



Fourth Quarter and Year End 2004 Results

Santiago, Chile – January 28, 2005 – Empresa Nacional de Telecomunicaciones S.A. (*Bolsa de Comercio de Santiago: ENTEL*) “the Company” or “Entel” today announced its results for the fourth quarter ended December 31, 2004. 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, 2004 was Ch\$557.4/US\$ 1.

Highlights:

- Revenues for the quarter reached Ch\$ 171.3 million, remaining flat compared to the same quarter of 2003. Twelve-month revenues decreased 7% compared to the previous year, reaching Ch\$ 692.5 billion.
- EBITDA for the quarter reached Ch\$ 64.297 million, an increase of 2% compared to 4Q03. Net income reached Ch\$ 19.730 million, an increase of 23%. During the twelve-month period of 2004, EBITDA and net income decreased 9% and 23%, respectively.
- Number of mobile subscribers increased 22%, reaching 3,264,731.

Consolidated Financial Highlights

In millions of Chilean pesos as of December 31, 2004
(Except EPS figures)

	4Q04	4Q03	% Var.	3Q04	12M04	12M03	% Var.
Revenues	171.287	171.371	0%	167.480	692.485	747.483	-7%
Operating Income (EBIT)	28.037	29.360	-5%	11.964	88.255	110.917	-20%
EBITDA	64.297	62.822	2%	46.270	225.741	248.058	-9%
Net Income	19.730	16.089	23%	345	47.364	61.477	-23%
EPS	83,4	68,0	23%	1,5	200,3	259,9	-23%

Comments from the Chief Financial Officer:

- **Revenues** during the quarter remained unchanged compared to the same quarter of the prior year. Despite a 26% reduction in inter-connection rates, the Company achieved increased revenues in the mobile business, as well as higher revenues in local telephony. However, these results were offset mainly by a decline in long distance services.
- **EBITDA** increased 2% compared to 4Q03 as a consequence of higher margins in the mobile business along with an increase of 22% in the customer base and the improved performance of Americatel USA and local telephony. These increases were partially offset by a decline in long distance margins in the parent company.

The mobile business, with 3.3 million customers and being the market leader is, growing in both profitability and cash flow after absorbing a 26% reduction in inter-connection rates, which occurred in early 2004.

- **Net income** during 4Q04 increased 23% as a result of lower non-operating expenses derived from the absence of severance payments accrued during 4Q03 in connection with headcount reductions in the mature businesses areas and lower net interest expenses resulting from lower net financial debt.

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- **Strong net cash generation** during the year reduced financial debt reflecting an increasingly healthy financial position. As of December 2004, net financial debt decreased 25% to Ch\$ 303.4 billion.

Note: Please see accompanying presentation at 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 December 31, 2004)

	4Q04	4Q03	% Var.	3Q04	12M04	12M03	% Var.
Net Revenues	171.287	171.371	0%	167.480	692.484	747.483	-7%
Mobile services	99.129	93.208	6%	90.570	359.906	351.160	2%
Domestic long distance	8.191	10.725	-24%	9.872	41.384	46.361	-11%
International long distance	4.527	5.687	-20%	4.625	19.700	22.832	-14%
Internet	7.028	7.868	-11%	7.079	28.243	32.356	-13%
Data services	11.141	11.860	-6%	9.844	41.314	41.093	1%
Other telecommunication companies	2.060	2.443	-16%	2.035	8.850	11.717	-24%
Traffic business	11.538	11.664	-1%	9.966	49.166	57.330	-14%
International subsidiaries	18.381	18.596	-1%	25.008	108.384	148.125	-27%
Local telephony	7.263	6.790	7%	6.692	27.704	27.751	0%
Others	2.028	2.531	-20%	1.790	7.834	8.758	-11%

Consolidated revenues during 4Q04 remained stable at Ch\$ 171.3 billion, compared to the Ch\$ 171.4 reported during the same quarter of the previous year. This result was attributed to: a) a 6% growth in mobile services despite a 26% reduction in access charge fees implemented after the industry tariff-setting process effective in February 2004. The growth was due to both higher service and equipment sales revenues, increasing 5% and 39%, respectively, b) a 7% increase in local telephony derived from fixed charges and higher variable per minute revenues.

The factors that offset these increases were: a) a 24% reduction in domestic long distance, explained mainly by a 21% decrease in traffic, b) a 20% decrease in international long distance revenues due to a decrease of 8% in traffic as well as a 13% decrease in tariffs, c) an 11% decrease in Internet revenues due to lower dial-up traffic in line with customer migration from dial-up to broadband services, which was partially offset by a 21% increase in broadband revenues due to a 25% increase in the broadband customer base and, d) a 6% decrease in data services revenues resulting mainly from Frame Relay and the lower speed data services (TDM and IBS), partially offset by higher revenues related to IT and operational support services, MPLS (IP protocol multi-service platform), and video conference services.

For the twelve-month period of 2004, net revenues decreased 7%.

