top 10 in Corporate Reputation and 1st in Telecommunications Industry.

Corporate structure

Main Operating Companies (Year 2010)



*Net of intercompanies revenues
Values divided by \$521.76

Business Segments



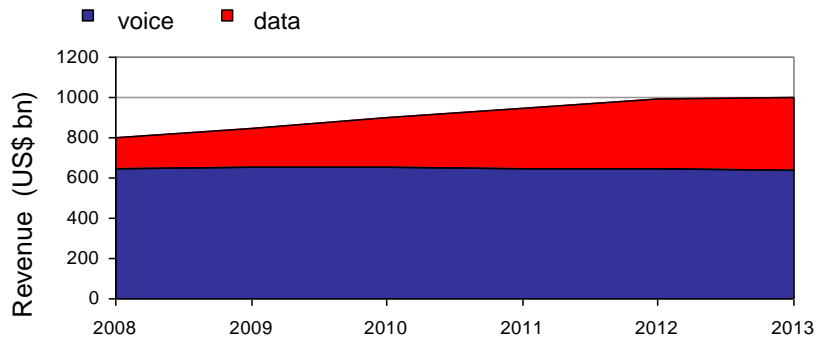
grAcias!

Por noveno año consecutivo, somos reconocidos con el **Primer lugar Premio a La Calidad de Servicio** en la categoría "Telecomunicaciones Móviles".

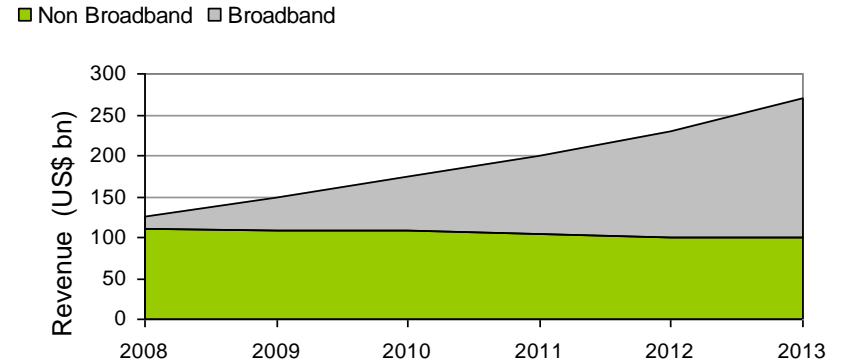


Mobile industry worldwide trends: Voice - Data

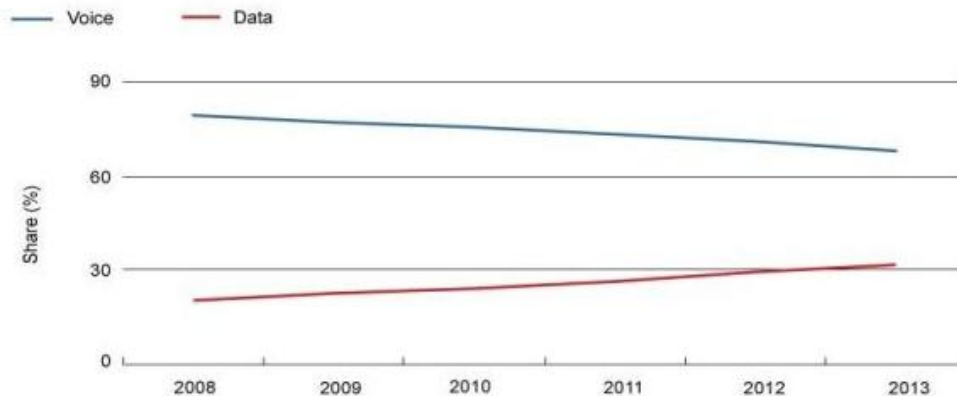
Total Mobile Revenues (data vs voice)
2008 - 2013



