

## Third Quarter and First Nine Months 2008 Results

Santiago, Chile – October 29, 2008 – Empresa Nacional de Telecomunicaciones S.A. (*Bolsa de Comercio de Santiago: ENTEL*) “the Company” or “Entel” today announced its unaudited results for the third quarter and nine-months ended September 30, 2008. All figures are expressed in Chilean Pesos and are reported according to Chilean generally accepted accounting principles (Chilean GAAP). The exchange rate at September 30, 2008 was Ch\$ 551.31/US\$ 1.

### Consolidated Financial Highlights

in millions of Chilean pesos as of September 30, 2008  
(except EPS figures)

#### Quarterly Highlights:

- The total mobile customer base increased 8% when compared to September 2007, reaching 5,850,656. Post-paid subscribers (including mobile broadband) increased 23%, representing 29% of the total base.
- Revenues for the quarter amounted to Ch\$ 252.7 billion, 7% growth compared to the same period of 2007.
- EBITDA grew 5%, reaching Ch\$ 104.7 billion, while EBIT improved 4%, reaching Ch\$ 56.6 billion. Net income totaled Ch\$ 41.0 billion, 6% above 3Q07.

	3Q08	3Q07	% Var.	2Q08	9M08	9M07	% Var.
Revenues	252.697	236.378	7%	252.143	756.969	709.738	7%
EBITDA	104.732	99.605	5%	105.148	310.169	289.758	7%
EBITDA Margin	41%	42%		42%	41%	41%	
Operating Income (EBIT)	56.596	54.564	4%	55.228	161.478	155.445	4%
Non Operating Results	(5.303)	(5.690)	7%	(4.226)	(17.115)	(21.326)	20%
Tax	(10.270)	(10.124)	-1%	(10.326)	(27.375)	(24.086)	-14%
Net Income	41.022	38.750	6%	40.676	116.988	110.033	6%
EPS	173	164	6%	172	495	465	6%

#### Comments from the Chief Financial Officer:

- Consolidated revenues for the quarter increased across all segments. The main growth was in the mobile business resulting from higher service revenues related to voice and VAS (primarily in mobile broadband). In the Chile Wireline, revenues grew mainly in Data Services, Traffic Business and Local Telephony, while in the International Subsidiaries, the growth was supported by the expansion of Americatel Peru and the impact of consolidating the recently acquired Call Center operations in that country.

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- Growth in EBITDA during 3Q08 resulted from improvements in the mobile services, Chile Wireline and International Subsidiaries. The increase in EBIT resulted from increased profits mainly in the Chile Wireline.
- Net income for the quarter increased 6%, generated by an expansion in operating income, and lower non-operating losses, the latter primarily associated with a reduction in net financial expenses.

***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.

**Consolidated Revenues**  
(in millions of Chilean Pesos as of September 30, 2008)

	3Q08	3Q07	% Var.	2008	0	0	% Var.
<b>Revenues Services</b>	<b>252.697</b>	<b>236.378</b>	<b>7%</b>	<b>252.144</b>	<b>756.969</b>	<b>709.738</b>	<b>7%</b>
Mobile services	191.991	179.276	7%	194.001	582.504	536.240	9%
Data services (includes IT)	17.462	16.446	6%	15.948	49.107	46.187	6%
Local telephony (includes NGN-IP)	11.141	10.426	7%	11.392	33.619	29.703	13%
Long distance	9.756	10.722	-9%	10.068	30.348	34.820	-13%
Internet	3.941	4.301	-8%	3.988	11.922	13.224	-10%
Other telecommunication companies	3.646	2.953	23%	3.447	10.499	8.782	20%
Traffic business	7.406	5.845	27%	5.977	18.310	19.632	-7%
International subsidiary (Americatel Peru)	5.874	4.175	41%	6.097	16.503	14.305	15%
Others	1.480	2.233	-34%	1.226	4.157	6.846	-39%

**Consolidated revenues** for the quarter reached Ch\$ 252.7 billion, 7% growth compared to the Ch\$ 236.4 billion obtained in 3Q07. This growth is explained by: a) 7% increase in mobile services derived from higher service revenues (+7%), as a result of a 9% increase in the average customer base and a 2% decrease in ARPU. The decline in ARPU was driven by a decrease in incoming traffic from third parties and lower average tariffs. These effects were partially offset by higher VAS usage. MOU improved 16% mainly due to outgoing traffic. Equipment sales also grew (+10%), attributed to post-paid and mobile broadband, b) Data Services revenues increased 6%, principally in Data Center and integrated solutions provided through MPLS-IP platforms aimed at the Corp/SME segments, c) Local telephony revenues increased by 7% supported by 14% growth in lines in service, primarily in the Corp/SME segment, d) International subsidiaries' revenue rose 41%, best explained by an expanded customer base in NGN-IP and LD services at Americatel Peru. Also, the recently acquired "Servicios de Call Center del Peru", reported revenues for first time during this quarter, e) Revenues in the Traffic business increased 27%, fully attributed to increased traffic and tariffs in Wholesale, f) Other Telecom Companies revenues improved 23%, driven by increased rental capacities to other fixed line operators. These improvements were partially offset by: a) 9% decline in LD due to lower revenues in both ILD (lower tariffs partially offset by higher traffic ) and DLD (reduced tariffs and traffic), b) Other revenues declined 34% mainly in call center services in Chile as well as decreased invoice charges that now are charged directly to each service, c) Internet revenues declined 8%, derived from a decrease in the broadband customer base and lower dial-up traffic, mainly in the residential segment.