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Consolidated Cost of Operations
(In millions of Chilean Pesos as of December 31, 2004)

	4Q04	4Q03	% Var.	3Q04	12M04	12M03	% Var.
Cost of Operations	93.084	100.281	-7%	95.147	386.758	421.464	-8%
Access charges	27.310	27.203	0%	27.750	109.105	118.563	-8%
Payments to correspondents	14.320	16.453	-13%	13.182	65.040	86.880	-25%
Depreciation and amortization	23.726	24.764	-4%	23.309	94.863	97.670	-3%
Salaries and expenses	3.496	7.133	-51%	3.749	14.245	17.792	-20%
Outsourced services	2.725	2.794	-2%	5.689	18.476	19.914	-7%
Others	21.506	21.933	-2%	21.469	85.030	80.644	5%

Consolidated cost of operations reached Ch\$ 93.1 billion in the fourth quarter 2004, decreasing 7% compared to the same quarter of 2003. Main reductions were: a) a 51% decrease in salaries and expenses resulting from lower headcount at the parent Company and Americatel Central America, and a re-allocation of the costs of salaries in the regional offices which now are recorded as selling and general expenses, b) a 13% decline in payments to correspondents at the parent company and Americatel USA, in line with lower traffic and, c) a 4% decrease in depreciation and amortization at the parent company and in the international subsidiaries.

Cost of operations for the twelve-month period of 2004 decreased 8%.

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Consolidated Selling and Administrative Expenses

(In millions of Chilean Pesos as of December 31, 2004)

	4Q04	4Q03	% Var.	3Q04	12M04	12M03	% Var.
Selling and administrative expenses	50.166	41.730	20%	60.369	217.472	215.102	1%
Salaries and expenses	12.719	10.333	23%	12.795	51.674	52.852	-2%
Advertising costs	6.007	6.277	-4%	6.855	27.180	36.985	-27%
Amortization of prepaid equipment	4.837	3.187	52%	4.126	15.091	14.351	5%
Bad debt provisions	7.386	7.442	-1%	14.650	37.788	30.110	25%
Depreciation and amortization	6.008	5.163	16%	6.433	24.516	23.682	4%
Others	13.210	9.328	42%	15.509	61.224	57.121	7%

Consolidated selling and administrative expenses increased 20% compared to the fourth quarter of 2003 reaching Ch\$ 50.2 billion due to, a) a 23% increase in salaries and expenses, in the parent company due to the aforementioned re-allocation costs, partially offset by lower salaries in Americatel Central America, Americatel Peru and at call centers, b) a 52% increase in the amortization of pre-paid handsets, which is explained by higher equipment sales, c) a 42% increase in other costs related to higher call centers and outsourcing activities at the parent company and Americatel USA, higher commissions paid in the mobile business due to higher sales, as well as higher maintenance costs, material and equipment. Partially offsetting these increases was a) a 4% decrease in advertising costs due to reductions at Americatel USA, the parent company and WILL campaigns.

Operating Income and EBITDA

As a result of the above, operating income declined 5% in the fourth quarter 2004 to Ch\$ 29.4 billion, compared to the Ch\$ 28.1 billion reported during the same period of 2003. EBITDA increased 2% to Ch\$ 64.3 billion during the quarter compared to Ch\$ 62.8 billion for the same quarter of 2003. The EBITDA margin during 4Q04 increased to 38% from a 37% in the 4Q03.

For the twelve months of 2004, operating income decreased 20% and EBITDA decreased 9% due to the write-offs from prior years of Ch\$ 13.2 billion at Americatel USA as well as the impact of a 26% reduction in the inter-connection rates in the mobile services. Excluding both impacts, operating income would have increased 10% while EBITDA would have increased 4% compared to 2003.

Non-Operating Results

During the fourth quarter of 2004, the Company's non-operating loss was Ch\$ 4.0 billion, 67% lower than reported in the fourth quarter of 2003. This was a result of lower non-operating expenses derived from the absence of severance payments in 4Q03 in connection with headcount reductions in the mature businesses areas. In addition, higher profits in price-level restatement and an 11% decrease in net interest expenses from a lower net financial debt contributed to the Company's non-operating loss.

For the twelve months of 2004, Entel's non-operating losses decreased 22% due to a decline of 21% in net financial expenses associated with lower debt and from profits in connection to price-level restatement.

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Net Income

Net income for the quarter reached Ch\$ 19.7 billion, an increase of 23% compared to the Ch\$ 16.1 billion reported in the fourth quarter of 2003.

Net income for the twelve months of 2004 decreased 23%, reaching Ch\$ 47.4 billion, mainly affected by extraordinary prior years' receivables write-offs in Americatel USA, the reduction in inter-connection rates in the mobile services and non-cash write offs in connection with technological asset impairments.

INDIVIDUAL FINANCIAL STATEMENTS AND RESULTS BY BUSINESS SEGMENT

Mobile Business

Fourth quarter revenues increased 8% reaching Ch\$ 100.2 billion, compared to Ch\$ 92.8 billion in the fourth quarter of 2003. This result was despite the 26% decrease in access charges tariffs established in the mobile industry tariff-setting process effective in early 2004. Revenues from fixed charges plus outgoing services grew 15%, sales of equipment increased 39%, while value-added services grew 65%. Partially offsetting these was a 15% decrease in revenue from access charges, mainly a result of the decline in interconnection tariffs.

The number of average mobile phone customers increased 22% compared to the fourth quarter of 2003, reaching a total subscriber number of 3,264,731 as of December 2004, reflecting a 39% market share. Pre-paid customers represent 81% of the total base.

ARPU¹ decreased 14% during the fourth quarter of 2004 compared to the same period of last year. This reduction occurred mainly in the pre-paid segment, due to lower revenues from access charges. ARPU's in the post-paid segment remained flat.

