



For Immediate Release

Third Quarter and First Nine Months 2003 Results

Santiago, Chile – October 31, 2003 – Empresa Nacional de Telecomunicaciones S.A. (*Bolsa de Comercio de Santiago: ENTEL*), “the Company” or “Entel” today announced its results for the third quarter ended September 30, 2003 (3Q03). All figures are expressed in Chilean pesos (Ch\$) and are reported according to Chilean generally accepted accounting principles (Chilean GAAP). For the convenience of the reader, some figures are expressed in US dollars (US\$) at an exchange rate of Ch\$ 661/US\$1.

Highlights:

- Revenues reached Ch\$ 178.1 billion during 3Q03, a decrease of 13% compared to the same quarter of previous year. Nine-month revenues decreased 5% compared to 2002.
- Despite this decline in revenues, operating profits and net income increased 16% to Ch\$ 25.4 billion and 364% to Ch\$ 14.2 billion, respectively, during 3Q03, compared with the same period of last year. During the first nine months of 2003, operating profits and net income increased 16% and 93%, respectively.
- Number of mobile phone subscribers increased 17% reaching 2,531,770.

Consolidated Financial Highlights

(in millions of Chilean pesos as of September 30, 2003, except EPS figures)

	3Q03	3Q02	% Var.	2Q03	9M03	9M02	% Var.
Revenues	178,104	204,495	-13%	183,290	563,711	595,245	-5%
Operating Income (EBIT)	25,381	21,941	16%	22,375	79,802	68,581	16%
EBITDA	58,477	58,738	0%	56,208	181,248	181,455	0%
Net Income	14,238	3,072	364%	10,577	44,410	22,993	93%
EPS	60.20	12.99	364%	44.72	187.76	97.21	93%

Comments from the Chief Financial Officer:

- **Revenue** decrease was primarily due to Americatel USA and long distance business in the parent company, and to a 12% exchange rate reduction between September 2002 and September 2003, that negatively affected the revenues of international subsidiaries.
- **Operating income** increased mainly due to improved results in the mobile business and the operations in Peru. In the mobile business, higher revenues, together with lower subscriber acquisition costs and a low churn rate increased operating profits. In Peru, the Company has achieved a relevant position in the long distance market, with a profitable operation.
- In the parent company, **operating profit** and **EBITDA** were negatively affected by an extraordinary charge in connection with wholesale activity for the amount of Ch\$ 2 billion. Cost-reduction trends continue, while new businesses (internet broadband) are growing at high rates.
- Excluding the above-mentioned extraordinary charge, Entel's consolidated **operating profits** and **EBITDA** would have grown 25% and 3% respectively, in the 3Q03 compared with the same period of last year.

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- Non-operating results improved, primarily from the absence in 3Q03 of charges applied in the same period of last year associated with headcount reductions in mature business areas.
- The Company's cash generation is growing rapidly, driven by the mobile telephony and increased profits in Peru, together with cost-contention plans and a lower Capex. As a result of all these, as of September 2003 Entel's net financial debt was Ch\$ 429.4 billion, representing a Ch\$ a 97.4 billion reduction compared with September 2002.

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

Note on Forward Looking Statements:

This document contains certain "forward-looking statements" which are based on management's expectations as well as on a number of assumptions concerning future events resulting from currently available information. Readers are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties and other factors, many of which are out of Entel's control, which could cause actual results to materially differ from such statements.

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Consolidated Revenues
(in millions of Chilean Pesos as of September 30, 2003)

	3Q03	3Q02	% Var.	2Q03	9M03	9M02	% Var.
Net Revenues	178,104	204,495	-13%	183,290	563,711	595,245	-5%
Mobile services	84,474	79,705	6%	82,574	252,483	236,820	7%
Domestic long distance	11,040	12,892	-14%	10,813	34,733	40,717	-15%
International long distance	5,345	6,149	-13%	5,306	16,776	19,113	-12%
Internet	7,912	7,748	2%	9,170	24,000	21,696	11%
Data services	10,898	10,402	5%	9,123	28,603	33,119	-14%
Other telecommunication companies	2,570	2,695	-5%	3,070	9,074	7,508	21%
Traffic business	13,038	13,280	-2%	11,751	44,683	40,069	12%
International subsidiaries	34,160	62,607	-45%	43,149	126,741	170,667	-26%
Local telephony	6,860	6,902	-1%	6,653	20,509	19,969	3%
Others	1,807	2,116	-15%	1,679	6,108	5,567	10%

Consolidated revenues during 3Q03 decreased 13% to Ch\$ 178.1 billion, compared to the same quarter of the previous year. This decrease was mainly due to a) a 45% reduction in revenues from international subsidiaries, explained by a decrease in Americatel USA associated with lower volumes; this was partially compensated by higher revenues from Americatel Peru. In addition, international subsidiaries revenues were negatively affected by a 12% exchange rate decrease from September 2002 to September 2003. b) A 14% decrease in domestic long distance, due to a 11% decline in traffic and a 4% decline in average tariffs, c) a 13% decrease in international long distance, mainly due to a 8% decrease in average tariffs and a 1% decrease in traffic, d) a 2% decline in traffic business due to a lower wholesale activity, and e) a 5% decrease in services to other telecommunication companies, due to lower revenues from other long distance operators, partially offset by the sale of services to mobile and data operators.