Revenues for the first nine months 2008 increased 7% when compared to 2007 figures.

**Consolidated Cost of Operations**  
(in millions of Chilean Pesos as of September 30, 2008)

	3Q08	3Q07	% Var.	2Q08	9M08	9M07	% Var.
<b>Cost of Operations</b>	<b>142.745</b>	<b>131.130</b>	<b>9%</b>	<b>141.359</b>	<b>432.077</b>	<b>403.158</b>	<b>7%</b>
Access charges & Payments to corresp.	58.258	47.576	22%	51.822	162.497	143.521	13%
Depreciation and amortization	43.220	38.642	12%	44.693	133.417	119.234	12%
Salaries and expenses	5.766	5.434	6%	4.842	15.597	14.219	10%
Outsourced services	3.489	-452	-	3.830	11.225	14.224	-21%
Supplies and Equipment	11.609	24.599	-53%	15.431	48.136	65.041	-26%
Others	20.403	15.331	33%	20.741	61.205	46.919	30%

**Consolidated cost of operations** for the quarter amounted Ch\$ 142.7 billion, representing a 9% increase when compared to 3Q07. This is attributable to: a) access charges and payments to correspondents increased 22% due to higher activity in the mobile business, traffic business in Chile Wireline and higher NGN and LD traffic at Americatel Peru, b) 12% higher depreciation and amortization costs, in-line with the higher network investments and post-paid handset base in the mobile business. In addition, depreciation costs rose at Americatel Peru, c) salaries and expenses rose 6% mainly in the Chile Wireline, d) other costs grew 33% mainly driven by the mobile business to meet demand growth related to maintenance and installation, energy and VAS content providers, e) outsourced services increased due to a reclassification of supplies and equipment occurring in 3Q07 in connection with software development in IT projects within the Chile Wireline. Excluding this effect, during 3Q08, there were decreased costs related to IT services in the Chile Wireline. Partially offsetting these increases was a 53% decline in Supplies and Equipment, mainly as a result of the aforementioned reclassification, as well as lower prepaid handset costs in the mobile business, in-line with lower sales.

Cost of operations for the first nine-month period of 2008 expanded 9%.

**Consolidated Selling and Administrative Expenses**  
(in millions of Chilean Pesos as of September 30, 2008)

	3Q08	3Q07	% Var.	2Q08	9M08	9M07	% Var.
<b>Selling and Administrative Expenses</b>	<b>53.357</b>	<b>50.684</b>	<b>5%</b>	<b>55.557</b>	<b>163.414</b>	<b>151.135</b>	<b>8%</b>
Salaries and expenses	17.013	16.500	3%	17.514	52.488	49.513	6%
Advertising & Sales commissions	11.589	11.261	3%	12.221	36.224	35.611	2%
Bad debt provisions	6.597	4.624	43%	6.937	19.634	13.815	42%
Outsourced services	1.357	1.053	29%	1.304	3.784	3.397	11%
Depreciation and amortization	4.916	6.399	-23%	5.227	15.274	15.079	1%
Others	11.884	10.847	10%	12.354	36.010	33.719	7%

**Consolidated selling and administrative expenses** totaled Ch\$ 53.4 billion, 5% higher than the Ch\$ 50.7 billion in 3Q07. The increase is derived from: a) 43% growth in bad debt provisions, explained by the mobile business due to the increase in the post-paid customer base, partially offset by lower provisions in the Chile

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Wireline related to the traffic business, b) 3% increase in Advertising and Sales commissions attributed to higher activity in Chile Wireline and the Mobile business, partially offset by a decline at Americatel Peru, c) salaries and expenses increased 3%, explained by higher expenses in the mobile business and International Subsidiaries, partially offset by a decline in Chile Wireline, d) other costs and expenses increased 10%, explained by the mobile business and Chile Wireline related to office space leases, data processing and other general expenses. Partially offsetting the previously-mentioned increases was a decline in depreciation and amortization, principally in the Chile Wireline.

SG&A for the first nine months of 2008 increased 5%.

