

## Fourth Quarter and Full Year 2008 Results

Santiago, Chile – January 26, 2009 – Empresa Nacional de Telecomunicaciones S.A. (*Bolsa de Comercio de Santiago: ENTEL*) “the Company” or “Entel” today announced its audited results for the fourth quarter and twelve months ended December 31, 2008. All figures are expressed in Chilean Pesos and are reported according to Chilean generally accepted accounting principles (Chilean GAAP). The exchange rate at December 31, 2008 was Ch\$ 636.45/US\$1.

### Consolidated Financial Highlights

in millions of Chilean pesos as of December 31, 2008  
(except EPS figures)

#### Quarterly Highlights:

- Total mobile subscribers reached 6,001,210, 6% higher when compared to 2007. The post paid customer base (including mobile broadband) grew 20% and currently represents 30% of the total base.
- Revenues for the quarter expanded 14%, reaching Ch\$ 296.3 billion.
- EBITDA for the quarter totaled Ch\$ 107.3 billion, a 7% increase when compared to 4Q07.
- Net Income amounted to Ch\$ 34.4 billion, a 12% improvement over 4Q07.

	4Q08	4Q07	% Var.	3Q08	12M08	12M07	% Var.
Revenues	296.299	260.248	14%	257.075	1.066.894	982.973	9%
EBITDA	107.307	100.259	7%	106.547	423.060	395.319	7%
EBITDA Margin	36%	39%		41%	40%	40%	
Operating Income (EBIT)	52.707	52.194	1%	57.579	217.091	210.483	3%
Non Operating Results	(8.545)	(13.135)	35%	(5.395)	(25.968)	(34.852)	25%
Tax	(9.746)	(8.405)	-16%	(10.449)	(37.614)	(32.931)	-14%
Net Income	34.416	30.654	12%	41.735	153.510	142.700	8%
EPS	146	130	12%	176	649	603	8%

#### Comments from the Chief Financial Officer:

- The fourth quarter results reflect a solid overall performance in a challenging and weaker economic environment.
- Revenues grew 14%, mainly driven by an effective increase in the post paid client base (including mobile broadband). Also, there were higher revenues in Data services (including IT), the traffic business and local telephony in the Chile wireline.

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In addition, International subsidiaries increased revenues, driven by a higher exchange rate.

- EBITDA growth of 7% during the quarter resulted from an increase in both the mobile and the Chile wireline business. EBIT increased 1%, derived from a strong expansion in the Chile wireline.
- Net Income during the quarter rose 12%, mainly driven by lower non-operating losses.

***Note: Please see accompanying presentation at [www.entel.cl](http://www.entel.cl), under the section titled "Investors" 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.

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**Consolidated Revenues**  
(in millions of Chilean Pesos as of December 31, 2008)

	4Q08	4Q07	% Var.	3Q08	12M08	12M07	% Var.
<b>Revenues Services</b>	<b>296.299</b>	<b>260.248</b>	<b>14%</b>	<b>257.075</b>	<b>1.066.894</b>	<b>982.973</b>	<b>9%</b>
Mobile services	218.446	198.654	10%	195.314	811.435	744.706	9%
Data services (includes IT)	26.778	19.881	35%	17.766	76.768	66.914	15%
Local telephony (includes NGN-IP)	12.746	11.381	12%	11.334	46.971	41.627	13%
Long distance	9.921	10.957	-9%	9.925	40.815	46.415	-12%
Internet	3.984	4.264	-7%	4.009	16.121	17.730	-9%
Other telecommunication companies	4.230	3.558	19%	3.710	14.918	12.500	19%
Traffic business	10.784	4.895	120%	7.535	29.423	24.886	18%
International Subsidiaries	7.940	4.662	70%	5.976	24.740	19.229	29%
Others	1.471	1.996	-26%	1.505	5.703	8.967	-36%

**Consolidated revenues** for the quarter totaled Ch\$ 296.3 billion, a 14% increase compared to the Ch\$ 260.2 billion reported in the same quarter of 2007. This improvement was derived by: a) 10% growth in mobile due to a 9% increase in service revenues, based on the 9% expansion of the average customer base, coupled with a 1% increase in ARPU. Equipment sales revenue also increased (21%), triggered by lower handset subsidies and expanded mobile broadband activity, b) Data and IT services grew 35%, primarily explained by a one-time impact related to IT service agreements and the recent acquisition of Ciente (IT provider), which started to be consolidated in December 2008, c) revenues in the low margin traffic business spiked 120% due to an increase in wholesale and incoming traffic, together with an increase in tariffs, positively impacted by a 28% rise in the US\$/Ch\$ exchange rate, d) International subsidiaries revenue grew 70%, almost completely explained by the aforementioned exchange rate variation, an impact that affected full year revenues, and was accounted for during 4Q08, e) Local telephony including NGN-IP revenues expanded 12%, primarily explained by 9% growth in lines in services, f) revenues from other telecommunication companies grew 19% as a result of an increase in network rentals to other local fixed operators. These expansions were partially offset by a) 9% decline in long distance revenue, mainly derived from lower traffic and tariffs in DLD, b) Internet declined 7%, mainly explained by lower broadband connections in the residential segment.