The factors that partially offset these declines included: a) a 6% growth in mobile telephony, explained by a 17% average mobile phone customer base expansion, partially offset by a 9% ARPU decline, due to lower incoming traffic from local telephony and to a higher penetration rate. b) a 5% increase in data services, due to higher revenues in point-to-point low-speed services, and c) a 2% increase in internet services, explained by a 112% growth of broadband (WLL+ADSL) customers, that was almost offset by lower dial-up traffic.

For the first nine months of 2003, net revenues declined 5%.

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Consolidated Cost of Operations
(in millions of Chilean Pesos as of September 30, 2003)

	3Q03	3Q02	% Var.	2Q03	9M03	9M02	% Var.
Cost of Operations	97,559	120,076	-19%	105,566	317,656	346,448	-8%
Access charges	29,656	25,194	18%	29,491	89,738	71,791	25%
Payments to correspondents	18,530	30,193	-39%	21,758	68,328	89,747	-24%
Depreciation and amortization	23,706	24,637	-4%	23,467	71,621	74,223	-4%
Salaries and expenses	4,576	4,409	4%	4,546	13,449	14,923	-10%
Outsourced services	3,847	10,456	-63%	5,889	16,676	29,553	-44%
Others	17,244	25,187	-32%	20,416	57,843	66,211	-13%

Consolidated cost of operations reached Ch\$ 97.6 billion in the third quarter of 2003, 19% lower than the same period of 2002. This decrease was mainly due to a) a 39% reduction in payments to correspondents, primarily explained by lower long distance traffic activity in Americatel, b) a 63% decrease in outsourced services resulting from lower costs for distribution of prepaid cards, transportation, customer service and telemarketing, in Americatel USA, related with lower revenues in this subsidiary, c) a 4% lower depreciation and amortization, in line with Capex reductions, and d) a 32% decrease in other costs, associated with lower material and merchandise, as well as satellite costs in the parent company, in line with a tight cost-control measures.

Partially offsetting these declines was an 18% increase in access charges, mainly due to higher traffic in the mobile business and in Americatel Peru.

Cost of operations for the first nine months of 2003 decreased 8%, reflecting the Company' permanent cost-control efforts.

Consolidated Selling and Administrative Expenses
(in millions of Chilean Pesos as of September 30, 2003)

	3Q03	3Q02	% Var.	2Q03	9M03	9M02	% Var.
Selling and administrative expenses	55,163	62,478	-12%	55,349	166,254	180,216	-8%
Salaries and expenses	13,113	15,450	-15%	13,969	40,203	42,791	-6%
Advertising costs	8,967	13,077	-31%	10,395	30,425	35,508	-14%
Amortization of prepaid equipment	3,417	6,002	-43%	3,641	10,924	21,889	-50%
Bad debt provisions	8,292	7,554	10%	6,775	22,184	20,131	10%
Outsourced services	5,215	5,919	-12%	4,968	14,831	17,136	-13%
Depreciation and amortization	5,798	4,931	18%	6,032	17,837	15,536	15%
Others	10,362	9,546	9%	9,569	29,849	27,226	10%

Consolidated selling and administrative expenses dropped 12% to Ch\$ 55.2 billion compared to the third quarter of last year. The main drivers of this decrease were: a) a 31% decrease in advertising costs, mainly due to lower activity in Americatel USA and Americatel Peru, which in 2002 recorded higher advertising costs for the launching of the "19-77" long distance code, b) a 43% decline in the amortization of prepaid handsets, principally resulting from lower handset subsidies in the mobile business, and c) a 15% decrease in salaries and expenses, mainly in the parent company and in Americatel USA.

These decreases were partially offset by: a) an 18% increase in depreciation and amortization expenses, due to software investments in mobile telephony, and b) a 10% increase in bad debt provisions, mainly explained by an extraordinary charge in the parent company in connection with wholesale activity for the amount of Ch\$ 2 billion, partially compensated by Americatel USA's decline.

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For the first nine months of 2003, the Company continues to demonstrate its committed efforts to maintaining control over selling and administrative expenses, resulting in an 8% decrease during the period.

Operating Income and EBITDA¹

As a result of the above, operating income grew 16% in the third quarter of 2003 to Ch\$ 25.4 billion, compared to Ch\$ 21.9 billion reported in the same period of 2002. EBITDA remained stable, decreasing less than 1% to Ch\$ 58.5 billion during the third quarter of 2003. Excluding the extraordinary charge of Ch\$ 2 billion for wholesale bad debt provisions in the parent company, the consolidated operating income and EBITDA would have grown 25% and 3% respectively.