Total Data Revenues (Broadband vs others)
2008 - 2013



Total Mobile Revenues (voice and data), 2008 - 2013

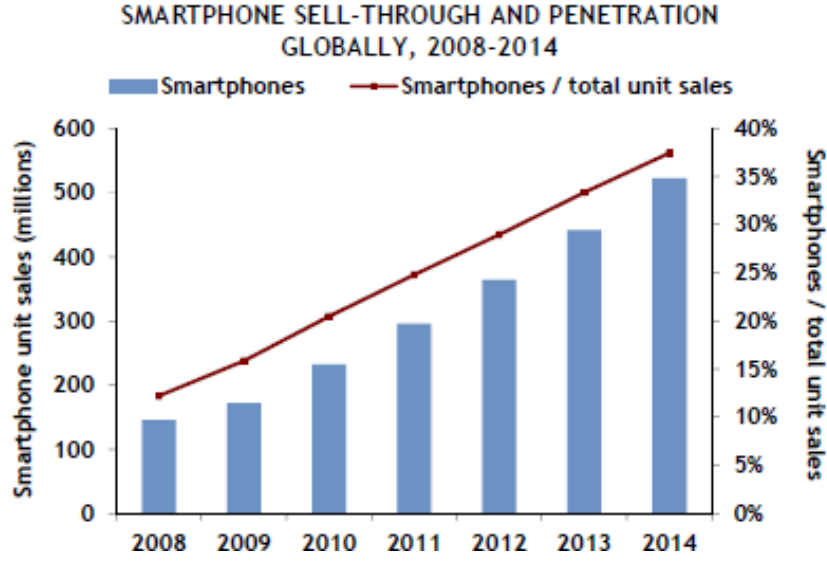
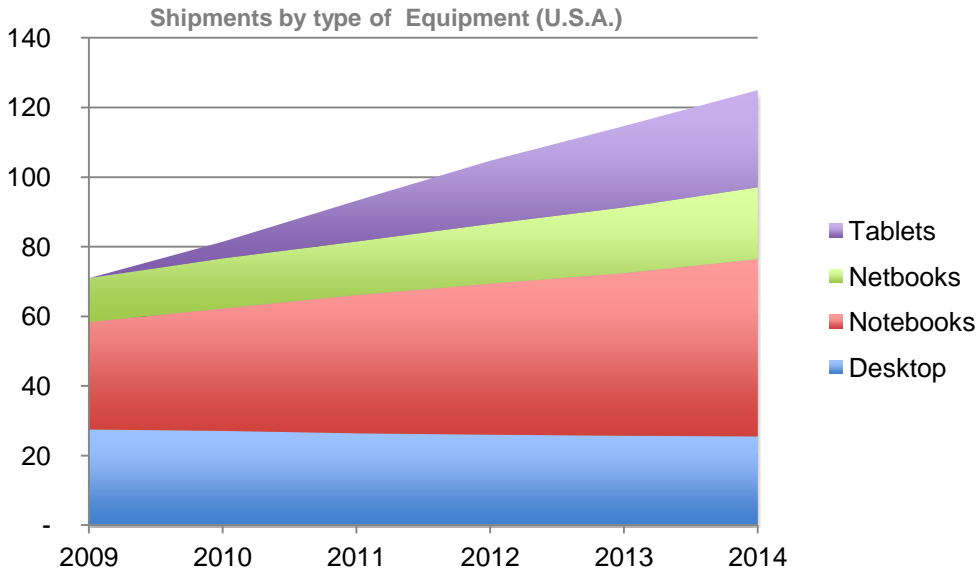


- ✓ Voice services declining in revenue share.
- ✓ Relevant increases in mobile broadband share.
- ✓ Within data, also Mobile Internet (chat, browsing, digital TV and radio) and emails are growing rapidly.

Source: Informa Telecoms and Media

Global Trends

Tablets and Smartphones



- iPad corresponds to 6% of portable computer equipment sales in USA (2Q10)
- It is expected that by 2012 “Pads” exceeds Netbooks market (Canalys July 2010)
- In 2014, smartphones will represent almost 40% of mobile equipment sales.

Source: (Forrester and IDC March 2010)

Entel has a strong position in the mobile industry

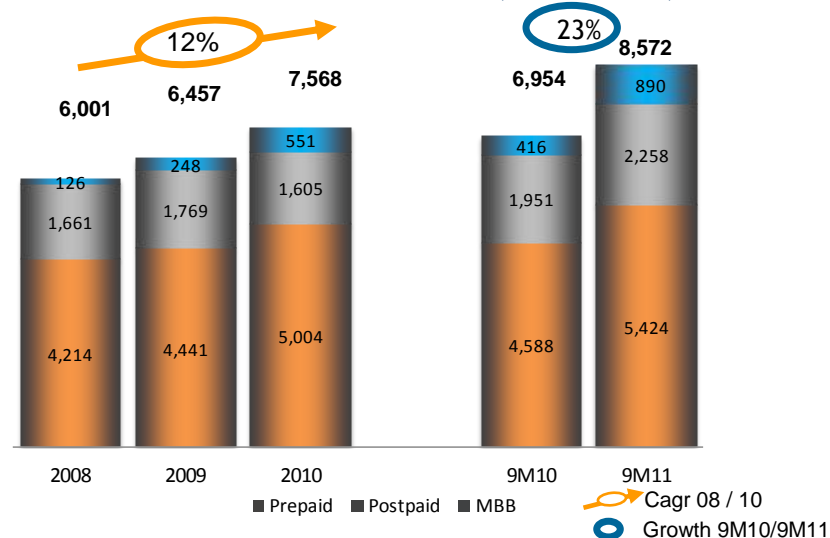
Mobile Overview

- 60 MHz in the 1,900 MHz band / GSM technology. 3.5G nationwide. First commercial HSPA+Dual Carrier network in LATAM.
- Penetration at 119% in Chile, including mobile broadband
- Strong market share at 38%, leading position in high value segments.
- Market growth driven by mobile broadband and innovative VAS (Internet mobile and e-mail).
- Competitive environment, with mobile number portability and new entrants expected in 2011.