For the twelve-month period of 2008, revenues posted a 9% expansion when compared to 2007.

**Consolidated Cost of Operations**  
(in millions of Chilean Pesos as of December 31, 2008)

	4Q08	4Q07	% Var.	3Q08	12M08	12M07	% Var.
<b>Cost of Operations</b>	<b>180.003</b>	<b>154.590</b>	<b>16%</b>	<b>145.216</b>	<b>619.858</b>	<b>565.125</b>	<b>10%</b>
Access charges & Payments to corresp.	69.098	54.594	27%	59.271	234.520	200.741	17%
Depreciation and amortization	49.483	43.131	15%	43.968	185.302	164.547	13%
Salaries and expenses	6.085	5.465	11%	5.866	21.963	19.944	10%
Outsourced services	6.531	3.906	67%	3.549	17.957	18.390	-2%
Supplies and Equipment	20.938	27.011	-22%	11.805	69.941	93.242	-25%
Others	27.868	20.483	36%	20.757	90.175	68.260	32%

**Consolidated cost of operations** for the quarter amounted to Ch\$ 180 billion, a 16% increase when compared to 4Q07 due to higher activity during the period. The main expansions are explained by: a) 27% increase in access charges and payments to correspondents, attributed to higher traffic in the mobile business, traffic business in the Chile wireline and higher costs at

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Americatel Peru related to NGN services, b) 15% increase in depreciation and amortization, principally related to the mobile business, attributed to network and post-paid client base expansion. Also, Americatel Peru increased depreciation due to the network expansion in Lima, c) Outsourced services increased 67% due to a one-time impact related to the previously mentioned revenues in IT service agreements, d) Other costs rose 36%, primarily in the mobile business due to higher costs related to VAS content providers, energy and leases for new site installations. Partially offsetting these higher costs was a 22% decline in supplies and equipment, in-line with lower pre-paid handset sales in the mobile business.

Cost of operations for 2008 increased 10% when compared to 2007.

**Consolidated Selling and Administrative Expenses**  
(in millions of Chilean Pesos as of December 31, 2008)

	4Q08	4Q07	% Var.	3Q08	12M08	12M07	% Var.
<b>Selling and Administrative Expenses</b>	<b>63.588</b>	<b>53.464</b>	<b>19%</b>	<b>54.280</b>	<b>229.944</b>	<b>207.364</b>	<b>11%</b>
Salaries and expenses	23.124	18.152	27%	17.307	76.557	68.571	12%
Advertising & Sales commissions	13.062	11.941	9%	11.789	49.939	48.203	4%
Bad debt provisions	7.687	5.908	30%	6.712	27.674	19.976	39%
Outsourced services	1.721	1.723	0%	1.380	5.574	5.183	8%
Depreciation and amortization	5.117	4.934	4%	5.001	20.667	20.289	2%
Others	12.876	10.806	19%	12.090	49.534	45.142	10%

**Consolidated selling and administrative expenses** increased 19% when compared to 4Q07, reaching Ch\$ 63.6 billion. This increase is explained by: a) 27% rise in salaries and expenses, primarily in the mobile business, derived from a one-time payment corresponding to the collective bargaining process. In addition, there were increases in international subsidiaries and in the Chile wireline, b) Bad-debt increased 30%, explained by the mobile business due to a higher post-paid customer base, as well as in the Chile wireline related to traffic business, c) 9% increase in advertising and sales commissions derived from higher activity in mobile and in international subsidiaries, partially offset by Chile wireline, d) Depreciation and amortization rose 4%, primarily in the mobile business and partially offset by Chile wireline, e) Others expenses increased 19%, mainly in the mobile business related to the expansion in overall activity,

SG&A for 2008 increased 11% when compared to 2007 figures.

**EBITDA and Operating Income**

Based on the abovementioned factors, EBITDA improved 7% to Ch\$ 107.3 billion in 4Q08. EBITDA margin during the quarter decreased to 36% from 39% in 4Q07. This was a consequence of lower margins in the mobile business, partially offset by an improvement in the Chile wireline. Excluding non-recurring charges accrued during 4Q08, EBITDA margin would have been 37%.

Operating Income for the fourth quarter reached Ch\$ 52.7 billion, a 1% increase with respect to 4Q07.

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For the twelve-month period of 2008, EBITDA and operating income grew 7% and 3% ,respectively when compared to 2007.

**Non-Operating Results**

Net non-operating results for the quarter totaled a Ch\$ 8.6 billion loss, a 35% improvement. This positive variation is mainly explained by lower asset impairments and a decline in net financial expenses, in-line with lower interest rates on outstanding debt. These effects were partially offset by higher losses in monetary correction due to higher costs related to foreign exchange hedging instruments.