**EBITDA and Operating Income**

Based on the aforementioned results, EBITDA for the quarter improved 5%, reaching Ch\$ 104.7 billion, compared to the Ch\$ 99.6 billion obtained in 3Q07.

EBITDA margin during 3Q08 was 41%, declining from the 42% in 3Q07 due to a slight decrease in mobile business margins.

Operating income for the quarter amounted Ch\$ 56.6 billion, 4% higher than the Ch\$ 54.6 billion obtained in 3Q07, mainly resulting from higher profits in the Chile Wireline.

For the first nine-month period of 2008, EBITDA and operating income rose 7% and 4%, respectively. EBITDA margin remained flat at 41%.

**Non-Operating Results**

Net non-operating losses for the quarter declined 7% and totaled Ch\$ 5.3 billion, which compares to a Ch\$ 5.7 billion loss in 3Q07. The decrease is attributed to lower net financial expenses derived from lower interest rates on outstanding debt, lower other net expenses as a result of the absence of refinancing costs undertaken in 3Q07, both partially offset by lower profits on monetary corrections and price level restatements derived from mark to market price adjustments of financial derivate instruments.

	3Q08	3Q07	% Var.	2Q08	9M08	9M07	% Var.
<b>Non-Operating Results</b>	<b>(5.303)</b>	<b>(5.690)</b>	<b>7%</b>	<b>(4.226)</b>	<b>(17.115)</b>	<b>(21.326)</b>	<b>20%</b>
Net Financial Expenses	(3.033)	(4.532)	33%	(2.798)	(8.660)	(12.458)	30%
Amortization of goodwill	(974)	(973)	0%	(974)	(2.922)	(2.924)	0%
Other Income (Expenses)	(3.187)	(4.091)	22%	(3.278)	(9.938)	(14.936)	33%
Monetary Correction & Price Level Restatem.	1.891	3.907	-52%	2.824	4.405	8.991	-51%

**Net Income**

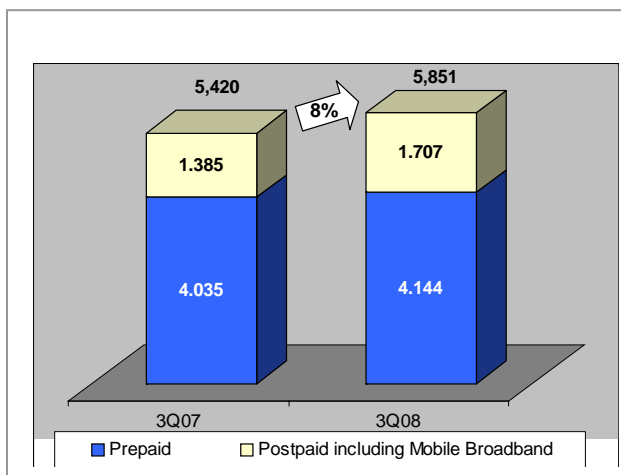
Net income for the quarter increased 6%, reaching Ch\$ 41.0 billion compared to Ch\$ 38.8 billion in 3Q07.

For the first nine-month period of 2008, Net Income rose 6%.

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

**Mobile Business:**

During the quarter, revenues amounted to Ch\$ 195.2 billion, 7% higher than the Ch\$ 182.4 billion obtained in 3Q07. Service revenues rose 7%, best explained by the increase in monthly service and access charges, attributed to the higher post-paid customer base. Also, VAS revenues grew 28%, triggered by mobile broadband revenues as a result of the increased customer base. Equipment sales improved 10%, derived from higher activity in post-paid (including mobile broadband).



The average subscriber base rose 9% and reached 5,850,656 customers as of September 30, 2008. Growth was driven by a 23% increase in post-paid. This resulted from a combination of attractive segmented plans and the selective migration of prepaid customers, quality service and a low churn rate. In addition, the mobile broadband client base expanded substantially. At the end of 3Q08, the post-paid (including mobile broadband) share over the total base was 29%, compared to 26% in 3Q07. The Company's total market share of active customers was 40%, remaining almost unchanged from 3Q07. Market share increased in the post paid segment and declined in prepaid.

Blended ARPU decreased 2%, best explained by decreased incoming traffic from third parties and lower outgoing average tariffs, partially offset by higher VAS services. Blended MOU rose 16%, supported by both incoming and outgoing traffic. Overall traffic grew 26%.

The blended churn rate for the quarter was 1.75%, which favorably compares to the 1.86% obtained in 3Q07. The decrease was mainly related to pre-paid, while churn in post-paid posted a slight increase compared to 3Q07 but remaining unchanged when compared to the previous quarter.

During the quarter, Entel PCS announced a 10% tariff increases. These adjustments were implemented in August for prepaid customers and in October for residential post-paid subscribers. In addition, handset prices were adjusted during the quarter. This price increase was generally in-line with industry trends.