For the first nine months of 2003, operating income jumped 16%, while EBITDA remained flat.

Non-Operating Results

Entel had a non-operating loss of Ch\$ 8.2 billion during 3Q03, compared to a loss of Ch\$ 17.6 billion during the same quarter of 2002. This reduction was due to the absence of Ch\$ 7.4 billion of severance payments related to the restructuring process in the parent company during 3Q02, lower financial expenses in line with a decrease in debt, and lower losses in non-consolidated affiliates.

For the first nine months, Entel's non-operating loss decreased 29%.

Net Income

Net income for the quarter reached Ch\$ 14.2 billion, an increase of 364% compared to Ch\$ 3.1 billion reported for the third quarter of 2002.

Net income for the first nine months of 2003 increased 93%.

¹ EBITDA equal to Operating Result + Depreciation + Amortization

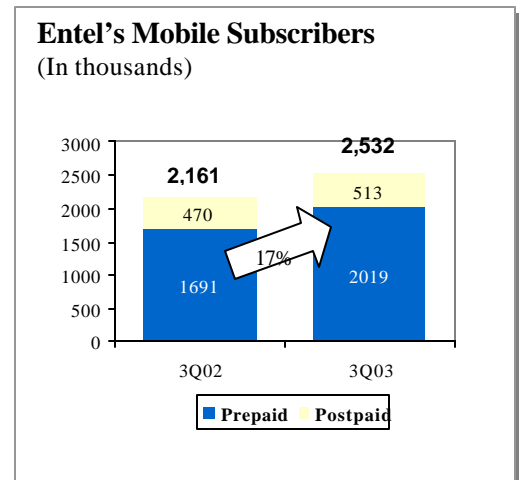
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INDIVIDUAL FINANCIAL STATEMENTS AND RESULTS BY BUSINESS SEGMENT

Mobile Telephony

Revenues for the quarter increased 6%, to Ch\$ 85.5 billion, compared to Ch\$ 80.9 billion reported for the third quarter of 2002, mainly due to mobile phone subscriber growth. Service revenue grew 7% and revenues from equipment sales decreased 10%. The number of average mobile phone customer increased 17% compared to the third quarter of 2002, reaching a total subscriber number of 2,531,770 at September 2003, while maintaining a 41% market share.

ARPU² decreased 9% during the third quarter of 2003 compared with the same period of last year. This reduction occurred in both postpaid and prepaid segments, due to lower MOU³, which decreased 4% due to a) lower incoming traffic from local telephony, and b) the effect of penetrating lower income segments. Churn rate decreased from 1.40% to 1.25% due to Entel's strong brand preference among the customers, and the client retention strategy, based on client segmentation, tariff innovation and providing tailor-made plans to the different segments.



During the third quarter of 2003, Entel introduced the new service named "Carguita Feliz" ("Happy Charge"), to promote the use of SMS (Short Messaging). This product consists of a certain amount of minutes that can be charged to an Entel PCS prepaid mobile phone, which includes a certain amount of minutes for voice and another amount for SMS. Entel PCS continued developing interactive games, such as those that allow mobile customers to interact with TV media, through participation in polls and contests.

Operating income increased 37% to Ch\$ 22.6 billion, compared to Ch\$ 16.5 billion reported in the third quarter of 2002, as a result of a 6% increase in revenues associated with customer growth, and a lower amortization of acquisition costs in line with a lower growth rate of the customer base and lower handset subsidies. EBITDA increased 7% reaching Ch\$ 38.4 billion, compared to Ch\$ 36.0 billion reported for the same quarter of 2002. EBITDA margins slightly increased from 44% to 45%.

ENTEL Parent Company

Revenues for the ENTEL Parent Company, which is comprised of the long distance, Internet, data services and traffic businesses, decreased 5%, to Ch\$ 64.2 billion in the third quarter of 2003, from Ch\$ 67.7 billion during the same period of the previous year, mainly driven by a 20%, 10% and 13% decrease in domestic long distance, traffic business and international long distance revenues, respectively, as well as a 10% reduction in Internet.⁴ Partially offsetting this decline was the 13% increase in revenues to other telecom companies and 5% higher revenues in data services. Cost of operations⁵ decreased 15% and SG&A⁶ increased 16% mainly due to a) a 38% reduction in leased satellite and network capacity, due to lower long distance activity and the disposals of some satellite capacity, b) payment to correspondents explained by lower long distance traffic, and c) a reduction of fixed expenses such as salaries and other SG&A expenses such as outsourced services and materials and merchandises, associated with costs-reduction plans. Partially offsetting this decline, was the impact of an extraordinary charge, related to bad debt, for Ch\$ 2 billion in the wholesale business.

