



Fourth Quarter and Year End 2003 Results

Santiago, Chile—February 2, 2004—Empresa Nacional de Telecomunicaciones S.A. (*Bolsa de Comercio de Santiago: ENTEL*) “the Company” or “Entel” today announced its results for the fourth quarter and twelve months ended December 31, 2003. All figures are expressed in Chilean Pesos and are reported according to Chilean generally accepted accounting principles (Chilean GAAP).

Highlights:

- Revenues reached Ch\$ 167,232 million during 4Q03, a decrease of 24% compared to the same quarter of previous year. Twelve-month revenues reached Ch\$ 729,252 million, 10% lower than prior year.
- Operating income reached Ch\$ 28,650 million, a decrease of 5% compared to 4Q02 and net income reached Ch\$ 15,700 million, a decrease of 16%. Twelve-month operating income and net income increased 10% to Ch\$ 108,212 million and 44% to Ch\$ 59,977 million, respectively.
- For the twelve-month period, the number of mobile subscribers increased 17% reaching 2,684,214.

Consolidated Financial Highlights

(in millions of Chilean pesos as of December 31, 2003,
except EPS figures)

	4Q03	4Q02	% Var.	3Q03	12M03	12M02	% Var
Revenues	167,232	219,300	-24%	177,568	729,252	812,809	-10%
Operating Income (EBIT)	28,650	30,155	-5%	25,305	108,212	98,536	10%
EBITDA	61,302	65,156	-6%	58,307	242,007	246,082	-2%
Net Income	15,700	18,581	-16%	14,195	59,977	41,507	44%
EPS	66.4	78.6	-16%	60.0	253.6	175.5	44%

Comments from the Chief Financial Officer:

- **Revenues** decreased during the quarter primarily due to a reduction in traffic business in connection with lower spot wholesale activity, lower revenues in international subsidiaries and the impact of a 17% decline in the exchange rate affecting all sales linked to the U.S. dollar.
- **Operating income** during 4Q03 declined mainly due to lower long distance margins in international subsidiaries and the parent company, partially offset by a better performance in the mobile business and local telephony (including WLL).
- In spite of lower revenues, **operating profit** for the year continued increasing mainly due to the mobile business performance and the Peruvian operations. The mobile business, with almost 2.7 million subscribers and market leadership, drives the growth in both profit and cash flow.
- Cost-contention plans in the mature businesses, including the latest headcount reduction, which took place in December 2003, are expected to preserve profitability and cash flow in the parent company.

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- Strong cash flow generated during the year has resulted in an important reduction of Entel's net financial debt, leading to a healthy financial position and a comfortable debt maturity profile at December 2003.

Note: Please see accompanying presentation located 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, 2003)

	4Q03	4Q02	% Var.	3Q03	12M03	12M02	% Var.
Net Revenues	167,232	219,300	-24%	177,568	729,252	812,809	-10%
Mobile services	91,038	88,774	3%	84,220	342,764	324,903	5%
Domestic long distance	10,602	11,885	-11%	11,006	45,231	52,483	-14%
International long distance	5,549	6,077	-9%	5,329	22,275	25,135	-11%
Internet	7,639	7,405	3%	7,889	31,567	29,037	9%
Data services	11,573	12,196	-5%	10,865	40,090	45,219	-11%
Other telecommunication companies	2,384	2,915	-18%	2,562	11,431	10,401	10%
Traffic business	11,383	36,335	-69%	12,998	55,932	76,287	-27%
International subsidiaries	18,151	44,271	-59%	34,057	144,512	214,441	-33%
Local telephony	6,626	7,096	-7%	6,840	27,073	27,007	0%
Others	2,287	2,345	-2%	1,802	8,377	7,896	6%

Consolidated revenues during 4Q03 decreased 24% to Ch\$ 167.2 billion compared to the same quarter of the previous year. This decrease was mainly due to, a) a 59% reduction in revenues from international subsidiaries, explained by 17% decrease in the USD exchange rate from December 2002 to December 2003, affecting full year revenues and reflected during the quarter, and due to lower traffic in Americatel USA, b) a 69% decrease in traffic business due to higher spot business in the wholesale activity in December 2002, c) an 11% decrease in domestic long distance, due to a 12% decline in traffic and a 5% decline in average tariffs, d) a 9% decrease in international long distance, mainly due to a 5% average decrease in tariffs and partially offset by a slight increase in traffic, and e) a 5% decrease in Data Services, mainly due to lower revenues from low speed point-to-point services (IBS and Vsat) resulting from lower prices.

