For Immediate Release

Second Quarter 2005 Results

Santiago, Chile –August 2, 2005 – Empresa Nacional de Telecomunicaciones S.A. (*Bolsa de Comercio de Santiago: ENTEL*) "the Company" or "Entel" today announced its results for the second quarter ended June 30, 2005. All figures are expressed in Chilean Pesos and are reported according to Chilean generally accepted accounting principles (Chilean GAAP). The exchange rate at June 30, 2005 was Ch$579.0/US$ 1.

Highlights:

- Revenues for the quarter reached Ch$ 187.7 billion, an increase of 4% compared to the same quarter of 2004.
- EBITDA for the quarter reached Ch$ 66,424 million, an increase of 18% compared to 2Q04. Net income reached Ch$ 15.704 million, an increase of 23% compared to 2Q04.
- Number of mobile subscribers increased 28%, reaching 3,728,944.

Consolidated Financial Highlights
in millions of Chilean pesos as of June 30, 2005
(except EPS figures)

	2Q05	2Q04	% Var.	*1Q05*	*1H05*	*1H04*	% Var.
Revenues	187,711	180,257	4%	184,262	371,973	357,196	4%
Operating Income (EBIT)	28,371	22,368	27%	28,581	56,952	48,728	17%
EBITDA	66,424	56,267	18%	64,871	131,294	116,306	13%
Net Income	15,704	12,777	23%	19,377	35,080	27,558	27%
EPS	66.4	54.0	23%	81.9	148.3	116.5	27%

Comments from the Chief Financial Officer:

- Revenue growth during the quarter continued to be fueled by the mobile business, in line with a high growth in the customer base of 28%.
- Also, strong growth in operating profit and EBITDA during the quarter were boosted by the mobile operations together with increased results in the international subsidiaries. The mature businesses areas in the Chile Wireline segment continue to face a challenging competitive environment.
- Net income during 2Q05 increased 23% as a consequence of the above mentioned factors, partially offset by higher non-operational losses in connection with non-recurrent charges related to debt pre-payments and re-financing activities.
- During 2Q05, the Company carried out important re-financing operations in order to extend duration of its debts. As a result, until

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1Q07, Entel will have almost no maturities of its financial liabilities. Furthermore, an extraordinary dividend of Ch$182.1 billion was paid during the quarter as a result of the healthy financial position of the Company.

Note: Please see accompanying presentation at www.entel.cl, under the section titled "Investors" for additional information.

Consolidated Revenues
(in millions of Chilean Pesos as of June 30, 2005)

	2Q05	2Q04	% Var.	*1Q05*	*1H05*	*1H04*	% Var.
Revenues	**187,711**	**180,257**	**4%**	**184,262**	**371,973**	**357,196**	**4%**
Mobile services	108,970	86,183	26%	104,272	213,242	171,881	24%
Domestic long distance	7,998	11,152	-28%	8,646	16,644	23,550	-29%
International long distance	4,837	5,127	-6%	4,715	9,552	10,652	-10%
Internet	5,627	7,062	-20%	5,761	11,388	12,761	-11%
Data services	11,134	11,575	-4%	10,229	21,363	22,042	-3%
Other telecommunication companies	2,062	2,089	-1%	2,606	4,668	4,802	-3%
Traffic business	9,639	16,114	-40%	11,202	20,841	27,934	-25%
International subsidiaries	28,036	32,675	-14%	28,112	56,148	65,634	-14%
Local telephony	7,096	7,070	0%	6,549	13,645	13,886	-2%
Others	2,312	1,210	91%	2,170	4,482	4,054	11%

Consolidated revenues during 2Q05 reached Ch$ 187.7 billion, compared to the Ch$ 180.3 billion reported during the same quarter of the previous year. This increase was attributed to: a) 26% growth in mobile services due to higher service and equipment sales revenues, increasing 23% and 55%, respectively. The increase in service revenues is explained by a 30% expansion in the average mobile customer base with an increase of 1% in MOU and a 4% decrease in ARPU, the latter mainly in the pre-paid segment, b) 91% increase from revenues related to call center services and billing charges.

The main factors that partially offset these increases were: a) 40% decrease in traffic business revenues due to lower wholesale tariffs, lower audio-text business traffic and a 9% Chilean Peso revaluation against US Dollar, b) 14% reduction in international subsidiaries revenues mainly explained by a decrease in direct dialing and pre-paid cards traffic in Americatel USA and the aforementioned strength of the Chilean Peso, c) a 28% decline in domestic long distance revenues, mainly explained by a 13% decrease in traffic and a 15% reduction in average tariffs resulting from a change in the traffic mix, d) 20% decrease in Internet revenues, caused by lower Internet dial-up revenues due to client migration to broadband solutions.

For the first half of 2005, net revenues increased 4%.

Consolidated Cost of Operations
(in millions of Chilean Pesos as of June 30, 2005)

	2Q05	2Q04	% Var.	*1Q05*	*1H05*	*1H04*	*% Var.*
Cost of Operations	**107,665**	**101,558**	**6%**	**103,139**	**210,804**	**200,477**	**5%**
Access charges	33,280	27,975	19%	31,308	64,589	55,002	17%
Payments to correspondents	14,454	20,483	-29%	15,823	30,277	37,907	-20%
Depreciation and amortization	24,728	23,939	3%	24,491	49,219	48,298	2%
Salaries and expenses	3,380	3,353	1%	3,314	6,694	7,067	-5%
Outsourced services	4,358	5,035	-13%	3,594	7,952	10,160	-22%
Others	27,464	20,774	32%	24,609	52,074	42,043	24%

Consolidated cost of operations reached Ch$ 107.7 billion in the second quarter 2005, 6% higher compared to the same quarter of 2004. This increase was due to: a) 19% higher access charges, mainly in the mobile business as a result of an increase of 25% in outgoing traffic to third parties, b) 3% growth in depreciation and amortization costs, driven by the network expansion in the mobile business, c) 32% higher other general costs, mainly explained by maintenance and material costs related to the mobile customer base expansion. Partially offsetting these increases were, a) 29% lower payments to correspondents, in-line with lower tariffs in the wholesale business in Chile and reduced traffic in Americatel USA, b) 13% decline in outsourcing, mainly in Americatel USA due to lower traffic and call center activities.