	4Q08	4Q07	% Var.	3Q08	12M08	12M07	% Var.
<b>Non-Operating Results</b>	<b>(8.545)</b>	<b>(13.135)</b>	<b>35%</b>	<b>(5.395)</b>	<b>(25.968)</b>	<b>(34.852)</b>	<b>25%</b>
Net Financial Expenses	(2.972)	(4.349)	32%	(3.086)	(11.787)	(17.034)	31%
Amortization of goodwill	(994)	(992)	0%	(991)	(3.969)	(3.969)	0%
Other Income (Expenses)	(2.318)	(9.438)	75%	(3.242)	(12.435)	(24.647)	50%
Monetary Correction & Price Level Restatem.	(2.261)	1.644	n.a	1.924	2.223	10.799	-79%

**Net Income**

As a result of all above, the company's net income reached Ch\$ 34.4 billion, a 12% increase when compared to 4Q07.

Net income for 2008 increased 8% when compared to 2007 results, reaching Ch\$ 153.5 billion.

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**INDIVIDUAL FINANCIAL STATEMENTS AND RESULTS BY BUSINESS SEGMENT <sup>1</sup>**

**Mobile Business:**

Revenues during 4Q08 grew 10% when compared to 4Q07, reaching \$222.1 billion. Service revenue totaled \$198.4 billion, increasing 9% from fourth quarter 2007, driven by strong growth in monthly service and access charges in the post-paid segment, in-line with the expanded customer base. Within this growth, VAS revenues increased 35%, fueled by mobile broadband and other innovative services. In addition, equipment sales revenues increased 21%, in-line with lower subsidies and increased mobile broadband activity.

The customer base reached 6,001,210 clients as of December 31, 2008, increasing 6% from 4Q07, representing a 40% market share of active customers. The growth was mainly in the post-paid segment, increasing 20% over 4Q07 due to focused segmented plans, a selective migration strategy and an effective offering of mobile broadband plans. At the close of 2008, the post paid (including mobile broadband) share over the total client base was 30%, compared to 26% in December 2007.

Blended ARPU increased 1% during the quarter, derived from higher mobile broadband and VAS services. Blended MOU rose 10%, with growth in both outgoing and incoming traffic.

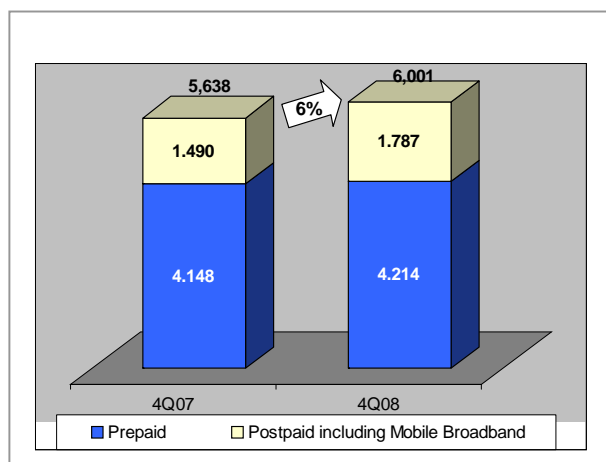
The blended churn rate for the quarter decreased 34 basis points with respect to 4Q07, reaching 1.59%. This decline is mainly attributed to pre-paid, driven mainly by lower handset subsidies in the industry.

During the quarter, the company launched high-end mobile handset equipment ("Blue Line"), which allows the user to access and browse websites, check e-mails and download content for mobile applications and 3.5G services.

As part of Entel's strategy to focus on enhancing the company's application services, the company initiated different services during December. Entel PCS is the first local provider to offer mobile Facebook applications, which allows photo uploading. In addition, the company introduced a new security service entitled "Mobile Camera", which grants direct home supervision from mobile handsets.

During the quarter and for the sixth consecutive year, the company was awarded First Place in Mobile Customer Satisfaction per a survey carried out by ProCalidad (a strategic alliance between Universidad Adolfo Ibañez, Adimark and Praxis). This award evaluated attributes such as general customer satisfaction, price-value benefit, industry results and customer care.

EBITDA for the quarter was CH\$ 84.2 billion, an increase of 3% when compared to the CH\$ 82.2 billion reported in the same period of the previous year. This growth resulted principally from higher equipment sales margins due to lower handsets subsidies in pre-paid and expanded sales related to post-paid (including mobile broadband). This margin expansion was partially offset by higher SG&A expenses, primarily related to salaries, advertising of 3.5G services and bad debt provisions related to the increased post-paid client base. Resulting from the above, the EBITDA margin decreased from 41% to 38%.