As a result of the factors mentioned above, operating income decreased reaching Ch\$ 3.6 billion in 3Q03, compared with Ch\$ 4.6 billion in 3Q02. EBITDA decreased 4% and EBITDA margin decreased slightly from 30% in the third quarter of 2002, to 27% for the same period of 2003. Excluding the impact of the extraordinary charge, operating income and EBITDA would have increased 21% and 6%, respectively.

² Average Revenue Per User

³ Minutes of Usage

⁴ All these variations include inter-company revenues, and therefore may be different from those in the consolidated revenues table.

⁵ This figure does not include depreciation and amortization.

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

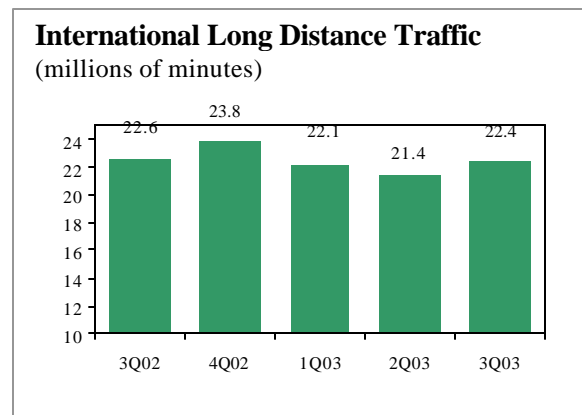
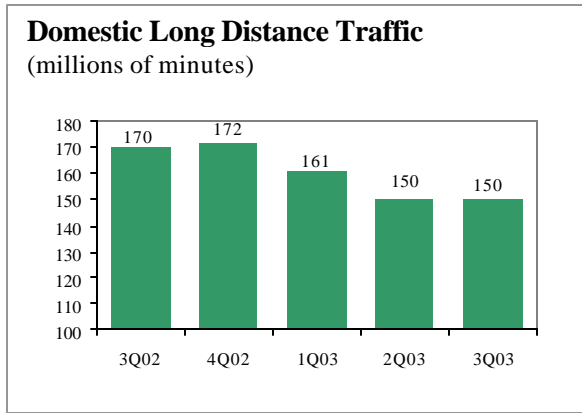
- Long Distance**

Domestic long distance (DLD) traffic decreased 11% with a 4% drop in average tariffs. Mobile telephony substitution continues affecting domestic long distance traffic, while tariff reductions correspond to a change in the volume mix (lower volumes in those services with higher tariffs) and to a lesser extent, to a decrease in tariffs.

International long distance (ILD) minutes remained almost flat with a 1% reduction. Prices decreased 8%, mainly due to lower dial-up and and postpaid card services.

Entel's DLD market share continues to be one of the highest in the industry, remaining at approximately 37% in 3Q03. In ILD, Entel remains the leader with a market share of approximately 41%.

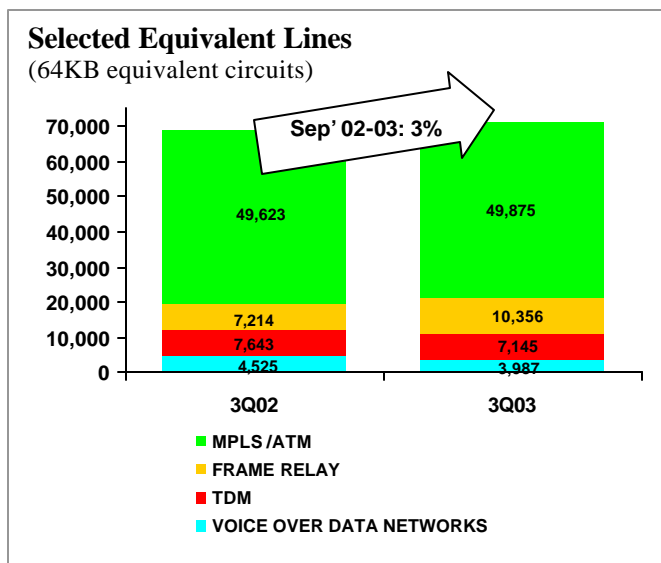
Continuing with the development of innovative and value-added services that combine a fixed amount plus a variable rate, Entel introduced "Non Stop Plans". These consist of a monthly fixed charge, and a per-minute rate for the first 10 minutes of each call. After that time, the rest of the minutes are free. These types of contracted plans ensure more stable revenue and increased client retention.



- Data Services**

Higher revenues for data services in 3Q03 was explained by an IBS (point-to-point low capacity-dedicated satellite services).

Entel continues to actively lead the market in the offering of data services and is also focused on introducing integral IT solutions for corporate, medium-sized companies as well as offering bundled complementary services such as Call Center, Data Center, e-commerce (Merconet), and LAN/WAN networks.