Cost of operations for the first half of 2005 increased 5%.

Consolidated Selling and Administrative Expenses
(in millions of Chilean Pesos as of June 30, 2005)

	2Q05	2Q04	% Var.	*1Q05*	*1H05*	*1H04*	*% Var.*
Selling and administrative expenses	**51,675**	**56,331**	**-8%**	**52,542**	**104,217**	**107,991**	**-3%**
Salaries and expenses	12,996	12,914	1%	13,486	26,482	26,419	0%
Advertising costs	6,057	7,396	-18%	6,383	12,440	14,458	-14%
Amortization of prepaid equipment	6,856	3,143	118%	5,620	12,477	6,188	102%
Bad debt provisions	4,410	9,046	-51%	6,091	10,502	15,907	-34%
Outsourced services	1,034	2,235	-54%	1,052	2,086	3,859	-46%
Depreciation and amortization	5,824	6,266	-7%	5,856	11,680	12,193	-4%
Others	14,497	15,332	-5%	14,054	28,551	28,966	-1%

Consolidated selling and administrative expenses declined 8% compared to the second quarter of 2004 reaching Ch$ 51.7 billion due to: a) 51% decrease in bad debt provisions explained by the absence of the extraordinary receivable write-offs of Ch$ 2.4 billion in Americatel USA accounted for in 2Q04, and better collection performance in the mobile and Chile Wireline segment, b) 18% decrease in advertising costs mainly in Americatel USA, in line with efficiency plans and to the industry trend prevailing in the US Hispanic market, c) 54% reduction in outsourcing services mainly in Americatel USA, related to lower data processing costs. Partially offsetting these declines was a 118% increase in the amortization of pre-paid equipment, in-line with higher equipment sales in the mobile business.

Selling and Administrative expenses for the first half of 2005 decreased 3%.

Operating Income and EBITDA

As a result of all the above, operating income increased 27% in the second quarter 2005 to Ch$ 28.4 billion, compared to the Ch$ 22.4 billion reported during the same period of 2004. EBITDA grew 18% to Ch$ 66.4 billion during the quarter compared to Ch$ 56.3 billion for the same quarter of 2004. The EBITDA margin during 2Q05 increased to 35% from the 31% reported in 2Q04, due to improved margins in mobile services and in international subsidiaries.

For the first half of 2005, operating income increased 17% and EBITDA increased 13%.

Non-Operating Results

During the second quarter of 2005, the Company's non-operating loss was Ch$ 8.6 billion, 8% higher than the figure reported in the second quarter of 2004. This was a result of higher expenses mainly derived from non-recurring charges related to a local bond prepayment of approximately US$57 million, and costs in connection to a US$600 million syndicated loan, closed in June 2005 related to the Company's re-financing activities.

For the six-month period, Entel's non-operating loss decreased 20%.

Net Income

Net income for the quarter reached Ch$ 15.7 billion, an increase of 23% compared to the Ch$ 12.8 billion reported in the second quarter of 2004.

Net income for the first half of 2005 increased 27% reaching Ch$35.1 billion.

INDIVIDUAL FINANCIAL STATEMENTS AND RESULTS BY BUSINESS SEGMENT

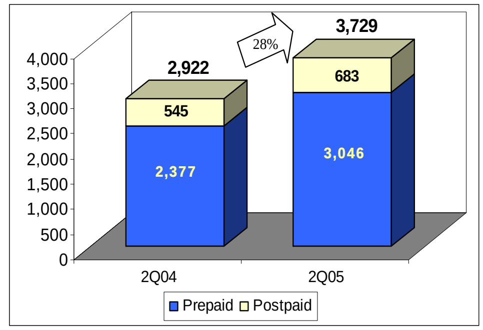
Mobile Business

Second quarter revenues increased 27% reaching Ch$ 110.2 billion, compared to Ch$ 86.7 billion in the second quarter of 2004. Service revenues grew 23% (from which value-added services grew 62%) and sales of equipment increased 55%.

The number of average mobile customers increased 30% compared to the second quarter of 2004, reaching a total subscriber number of 3,728,944 as of June 2005, representing a 40% market share. Pre-paid customers represent 82% of the total base.

ARPU[1] decreased 4% during the second quarter of 2005 compared to the same period of last year. This reduction occurred mainly in the pre-paid segment due to increased penetration, while ARPU in the post-paid segment remained almost unchanged.

Entel's Mobile Subscribers*
(In thousands)



MOU[2] grew 1% compared to 2Q04 with an increase in both, post-paid and pre-paid customers. Churn rate grew to 1.76% compared to 1.21% in 2Q04, driven by the pre-paid segment. This was a consequence of industry promotions in the pre-paid packs handset starting in late March 2005 and running through May 2005, which boosted industry sales and also increased client turnover in the pre-paid segment. Churn rate in post-paid segment declined as a consequence of high quality network standards, permanent services innovation and effective client segmentation.