<sup>1</sup> Includes Intercompany

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Total depreciation charges grew 23% over 4Q07, primarily a result of the higher post paid handset base, the ongoing investment in the network expansion and non-recurring write-offs accounted for during the quarter. As a result of the above, EBIT for the quarter reached Ch\$ 46.3 billion, decreasing 10% compared to 4Q07.

For twelve-month period of 2008, EBITDA posted a 6% expansion compared to 2007, reaching Ch\$ 339.4 billion. For the same period, EBIT amounted to Ch\$ 199.6 billion, decreasing 3% compared to 2007

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**Chile Wireline Results:**

**Revenues**

(in millions of Chilean Pesos as of December 31, 2008)

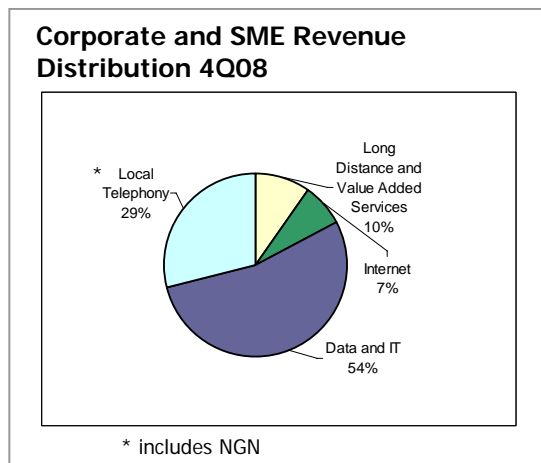
Ch\$ (millions)	4Q08	4Q07	% Var.	3Q08	12M08	12M07	% Var.
<b>Revenues*</b>	<b>81.799</b>	<b>66.733</b>	<b>23%</b>	<b>66.384</b>	<b>275.695</b>	<b>260.460</b>	<b>6%</b>
Corporate and SME	44.692	38.950	15%	36.382	150.438	140.154	7%
Residential	7.043	8.520	-17%	6.670	28.896	38.968	-26%
Infraest. Serv. Telcos, Traffic B. and Others	30.063	19.263	56%	23.332	96.361	81.337	18%

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

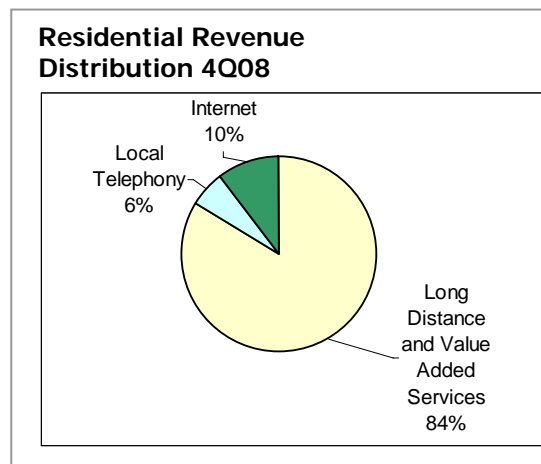
Total Chile Wireline revenues for the quarter amounted to Ch\$ 81.8 billion, an increase of 23% with respect to the Ch\$ 66.7 billion of 4Q07.

Starting in December 2008, the recently acquired CienteC (IT services) is consolidated within the Chile wireline (with one month impact).

**Corporate and SME** posted a 15% increase in quarterly revenues, primarily as a result of IT-integration and traditional Data services. This growth was bolstered by CienteC's consolidation, coupled with certain non-recurring revenues related to IT agreements. Revenue growth was also supported by Local Telephony (including NGN IP), derived from a 9% increase in LIS. Partially offsetting these improvements was a decline in LD revenues due to lower tariffs in DLD.



**Residential segment** revenues fell 17%, driven by a decline in LD revenues mainly due to a decline in DLD traffic and tariffs, partially compensated by higher ILD traffic. Internet and local telephony revenues also declined as a result of lower dial up and broadband customers and a reduction in the number of LIS, respectively.



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**Infrastructure Service to Other Telecom Companies, Traffic Business and Other revenues** increased 56% during the quarter, primarily explained by the low margin traffic business, impacted by higher tariffs together with increased incoming traffic and wholesale activity. In addition, there was an expansion of network rental to mobile and fixed local operators.

Operating costs and SG&A increased 14%, reaching Ch\$ 75.7 billion from the Ch\$ 66.4 reported in 4Q07. The main increases were payments to correspondents and access charges, in-line with the traffic business increase. In addition, there were increases in outsourced services, primarily explained by a one-time impact related to revenues derived from IT service agreements. The aforementioned factors were partially offset by lower costs in advertising and sales commissions and depreciation and amortization.

All of the above resulted in operating income for the quarter of Ch\$ 6.1 billion, a strong improvement from the Ch\$ 0.3 billion of 4Q07.

EBITDA during 4Q08 improved 29%, amounting to Ch\$ 21.9 billion, while the EBITDA margin increased to 27% from the 25% of 4Q07.