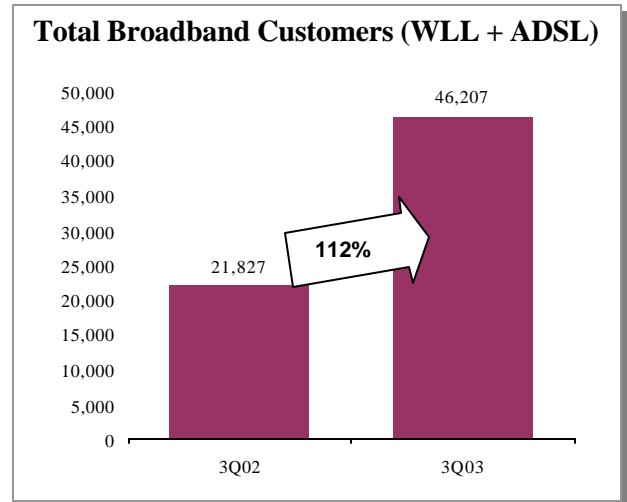


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▪ **Internet**

Entel's broadband services (WLL and ADSL) continues growing at a high rate. The number of Entel's WLL and ADSL customers reached 46,207 in the third quarter of 2003, representing an increase of 112% with respect of the same period of last year.

The number of Entel Internet's dial-up connections was 160 thousand in September 2003, decreasing 24% compared with the same month of last year. The migration from dial-up to broadband services is the main explanation for this decrease.



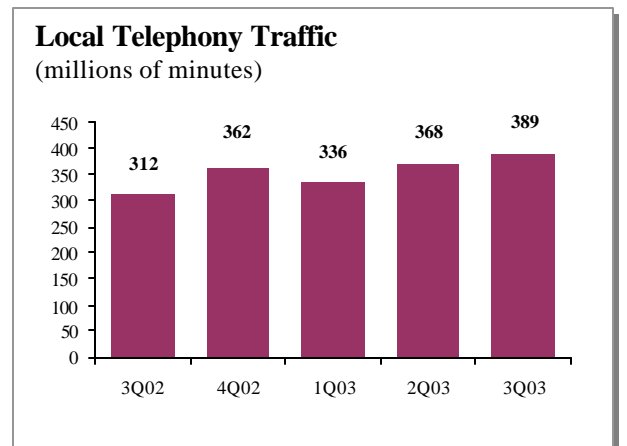
Entel Phone

▪ **Local Telephony (Entel Phone, excluding WLL)**

Local telephone revenues slightly decreased 2% to Ch\$ 8.0 billion during the third quarter of 2003, from Ch\$ 8.1 billion, mainly due to lower variable rate revenues.

Excluding WLL lines, the number of lines in service remained stable at 99 thousand during both quarters.

The number of corporate and business clients represents 75% of the total number of billed lines.



Local Telephony + WLL

Revenues from Entel Phone (including WLL) grew 10% to Ch\$ 9.4 billion during second quarter of 2003, from Ch\$ 8.5 billion, due to higher WLL revenues. The growing WLL business is still in the penetration stages, and that is the main reason for the higher operating income losses during 3Q03, compared with 3Q02.

For its WLL and ADSL clients, the Company launched a Wi-Fi service, which allows clients to establish internet broadband wireless connections for one or more desktops or laptops inside a house or company.

Entel Phone also launched a bundle package called "Super ADSL" consisting of a local telephony line plus an ADSL broadband connection at a more competitive price than buying both products separately.

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Americatel (International Subsidiaries)

USA

Revenues for Americatel USA decreased 23% to US\$ 47.0 million, from US\$ 60.8 million in the third quarter of 2002, mainly due to lower revenues in the dial-around+contracted and prepaid card businesses, explained by both lower traffic and tariffs, as well as in the wholesale business. Americatel USA continues to be negatively affected by increased competition from other local telephony operators (CLECs) who have recently entered the long distance market.

ILD dial-around+contracted and prepaid cards direct margins decreased in 3Q03 compared with 3Q02, due to lower tariffs associated with a competitive environment, partially compensated by lower costs. DLD direct margins improved in these businesses, due to cost reductions and higher tariffs.

Cost of operations decreased 25% compared to the third quarter of 2002, in line with lower revenues. SG&A expenses decreased 15% mainly due to lower marketing, salary expenses, reflecting the Company's cost-reduction initiatives, and due to lower bad debt provision associated with reduced long distance volumes. Operating income was US\$ 726 million in 3Q03 compared with US\$ 1,311 million in 3Q02. EBITDA decreased from US\$ 2,720 million to US\$ 2,346 million.