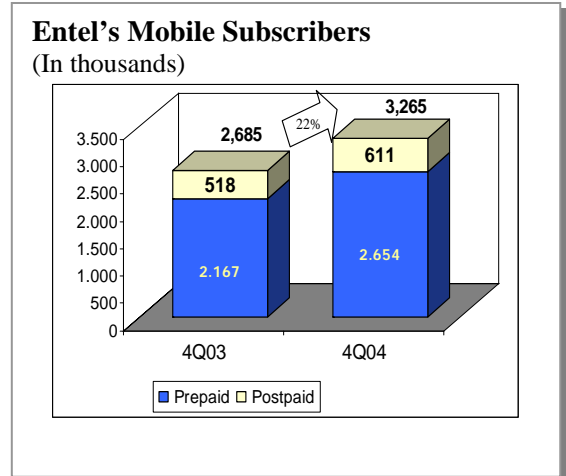
MOU² decreased 2% compared to 4Q04, mainly as a result of a 14% decrease in the pre-paid segment, partially offset by a 15% increase in the post-paid segment due to higher outgoing traffic. Churn rate increased from 1.2% to 1.6% as a consequence of higher churn throughout the low-tier value customers in the pre-paid segment. The churn rate in the post-paid segment decreased significantly reflecting a strong brand preference, client retention strategies and top quality performance of the network.

During the quarter Entel PCS launched a one-tariff plan for roaming services throughout the countries of South America. This tariff includes voice, SMS and data roaming over GPRS (multimedia roaming), and will simplify the service billing to travelers.

Also during the quarter, Entel PCS expanded its EDGE coverage network to 6 additional cities throughout Chile (Antofagasta, Rancagua, Concepción, Talcahuano, Temuco and Puerto Montt). With this expansion, Entel continues enhancing the provision nationwide of bandwidth mobile service.

Entel PCS also launched "FanTesstic", the first Chilean interactive serial TV broadcasting through mobile handsets, becoming the third company in the world to provide this product. Through MMS technology, users will receive 80 chapters with sound, image and text to their handset during 16 weeks. Users will also be allowed, in certain chapters, to decide certain pieces of the story.

Operating income for the quarter was Ch\$ 27.9 billion, down 2% compared to the Ch\$ 28.6 billion reported the same period of the previous year despite the 26% decrease in interconnection fees after the industry tariff-setting process which affected a relevant portion of revenues. The 2% decline was due to an increase of 52% in the amortization costs of pre-paid handsets in line with higher equipment sales. Partially offsetting this decline were higher direct service margins together with a lower bad debt provision. EBITDA increased 5%, reaching Ch\$ 46.3 billion compared to the Ch\$ 44.0 billion reported in the same quarter of 2003. The EBITDA margin was 46% during 4Q04, similar to the 47% reported during 4Q03. Excluding the February 2004 reduction in access charge tariffs, operating income and EBITDA during the 4Q04 would have increased 15% and 16%, respectively, compared to 4Q03.



¹ Average Revenue Per User

² Minutes of Usage

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[Chile Wireline:](#)

ENTEL Parent Company

ENTEL Parent Company revenues (comprised of long distance business, Internet, data services and traffic business) reached Ch\$ 56.7 billion during the fourth quarter, down 14% versus the Ch\$ 66.1 billion reported the same quarter of 2003. The decrease was driven by: a) a 25% decrease in domestic long distance revenues explained by a 21% decline in traffic, b) a 10% reduction in business traffic revenues due to lower average tariffs (resulting from lower costs), c) a 10% decrease in data services revenues, mainly in Frame Relay and low-speed data services (TDM and IBS), partially offset by higher revenues related to IT and operational support services, MPLS IP protocol multiservice platform, and video conference services, and d) a 20% decrease in international long distance revenues due to a 13% decrease in lower average tariffs as a result of lower costs which are passed to the customers.

Cost of operations and SG&A decreased 10%, to Ch\$ 41.6 billion compared to the Ch\$ 46.4 billion reported in 4Q03. Main reductions were: a) a 12% decrease in payment to correspondents in line with lower traffic, b) a 19% decline in access charges explained by lower long distance and dial-up traffic, partially offset by an increase of 44% in access charges tariffs in connection with the local incumbent tariff-setting process c) a 20% decrease in bad debt provisions, d) a 8% decrease in salaries and expenses due to a headcount reduction occurred in December 2003. Partially offsetting these, was a 13% increase in outsourcing and general other costs related to call centers, professional outsourcings and maintenance costs.

As a result of the abovementioned factors, operating income decreased 68% reaching Ch\$ 1.8 billion in 4Q04 compared to Ch\$ 5.6 billion in 4Q03. EBITDA decreased 24% reaching Ch\$15.4 billion during 4Q04, while the EBITDA margin reached 27% in the fourth quarter of 2004, lower than the 31% obtained during the same period of 2003.