For twelve-month period of 2008, EBITDA rose 13% versus 2007, reaching Ch\$ 79.4 billion, while EBIT amounted to Ch\$ 15.9 billion, posting strong growth compared to the Ch\$ 3.5 billion in 2007. These figures reflect the Company's strategy of developing the business through the provision of integrated solutions including voice, data and IT services focused on the enterprise segment.

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

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

Entel acquired Cientec, a company specializing in IT data services. Cientec has a leading position in operational continuance for medium-sized and corporate companies, offering ERP hosting/housing services and critical business applications, IT management centers, specialized human resources, infrastructure managed services with renewal technology (PC provision, help desks and onsite maintenance), as well as IT sales platforms with high post-sale capabilities. CIENTEC reported net sales of Ch\$ 16.3 billion for the full year 2008.

Throughout the past few years, Entel has developed a dedicated strategy to incorporate information technology services focusing on administrative infrastructure and operational continuance, which combined, creates a differential service offering. With this acquisition, Entel enhances its capabilities in the area of IT services.

During the quarter the company signed several contracts, a brief description of which follows:

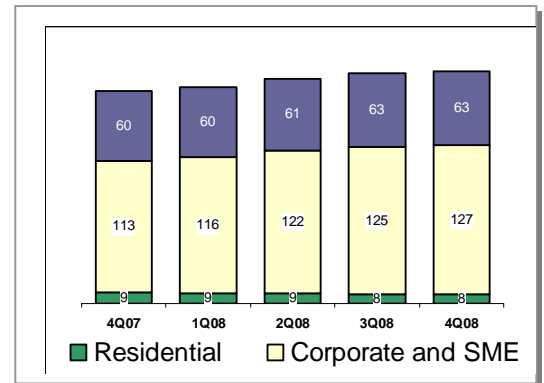
- TRANSBANK S.A., (a leading in financial services credit card, debit card and web payment company): delivery of IT services at each point of sale nationwide, supported by a 24-7 onsite services and helpdesk.
- BANCO DE CHILE (a leading financial services bank): this agreement includes fully integrated telecommunication and connectivity services over IP, including data, local telephony, DLD, ILD and mobile.

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- COLBUN (a leading electricity generation company), this contract consists of datacenter hosting, providing server installation and maintenance, in addition to infrastructure support for hardware.

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

Lines in services grew 9% when compared to 4Q08, reaching 198 thousand. This reflects the increased penetration of integrated solutions including voice, data and Internet through state of the art IP solutions and traditional services, aimed at business clients.



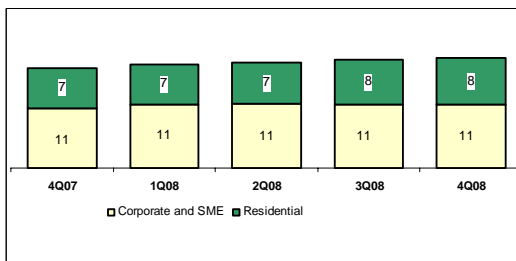
• **Long Distance**

DLD traffic decreased 7%, mainly explained by the residential and Corp/SME segment, which was affected by a reduction in direct dialing traffic. This decline considers the migratory effect towards mobile services and Internet. The average tariff fell 7%.

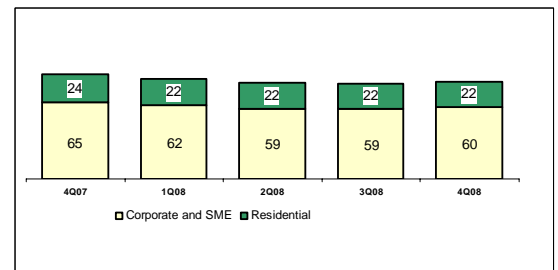
ILD traffic rose 11%, mainly attributed to increases in the Corp/SME segment of direct dialing. The average tariff declined 14% in direct dialing, best explained by the residential segment.

Entel's DLD market share was 32%, while ILD market share reached 36% in 4Q08. When compared to last year's comparable period, Entel's market share improved in both DLD and ILD.

**International Long Distance Traffic**  
(million of minutes)



**Domestic Long Distance Traffic**  
(million of minutes)



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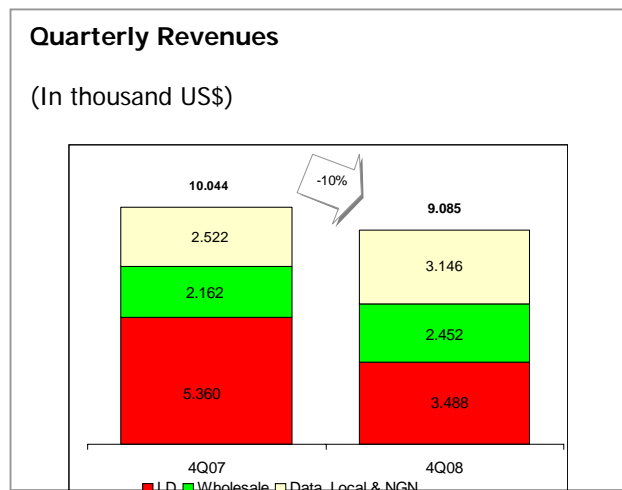
### International Subsidiaries