Central America

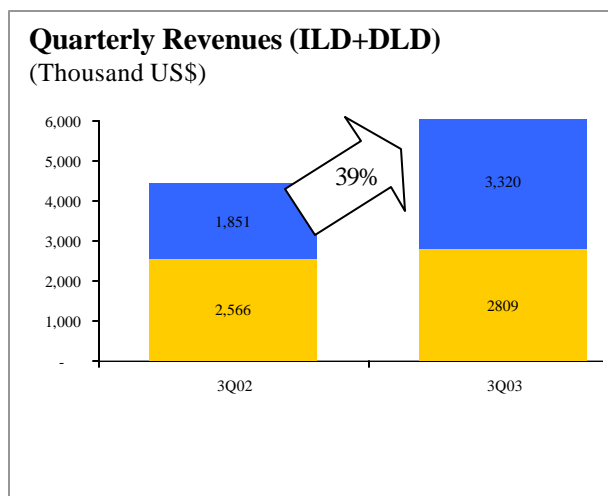
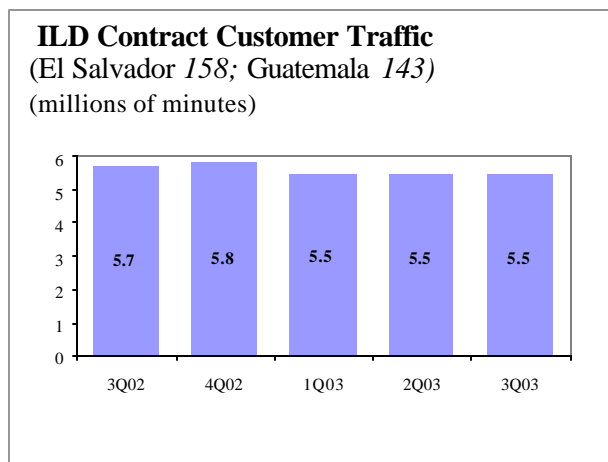
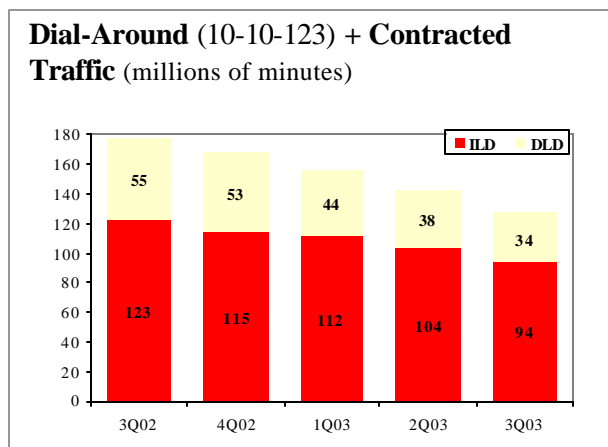
Comparing the 3Q02 with 3Q03, revenue increased 11% from US\$ 13.9 million to US\$ 15.3, mainly due to higher wholesale activity and prepaid cards sales in El Salvador. Cost of operations increased 25%, mainly explained by higher access charges and payments to correspondents, in line with higher revenues. SG&A expenses decreased 7%, mainly due to lower advertising and outsourced services. Operating income and EBITDA decreased 36% and 27% respectively, compared to the third quarter of 2002, mainly due to lower direct margins in the wholesale business.

Peru

Americatel Peru increased its revenues 55% to US\$ 8.1 million from US\$ 5.2 million in the third quarter of 2002, which is due to the important growth of all the long distance businesses (both DLD and ILD), wholesale and data and internet businesses.

The Company offers dial-around, contracted and prepaid services in Peru.

Americatel Peru generated a positive operating result of US\$ 0.6 million and EBITDA of US\$ 0.7 million, for 3Q03.



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BALANCE SHEET

Consolidated Balance Sheet
(in millions of Chilean Pesos as of September 30, 2003)

	Sep-03	Sep-02	Var %
Assets	1,254,404	1,313,843	-5%
Current assets	365,726	365,685	0%
Property, plant & equipment, net	784,864	823,827	-5%
Other assets	103,814	124,331	-17%
Liabilities & shareholders' equity	1,254,404	1,313,843	-5%
Current liabilities	186,693	167,653	11%
Long-term liabilities	485,430	598,285	-19%
Minority interest	7,023	7,578	-7%
Shareholders' equity	575,259	540,327	6%

Financial Indexes

	Sep-03	Sep-02
Current assets/Current liabilities	1.96	2.18
EBITDA/Financial expenses	9.04	7.92
Financial debt/EBITDA	2.10	2.61
Total liabilities/(equity + min. interest)	1.15	1.40

Gross Chilean peso-denominated debt decreased 15% from Ch\$597 billion to Ch\$ 505 billion, mainly due to repayments of US\$ 58 million and to a 12% exchange rate decrease from September 2002 to September 2003. Net debt (gross debt minus cash and net receivables from hedging activities), reached Ch\$ 429.4 billion, 18% lower than in 3Q02, due to the important net cash generated during 2003. Liquidity and interest coverage are at high levels and improving. Debt ratios continue being reduced as a consequence of a reduction in interest bearing debt.

RECENT EVENTS

- Entel PCS obtained second-place recognition for marketing effectiveness in Chile, also known as the EFI awards. This ranking is compiled from the opinion of various marketing agencies opinions.
- Negotiations with Entel unions concluded; agreements were signed for the next two years.
- Headcount reduction in Americatel USA to adjust its structure to the current business environment.