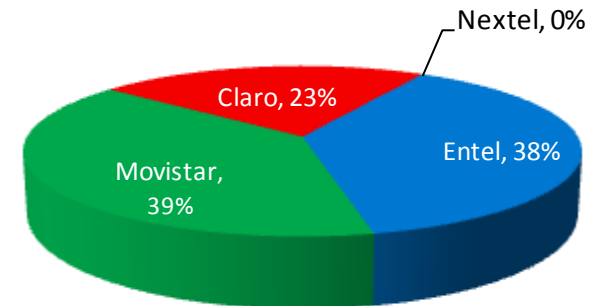
Strategic Focus

- Create value, sustained in top global service and best in class network.
- Revenue growth focused on value-added services, especially mobile broadband and mobile Internet.
- Adapt business processes to Fixed and Mobile convergence.
- Expand VAS and MBB penetration, via flexible offerings (especially new enterprise M2M applications and smartphones).
- Strategic alliances with technology providers and commercial partnership.

Entel's Mobile Subscribers (in Thousands)



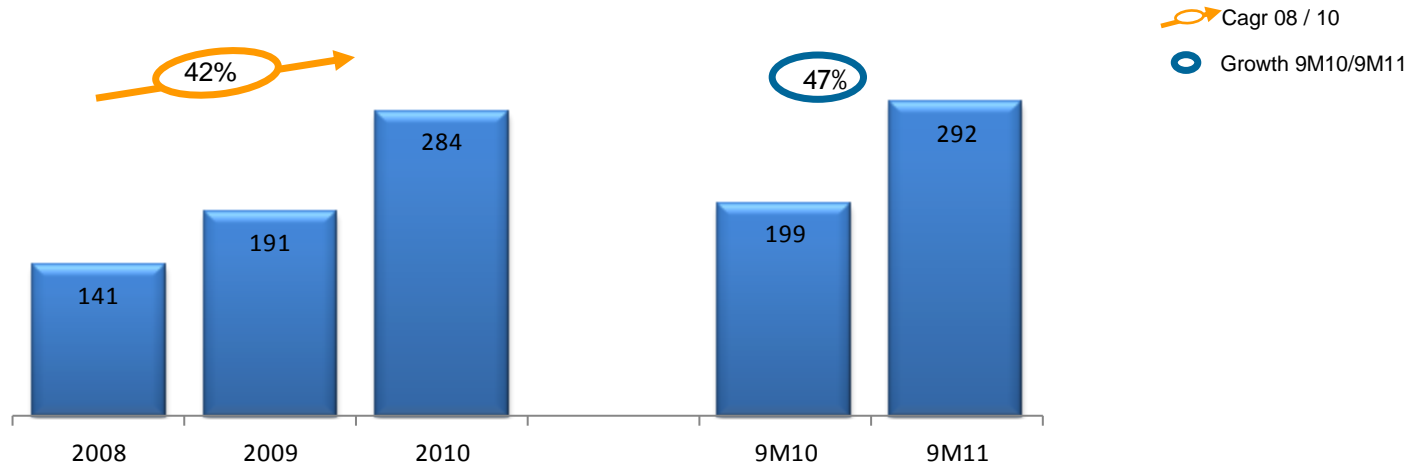
Market Share as of September 2011**



- (*) Nextel Market Share: 0.14%
- Market Share measure over active customers
- Source: Entel

Value added services and 3.5G growing at high rates

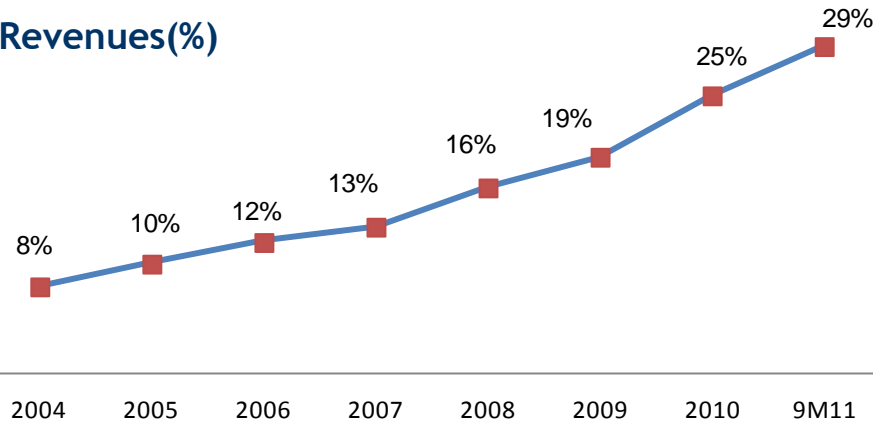
Value Added Services Revenues *
(US\$ Millions)



* Including Mobile Broadband (as of June 2011 674 th. customers)

-2008 / 2010 values divided by \$521.76

VAS / Outgoing Revenues(%)