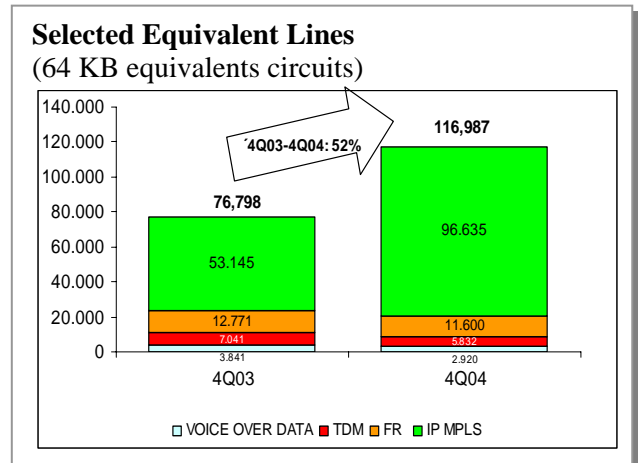
The following section briefly discusses the results of the main business segments, which comprise the ENTEL Parent Company:

- Data Services**

During the 4Q04, the activity continued to grow, reflecting the leadership of Entel in the market. Prices of traditional data services continued showing a declining trend as a result of changes in the costs of technology, affecting revenues. The Company is expanding its offerings in the integration of services (IT and business process outsourcing) in the corporate segment and in its MPLS IP protocol multi-service platform. With this, Entel is focused in reaching an increased position within this segment and revenues are growing at high rates.

Also, Entel has begun to offer the bundling of complementary services such as Call Center, Data Center, Market Place and Lan/Wan network, to increase efficiency for its clients.

During 4Q04, Entel signed important contracts with Chilean companies such as the insurance association to operate the IDX transactional project, consisting of the inter-exchanging of documentation between insurance companies in Chile, CODELCO, a world leading copper company, CMPC, the main Chilean pulp and paper manufacturing company, Unilever Chile, the international consumer goods company and Minera Quebrada Blanca, a privately-owned multinational copper company. The aforementioned are all in connection with electronic billing, security, private VoIP network and integrated business processes services.



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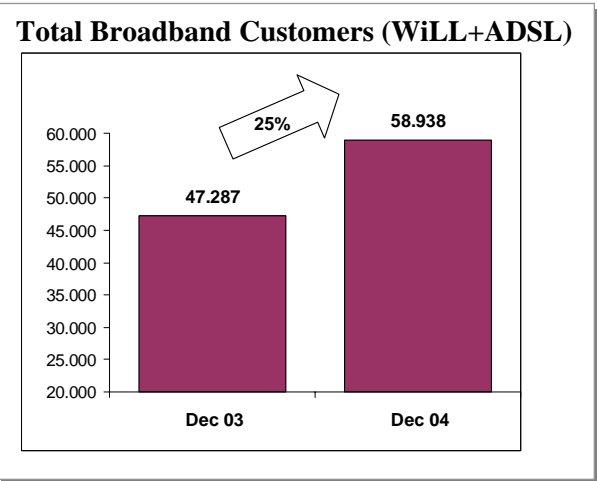
- Internet**

The number of Entel's broadband customers (WiLL and ADSL) continue to grow, increasing 25% in the fourth quarter of 2004 compared with the same quarter of previous year, reaching 58,938 customers with 11,651 net adds during the quarter. The company is participating in the high growth of the market through selective growth using a combination of unbundling of the local network and wireless services (WiLL).

Continuing with efforts to increase the usage of broadband service in public places, Entel has recently signed an agreement with the main Chilean gasoline distribution company to install a wireless Internet network (hot spots) in 60 service locations throughout the country with Wi-Fi technology. This represents the largest wireless network in Chile.

During the quarter, Entel launched a program called "Suma con Entel Internet" (Add with Entel Internet), which is focused on maintaining loyalty among long distance users in the enterprise segment. The service includes broadband service plans at promotional-prices together with VAS, where companies can run their own web branch or subsidiary on the Internet.

Internet dial up connections reached 109.9 as of the end of December 2004, declining from 146.7 connections in December 2003. This is a result of industry changes, where clients are migrating from dial up to broadband services since last years.



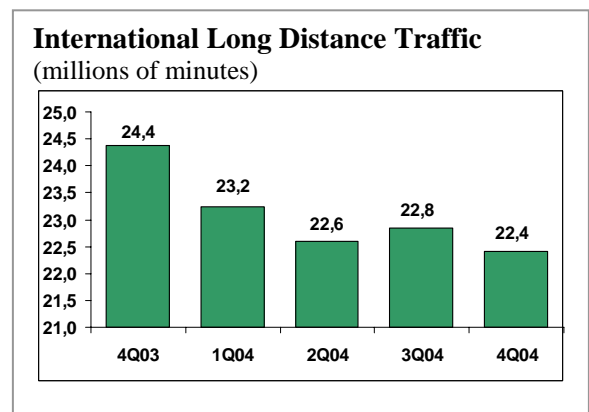
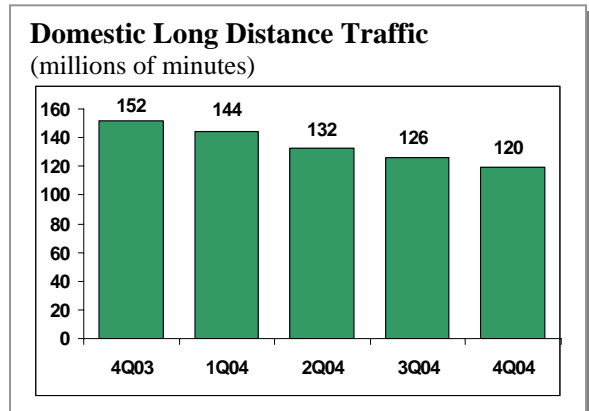
- Long Distance**

Domestic long distance (DLD) traffic decreased 21% while tariffs decreased 5% during the period. The substitution effect from the higher usage of mobile phones continues affecting traffic. The main decreases were in direct dialing and calling card traffic.

International long distance (ILD) traffic decreased 8% mainly in international calling cards and direct dialing traffic. Overall average tariffs decreased 13% in line with a reduction in direct costs.