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Company Description

Empresa Nacional de Telecomunicaciones S.A. is the second-largest Telecommunications Company in Chile with Ch\$ 1,290,562* million in assets and Ch\$ 804,762* million in annual revenues reported in 2002. The Company provides mobile and local telephony, long-distance, data and Internet services. With its strong Americatel brand acting as an umbrella for its renowned "10-10-123" dial-around code, and presubscribed 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 is headquartered in Santiago, Chile.

* In Chilean pesos as of December 31, 2002.

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Individual Consolidated Results by Business Segment (Unaudited)
(in millions of Chilean Pesos as of September 30, 2003)

	<u>3Q03</u>	<u>3Q02</u>	<u>Var%</u>	<u>9M03</u>	<u>9M02</u>	<u>Var%</u>
Mobile Telephony						
Revenues	85,478	80,911	6%	256,463	240,884	6%
- Service	79,710	74,499	7%	236,991	222,537	6%
- Equipment	5,768	6,412	-10%	19,471	18,347	6%
Cost of Operations	43,450	42,582	2%	131,846	123,820	6%
Selling and Administrative Expenses	19,396	21,849	-11%	58,239	68,991	-16%
Operating Income	22,632	16,480	37%	66,378	48,073	38%
Operating Margin	26%	20%		26%	20%	
EBITDA	38,378	35,948	7%	114,120	108,989	5%
EBITDA Margin	45%	44%		44%	45%	
ENTEL Parent Company (LD, Internet and Data Services)						
Revenues	64,158	67,700	-5%	201,328	205,005	-2%
Cost of Operations	28,767	33,917	-15%	94,249	94,958	-1%
Selling and Administrative Expenses	18,050	15,540	16%	48,678	48,433	1%
Depreciation and Amortization	13,713	13,601	1%	41,775	42,002	-1%
Operating Income	3,628	4,643	-22%	16,626	19,612	-15%
Operating Margin	6%	9%		8%	10%	
EBITDA	17,624	18,439	-4%	59,153	62,298	-5%
EBITDA Margin	27%	30%		29%	30%	
ENTEL Phone (local telephony + WLL)						
Revenues	9,399	8,537	10%	27,415	24,325	13%
Cost of Operations	7,491	5,470	37%	21,890	17,228	27%
Selling and Administrative Expenses	3,025	2,998	1%	8,877	8,393	6%
Operating Income	-1,116	69	-	-3,352	-1,295	159%
Operating Margin	-12%	1%		-12%	-5%	
EBITDA	1,837	2,300	-20%	5,442	5,383	1%
EBITDA Margin	20%	27%		20%	22%	

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Individual Consolidated Results by Business Segment (Unaudited)
(in thousands of U.S. dollars and millions of Chilean Pesos as of September 30, 2003)

	<u>3Q03</u>	<u>3Q02</u>	<u>Var%</u>	<u>9M03</u>	<u>9M02</u>	<u>Var%</u>		<u>3Q03</u>	<u>3Q02</u>	<u>Var%</u>	<u>9M03</u>	<u>9M02</u>	<u>Var%</u>
Americatel USA	(US\$)	(US\$)		(US\$)	(US\$)			(Ch\$)*	(Ch\$)*		(Ch\$)*	(Ch\$)*	
Revenues	46,984	60,818	-23%	153,960	202,974	-24%		26,899	55,048	-51%	101,763	156,380	-35%
Cost of Operations	30,715	41,116	-25%	102,784	142,731	-28%		17,502	37,533	-53%	67,937	109,966	-38%
Selling & Administrative Expenses	15,542	18,390	-15%	49,256	54,144	-9%		8,963	16,229	-45%	32,556	41,715	-22%
Operating Income	726	1,311	-45	1,950	6,099	-69%		434	1,286	-66%	1,269	4,699	-73%
Operating Margin	2%	2%	-	1%	3%	-		2%	2%	-	1%	3%	-
EBITDA	2,346	2,720	-14%	6,696	10,217	-34%		1,382	2,527	-45%	4,426	7,872	-44%
EBITDA Margin	5%	4%	-	4%	5%	-		5%	5%	-	4%	5%	-
	<u>3Q03</u>	<u>3Q02</u>	<u>Var%</u>	<u>9M03</u>	<u>9M02</u>	<u>Var%</u>		<u>3Q03</u>	<u>3Q02</u>	<u>Var%</u>	<u>9M03</u>	<u>9M02</u>	<u>Var%</u>
Americatel Central America	(US\$)	(US\$)		(US\$)	(US\$)			(Ch\$)*	(Ch\$)*		(Ch\$)*	(Ch\$)*	
Revenues	15,345	13,864	11%	42,969	38,375	12%		9,069	12,094	-25%	28,401	29,566	-4%
Cost of Operations	12,131	9,691	25%	34,711	29,228	19%		7,141	8,592	-17%	22,943	22,519	2%
Selling & Administrative Expenses	1,740	1,862	-7%	4,783	4,878	-2%		1,032	1,608	-36%	3,161	3,758	-16%
Operating Income	1,474	2,311	-36%	3,475	4,269	-19%		897	1,893	-53%	2,297	3,289	-30%
Operating Margin	10%	17%	-	8%	11%	-		-	-	-	8%	11%	-
EBITDA	2,211	3,040	-27%	5,691	6,237	-9%		1,326	2,525	-47%	3,762	4,805	-22%
EBITDA Margin	14%	22%	-	13%	16%	-		15%	21%	-	13%	16%	-