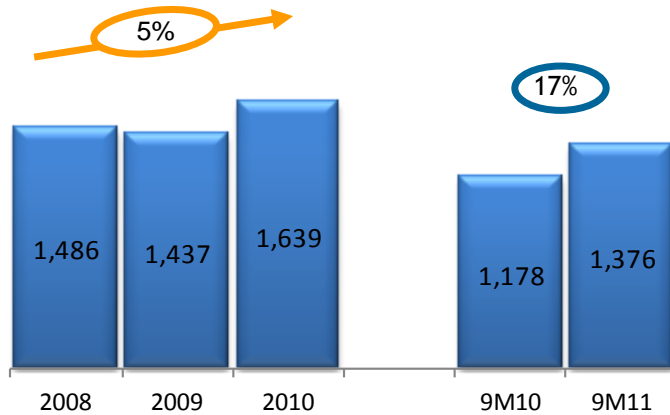
1998 a 2011



Profitable client base

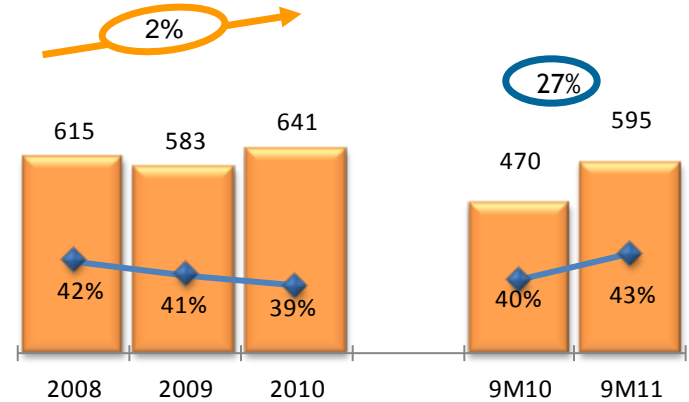
-2008 / 2010 values divided by \$521.76

Mobile Revenues (US\$mm)



2009 figures impacted by 45% drop in access charges

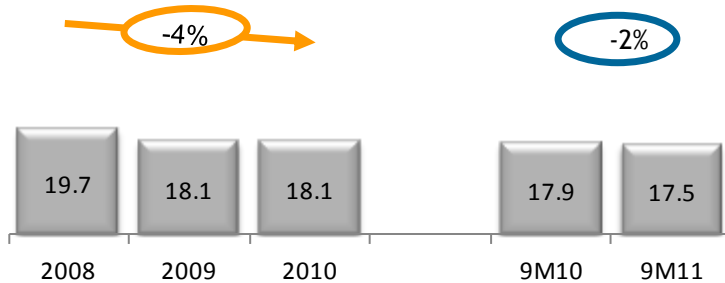
Mobile EBITDA and EBITDA Margin (US\$mm, %)



↗ Cagr 08 / 10

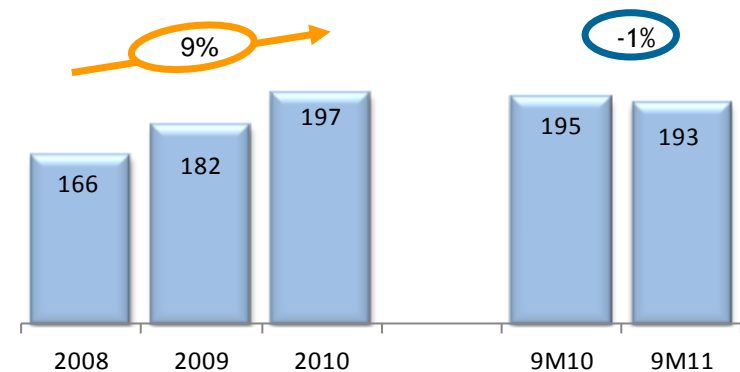
🔵 Growth 9M10/9M11

Blended ARPU¹ (US\$)



¹ Average Revenue per User

MOU² (Minutes/month)



² Minutes of usage.

The Wireline Business - Chile



ENTEL HACE REALIDAD_
_ **CLOUD**
_ **COMPUTING**

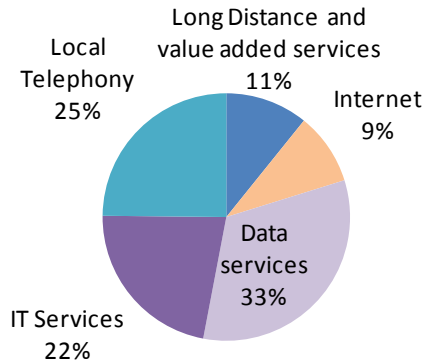
Plataforma virtualizada de servicios On-demand, que permite a las empresas, sin tener infraestructura dedicada, disponer de capacidad de procesamiento y almacenamiento, para acceder a sus aplicaciones e información en forma remota, escalable y segura.



Chile wireline offers integrated solutions focused on the enterprise segment

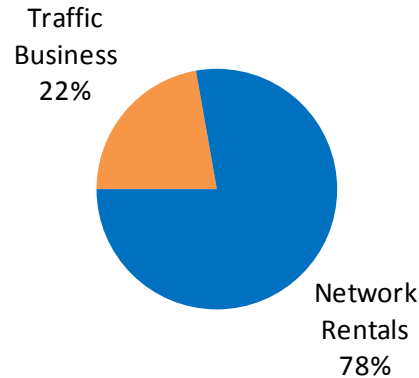
Revenue distribution per segment - Year 2010

Corporate and SME *



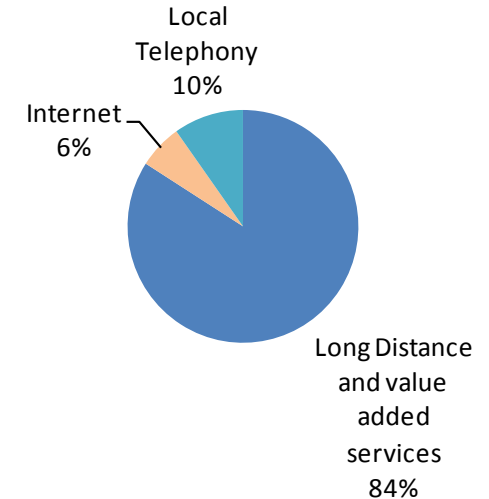
US\$ 295 million

Services to Other Telecom Companies *



US\$ 218 million

Residential *



US\$ 41 million

* Includes intercompany Revenues
Values divided by \$521.76.