As part of Entel PCS's goal of having top quality service standards, the Company has been certified ISO 9001 compliant by Société Générale de Surveillance. This certifies that Entel meets the highest standards in terms of design, development and provisions for new sites in mobile networks.

EBITDA reached Ch\$ 83.2 billion compared to the Ch\$ 80.3 in 3Q07. This increase was a result of higher equipment sales margins, in-line with an expansion in sales in post paid and lower handsets subsidies in prepaid. This increase was partially offset by higher SG&A expenses mainly related to bad debt provision due to the expansion of the post-paid base and higher salaries. EBITDA margin in 3Q08 was 43%, slightly below the 44% posted in 3Q07.

Depreciation rose due to increased handset depreciation, in accordance with a 23% expansion in the post-paid customer base, in addition to increased network investment. Based on the above, EBIT for the quarter reached Ch\$ 51.9 billion, flat compared to 3Q07.

<sup>1</sup> Includes Intercompany

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**Chile Wireline Results:**

**Revenues**  
(in millions of Chilean Pesos as of September 30, 2008)

Ch\$ (millions)	3Q08	3Q07	% Var.	2Q08	9M08	9M07	% Var.
<b>Revenues*</b>	<b>65.252</b>	<b>63.049</b>	<b>3%</b>	<b>63.415</b>	<b>190.468</b>	<b>190.245</b>	<b>0%</b>
Corporate and SME	35.761	34.004	5%	33.920	103.876	99.386	5%
Residential	6.557	9.322	-30%	7.261	21.466	29.901	-28%
Infraest. Serv. Telcos, Traffic B. and Others	22.934	19.723	16%	22.234	65.126	60.958	7%

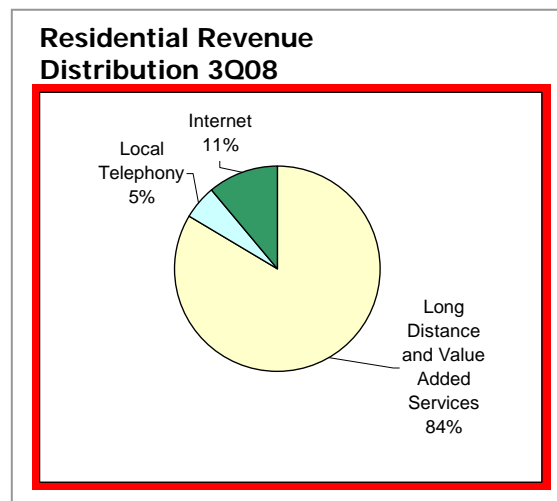
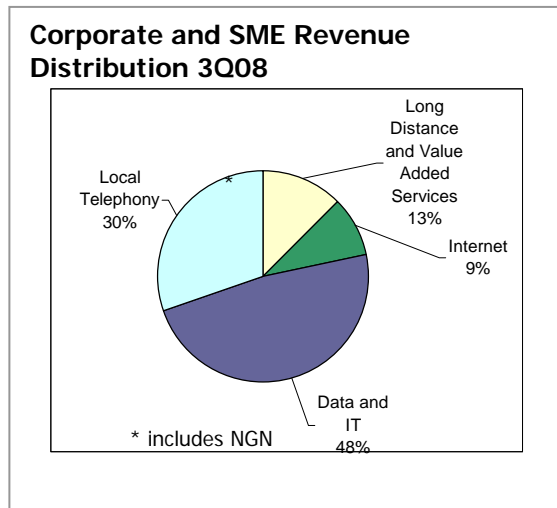
\*Includes inter-company revenues with Mobile and Int'l subsidiaries and support companies.

Total Chile Wireline revenues for the quarter reached Ch\$ 65.3 billion, 3% higher than the Ch\$ 63.1 billion of 3Q07.

**Corporate and SME** segment revenues for the quarter grew 5% compared to 3Q07. The main improvements were in data services (including IT) originating from datacenter and high speed connectivity services (MPLS-IP) to serve integrated services demands from customers. Also, local telephony expanded, mainly attributed to higher LIS in both NGN-IP and traditional lines. Internet revenues also increased.

**Residential segment** revenues for the quarter decreased 30%, mainly in LD driven by lower tariffs in ILD and decreased traffic in DLD. Internet revenues also declined due to lower dial-up traffic and broadband clients, aligned with the Company's strategy of reducing efforts in less profitable business lines.

**Infrastructure service to other Telecom companies, traffic business and other revenues** grew 16% in the quarter, mainly driven by higher traffic and tariffs in wholesale and valued-added services. Revenues related to lease capacity also increased mainly in rentals to third party fixed line operators and to Entel PCS.