The factors that partially offset these declines included: a) a 3% growth in mobile telephony, explained by a 17% average mobile phone customer base expansion, and partially offset by a 14% ARPU decline due to lower incoming traffic from local telephony and higher penetration rates, and b) a 3% increase in Internet services, explained by a 31% growth of broadband (WLL+ADSL) customers, that was partially offset by lower dial-up traffic.

Twelve-month consolidated revenues reached Ch\$ 729.3 billion, a decline of 10% compared with the previous year.

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Consolidated Cost of Operations
(in millions of Chilean Pesos as of December 31, 2003)

	4Q03	4Q02	% Var.	3Q03	12M03	12M02	% Var.
Cost of Operations	90,926	134,369	-32%	97,266	407,629	479,807	-15%
Access charges	27,462	28,076	-2%	29,567	116,931	99,658	17%
Payments to correspondents	15,819	49,074	-68%	18,474	83,942	138,559	-39%
Depreciation and amortization	23,882	24,809	-4%	23,635	95,288	98,815	-4%
Salaries and expenses	4,298	4,000	7%	4,563	17,707	18,879	-6%
Outsourced services	1,463	5,803	-75%	3,835	18,090	35,270	-49%
Others	18,002	22,608	-20%	17,192	75,671	88,626	-15%

Consolidated cost of operations reached Ch\$ 90.9 billion in the fourth quarter of 2003, 32% lower than the same quarter of 2002. This decrease was mainly due to, a) a 68% reduction in payments to correspondents, in line with lower revenues in the wholesale traffic business, b) a 75% decrease in outsourced services in Americatel USA, resulting from lower costs in long distance transportation and distribution of prepaid cards, and c) a 20% decrease in other costs associated with a lower leased network in Americatel USA and a lower cost of installation and maintenance in the mobile business and the parent company.

Cost of operations for the year decreased 15%.

Consolidated Selling and Administrative Expenses
(in millions of Chilean Pesos as of December 31, 2003)

	4Q03	4Q02	% Var.	3Q03	12M03	12M02	% Var.
Selling and administrative expenses	47,656	54,775	-13%	54,997	213,411	234,466	-9%
Salaries and expenses	12,897	13,149	-2%	13,074	52,979	55,816	-5%
Advertising costs	6,412	11,946	-46%	8,940	36,746	47,350	-22%
Amortization of prepaid equipment	3,110	5,399	-42%	3,406	14,001	27,224	-49%
Bad debt provisions	7,311	6,575	11%	8,267	29,429	26,646	10%
Outsourced services	7,732	5,364	44%	5,199	22,519	22,449	0%
Depreciation and amortization	5,322	5,184	3%	5,780	23,105	20,675	12%
Others	4,873	7,158	-32%	10,331	34,632	34,305	1%

Consolidated selling and administrative expenses decreased 13% compared to the fourth quarter of last year, to Ch\$ 47.7 billion. The main drivers of this decrease were: a) a 46% decrease in advertisement due to cost contention efforts in Americatel USA and the parent company, b) a 42% decrease in the amortization of prepaid handsets resulting from lower handset subsidies in the mobile business, and c) a 32% decrease in others due to lower expense for materials and merchandise purchases and lower other general expenses, in line with the Company's efforts of maintaining tight cost control.

The factors that partially offset these declines included: a) a 44% increase of outsourcing services in the parent company, and b) an 11% higher bad debt provision explained by an extraordinary charge in Americatel USA in connection with unbillable customers from prior years.

Twelve-month consolidated selling and administrative expenses decreased 9% compared to year 2002 reflecting the tight cost-control policy implemented across all the businesses.