Corporate and SME segments: leading position, consolidating IT services

Overview

- Leading position and expertise in traditional data services (42% market share), growing through the integration of IT services.
- Market trends: integrated offerings including IT/telco; convergence of Fixed & Mobile; bundled solutions over IP networks.
- Standardized service offering for all companies based on cloud computing.



Corporate Strategic Focus

- Continue leading traditional Telco market (integrated voice, data and Internet).
- Grow market share in IT (O/S, data center, virtual services and on-demand services).
- Strengthen service model for Fixed & Mobile convergence.

SME Strategic Focus

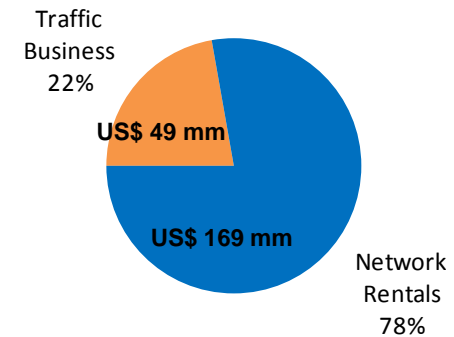
- Increase market share.
- Increase coverage and capacity by deploying network fiber optic (GPON) access.
- Provide IT services aligned with SME requirements (virtual infrastructure and on-demand services); working in development of fixed & mobile convergence.

Services to other telecom companies: *Optimization of network usage*

Overview

- Leading network infrastructure provider to other telecom operators and related companies.
- Service provided to Intercompany business represents more than 60% of Network Rentals.
- Cost-effective provider of Traffic desk, managing credit risk in high volumes related to Wholesale, Incoming Traffic and Value Added Services.

2010 Revenues



Note: Includes Intercompany Revenues

Strategic Focus

- Provide quality service of rental network capacity to related companies and other operators.
- Leverage current network capacity.
- Traffic routing optimization to assure low tariff for LD. Focus on low risk customers.

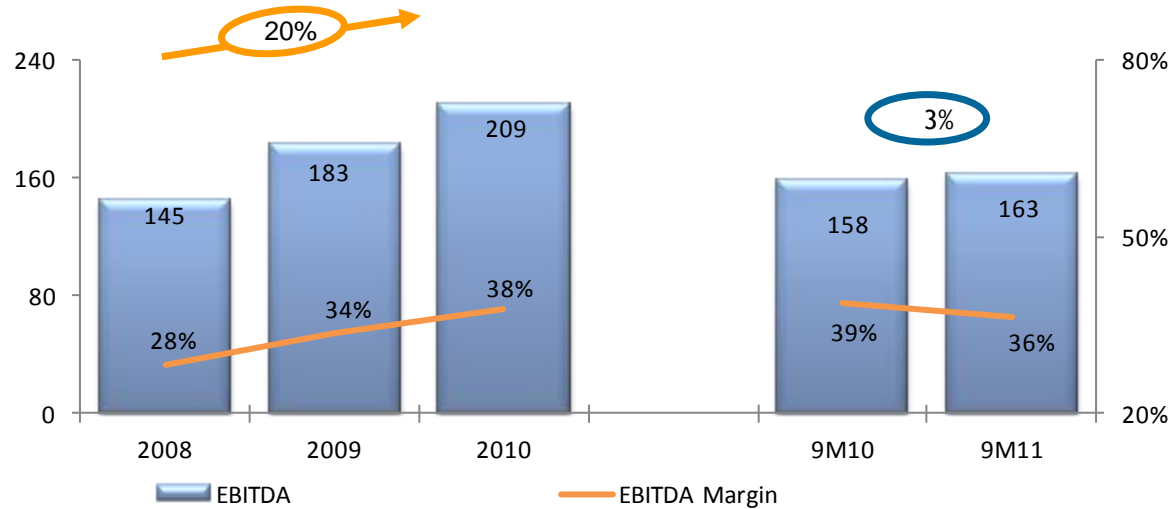
IFRS values divided by \$521.76.

Chile's Wireline Business reporting solid growth

Chile Wireline EBITDA and EBITDA Margin (US\$ millions)

Cagr 08 / 10

Growth 9M10/9M11



- Strategy focused in the enterprise segment.

-2008 / 2010 Values divided by \$521.76

LEADING WITH EXCELLENCE

Americatel Perú reached 100% coverage in Lima upon the completion on 52 base stations which form part of its WiMax access network.