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

Entel Group Consolidated Income Statement (Audited)
(in millions of Chilean Pesos as of September 30, 2003)

	Sep-03	Sep-02	Var %
INCOME STATEMENT			
NET REVENUE	563,711	595,245	-5%
OPERATING COSTS	-317,656	-346,448	
GROSS PROFIT	246,055	248,797	
SELLING & ADMINISTRATIVE EXPENSES	-166,254	-180,216	
OPERATING INCOME	79,802	68,581	16%
NON-OPERATING RESULTS:			
Financial income	1,913	2,281	
Other income	1,474	1,188	
Income (loss) from affiliates	-194	-1,593	
Amortization of goodwill	-2,945	-2,723	
Financial expenses	-20,033	-22,897	
Other expenses	-7,799	-15,166	
Loss on monetary position	-7,727	-6,407	
Exchange gain	6,666	5,090	
NON-OPERATING INCOME	-28,644	-40,227	-29%
INCOME BEFORE TAX	51,157	28,354	
INCOME TAX	-6,435	-4,401	
CONSOLIDATED NET INCOME BEFORE MINORITY INTEREST	44,722	23,953	
MINORITY INTEREST	-312	-960	
NET INCOME	44,410	22,993	93%

Entel Group Consolidated Balance Sheet (Audited)
(in millions of Chilean Pesos as of September 30, 2003)

	Sep-03	Sep-02
ASSETS		
CURRENT:		
Cash	12,835	15,979
Time deposits	33,937	0
Marketable securities	743	239
Trade accounts receivable, net	185,944	200,348
Notes receivable, net	9,756	8,885
Other accounts receivable, net	6,867	16,813
Due from related companies	34	16,097
Inventories	9,389	13,979
Recoverable taxes	11,784	11,203
Prepaid expenses	13,222	11,802
Deferred taxes	14,341	13,132
Other current assets	66,877	57,207
Total current assets	365,726	365,685
Fixed		
Land	7,660	7,525
Buildings and infrastructure	201,708	197,464
Plant and equipment	1,157,483	1,087,490
Other fixed assets	189,804	197,532
Accumulated depreciation	-771,791	-666,184
Total fixed assets, net	784,864	823,827
Other assets:		
Investments in related companies	0	281
Investments in other companies	10,998	12,767
Goodwill, net	54,411	58,914
Long-term accounts receivable	9,211	26,169
Accounts receivable from related companies	0	47
Intangibles	16,245	15,441
Amortization of intangibles	-2,807	-1,619
Others	15,757	12,331
Total other assets	103,814	124,331
TOTAL ASSETS	1,254,404	1,313,843

Entel Group Consolidated Balance Sheet (Audited)
(in millions of Chilean Pesos as of September 30, 2003)

	Sep-03	Sep-02
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT:		
Short-term bank loans	6,636	1
Current portion of long-term liabilities with banks and financial institutions	1,766	11,168
Current portion of bonds payable	7,632	7,441
Current portion of notes payable and other long-term liabilities	36,109	2,518
Dividends payable	84	48
Accounts payable	100,369	124,271
Notes and other accounts payable	0	1
Other payables	18,835	4,082
Notes and accounts payable to related companies	2,260	0
Provisions	6,170	5,318
Withholdings	0	0
Retentions	3,748	5,354
Unearned income	2,899	7,451
Other current liabilities	184	0
Total current liabilities	186,693	167,653
LONG-TERM		
Due to banks and other financial institutions	224,730	284,741
Bonds payable	152,077	155,696
Notes payable	85,184	145,105
Other payables	1,529	0
Provisions	5,657	5,789
Long-term deferred taxes	10,942	6,954
Other long-term liabilities	5,311	0
Total long-term liabilities	485,430	598,285
Minority interest	7,023	7,578
SHAREHOLDERS' EQUITY		
Paid-in capital	408,096	407,700
Reserve for the restatement of capital	4,897	5,300
Share premium account	0	0
Other reserves	-98	11,676
Retained earnings:		
Accumulated earnings	117,953	95,711
Income (loss) for the period	44,410	22,993
Dividend Provisions	0	0
Accumulated deficit for development periods	0	-3,053
Total retained earnings	162,363	115,651
Total shareholders' equity	575,259	540,327
TOTAL LIABILITIES AND SHAREHOLDERS	1,254,404	1,313,843