As previously mentioned, 2Q05 was characterized by a highly competitive environment mainly in the pre-paid segment. Within this scenario, total gross sales grew 93% compared to 1Q05, capturing 334 thousand net adds.

During the quarter, Entel PCS was the first mobile phone company in South America to launch the "back-tones sounds" for customers, allowing them to listen to customized songs while on hold.

Also, Entel PCS launched mobile service in the Antarctic territory, complementing its satellite installations that currently provide fixed phone and Internet services. In addition, Entel and Chile's Internal Revenues Service (SII) now allow customers the ability to track tax filings via their mobile telephone. Furthermore, Entel PCS in alliance with a third party launched the I-KILL Pocket PC, enabling small and medium size companies to track key management information such as financial results, billing, and budget among others, through their wireless device. Finally, Entel PCS has recently announced the introduction of Blackberry handsets to mobile customers in Chile.

Operating income for the quarter was Ch$ 28.2 billion, an increase of 28% compared to the Ch$ 22.0 billion reported in the same period of the previous year. The 28% increase is explained by a 23% increase in service revenues due to growth in the customer base, which boosted direct margins in both, the pre-paid and post-paid segments. Partially offsetting this increase were higher SG&A expenses, primarily in the amortization of pre-paid handsets and general sales commission expenses. EBITDA increased 30%, reaching Ch$ 49.1 billion compared to the Ch$ 37.6 billion reported in the same quarter of 2004. The EBITDA margin was 45% in 2Q05, compared to the 43% reported during 2Q04 reflecting the impact of a 28% increase in customer base and higher gross margins.

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[1] Average Revenue Per User
[2] Minutes of Usage

Chile Wireline:

Entel S.A. (Parent Company)

ENTEL parent company revenues (comprised of long distance business, Internet, data services and traffic business) reached Ch$ 53.6 billion during the second quarter; down 16% versus the Ch$ 63.8 billion reported in the same quarter of 2004. The decline was driven by: a) 38% reduction in traffic business revenues, mainly due to a 9% Chilean Peso revaluation vs the US dollar, along with a decline in wholesale business tariffs, b) 27% decrease in domestic long distance revenues mainly due to a decline in value added services and direct dialling traffic. Average tariffs declined 15% mainly due to a change in the product mix, c) 21% decline in Internet revenues, due to lower dial-up traffic in-line with customer migration to broadband services, partially offset by a 14% increase in broadband revenues due to a 20% growth in broadband customers base, d) 6% decrease in data services revenues resulting mainly from Frame Relay and low speed data services (TDM and IBS), partially offset by higher revenues of 24% related to IT integration services. Also, data center and MPLS (IP protocol multi-service platform) revenues grew, e) 6% decrease in international long distance revenues as a result of a 3% decrease in traffic, while tariffs remained flat.

Cost of operations and SG&A decreased 9% to Ch$ 53.8 billion compared to the Ch$ 58.9 billion reported in 2Q04. The primary decreases were in payments to correspondents and access charges due to a decline in long distance and related services. Reductions also occurred in depreciation and amortization, bad debt provisions, advertising and material and merchandise costs, all due to operational efficiencies.

Partially offsetting these declines, the Company has incurred higher start-up costs and expenses related to maintenance, installation, equipment and outsourcing services, to fulfill the provision of new contracts in IT-integration and operational continuance services.

As a result of the aforementioned factors, operating income decreased to a loss of Ch$ 0.2 billion in 2Q05 compared to a profit of Ch$ 4.9 billion in 2Q04. EBITDA declined 31% reaching Ch$13.6 billion in 2Q05, while the EBITDA margin reached 25% in the second quarter compared to 31% obtained in 2Q04.

Entel Phone (Local Telephony + WiLL)

Entelphone revenues (including WiLL) decreased 1% to Ch$ 9.6 billion during the second quarter of 2005, from Ch$ 9.8 billion in 2Q04, mainly due to a decrease in WiLL revenues explained by a decline in billed access. In addition, revenues were affected by a decrease in per-minute charges (SLM), in-line with an 8% decrease in traffic. Partially offsetting these declines were higher revenues from the bundling of local plus Internet services.

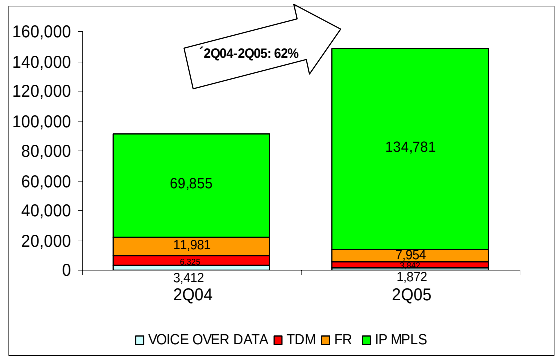
Entelphone reported an operating loss of Ch$ 0.8 billion during 2Q05, compared to a loss of Ch$ 0.5 billion reported in the same quarter of the previous year. This decrease was primarily attributable to lower gross margins related to CPP charges (fixed to mobile calls). WiLL operating earnings improved during the quarter reducing its losses. EBITDA decreased 7% to Ch$2.5 billion in 2Q05, while the EBITDA margin was 25% in the second quarter of 2005, lower than the 27% obtained in the same period of 2004. Excluding the additional charges related to CPP, EBITDA would have grown 10% compared to 2Q04.