#### *Americatel Peru*

Americatel Peru's quarterly revenues in US\$ declined 10% to US\$ 9.1 million when compared to the US\$ 10.0 million in 4Q07. This decline is attributed mainly to lower LD dial-around traffic and lower revenues coming from LD fixed fee plans. Partially offsetting this decline was the strong increase in NGN-IP lines in services within the SME segment. Also, wholesale revenues increased due to higher traffic.

Costs and SG&A for the quarter reached US\$ 9.5 million, flat compared to 4Q07. There was a decline in advertising and bad debt, partially offset by the high cost of depreciation and amortization related to the expansion of the Wimax network in Lima to support NGN IP services.

EBITDA for the quarter amounted to US\$ 0.3 million, decreasing Ch\$ 0.7 million when compared to 4Q07. The decline was driven by lower direct margins in LD and wholesale services, partially offset by an increase in margins coming from NGN-IP.



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**BALANCE SHEET**

**Consolidated Balance Sheet (limited review)**  
(in millions of Chilean Pesos as of December 31, 2008)

	Dec-08	Dec-07	Var %
<b>Assets</b>	<b>1.458.818</b>	<b>1.327.170</b>	<b>10%</b>
Current assets	402.117	342.531	17%
Property, plant & equipment, net	968.981	913.510	6%
Other assets	87.721	71.129	23%
<b>Liabilities &amp; shareholders' equity</b>	<b>1.458.818</b>	<b>1.327.170</b>	<b>10%</b>
Current liabilities	287.032	237.367	21%
Long-term liabilities	442.366	405.615	9%
Minority interest	0	0	0%
Shareholders' equity	729.420	684.187	7%

**Financial Indexes**

	Dec-08	Dec-07
Current assets/Current liabilities	1,40	1,44
EBITDA/Financial expenses	29,22	18,51
Financial debt*/EBITDA**	1,01	1,00
Total liabilities/(equity + min. interest)	1,00	0,94

\* Financial debt defined as per existing credit facilities.

\*\* EBITDA last 12 months.

As of December 31, 2008 gross debt in constant Chilean pesos increased 18% reaching Ch\$ 404.5 billion. The increase is explained by an 18% higher US\$ /Ch\$ exchange, in real terms, affecting outstanding debt and the consolidation of the recently acquired Cientec. Net debt (gross debt less cash and net balances from hedging activities) for the period totaled Ch\$ 333.4 billion, 4% above when compared to year end 2007.

**RECENT EVENTS**

- In December 2008, the Company paid an interim dividend in the amount of Ch\$ 100.00 per share, based on net profits as of September 30, 2008, totaling Ch\$ 23.7 billion.
- The Company acquired Cientec in December 2008 for Ch\$ 15.2 billion.
- Entel will start applying IFRS beginning January 1, 2009, and will release the Company's quarterly reports based on these standards as of March, 2009 (with comparisons to 2008 under IFRS).
- On January 23, 2009, Subtel announced new access charges for the 2009-2013 period. The average tariff set by the authority is equivalent to Ch\$ 53 per minute. After the adjustment for inflation and exchange rate variation, the effective average tariff starting January 2009 is Ch\$ 64 per minute, representing a 45% decline compared to the December 2008 actual average rate. These access charges are subject to ratification by the Chilean Comptroller's Office.

\* \* \* \*

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**Company Description**

Empresa Nacional de Telecomunicaciones S.A. is the largest telecommunications Company in Chile with Ch\$ 1.066.894 million in annual revenues reported in December 2008. 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 and amortization.

**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.

**ILD:** International Long Distance.

**IT:** Information Technology.

**LIS:** Lines In Service.

**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.

**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.

**Fourth Quarter 2008 Results**  
**January 26, 2009**

**Individual Consolidated Results by Business Segment**

(in millions of Chilean Pesos as of December 31, 2008)

	<u>4Q08</u>	<u>4Q07</u>	<u>% Var.</u>	<u>12M08</u>	<u>12M07</u>	<u>% Var.</u>
<b>Mobile Telephony</b>						
<b>Revenues</b>	<b>222.114</b>	<b>201.764</b>	<b>10%</b>	<b>825.033</b>	<b>757.552</b>	<b>9%</b>
- Service	198.406	182.194	9%	747.006	690.884	8%
- Equipment	23.708	19.570	21%	78.027	66.668	17%
<b>Cost of Operations</b>	<b>134.927</b>	<b>116.171</b>	<b>16%</b>	<b>477.562</b>	<b>421.783</b>	<b>13%</b>
Selling and Administrative Expenses	40.865	34.342	19%	147.830	130.461	13%
<b>EBITDA</b>	<b>84.222</b>	<b>82.154</b>	<b>3%</b>	<b>339.381</b>	<b>321.437</b>	<b>6%</b>
EBITDA Margin	38%	41%		41%	42%	
<b>Operating Income</b>	<b>46.323</b>	<b>51.252</b>	<b>-10%</b>	<b>199.641</b>	<b>205.308</b>	<b>-3%</b>
Operating Margin	21%	25%		24%	27%	