Entel's DLD market share continues to be one of the highest in the industry, remaining at an average of approximately 34% in 4Q04. In ILD, Entel remains the leader with a 40% market share.

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



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Entel Phone

- Local Telephony (Entel Phone, excluding Will)**

During the fourth quarter of 2004, local telephony revenues increased 6.0% to Ch\$ 8.6 billion from Ch\$ 8.1 billion, due to a) a 10% increase in per-minute charge (SLM) revenues, b) a 3% increase in fixed charges revenues and c) a 17% increase in revenues from fixed to mobile traffic.

Entel lines in service (excluding Will lines) reached 98.8 thousand during the fourth quarter of 2004, decreasing 4% compared to the same period of last year, mainly to the disconnection of non profitable lines in the residential segment and small size companies.

The number of corporate and business clients represents 82% of the total number of billed lines.

- Local Telephony + Will**

Entelphone revenues (including Will) increased 3% to Ch\$ 9.9 billion during the fourth quarter of 2004, from Ch\$ 9.7 billion in 4Q03, due to an increase in per-minute charge (SLM) revenues, fixed charges revenues and increase in revenues from fixed to mobile traffic. Partially offsetting this increase was a decrease in Will revenues, due to lower effective average tariffs per customer.

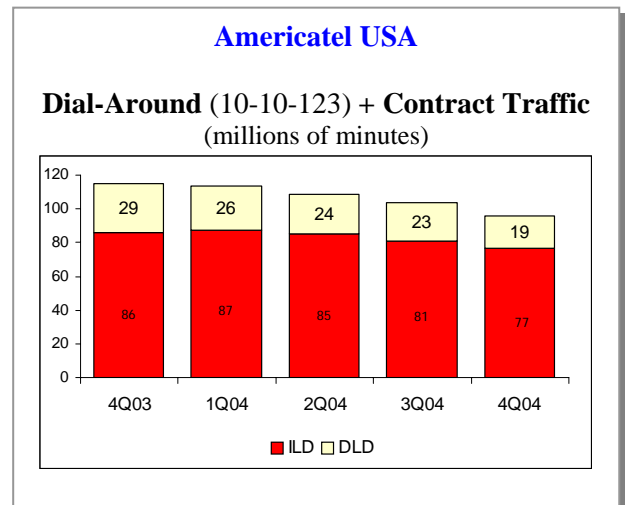
Entelphone reported an operating loss of Ch\$ 0.6 billion during 4Q04, representing a 28% decline compared to the loss of Ch\$ 0.9 billion reported in the same quarter of the previous year. This improved performance was attributable to a lower bad debt provision and other SG&A expenses, such as salaries, outsourcing and advertising.

Americatel (International Subsidiaries)

USA

Revenues from Americatel USA reached US\$ 30.5 million, down 27% from US\$ 42.0 million in the fourth quarter of 2003. This was mainly due to lower revenues in long distance dial around 10-10-123 code, mainly due to decreases in both, domestic and international traffic, and a sharp decline in revenues of pre-paid cards as a consequence of the decision taken in order to discontinue services in non profitable areas. Revenues in contract LD services had a slight decline due to a combination of lower traffic almost completely offset by higher tariffs.

Cost of operations and SG&A expenses were US\$34.4 million, a decreased of 25% compared with the fourth quarter of 2003, mainly due to lower correspondent payments and lower access charges following the lower traffic. Also during the fourth quarter 2004, marketing expenses declined to re-align advertisement campaigns to the current level of operations.



Operating income improved to a loss of US\$3.9 million in 4Q04, from a loss of US\$ 4.0 million in 4Q03. EBITDA reached a loss of US\$ 2.1 million improving from a loss of US\$ 2.5 million in 4Q03. During 4Q04, write-offs affecting operating income and EBITDA were US\$2,9 million in connection with licenses and prior year receivables.

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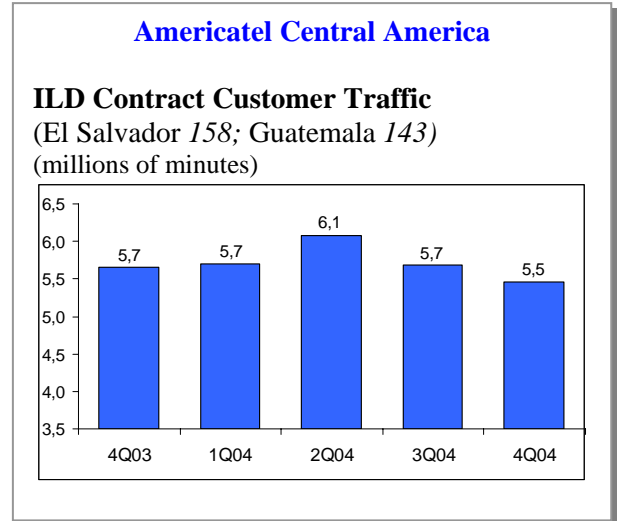
During 4Q04, the Company was focused on developing its core LD services (10-10-123 dial around code and contract), after the recent strategic redefinitions in order to achieve profitability and to improve cash flow.

Central America

Revenues decreased 24% to US\$ 12.7 million during the fourth quarter of 2004, from US\$ 16.7 million in 4Q03, mainly explained by a 31% decline in revenues from wholesale traffic, partially offset by an increased of 20% in Data and internet services.