<u>The following section briefly discusses the results of the main business segments, which comprise the Chile Wireline:</u>

- ## Data Services

Selected equivalent lines continue to grow in MPLS / IP Protocol as the result of migration to new generation technologies (NGN).

Selected Equivalent Lines
(64 KB equivalents circuits)



Entel has continued implementing Convergence Network projects with IP telephony, operational continuance and process management for IT platforms. Its integration of services provision has focused on the Healthcare, Government, Financial Services and Mining industries.

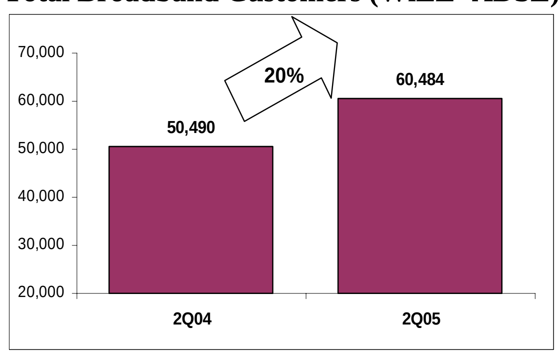
During 2Q05, Entel and the Quebrada Blanca mining company implemented an IP convergence network to provide full IP services in order to optimized business and operational relationships with clients, suppliers and internal resources. In addition contracts were signed with the Secretary Department of Education, to install a high speed data network along the country, and with the Secretary Department of Infrastructure (MOP), to implement a country-wide convergence IP network to improved operational continuance.

Trends in the Data segment continue showing increased activity and revenues in the IP MPLS network, along with IT-related services and data centers. On the other hand, mature technologies activity, continue migrating to new solutions at lower costs, affecting overall revenues of the industry.

- ## Internet

The number of Entel broadband customers (WiLL and ADSL) continues to grow, increasing 20% in the second quarter of 2005 compared to the same quarter of previous year, reaching 60,484 customers. The Company is growing selectively using a combination of ADSL over Entelphone network, WiLL and unbundling of third party networks, primarily focused on small and medium size companies.

Total Broadband Customers (WiLL+ADSL)



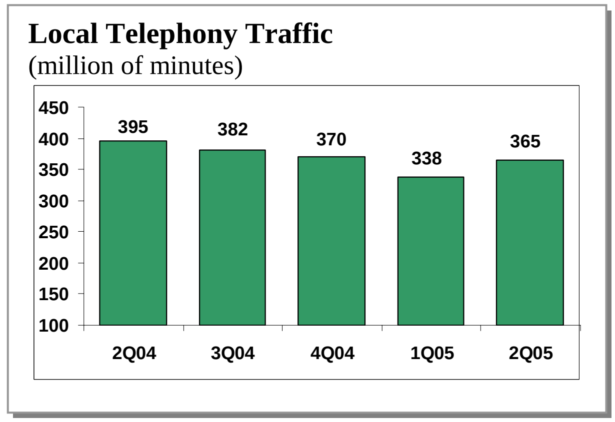
Several promotional campaigns were developed during this quarter. Almost all of them were geared towards capturing new clients or promoting loyalty and offering attractive broadband plans including alliances with third party services.

Internet dial-up connections reached 54.2 thousand as of June 2005, declining from 141.0 thousand connections in June 2004. This was a result of industry changes, where clients are migrating from dial-up to broadband services.

- **Local Telephony**

Entel lines in service (excluding WiLL lines) reached 101.3 thousand billed lines during the second quarter of 2005, 3% increase compared to the same period of last year, mainly due to an increase in the customer base in the corporate segment.

As result of the above, the number of corporate and business clients reached 83% of the total number of billed lines.



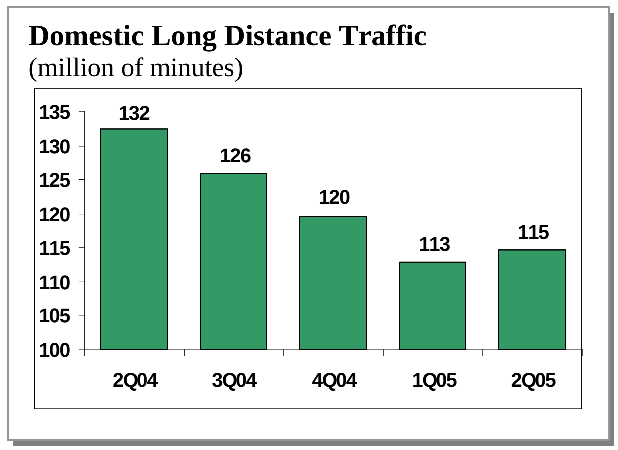
- **Long Distance**

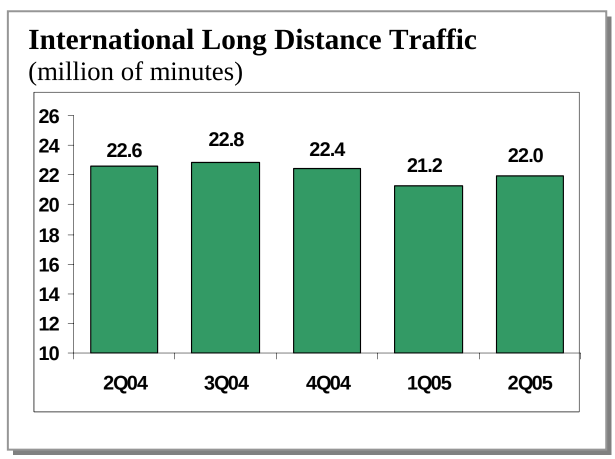
Domestic long distance (DLD) traffic decreased 13%, while average tariffs declined 15% during the period. The substitution effect from the higher usage of mobile phones continues affecting traffic. The primary decreases in traffic were seen in direct dialing and collect calls. Average tariff declined mainly due to a change in volume mix, where high tariffs services (value added) reduced their relative participation in traffic.