	<u>4Q08</u>	<u>4Q07</u>	<u>% Var.</u>	<u>12M08</u>	<u>12M07</u>	<u>% Var.</u>
<b>Chile Wireline (*)</b>						
<b>Revenues</b>	<b>81.799</b>	<b>66.733</b>	<b>23%</b>	<b>275.695</b>	<b>260.460</b>	<b>6%</b>
<b>Cost of Operations</b>	<b>41.750</b>	<b>32.320</b>	<b>29%</b>	<b>131.437</b>	<b>127.576</b>	<b>3%</b>
Selling and Administrative Expenses	18.124	17.464	4%	64.828	62.873	3%
Depreciation and Amortization	15.819	16.632	-5%	63.558	66.531	-4%
<b>EBITDA</b>	<b>21.925</b>	<b>16.949</b>	<b>29%</b>	<b>79.430</b>	<b>70.011</b>	<b>13%</b>
EBITDA Margin	27%	25%		29%	27%	
<b>Operating Income</b>	<b>6.106</b>	<b>317</b>	<b>1829%</b>	<b>15.872</b>	<b>3.480</b>	<b>356%</b>
Operating Margin	7%	0%		6%	1%	

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

**Individual Consolidated Results Americatel Peru.**

(in thousands of U.S. dollars and millions of Chilean Pesos as of December 31, 2008)

	<u>4Q08</u>	<u>4Q07</u>	<u>% Var.</u>	<u>12M08</u>	<u>12M07</u>	<u>% Var.</u>	<u>4Q08</u>	<u>4Q07</u>	<u>% Var.</u>	<u>12M08</u>	<u>12M07</u>	<u>% Var.</u>
<b>Americatel Peru</b>	<b>(US\$)</b>	<b>(US\$)</b>		<b>(US\$)</b>	<b>(US\$)</b>		<b>(Ch\$)</b>	<b>(Ch\$)</b>		<b>(Ch\$)</b>	<b>(Ch\$)</b>	
<b>Revenues</b>	<b>9.085</b>	<b>10.044</b>	<b>-10%</b>	<b>39.516</b>	<b>36.528</b>	<b>8%</b>	<b>8.071</b>	<b>4.696</b>	<b>72%</b>	<b>25.150</b>	<b>19.766</b>	<b>27%</b>
<b>Cost of Operations</b>	<b>4.545</b>	<b>4.537</b>	<b>0%</b>	<b>18.662</b>	<b>18.629</b>	<b>0%</b>	<b>3.954</b>	<b>2.062</b>	<b>92%</b>	<b>11.877</b>	<b>10.081</b>	<b>18%</b>
Selling & Administ. Expenses	5.008	5.014	0%	20.650	16.965	22%	4.364	2.380	83%	13.143	9.180	43%
<b>EBITDA</b>	<b>277</b>	<b>996</b>	<b>-72%</b>	<b>2.886</b>	<b>2.680</b>	<b>8%</b>	<b>373</b>	<b>492</b>	<b>-24%</b>	<b>1.837</b>	<b>1.450</b>	<b>27%</b>
EBITDA Margin	3%	10%		7%	7%		5%	10%		7%	7%	
<b>Operating Income</b>	<b>-468</b>	<b>494</b>	<b>n.a</b>	<b>204</b>	<b>934</b>	<b>-78%</b>	<b>-247</b>	<b>255</b>	<b>n.a</b>	<b>130</b>	<b>505</b>	<b>-74%</b>
Operating Margin	-5%	5%		1%	3%		-3%	5%		1%	3%	

Any distortion in the figures is due to monetary exchange fluctuations.