Cost of operations and SG&A decreased 19% during the fourth quarter 2004. Main reductions where in access charges and payment to correspondents, in line with lower traffic. Also reductions occurred in advertisement costs, salaries and expenses and other general expenses.

As a result, operating income reached US\$ 0.7 million, decreasing 60% compared to 4Q03, and EBITDA reached US\$1.2 million decreasing 50% compared to the fourth quarter of 2003. This declines in earnings resulted mainly from lower direct margins in the wholesale business.

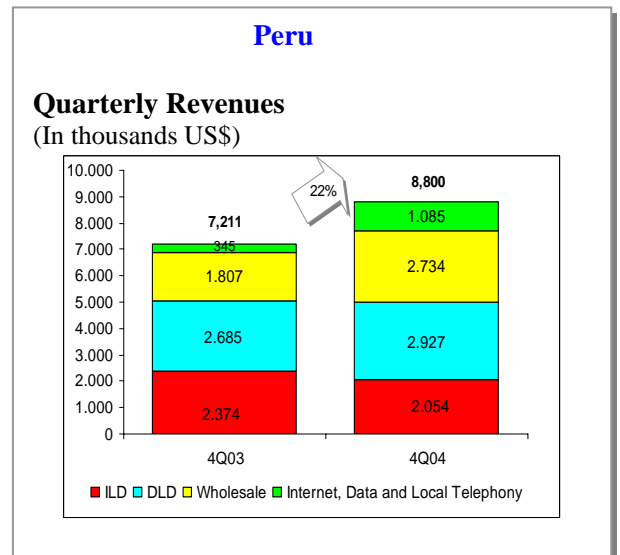


Peru

Revenues of Americatel Peru in the 4Q04 increased 22%, to US\$ 8.8 million from US\$ 7.2 million in the fourth quarter of 2003. This increase resulted from higher revenues in the wholesale business and domestic and international long distance contract services. Also, local telephony and internet plus Data services grew 214%.

Costs and SG&A increased 15% mainly due to higher access charges and transportation costs, in line with higher volumes in the wholesale traffic. Partially offsetting this increase were lower salaries and other general expenses.

Americatel Peru's operating income reached US\$ 0.5 million this quarter, compared to US\$ 0.0 million for the same period of last year. EBITDA reached US\$ 0.6 million in 4Q04, up 16% from US\$0.5 million in 2003.



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BALANCE SHEET

Consolidated Balance Sheet (Audited)
(In millions of Chilean Pesos as of December 31, 2004)

	Dec-04	Dec-03	Var %
Assets	1.154.994	1.262.735	-9%
Current assets	297.281	373.908	-20%
Property, plant & equipment, net	763.348	789.773	-3%
Other assets	94.365	99.053	-5%
Liabilities & shareholders' equity	1.154.994	1.262.735	-9%
Current liabilities	232.086	254.103	-9%
Long-term liabilities	297.563	403.941	-26%
Minority interest	2.685	6.281	-57%
Shareholders' equity	622.659	598.411	4%

Financial Indexes

	Dec-04	Dec-03
Current assets/Current liabilities	1,28	1,47
EBITDA/Financial expenses	10,58	9,34
Financial debt/EBITDA	1,62	1,94
Total liabilities/(equity + min. interest)	0,85	1,09

Gross debt decreased 24% from Ch\$ 482 billion to Ch\$ 365 billion, mainly due to the 6.1% exchange rate decrease from December 2003 to December 2004 affecting the U.S. dollar-denominated debt as well as the debt payment of approximately CH\$ 99 billion during the period. Net debt (gross debt less cash and net receivables from hedging activities) reached Ch\$ 303 billion, 25% lower than in 4Q03, due to the important net cash generated. Liquidity is high and debt ratios continue to improve as a consequence of a reduction in interest bearing debt.

- The Company concluded a debt payment of a trade facility of US\$ 70 million during the fourth quarter 2004.
- Entel paid an interim dividend of Ch\$15 per share, in December 2004. The dividend represents the same amount distributed as interim dividend in 4Q03.

RECENT EVENTS

- Telecom Italia signed a Stock Purchase Agreement, regarding the sale of its controlling ownership (54.76% stake of Entel) to Chilean Investors. The transaction is expected to close within the next 2-3 months.
- The Anti-Trust Court approved the merger between Telefónica Móvil and Bellsouth Chile, subject to the compliance of certain conditions.

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Company Description

Empresa Nacional de Telecomunicaciones S.A. is the second-largest Telecommunications Company in Chile with Ch\$ 1,154,994* million in assets and Ch\$ 692,485* million in annual revenues reported in 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 and prepaid ticket service, Entel has a presence in the United States Hispanic market. Entel also has operations in Central America, Peru and Venezuela. 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.

*In Chilean pesos as of December 31, 2004.