International long distance (ILD) traffic decreased 3% mainly due to lower international pre-paid card traffic and direct dialing traffic. Partially offset by an increase in ILD mobile pre-paid card. Overall average tariffs remained flat during the period.

Entel's DLD market share continues to be one of the highest in the industry, remaining at an average of 34% in 2Q05. In ILD, Entel remains the leader with a 42% market share.

During the quarter, ENTEL continued to promote different value-added services, loyalty programs, spot marketing promotions and its 1-2-3 code usage in order to leverage its market leadership position.



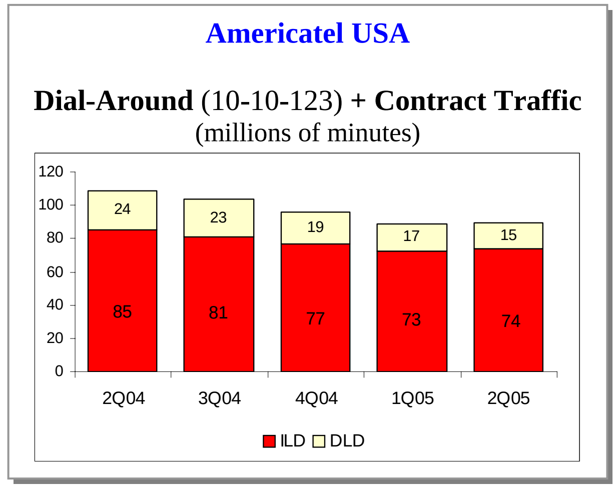


International Wireline:

Americatel (International Subsidiaries)

USA

Revenues from Americatel USA reached US$ 32.9 million, a 9% decrease from the US$ 36.2 million reported in the second quarter of 2004. This was mainly due to lower revenues from long distance dial around 10-10-123 code, primarily explained by a decrease in international and domestic traffic, which was partially offset by higher average tariffs in both services. Pre-paid card revenues declined 92% due to the Company's decision to focus its efforts in more profitable business areas. Partially offsetting these declines were revenues from wholesale services that grew 7%, mainly due to higher tariffs and a 4% increase in revenues in the contract segment, caused by an increase in ILD traffic. This increase in traffic was a result of a 23% higher customer base, reaching 172 thousand subscribers in the first semester.



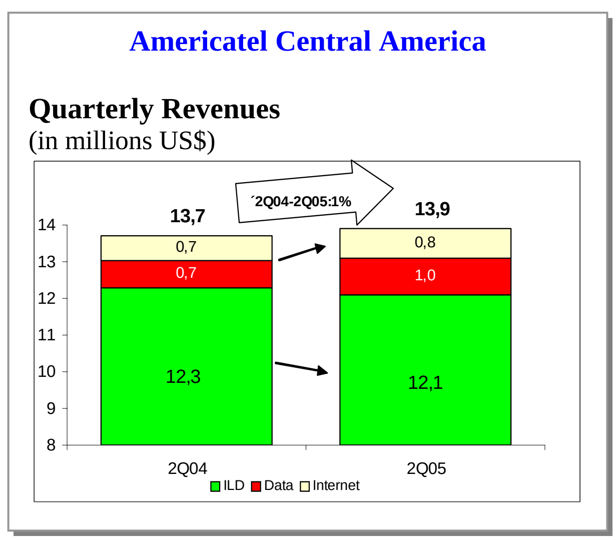
Cost of operations and SG&A expenses were US$32 million, a decrease of 25% compared to the second quarter of 2004, mainly explained by lower bad debt provisions caused by the absence of the extraordinary receivable write-off of US$ 3.6 million in Americatel USA accounted for in 2Q04, as well as a decline in access charges in-line with lower ILD traffic, lower advertising costs in line with the trend seen in overall industry and lower salaries expenses. Furthermore there were decreases in salaries, consultancies and general SG&A expenses.

Operating income reached US$ 1.1 million, an important improvement from the loss of US$ 6.5 million in 2Q04. EBITDA reached US$ 2.4 million improving from a loss of US$ 4.8 million in 2Q04. EBITDA margin reached 7% in the second quarter of 2005, from a negative 13% obtained during the same period of 2004.

Americatel is currently focused on its core 10-10-123 code and contract ILD services, combined with efficiency plans in order to increase margins and profitability.

Central America

Revenues increased 1% to US$ 13.9 million during the second quarter of 2005, from US$ 13.7 million in 2Q04, best explained by an increase of 32% in data services, mainly due to new contracts related to MPLS/ IP Protocol new generation network revenues. In addition, Internet revenues grew 17% due to a higher broadband Internet customer base. Partially offsetting these increases was a 1% decline in ILD revenues, caused by lower traffic related to a reduction in the customer base.