Operating Income and EBITDA

As a result of the above, operating income declined 5% in the fourth quarter of 2003 to Ch\$ 28.7 billion, compared to Ch\$ 30.2 billion reported in the same period of 2002. EBITDA decreased 6% to Ch\$ 61.3 billion during this quarter compared to Ch\$ 65.2 billion for the same quarter of 2002. EBITDA margin increased from 30% in 4Q02 to 37% in 4Q03.

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While EBITDA remained almost flat for the twelve-month period, operating income increased 10% from 2002 to 2003. EBITDA margin for full year 2003 rose to 33% compared with 30% in 2002.

Non-Operating Results

During fourth quarter 2003 the Company's non-operating loss was Ch\$ 11.6 billion, 2% higher than the fourth quarter of 2002. This was mainly due to lower net financial expenses associated with lower debt (and interest rates) and a lower price-level restatement resulting from a lower inflation rate. These positive effects were more than offset by severance payments of Ch\$ 3.6 billion in relation with the personnel restructuring process in mature business areas.

Net Income

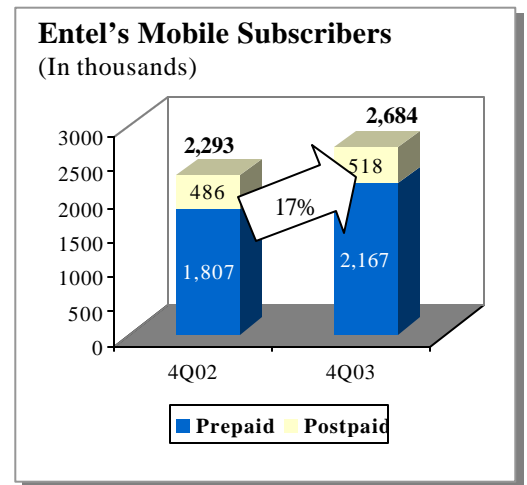
Net income for the quarter reached Ch\$ 15.7 billion, a decrease of 16% compared to the same quarter last year, affected by the restructuring process lead by the Company. For the full year, net income reached Ch\$ 60.0 billion, representing an increase of 44% from the previous year.

INDIVIDUAL FINANCIAL STATEMENTS AND RESULTS BY BUSINESS SEGMENT

Mobile Telephony

Revenues for the quarter increased 1%, to Ch\$ 90.5 billion, compared to Ch\$ 89.8 billion reported for the fourth quarter of 2002. Service revenue remained flat and revenues from equipment sales increased 7%. The number of average mobile phone customer increased 17% compared to the fourth quarter of 2002, reaching a total subscriber number of 2,684,214 at December 2003, with a 40% market share.

ARPU¹ decreased 14% during the fourth quarter of 2003 compared with the same period of last year. This decrease occurred in both the postpaid and prepaid segments. Comparing both periods, MOU² decreased 4% due to lower incoming traffic from local telephones and the effects of penetrating lower income segments. Churn has remained stable at low levels, approximately 1.21% due to Entel's strong brand preference among customers, top quality performance and client retention strategies.



During the fourth quarter of 2003, Entel introduced the summer "Carguita Feliz" service (consisting in 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). In December, a new WAP portal was developed and launched. In addition, the prepaid GPRS services was also launched, allowing prepaid communications using the GPRS mobile network.

Operating income increased 22% to Ch\$ 27.9 billion, compared to Ch\$ 22.8 billion reported in the fourth quarter of 2002, as a result of a slight increase of 1% in revenues, lower amortization of acquisition expenses in line with lower handset costs and subsidies, and lower bad debt provisions. EBITDA increased 10% reaching Ch\$ 43.0 billion, compared to Ch\$ 39.0 billion reported for the same quarter of 2002. EBITDA margins increased from 43% to 47%.