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Individual Consolidated Results by Business Segment (Unaudited)
(In millions of Chilean Pesos as of December 31, 2004)

	<u>4Q04</u>	<u>4Q03</u>	<u>% Var.</u>	<u>12M04</u>	<u>12M03</u>	<u>% Var.</u>
Mobile Telephony						
Revenues	100.154	92.770	8%	363.453	354.874	2%
- Service	88.318	84.243	5%	325.106	326.448	0%
- Equipment	11.836	8.526	39%	38.347	28.426	35%
Cost of Operations	50.678	45.650	11%	185.746	180.396	3%
Selling and Administrative Expenses	21.584	18.551	16%	84.683	78.071	8%
Operating Income	27.892	28.570	-2%	93.024	96.408	-4%
Operating Margin	28%	31%		26%	27%	
EBITDA	46.342	44.000	5%	159.413	160.630	-1%
EBITDA Margin	46%	47%		44%	45%	
ENTEL Parent Company (LD, Internet and Data Services)						
Revenues	56.688	66.070	-14%	236.909	271.828	-13%
Cost of Operations	26.530	37.362	-29%	109.062	131.535	-17%
Selling and Administrative Expenses	15.075	9.073	66%	57.431	60.972	-6%
Depreciation and Amortization	13.279	14.011	-5%	55.495	56.705	-2%
Operating Income	1.803	5.625	-68%	14.920	22.616	-34%
Operating Margin	3%	9%		6%	8%	
EBITDA	15.361	20.292	-24%	71.674	80.746	-11%
EBITDA Margin	27%	31%		30%	30%	
ENTEL Phone (local telephony + WLL)						
Revenues	9.914	9.666	3%	38.558	37.684	2%
Cost of Operations	7.878	7.294	8%	30.385	29.666	2%
Selling and Administrative Expenses	2.666	3.251	-18%	10.883	12.323	-12%
Operating Income	-630	-879	28%	-2710	-4305	37%
Operating Margin	-6%	-9%		-7%	-11%	
EBITDA	2674	2.230	20%	9.701	7.792	25%
EBITDA Margin	27%	23%		25%	21%	

Entel S.A.
Fourth Quarter and Twelve Months 2004 Results

Individual Consolidated Results by Business Segment (Unaudited)
(In thousands of U.S. dollars and millions of Chilean Pesos as of December 31, 2004)

	<u>4Q04</u>	<u>4Q03</u>	<u>% Var.</u>	<u>12M04</u>	<u>12M03</u>	<u>% Var.</u>	<u>4Q04</u>	<u>4Q03</u>	<u>% Var.</u>	<u>12M04</u>	<u>12M03</u>	<u>% Var.</u>
Americatel USA	(US\$)	(US\$)		(US\$)	(US\$)		(Ch\$)	(Ch\$)		(Ch\$)	(Ch\$)	
Revenues	30.504	41.909	-27%	138.791	195.869	-29%	11.031	15.213	-27%	77.362	119.215	-35%
Cost of Operations	19.586	30.410	-36%	96.925	133.194	-27%	6.652	11.636	-43%	54.026	81.068	-33%
Selling & Administrative Expenses	14.783	15.482	-5%	73.223	64.738	13%	5.017	6.130	-18%	40.815	39.402	4%
Operating Income	-3.864	-3.983	3%	-31.357	-2.063	-1420%	-638	-2.553	75%	-17.478	-1.256	-1291%
Operating Margin	-13%	-10%		-23%	-1%		-6%	-17%		-23%	-1%	
EBITDA	-2.110	-2.499	16%	-24.708	4.197	-689%	70	-1.968	104%	-13.772	2.554	-639%
EBITDA Margin	-7%	-6%		-18%	2%		1%	-13%		-18%	2%	
	<u>4Q04</u>	<u>4Q03</u>	<u>% Var.</u>	<u>12M04</u>	<u>12M03</u>	<u>% Var.</u>	<u>4Q04</u>	<u>4Q03</u>	<u>% Var.</u>	<u>12M04</u>	<u>12M03</u>	<u>% Var.</u>
Americatel Central America	(US\$)	(US\$)		(US\$)	(US\$)		(Ch\$)	(Ch\$)		(Ch\$)	(Ch\$)	
Revenues	12.713	16.670	-24%	51.203	59.639	-14%	4.963	7.265	-32%	28.541	36.293	-21%
Cost of Operations	10.653	12.882	-17%	42.733	47.593	-10%	4.169	5.513	-24%	23.819	28.962	-18%
Selling & Administrative Expenses	1.363	2.038	-33%	5.426	6.821	-20%	536	920	-42%	3.025	4.151	-27%
Operating Income	696	1750	-60%	3044	5225	-42%	259	832	-69%	1.697	3.180	-47%
Operating Margin	5%	10%		6%	9%		5%	11%		6%	9%	
EBITDA	1222	2428	-50%	5331	8119	-34%	454	1.096	-59%	2.971	4.941	-40%
EBITDA Margin	10%	15%		10%	14%		9%	15%		10%	14%	
	<u>4Q04</u>	<u>4Q03</u>	<u>% Var.</u>	<u>12M04</u>	<u>12M03</u>	<u>% Var.</u>	<u>4Q04</u>	<u>4Q03</u>	<u>% Var.</u>	<u>12M04</u>	<u>12M03</u>	<u>% Var.</u>
Peru	(US\$)	(US\$)		(US\$)	(US\$)		(Ch\$)	(Ch\$)		(Ch\$)	(Ch\$)	
Revenues	8.800	7.211	22%	33.408	32.977	1%	3.548	2.661	33%	18.622	20.068	-7%
Cost of Operations	4.673	2.990	56%	16.859	14.439	17%	1.932	1.052	84%	9.397	8.787	7%
Selling & Administrative Expenses	3.658	4.266	-14%	14.130	15.407	-8%	1.461	1.849	-21%	7.876	9.376	-16%
Operating Income	470	-45	1138%	2418	3131	-23%	154	-240	164%	1.348	1.905	-29%
Operating Margin	5%	-1%		7%	9%		5%	5%		7%	9%	
EBITDA	625	540	16%	3201	3987	-20%	207	98	111%	1.784	2.426	-26%
EBITDA Margin	7%	7%		10%	12%		9%	9%		10%	12%	