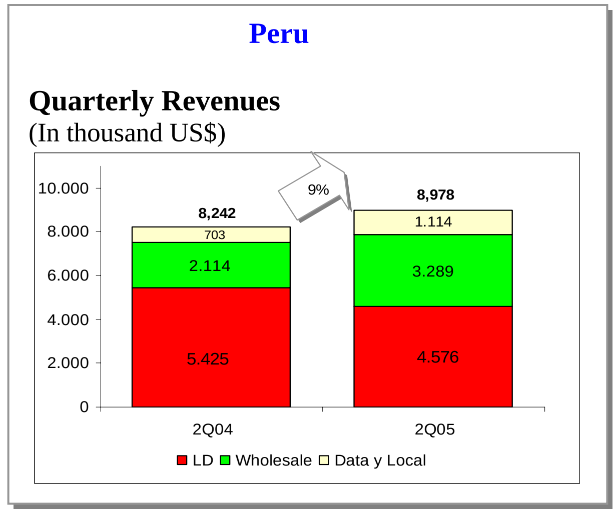
Cost of operations and SG&A decreased 2% during the second quarter 2005. The main reduction occurred in access charges due to reductions in accrued costs per-minute paid to local incumbents.

As a result, operating income reached US$ 0.9 million compared to US$ 0.4 million reported in 2Q04. EBITDA reached US$1.5 million, a 32% increase with regards to the second quarter of 2004. This growth is a result of lower direct costs (access charges) in the wholesale business. EBITDA margin increased to 11% from the 8% obtained in 2Q04.

During 2Q05, Americatel Central America (Honduras) launched local telephony service geared towards current corporate data customers.

Peru

Revenues for Americatel Peru increased 9%, to US$ 9.0 million, from US$ 8.2 million in the second quarter of 2004. This growth was a result of a 56% increase in wholesale revenues due to higher traffic, while tariffs remained flat. Data / local telephony revenues increased 58% due to a higher penetration in the enterprise segment, including new services such as local telephony. Partially offsetting these increases were a 16% decline in long distance revenues due to: a) lower direct dialing and contract services traffic partially counterbalanced by higher tariffs in both services, b) lower traffic in pre-paid services.



Costs and SG&A increased 8%, mainly due to higher access charges and transportation costs, due to higher volumes in wholesale traffic. Partially offsetting these increases were lower customer service and advertising costs.

Americatel Peru's operating income reached US$ 1.0 million in 2Q05 quarter, compared to the US$ 0.8 million reported for the same period of last year. This represented an increase of 25%. EBITDA reached US$ 1.1 million, a 16% increase compared to the second quarter of 2004. EBITDA margin reached 12% remaining flat compared to the same period of last year.

BALANCE SHEET

Consolidated Balance Sheet (unaudited)
(in millions of Chilean Pesos as of June 30, 2005)

	Jun-05	Jun-04	Var %
Assets	**1,133,349**	**1,228,494**	**-8%**
Current assets	284,801	360,021	-21%
Property, plant & equipment, net	760,484	773,018	-2%
Other assets	88,064	95,455	-8%
Liabilities & shareholders' equity	**1,133,349**	**1,228,494**	**-8%**
Current liabilities	178,751	235,567	-24%
Long-term liabilities	489,289	371,415	32%
Minority interest	2,580	6,105	-58%
Shareholders' equity	462,729	615,407	-25%

Financial Indexes

	Jun-05	Jun-04
Current assets/Current liabilities	1.59	1.53
EBITDA/Financial expenses	12.72	10.34
Gross Financial debt/EBITDA*	2.08	1.87
Total liabilities/(equity + min. interest)	1.44	0.98

*EBITDA last 12 months

From June 2004 to June 2005, gross debt increased 12% from Ch$ 450.2 billion to Ch$ 505.8 billion, mainly due to the US$ 600 million syndicated loan mentioned before, that refinanced and increased a USD$300 loan. Partially offsetting this increase were a US$143.5 million payment of debt, as well as a 9% exchange rate decrease from June 2004 to June 2005, affecting the U.S. dollar-denominated debt. Net debt (gross debt less cash and net receivables from hedging activities) reached Ch$ 454.6 billion, 24% higher than the reported in 2Q04, primarily due to a decline of cash after the payment of an extraordinary dividend of Ch$ 770 per share on June 12, 2005. Liquidity and debt ratios continue reflecting the Company's healthy financial position.

- In the Shareholder's Meeting held May 12, 2005 changes to the Company's finance policy were approved by increasing the dividend policy from up to 50% of net income to up to 80% of net income. In addition, the expansion of Entel's core business by adding the information technology service was approved.

RECENT EVENTS

- Local bond prepayment of approximately US$57 million in July 2005

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Company Description

Empresa Nacional de Telecommunications S.A. is the second-largest Telecommunications Company in Chile with Ch$ 1,154,993,942 in assets and Ch$ 692,484,874 in annual revenues reported in December 2004. The Company provides mobile and long distance, local telephony, data and Internet services. With its strong Americatel brand acting as an umbrella for its well known "10-10-123" dial-around code and pre-subscribed service, Entel has a presence in the United States Hispanic market. Entel also has operations in Central America and Peru. Entel is listed on the Chilean Stock Exchange (*Bolsa de Comercio de Santiago*) under the ticker symbol ENTEL and its headquarters are based in Santiago, Chile.