Americatel Perú

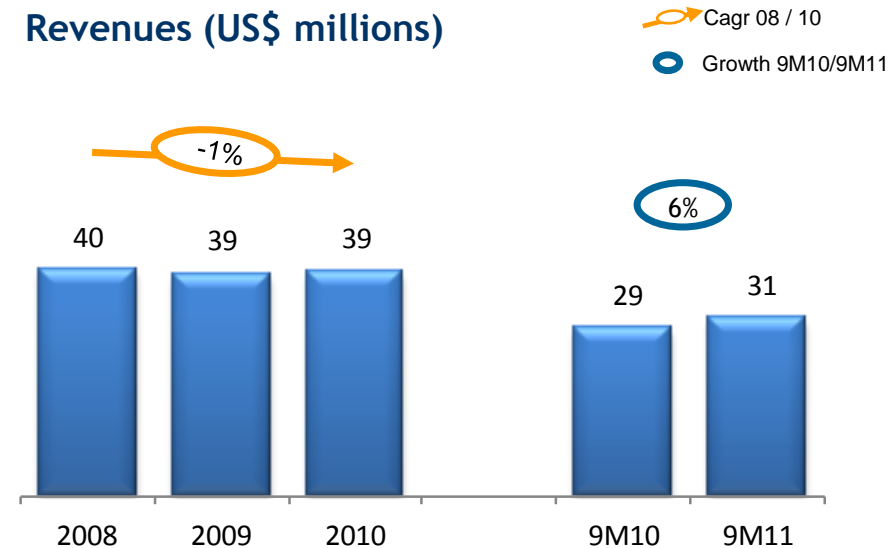
Overview

- Continuous growth in datacom and local telephony services in the enterprise segment in the Lima Area. Recently adding IT services.
- Growing data-IP services over WiMax, focused on the enterprise segment.
- Long distance services have decreased, mainly due to regulatory changes.

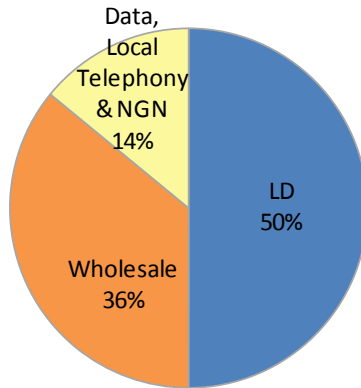
Strategic Focus

- Change in revenue mix, increasing services over Americatel's own access network in Lima (WiMax, copper) and IT, leveraging Chile experience.
- Harvest along the mature LD business.

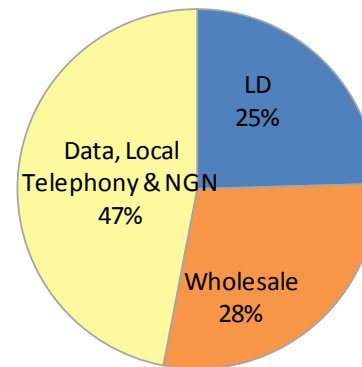
Revenues (US\$ millions)



Revenue Mix 2005 – 2011: Changing to services provided over own access network



2005



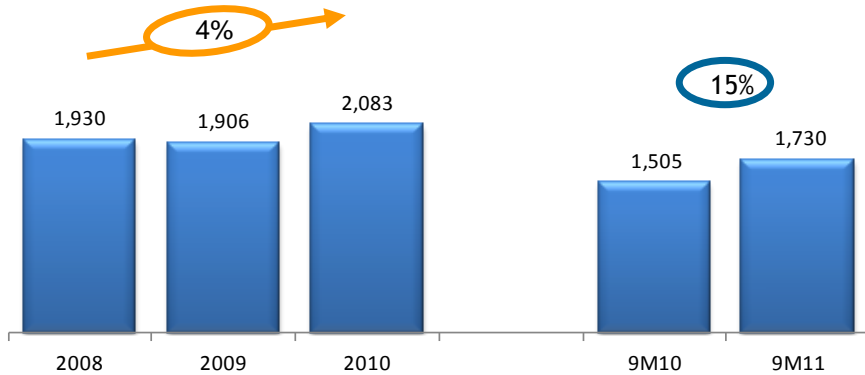
9M11

Financial Overview

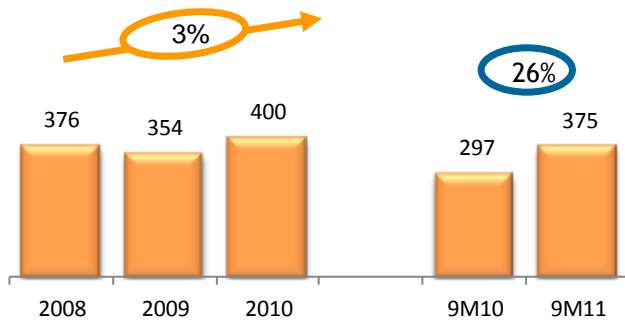
Returning to high growth

Consolidated Figures (US\$ MM)