Operating cost and SG&A slightly increased by 1% to Ch\$ 61.1 billion during the quarter. The main increases were in payments to correspondents and access charges related to traffic business activity, other costs due to higher energy tariffs, and advertising and sales commissions due to higher activity and campaigns aimed at the enterprise segments. Partially offsetting these increases were lower costs related to IT projects, salaries and bad debt provisions, all in connection with effective business development and cost control across all segments. Depreciation and amortization posted a small decline.

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The aforementioned factors resulted in an EBITDA expansion of 9%, reaching Ch\$ 20.3 billion, while the EBITDA margin was 31%, higher than the 29% obtained in last year’s comparable quarter. The improvement was a consequence of Entel’s efforts to focus on more profitable services and cost control. Operating income for the third quarter was Ch\$4.2 billion, an increase of 81% when compared to the Ch\$2.3 in 3Q07.

**Chile Wireline Main Activities by Services:**

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

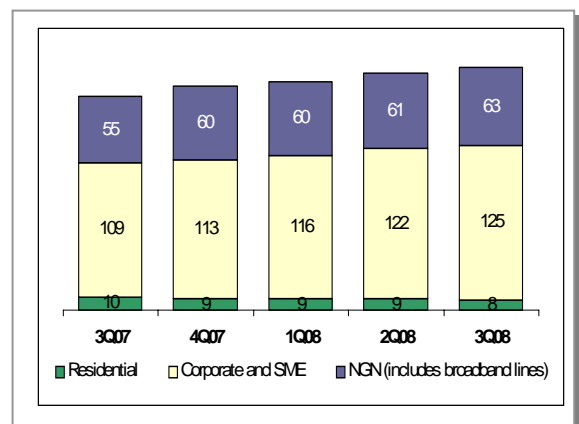
The increasing demand for integrated solutions providing voice, data and high-speed Internet, coupled with the goal of being a leading player in IT integration services drove growth in the enterprise segments. Entel’s leading position in traditional IP connectivity services, as well its expertise and capability of IT integration services, enables the Company to strengthen its leadership in the enterprise segment, providing an extended offering of integrated solutions.

In addition, several contracts were signed in 3Q08, including the following:

- DERCO S.A., (Leading car and machinery reseller): an IT SAP hosting service contract that will provide access to applications and the required SAP infrastructure for project development, testing and daily operations.
- AGROSUPER (Leading agro-industry Company in the production, processing and distribution of animal products): this agreement includes a fully integrated telecommunication and connectivity services over IP, including data, local telephony, DLD, ILD and mobile.
- CDEC-SING (Northern Electricity distribution Company), this contract consists of IT and communications hosting, data security, helpdesk services and integrated solutions over MPLS\_IP.

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

As of September 30, total lines-in-service totaled 196,843, a 14% increase when compared to the 3Q07 figure. NGN-IP lines are driving growth and represent 37% of the total as a result of the Company’s strategy focused on the SME segment. Traditional lines-in-service also expanded within the Corporate and SME segments in connection with the Company’s effort to increase penetration through services provided using its own access network.



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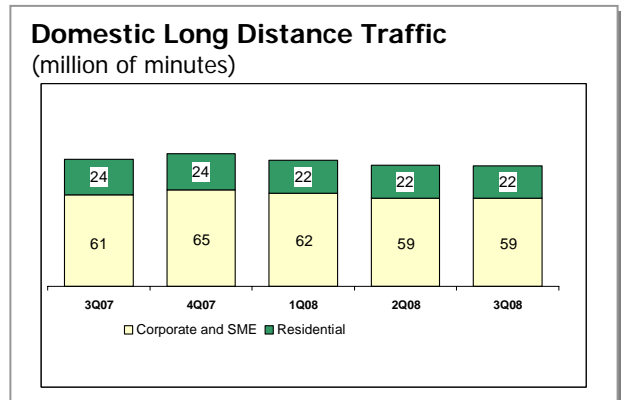
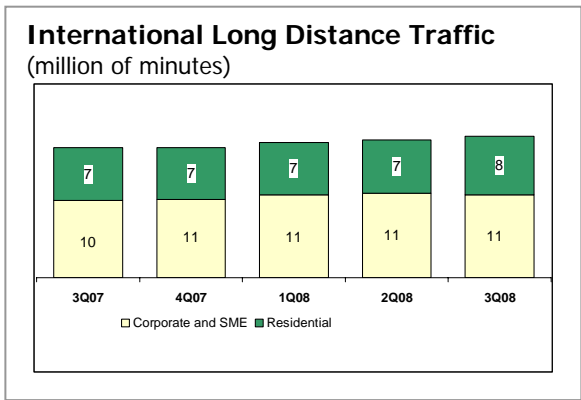
- **Long Distance**

DLD traffic fell 5%, attributed to all segments, resulting from a reduction of direct dialing and migration to mobile and internet services. In addition, tariffs also decline in all segments.

ILD traffic rose 9% in both the Corp/SME and residential segments. Tariffs declined mostly in the residential segment and slightly fell in the Corp/SME segment.