Individual Consolidated Results by Business Segment (unaudited)

(In millions of Chilean Pesos as of June 30, 2005)

	2Q05	2Q04	% Var.	1H05	1H04	% Var.
Mobile Telephony						
Revenues	**110,196**	**86,710**	**27%**	**214,168**	**173,547**	**23%**
- Service	94,471	76,550	23%	186,212	155,496	20%
- Equipment	15,725	10,161	55%	27,956	18,051	55%
Cost of Operations	**57,935**	**43,854**	**32%**	**111,481**	**89,212**	**25%**
Selling and Administrative Expenses	24,068	20,867	15%	48,321	41,672	16%
Operating Income	**28,193**	**21,989**	**28%**	**54,366**	**42,663**	**27%**
Operating Margin	26%	25%		25%	25%	
EBITDA	**49,060**	**37,622**	**30%**	**94,660**	**73,308**	**29%**
EBITDA Margin	45%	43%		44%	42%	

	2Q05	2Q04	% Var.	1H05	1H04	% Var.
ENTEL Parent Company (LD, Internet and Data Services)						
Revenues	**53,589**	**63,798**	**-16%**	**110,679**	**125,689**	**-12%**
Cost of Operations	**26,886**	**30,459**	**-12%**	**54,487**	**56,992**	**-4%**
Selling and Administrative Expenses	13,656	14,222	-4%	27,329	28,209	-3%
Depreciation and Amortization	13,234	14,178	-7%	26,435	28,353	-7%
Operating Income	**-187**	**4,939**	**-104%**	**2,427**	**12,135**	**-80%**
Operating Margin	0%	8%		2%	10%	
EBITDA	**13,589**	**19,565**	**-31%**	**29,614**	**41,185**	**-28%**
EBITDA Margin	25%	31%				

	2Q05	2Q04	% Var.	1H05	1H04	% Var.
ENTEL Phone (local telephony + WLL)						
Revenues	**9,640**	**9,768**	**-1%**	**18,798**	**19,405**	**-3%**
Cost of Operations	**8,125**	**7,453**	**9%**	**16,117**	**15,087**	**7%**
Selling and Administrative Expenses	2,355	2,800	-16%	4,821	5,441	-11%
Operating Income	**-841**	**-484**	-74%	**-2140**	**-1123**	**-91%**
Operating Margin	-9%	-5%		-11%	-6%	
EBITDA	**2,442**	**2,629**	**-7%**	**4,734**	**4,970**	**-5%**
EBITDA Margin	25%	27%		25%	26%	

Individual Consolidated Results by Business Segment (unaudited)

(In thousands of U.S. dollars and millions of Chilean Pesos as of June 30, 2005)

	2Q05	2Q04	% Var.	1H05	1H04	% Var.	2Q05	2Q04	% Var.	1H05	1H04	% Var.
Americatel USA	(US$)	(US$)		(US$)	(US$)		(Ch$)	(Ch$)		(Ch$)	(Ch$)	
Revenues	**32,933**	**36,154**	**-9%**	**64,994**	**75,543**	**-14%**	**18,164**	**24,380**	**-25%**	**37,631**	**49,366**	**-24%**
Cost of Operations	**21,058**	**27,869**	**-24%**	**42,153**	**57,744**	**-27%**	**11,597**	**20,560**	**-44%**	**24,407**	**37,735**	**-35%**
Selling & Administrative Expenses	10,756	14,744	-27%	21,712	25,542	-15%	5,919	8,163	-27%	12,571	16,691	-25%
Operating Income	**1,119**	**-6,459**	**117%**	**1,129**	**-7,743**	**115%**	**648**	**-4,343**	**115%**	**654**	**-5,060**	**113%**
Operating Margin	3%	-18%		2%	-10%		4%	-18%		2%	-10%	
EBITDA	**2,449**	**-4,828**	**151%**	**3,678**	**-4,466**	**182%**	**1,383**	**-3,239**	**143%**	**2,129**	**-2,919**	**173%**
EBITDA Margin	7%	-13%		6%	-6%		8%	-13%		6%	-6%	
	2Q05	2Q04	% Var.	1H05	1H04	% Var.	2Q05	2Q04	% Var.	1H05	1H04	% Var.
Americatel Central America	(US$)	(US$)		(US$)	(US$)		(Ch$)	(Ch$)		(Ch$)	(Ch$)	
Revenues	**13,899**	**13,716**	**1%**	**25,769**	**26,055**	**-1%**	**7,711**	**9,249**	**-17%**	**14,920**	**17,024**	**-12%**
Cost of Operations	**11,535**	**11,785**	**-2%**	**21,292**	**21,960**	**-3%**	**6,402**	**7,945**	**-19%**	**12,328**	**14,349**	**-14%**
Selling & Administrative Expenses	1,486	1,498	-1%	2,738	2,880	-5%	825	1,010	-18%	1,585	1,882	-16%
Operating Income	**878**	**433**	**103%**	**1,739**	**1,215**	**43%**	**484**	**294**	**65%**	**1,007**	**794**	**27%**
Operating Margin	6%	3%		7%	5%		6%	3%		7%	5%	
EBITDA	**1,461**	**1,105**	**32%**	**2,924**	**2,558**	**14%**	**804**	**747**	**8%**	**1,693**	**1,671**	**1%**
EBITDA Margin	11%	8%		11%	10%		10%	8%		11%	10%	
	2Q05	2Q04	% Var.	1H05	1H04	% Var.	2Q05	2Q04	% Var.	12M04	12M03	% Var.
Americatel Peru	(US$)	(US$)		(US$)	(US$)		(Ch$)	(Ch$)		(Ch$)	(Ch$)	0
Revenues	**8,978**	**8,242**	**9%**	**17,979**	**16,295**	**10%**	**4,943**	**5,560**	**-11%**	**10,410**	**10,647**	**-2%**
Cost of Operations	**4,748**	**4,105**	**16%**	**9,337**	**7,726**	**21%**	**2,619**	**2,768**	**-5%**	**5,406**	**5,048**	**7%**
Selling & Administrative Expenses	3,270	3,367	-3%	6,412	7,066		1,804	2,273	-21%	3,712	4,617	-20%
Operating Income	**960**	**770**	**25%**	**2,230**	**1,504**	**48%**	**520**	**519**	**0%**	**1,291**	**983**	**31%**
Operating Margin	11%	9%		12%	9%		11%	9%		12%	9%	
EBITDA	**1,111**	**958**	**16%**	**2,534**	**1,985**	**28%**	**603**	**647**	**-7%**	**1,467**	**1,297**	**13%**
EBITDA Margin	12%	12%		14%	12%		12%	12%		14%	12%	