Revenues



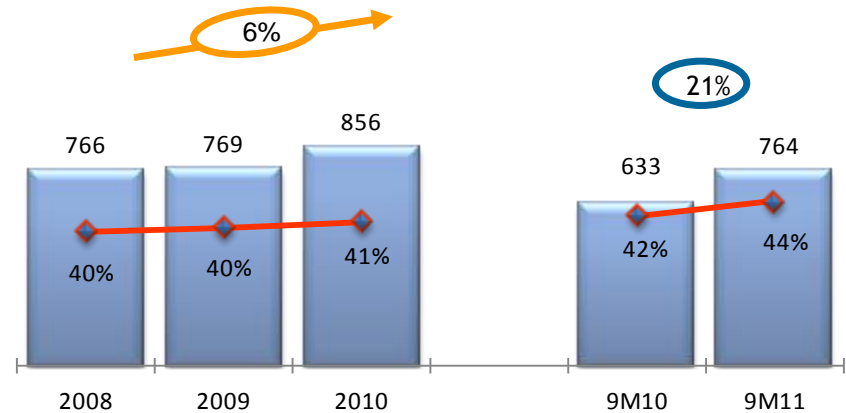
Operating Income



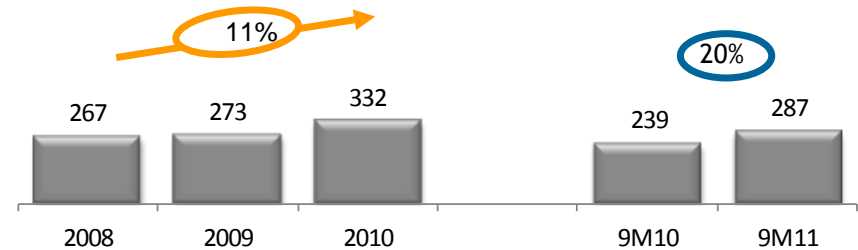
EBITDA and EBITDA Margin

↗ Cagr 08 / 10

● Growth 9M10/9M11



Net Income



-2008 / 2010 Values divided by \$521.76.

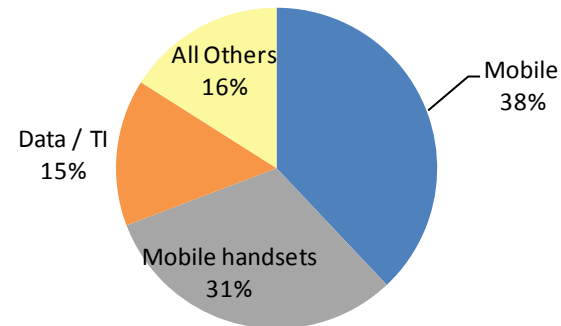
CAPEX mostly driven by Mobile Expansion

CAPEX Strategy

- Keep tech. / quality edge in mobile, managing growth and providing broadband solutions.
- Minimum investments in mature services.
- Mobile (including postpaid handsets) accounts 69% of CAPEX.
- Bulk of investment driven by demand.

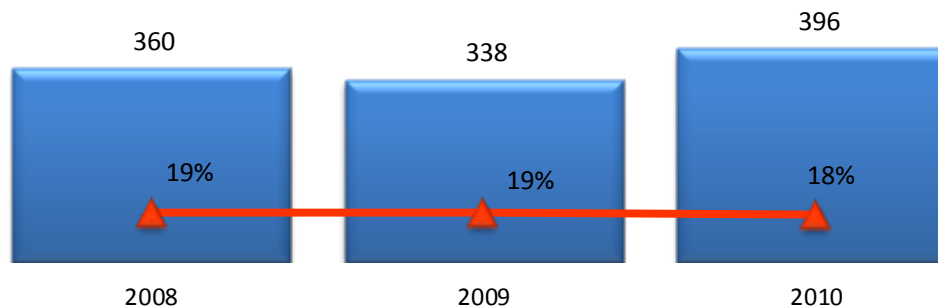
2010 CAPEX Breakdown

Total = US\$ 576 million



Historical CAPEX * - Excluding postpaid handsets (US\$ in Millions)

CAPEX / Revenues —



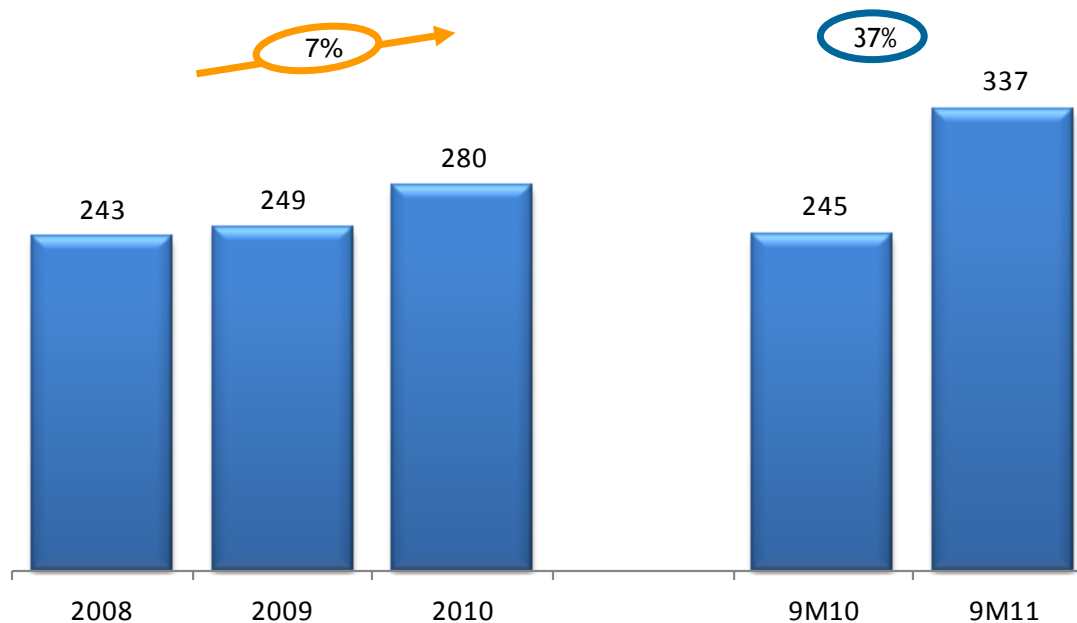
*Average Exchange rate of each year.