Value-added services currently represent 19% of LD revenues.

Entel's DLD market share was 31%, while ILD market share reached 38% in 3Q08. When compared to last year's comparable period, Entel's market share improved in both DLD and ILD.



**International Subsidiaries**

***Americatel Peru***

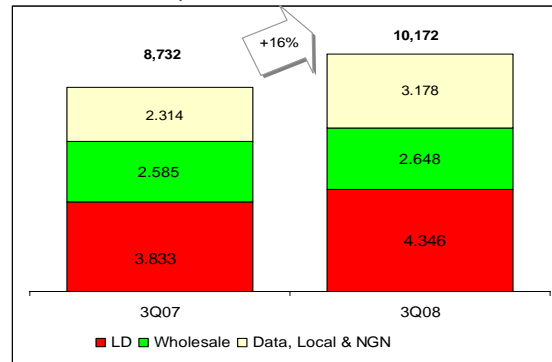
Americatel Peru's quarterly revenues expanded 16%, reaching US\$ 10.2 million. The growth in revenues was mainly a result of increased NGN-IP services aimed at the enterprise segment within the Lima area. Local telephony also improved as a consequence of the Company's focus on providing services through its own access network to the enterprise segment, while LD revenues expanded due to increased traffic in the dial-around (1977 code). Wholesale also slightly increased due to increased traffic.

Cost and SG&A rose 12%, related to increased activity, mainly in NGN-IP and LD. These resulted in higher access charges, salaries expenses associated with the NGN business, in addition to installation costs.

EBITDA reached US\$ 0.8 million, substantially above the US\$ 0.2 million in 3Q07, derived from higher gross margins in NGN -IP and LD, in-line with the increased penetration of services in the market and higher traffic, respectively. Operating income was US\$0.1 million, well above the US\$0.3 million loss reported in 3Q07, a period which was impacted by non-recurring marketing and sales expenses.

**Quarterly Revenues**

(In thousand US\$)



**BALANCE SHEET**

**Consolidated Balance Sheet (limited review)**  
(in millions of Chilean Pesos as of September 30, 2008)

	Sep-08	Sep-07	Var %
<b>Assets</b>	<b>1.316.135</b>	<b>1.270.154</b>	<b>4%</b>
Current assets	320.101	307.721	4%
Property, plant & equipment, net	918.135	892.543	3%
Other assets	77.899	69.890	11%
<b>Liabilities &amp; shareholders' equity</b>	<b>1.316.135</b>	<b>1.270.154</b>	<b>4%</b>
Current liabilities	208.190	199.773	4%
Long-term liabilities	404.203	402.466	0%
Minority interest	0	0	0%
Shareholders' equity	703.742	667.914	5%

**Financial Indexes**

	Sep-08	Sep-07
Current assets/Current liabilities	1,54	1,54
EBITDA/Financial expenses	28,94	17,66
Financial debt*/EBITDA**	0,96	1,01
Total liabilities/(equity + min. interest)	0,87	0,90

\* Financial debt defined as per existing credit facilities.

\*\* EBITDA last 12 months.

As of September 30, 2008 and when compared to September 30, 2007, gross debt in constant Chilean pesos decreased 1% reaching Ch\$ 348.0 billion. During 3Q08, all short term debt raised in 2Q08 for working capital needs (Ch\$ 27.0 millions) was repaid. Net debt (gross debt less cash and net balances from hedging activities) for the period totaled Ch\$ 340.1 billion, 1% above the Ch\$ 336.6 billion of 2007.

## **RECENT EVENTS**

- Entel will transition from Chilean GAAP to IFRS beginning January 1, 2009, and will release the Company's quarterly report based on these standards as of March, 2009 (with comparisons to the same period of 2008 under IFRS). The adjustments will not have a material impact on the Company's opening assets and liabilities valuation. The main effects are the compulsory dividend accrual and the recognition of deferred taxes accumulated prior to 2000. The equity reconciliation affecting the opening balance resulted in a write-off of 6% (Ch\$ 37.6 billion). Furthermore, the functional currency for Entel's financial statements is the Chilean peso.
- In July, to comply with the mobile interconnection rate setting process for the 2009 to 2014 period, each mobile operator proposed to the Subsecretaria de Telecomunicaciones (Subtel) rate proposals. ENTEL PCS proposed a reduction in access charges of approximately 30%. The agenda for this legal process is as follows: during November Subtel will submit objections, and propose counteroffers for access charges. In December, the expert's opinion report will be submitted. Finally, in January 2009, a new tariff for the indicated period will be set.

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**Company Description**

Empresa Nacional de Telecomunicaciones S.A. is the largest telecommunications Company in Chile with Ch\$ 902,638 million in annual revenues reported in December 2007. 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.