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

Entel Group Consolidated Income Statement (unaudited)

(In thousands of Chilean Pesos as of June 30, 2005)

INCOME STATEMENT	Jun-05	jun-04	Var%
Operating Income	**56,951,886**	**48,728,301**	**17%**
Net Revenue	371,973,053	357,196,196	
Operating Cost	(210,803,874)	(200,477,109)	
Gross Profit	161,169,179	156,719,087	
Selling & Administrative Expenses	(104,217,293)	(107,990,786)	
Non-Operating Income	**(12,738,065)**	**(15,833,882)**	**20%**
Financial income	1,500,276	1,695,364	
Other income	4,122,730	1,777,162	
Equity in losses of related companies	-	-	
Amortization of goodwill	(1,749,519)	(1,767,224)	
Financial expenses	(10,318,690)	(11,246,233)	
Other expenses	(7,760,425)	(6,106,202)	
Price-level restatement	(764,410)	(1,537,748)	
Exchange gain	2,231,973	1,350,999	
Income before Tax	**44,213,821**	**32,894,419**	**34%**
Income Tax	(8,963,884)	(6,000,930)	
Consolidated Net Income before Minority Interest	35,249,937	26,893,489	
Minority Interest	(169,466)	548,105	
Net Income (loss)	35,080,471	27,441,594	
Amortization of negative Goodwill	0	116,107	
NET INCOME	**35,080,471**	**27,557,701**	**27%**

Entel Group Consolidated Balance Sheet (unaudited)

(In thousands of Chilean Pesos as of June 30, 2005)

ASSETS	Jun-05	jun-04	Var%
Total current assets	**284,801,442**	**360,020,702**	**-21%**
Cash	12,179,001	10,273,717	
Time deposits	19,260,240	67,646,894	
Marketable securities	44,085	41,802	
Trade accounts receivable, net	150,108,203	172,896,565	
Notes receivable, net	6,397,531	8,212,036	
Other accounts receivable, net	38,867,899	13,946,656	
Note and accounts receivable from related companies	-	1,212,832	
Inventories	12,193,288	19,630,526	
Recoverable taxes	6,696,345	13,970,458	
Prepaid expenses	8,076,343	11,699,949	
Deferred income taxes	7,842,133	18,499,876	
Other current assets	23,136,374	21,989,391	
Total Property, Plant and Equipment	**760,484,376**	**773,017,580**	**-2%**
Land	7,769,580	7,869,549	
Buildings and infrastructure	200,500,439	219,345,185	
Machinery and equipment	1,331,564,451	1,235,447,329	
Other fixed assets	209,595,691	194,244,300	
Accumulated depreciation	(988,945,785)	(883,888,783)	
Total other assets	**88,062,987**	**95,455,879**	**-8%**
Investments in related companies	-	-	
Investments in other companies	247,631	10,522,099	
Goodwill	49,417,625	53,349,789	
Negative Goodwill	-	(1,018,346)	
Long-term accounts receivable	7,298,784	9,612,535	
Intangibles	16,120,250	17,214,446	
Amortization of intangibles	(5,464,827)	(4,512,095)	
Others	20,443,524	10,287,451	
TOTAL ASSETS	**1,133,348,805**	**1,228,494,161**	**-8%**

Entel Group Consolidated Balance Sheet (unudited)

(In thousands of Chilean Pesos as of June 30, 2005)

LIABILITIES AND SHAREHOLDERS EQUITY	Jun-05	jun-04	Var%
Total current liabilities	**178.750.961**	**235.567.032**	**-24%**
Short-term bank loans	3.777.120	6.584.278	
Current portion of long-term liabilities with banks and financial institutions	555.119	26.902.045	
Current portion of bonds payable	35.553.379	3.721.289	
Current portion of notes payable and other long-term liabilities	3.004.933	68.779.498	
Dividends payable	86.399	73.612	
Accounts payable	119.626.157	108.232.820	
Other accounts payables	2.547.148	4.588.467	
Notes and accounts payable to related companies	-	2.366.735	
Provisions	5.039.781	4.453.095	
Withholdings	4.986.815	4.818.249	
Unearned income	3.363.483	4.805.194	
Other current liabilities	210.627	241.750	
Total long-term liabilities	**489.289.461**	**371.415.356**	**32%**
Due to banks and other financial institutions	347.400.000	196.044.030	
Bonds payable	103.968.406	136.788.951	
Notes payable	16.397.315	17.945.935	
Other accounts payables	2.509.511	-	
Long-term acurred expenses	4.964.767	5.006.054	
Long-term deferred income taxes	6.611.066	14.107.456	
Other long-term liabilities	7.438.396	1.522.930	
Minority interest	**2.579.151**	**6.105.242**	
Total Shareholders	**462.729.232**	**615.406.531**	**-25%**
Paid-in capital	426.706.508	426.692.493	
Other Reserves	(4.608.957)	(730.382)	
Retained Earnings:	40.631.681	189.444.420	
Accumulated earnings	5.551.210	161.886.719	
Net Income (loss) for the period	35.080.471	27.557.701	
Provisional Dividend	-	-	
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**1.133.348.805**	**1.228.494.161**	**-8%**