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

Entel S.A.
Fourth Quarter and Twelve Months 2004 Results

Entel Group Consolidated Income Statement (Audited)
(In thousands of Chilean Pesos as of December 31, 2004)

INCOME STATEMENT	Dec-04	Dec-03	Var%
Operating Income	88.254.782	110.917.178	-20%
Net Revenue	692.484.874	747.483.196	
Operating Cost	(386.758.270)	(421.463.744)	
Gross Profit	305.726.604	326.019.452	
Selling & Administrative Expenses	(217.471.822)	(215.102.274)	
Non-Operating Income	(32.019.947)	(41.116.200)	22%
Financial income	2.904.801	3.088.477	
Other income	3.542.333	290.657	
Equity in losses of related companies	-	(198.684)	
Amortization of goodwill	(3.492.471)	(3.911.916)	
Financial expenses	(21.330.887)	(26.544.913)	
Other expenses	(16.503.259)	(13.291.904)	
Price-level restatement	1.386.137	(8.683.626)	
Exchange gain	1.473.399	8.135.709	
Income before Tax	56.234.835	69.800.978	-19%
Income Tax	(12.027.904)	(8.273.034)	
Consolidated Net Income before Minority Interest	44.206.931	61.527.944	
Minority Interest	2.948.864	(87.791)	
Net Income (loss)	47.155.795	61.440.153	
Amortization of negative Goodwill	208.552	36.480	
NET INCOME	47.364.347	61.476.633	-23%

Entel S.A.
Fourth Quarter and Twelve Months 2004 Results

Entel Group Consolidated Balance Sheet (Audited)
(In thousands of Chilean Pesos as of December 31, 2004)

ASSETS	Dec-04	Dec-03	Var%
Total current assets	297.280.801	373.908.200	-20%
Cash	11.746.976	15.039.129	
Time deposits	70.510.132	26.973.591	
Marketable securities	914.831	999.751	
Trade accounts receivable, net	149.083.958	190.025.642	
Notes receivable, net	7.649.896	8.550.755	
Other accounts receivable, net	6.600.066	8.430.538	
Note and accounts receivable from related companies	1.810.781	-	
Inventories	13.138.905	11.020.657	
Recoverable taxes	5.433.144	14.976.373	
Prepaid expenses	7.344.916	11.083.888	
Deferred income taxes	8.199.757	14.189.830	
Other current assets	14.847.439	72.618.046	
Total Property, Plant and Equipment	763.348.216	789.773.127	-3%
Land	7.665.272	7.713.114	
Buildings and infrastructure	190.718.251	205.321.558	
Machinery and equipment	1.304.904.540	1.206.742.126	
Other fixed assets	192.249.830	184.930.682	
Accumulated depreciation	(932.189.677)	(814.934.353)	
Total other assets	94.364.925	99.053.464	-5%
Investments in related companies	-	-	
Investments in other companies	8.130.908	10.136.961	
Goodwill	50.622.117	54.362.501	
Negative Goodwill	-	(1.057.918)	
Long-term accounts receivable	9.300.100	9.541.286	
Intangibles	15.950.461	16.121.550	
Amortization of intangibles	(5.075.656)	(3.750.058)	
Others	15.436.995	13.699.142	
TOTAL ASSETS	1.154.993.942	1.262.734.791	-9%

Entel S.A.
Fourth Quarter and Twelve Months 2004 Results

Entel Group Consolidated Balance Sheet (Audited)
(In thousands of Chilean Pesos as of December 31, 2004)

LIABILITIES AND SHAREHOLDERS EQUITY	Dec-04	Dec-03	Var%
Total current liabilities	232.086.277	254.102.867	-9%
Short-term bank loans	4.184.761	6.130.749	
Current portion of long-term liabilities with banks and financial institutions	45.280.265	13.035.795	
Current portion of bonds payable	4.196.657	26.601.469	
Current portion of notes payable and other long-term liabilities	31.330.428	63.730.231	
Dividends payable	89.370	75.766	
Accounts payable	113.894.921	100.426.071	
Other accounts payables	17.983.034	26.520.977	
Notes and accounts payable to related companies	1.430.406	1.491.737	
Provisions	5.261.927	6.363.223	
Withholdings	4.683.156	4.325.838	
Unearned income	3.521.108	4.983.206	
Other current liabilities	230.244	417.805	
Total long-term liabilities	297.563.354	403.940.622	-26%
Due to banks and other financial institutions	133.776.000	194.766.400	
Bonds payable	134.528.108	136.300.909	
Notes payable	17.328.869	49.059.080	
Other accounts payables	-	1.031.429	
Long-term accrued expenses	4.901.357	6.773.826	
Long-term deferred income taxes	6.710.778	12.349.265	
Other long-term liabilities	318.242	3.659.713	
Minority interest	2.685.012	6.280.600	
Total Shareholders	622.659.299	598.410.702	4%
Paid-in capital	422.481.690	422.481.690	
Other Reserves	(3.954.047)	(2.560.928)	
Retained Earnings:	204.131.656	178.489.940	
Accumulated earnings	160.325.808	120.638.949	
Net Income (loss) for the period	47.364.347	61.476.633	
Provisional Dividend	(3.558.499)	(3.625.642)	
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	1.154.993.942	1.262.734.791	-9%