Strong cash flow in line with mobile expansion

Cash Flow * (US\$ Millions)

Cagr 08 / 10

Growth 9M10/9M11



* Cash Flow is defined as: EBITDA - Capex - Net financial expenses

--2008 / 2010 Values divided by \$521.76.

Liquidity and debt ratios reflects the company's healthy financial position...

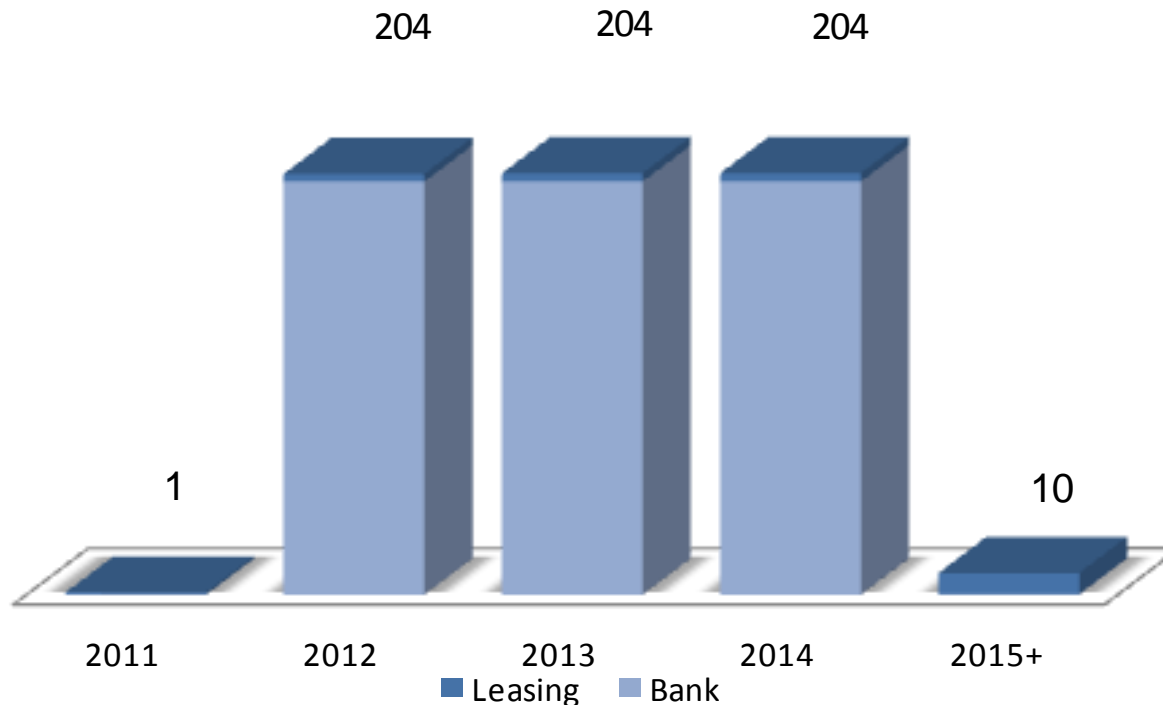
	2008	2009	2010	9M10	9M11
Current Ratio	1.2	1.1	1.0	1.2	0.8
EBITDA/Financial expenses	26.2	35.4	45.1	45.3	54.1
Gross Financial Debt/EBITDA	1.0	0.8	0.7	0.7	0.6
Total liabilities / (Equity+ Minority interest)	1.2	1.1	1.1	0.9	1.0
Net financial debt (US\$ Million)	634	655	542	612	613
Net financial Expenses (US\$ Million)	24	20	16	12.5	9.6

- Liquidity index declined due to a shift into short-term maturity of the first installment (US\$ 200 million) of the syndicated loan, which is expected to be refinanced during 4Q11 and 1Q12.
- Fully hedged to F/X exposure.
- 43% of debt is at fixed rate.
- Moody's rating: Baa1, S&P rating: BBB+ (both with stable outlooks)
- Dividend policy: Up to 80% of Net Income.

-2008 / 2010 Values divided by \$521.76

... with a comfortable debt payment schedule

Maturities (US\$ Millions)



Total gross debt = US\$ 623 million as of September, 2011.

Refinancing of 2012 maturities expected in 4Q11 and 1Q12.



Thank You !

Investor Relations
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