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**Individual Consolidated Results by Business Segment**

(in millions of Chilean Pesos as of September 30, 2008)

	<u>3Q08</u>	<u>3Q07</u>	<u>% Var.</u>	<u>9M08</u>	<u>9M07</u>	<u>% Var.</u>
<b>Mobile Telephony</b>						
<b>Revenues</b>	<b>195.193</b>	<b>182.428</b>	<b>7%</b>	<b>592.258</b>	<b>545.801</b>	<b>9%</b>
- Service	179.414	168.023	7%	538.899	499.550	8%
- Equipment	15.779	14.405	10%	53.359	46.251	15%
<b>Cost of Operations</b>	<b>108.561</b>	<b>99.211</b>	<b>9%</b>	<b>336.577</b>	<b>300.121</b>	<b>12%</b>
Selling and Administrative Expenses	34.773	31.139	12%	105.074	94.392	11%
<b>EBITDA</b>	<b>83.200</b>	<b>80.307</b>	<b>4%</b>	<b>250.648</b>	<b>234.983</b>	<b>7%</b>
EBITDA Margin	43%	44%		42%	43%	
<b>Operating Income</b>	<b>51.859</b>	<b>52.077</b>	<b>0%</b>	<b>150.607</b>	<b>151.288</b>	<b>0%</b>
Operating Margin	27%	29%		25%	28%	

	<u>3Q08</u>	<u>3Q07</u>	<u>% Var.</u>	<u>9M08</u>	<u>9M07</u>	<u>% Var.</u>
<b>Chile Wireline (*)</b>						
<b>Revenues</b>	<b>65.252</b>	<b>63.049</b>	<b>3%</b>	<b>190.468</b>	<b>190.245</b>	<b>0%</b>
<b>Cost of Operations</b>	<b>30.400</b>	<b>29.689</b>	<b>2%</b>	<b>88.102</b>	<b>93.544</b>	<b>-6%</b>
Selling and Administrative Expenses	14.540	14.764	-2%	45.878	44.593	3%
Depreciation and Amortization	16.139	16.295	-1%	46.895	49.002	-4%
<b>EBITDA</b>	<b>20.312</b>	<b>18.597</b>	<b>9%</b>	<b>56.488</b>	<b>52.108</b>	<b>8%</b>
EBITDA Margin	31%	29%		30%	27%	
<b>Operating Income</b>	<b>4.174</b>	<b>2.302</b>	<b>81%</b>	<b>9.593</b>	<b>3.106</b>	<b>209%</b>
Operating Margin	6%	4%		5%	2%	

(\*) 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 September 30, 2008)

	<u>3Q08</u>	<u>3Q07</u>	<u>% Var.</u>	<u>9M08</u>	<u>9M07</u>	<u>% Var.</u>	<u>3Q08</u>	<u>3Q07</u>	<u>% Var.</u>	<u>9M08</u>	<u>9M07</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>10.172</b>	<b>8.732</b>	<b>16%</b>	<b>30.431</b>	<b>26.484</b>	<b>15%</b>	<b>4.967</b>	<b>4.249</b>	<b>17%</b>	<b>16.008</b>	<b>14.799</b>	<b>8%</b>
<b>Cost of Operations</b>	<b>4.835</b>	<b>4.587</b>	<b>5%</b>	<b>14.117</b>	<b>14.092</b>	<b>0%</b>	<b>2.368</b>	<b>2.225</b>	<b>6%</b>	<b>7.426</b>	<b>7.874</b>	<b>-6%</b>
Selling & Administ. Expenses	5.252	4.413	19%	15.642	11.951	31%	2.566	2.198	17%	8.229	6.678	23%
<b>EBITDA</b>	<b>823</b>	<b>166</b>	<b>396%</b>	<b>2.608</b>	<b>1.684</b>	<b>55%</b>	<b>399</b>	<b>39</b>	<b>927%</b>	<b>1.372</b>	<b>941</b>	<b>46%</b>
EBITDA Margin	8%	2%		9%	6%		8%	1%		9%	6%	
<b>Operating Income</b>	<b>85</b>	<b>-268</b>	<b>132%</b>	<b>672</b>	<b>441</b>	<b>52%</b>	<b>34</b>	<b>-175</b>	<b>119%</b>	<b>353</b>	<b>246</b>	<b>43%</b>
Operating Margin	1%	-3%		2%	2%		1%	-4%		2%	2%	

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

**Entel Group Consolidated Income Statement (limited review)**  
(in thousands of Chilean Pesos as of September 30, 2008)