Fourth Quarter 2008 Results  
January 26, 2009

**Entel Group Consolidated Income Statement (limited review)**  
(in thousands of Chilean Pesos as of December 31, 2008)

<b>INCOME STATEMENT</b>	<b>Dec-08</b>	<b>Dec-07</b>	<b>Var%</b>
<b>Operating Income</b>	<b>217.091.302</b>	<b>210.483.422</b>	<b>3%</b>
Net Revenue	1.066.893.569	982.972.562	
Operating Cost	(619.858.133)	(565.125.279)	
Gross Profit	447.035.436	417.847.283	
Selling & Administrative Expenses	(229.944.134)	(207.363.861)	
<b>Non-Operating Income</b>	<b>(25.967.904)</b>	<b>(34.851.934)</b>	<b>25%</b>
Financial income	2.689.512	4.326.538	
Other income	1.641.139	767.044	
Amortization of goodwill	(3.969.382)	(3.969.382)	
Financial expenses	(14.476.675)	(21.360.881)	
Other expenses	(14.075.950)	(25.414.304)	
Price-level restatement	4.408.220	12.730.328	
Exchange gain	(2.184.768)	(1.931.277)	
<b>Income before Tax</b>	<b>191.123.398</b>	<b>175.631.488</b>	<b>9%</b>
Income Tax	(37.613.780)	(32.931.208)	
Consolidated Net Income before Minority Interest	153.509.618	142.700.280	
Net Income (loss)	153.509.618	142.700.280	
<b>NET INCOME</b>	<b>153.509.618</b>	<b>142.700.280</b>	<b>8%</b>

Fourth Quarter 2008 Results  
January 26, 2009

**Entel Group Consolidated Balance Sheet (limited review)**  
(in thousands of Chilean Pesos as of December 31, 2008)

<b>ASSETS</b>	<b>Dec-08</b>	<b>Dec-07</b>	<b>Var%</b>
<b>Total current assets</b>	<b>402.116.590</b>	<b>342.531.404</b>	<b>17%</b>
Cash	8.167.550	4.919.822	
Time deposits	35.401.270	60.015.687	
Marketable securities	-	-	
Trade accounts receivable, net	229.753.198	204.725.890	
Notes receivable, net	7.614.325	7.324.032	
Other accounts receivable, net	38.464.412	5.610.429	
Note and accounts receivable from related companies	598.345	510.843	
Inventories	38.337.303	24.130.314	
Recoverable taxes	13.954.369	12.000.022	
Prepaid expenses	13.051.608	9.159.955	
Deferred income taxes	15.689.285	12.611.002	
Other current assets	1.084.925	1.523.408	
<b>Total Property, Plant and Equipment</b>	<b>968.980.902</b>	<b>913.509.640</b>	<b>6%</b>
Land	9.010.409	8.677.718	
Buildings and infrastructure	293.493.797	251.951.276	
Machinery and equipment	1.998.326.152	1.842.935.962	
Other fixed assets	302.456.520	297.161.858	
Accumulated depreciation	(1.634.305.976)	(1.487.217.174)	
<b>Total other assets</b>	<b>87.720.984</b>	<b>71.128.644</b>	<b>23%</b>
Goodwill	53.500.570	47.245.394	
Long-term accounts receivable	16.208.896	7.321.461	
Intangibles	15.052.745	14.004.311	
Amortization of intangibles	(7.761.814)	(7.241.274)	
Others	10.720.587	9.798.752	
<b>TOTAL ASSETS</b>	<b>1.458.818.476</b>	<b>1.327.169.688</b>	<b>10%</b>

Fourth Quarter 2008 Results  
January 26, 2009

Entel Group Consolidated Balance Sheet (limited review)  
(in thousands of Chilean Pesos as of December 31, 2008)

LIABILITIES AND SHAREHOLDERS EQUITY	Dec-08	Dec-07	Var%
<b>Total current liabilities</b>	<b>287.032.187</b>	<b>237.367.277</b>	<b>21%</b>
Short-term bank loans	121.374	-	
Current portion of long-term liabilities with banks and financ	381.234	661.684	
Current portion of notes payable and other long-term liabiliti	5.063.812	1.416.072	
Dividends payable	249.698	286.552	
Notes and Accounts payable	235.652.291	186.013.383	
Other accounts payables	2.594.499	10.285.157	
Provisions	11.799.263	10.794.247	
Withholdings	17.680.247	16.915.481	
Income Tax	3.028.347	1.674.798	
Unearned income	8.870.416	8.836.331	
Other current liabilities	1.591.006	483.572	
<b>Total long-term liabilities</b>	<b>442.366.436</b>	<b>405.614.966</b>	<b>9%</b>
Due to banks and other financial institutions	382.657.535	324.667.926	
Notes payable	17.360.053	16.314.118	
Other accounts payables	20.674.569	43.439.871	
Long-term accrued expenses	8.343.230	7.102.571	
Long-term deferred income taxes	11.029.878	11.520.711	
Other long-term liabilities	2.301.171	2.569.769	
<b>Total Shareholders</b>	<b>729.419.853</b>	<b>684.187.445</b>	<b>7%</b>
Paid-in capital	522.667.567	522.667.567	
Other Reserves	(895.937)	(3.158.786)	
Retained Earnings:	207.648.223	164.678.664	
Accumulated earnings	77.790.975	47.735.815	
Net Income (loss) for the period	153.509.618	142.700.280	
Provisional Dividend	(23.652.370)	(25.757.431)	
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>1.458.818.476</b>	<b>1.327.169.688</b>	<b>10%</b>