<b>INCOME STATEMENT</b>	<b>Sep-08</b>	<b>Sep-07</b>	<b>Var%</b>
<b>Operating Income</b>	<b>161.477.777</b>	<b>155.444.892</b>	<b>4%</b>
Net Revenue	756.969.408	709.737.965	
Operating Cost	(432.077.339)	(403.158.335)	
Gross Profit	324.892.069	306.579.630	
Selling & Administrative Expenses	(163.414.292)	(151.134.738)	
<b>Non-Operating Income</b>	<b>(17.115.034)</b>	<b>(21.326.433)</b>	<b>20%</b>
Financial income	2.059.559	3.951.844	
Other income	467.058	595.742	
Amortization of goodwill	(2.922.361)	(2.923.983)	
Financial expenses	(10.719.081)	(16.409.443)	
Other expenses	(10.405.220)	(15.531.317)	
Price-level restatement	4.022.845	8.792.783	
Exchange gain	382.166	197.941	
<b>Income before Tax</b>	<b>144.362.743</b>	<b>134.118.459</b>	<b>8%</b>
Income Tax	(27.375.155)	(24.085.664)	
Consolidated Net Income before Minority Interest	116.987.588	110.032.795	
Net Income (loss)	116.987.588	110.032.795	
<b>NET INCOME</b>	<b>116.987.588</b>	<b>110.032.795</b>	<b>6%</b>

**Entel Group Consolidated Balance Sheet (limited review)**  
(in thousands of Chilean Pesos as of September 30, 2008)

<b>ASSETS</b>	<b>Sep-08</b>	<b>Sep-07</b>	<b>Var%</b>
<b>Total current assets</b>	<b>320.100.799</b>	<b>307.720.688</b>	<b>4%</b>
Cash	4.630.266	7.192.983	
Time deposits	10.389.128	39.345.418	
Marketable securities	-	393.624	
Trade accounts receivable, net	204.709.050	182.701.683	
Notes receivable, net	6.259.744	8.347.593	
Other accounts receivable, net	19.144.432	4.878.047	
Note and accounts receivable from related companies	533.799	974.540	
Inventories	32.588.441	23.597.519	
Recoverable taxes	8.762.162	9.975.238	
Prepaid expenses	17.138.434	10.424.814	
Deferred income taxes	14.323.409	12.550.458	
Other current assets	1.621.934	7.338.771	
<b>Total Property, Plant and Equipment</b>	<b>918.135.165</b>	<b>892.543.419</b>	<b>3%</b>
Land	8.556.338	8.534.219	
Buildings and infrastructure	271.548.721	254.058.259	
Machinery and equipment	1.889.997.207	1.751.398.071	
Other fixed assets	313.903.658	307.322.964	
Accumulated depreciation	(1.565.870.759)	(1.428.770.094)	
<b>Total other assets</b>	<b>77.899.123</b>	<b>69.889.580</b>	<b>11%</b>
Goodwill	43.455.347	47.378.102	
Long-term accounts receivable	15.856.656	7.295.627	
Intangibles	14.253.837	13.973.815	
Amortization of intangibles	(7.615.822)	(6.972.999)	
Others	11.949.105	8.215.035	
<b>TOTAL ASSETS</b>	<b>1.316.135.087</b>	<b>1.270.153.687</b>	<b>4%</b>

**Entel Group Consolidated Balance Sheet (limited review)**  
(in thousands of Chilean Pesos as of September 30, 2008)

<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>Sep-08</b>	<b>Sep-07</b>	<b>Var%</b>
<b>Total current liabilities</b>	<b>208.189.611</b>	<b>199.773.189</b>	<b>4%</b>
Short-term bank loans	-	-	
Current portion of long-term liabilities with banks and financ	422.958	887.058	
Current portion of notes payable and other long-term liabiliti	2.268.769	1.512.950	
Dividends payable	301.780	311.259	
Notes and Accounts payable	174.084.511	152.866.301	
Other accounts payables	3.526.954	13.641.866	
Provisions	7.856.227	8.543.385	
Withholdings	12.073.925	12.228.487	
Income Tax	271.350	1.551.313	
Unearned income	6.905.619	7.685.786	
Other current liabilities	477.518	544.784	
<b>Total long-term liabilities</b>	<b>404.203.226</b>	<b>402.466.087</b>	<b>0%</b>
Due to banks and other financial institutions	330.786.000	335.264.634	
Notes payable	15.815.037	16.290.286	
Other accounts payables	38.482.163	29.534.638	
Long-term accrued expenses	7.043.598	6.846.968	
Long-term deferred income taxes	10.041.177	11.905.524	
Other long-term liabilities	2.035.251	2.624.037	
<b>Total Shareholders</b>	<b>703.742.250</b>	<b>667.914.411</b>	<b>5%</b>
Paid-in capital	513.068.530	513.353.193	
Other Reserves	(2.621.867)	(2.452.858)	
Retained Earnings:	193.295.587	157.014.076	
Accumulated earnings	76.307.999	46.981.281	
Net Income (loss) for the period	116.987.588	110.032.795	
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>1.316.135.087</b>	<b>1.270.153.687</b>	<b>4%</b>