ENTEL Parent Company

ENTEL Parent Company revenue, comprised of long distance, Internet, data services and traffic business, decreased 31%, to Ch\$ 64.5 billion in the fourth quarter of 2003, from Ch\$ 92.9 billion during the same period of the previous year, mainly driven by a 66% decrease in traffic business due to higher spot business in the wholesale activity in December 2002. This revenue tends to have low margins. Cost of operations³ decreased 46% mainly due to, a) a 67% decrease of payment to correspondents in line with lower wholesale traffic activity, b) a 21% reduction in access charges resulting from lower DLD and Internet dial-up traffic, and c) lower costs associated with maintenance and network capacity. SG&A expenses decreased 6% compared with fourth quarter 2002 results due to reductions in advertising, billing and collections, space rentals and others.

As a result of the factors mentioned above, operating income decreased 33% reaching Ch\$ 5.5 billion in 4Q03, compared with Ch\$ 8.2 billion in 4Q02. EBITDA decreased 9% and EBITDA margin increased from 23% in the fourth quarter of 2002, to 31% for the same period of 2003, mainly resulting from a different revenue mix.

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

¹ Average Revenue Per User

² Minutes of Usage

³ This figure does not include depreciation and amortization.

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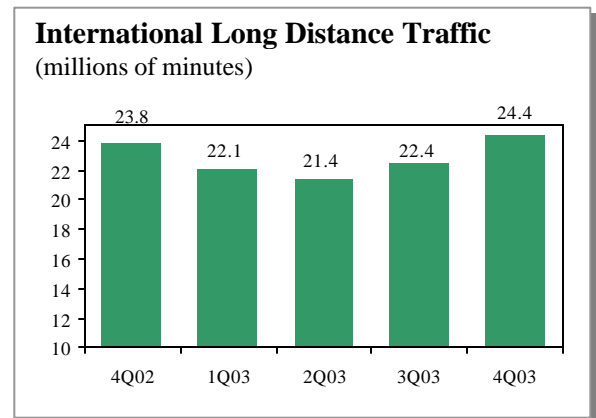
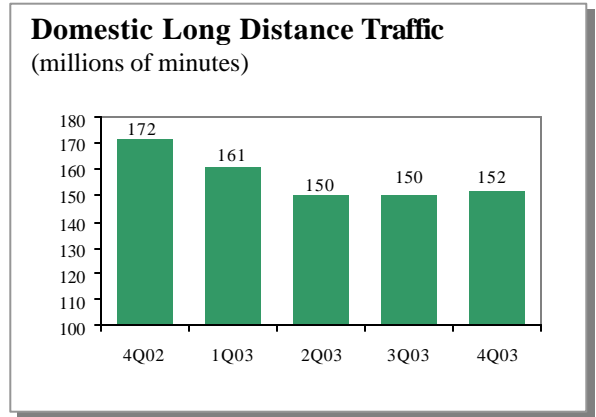
• **Long Distance**

Domestic long distance (DLD) traffic decreased 12% with a 5% drop in average tariffs. Traffic continued to be affected by the substitution effects of higher usage of mobile communications, jointly with average tariffs, which are affected by a volume mix change mainly from products with higher tariffs.

International long distance (ILD) minutes experienced a 3% growth, while average prices decreased 5%, mainly due to lower calling card services tariffs.

Continuing with the development of innovative and value-added services during the year, Entel launched the following: a “Nightly Flat Tariff Plan”, a “Non-Stop Plan”, a “Flexible Plan”, and an “International Entel Minutes Plan”. These plans consist of customized usage patterns combining fixed charges and a certain amount of minutes with variable rates for extra minutes.

Entel’s DLD market share continues to be one of the highest in the industry, remaining at approximately 37% in 4Q03. In ILD, Entel remains the leader with a market share of approximately 40%.



• **Data Services**

During 4Q03, volumes continue growing with lower tariffs, especially in ATM (Asynchronous Transfer Mode) and MPLS, which are replacing other technologies as more desirable customer solution technologies. Their higher capacity also allows a better performance.

Entel continues to actively lead the market in providing data services. In 4Q03, Entel acquired a new customer portfolio related with IT solutions. Also there was a technological integration between Entel’s MPLS network and Entel PCS’s GPRS network. This will allow the Company to increase its offer in integrated data services.



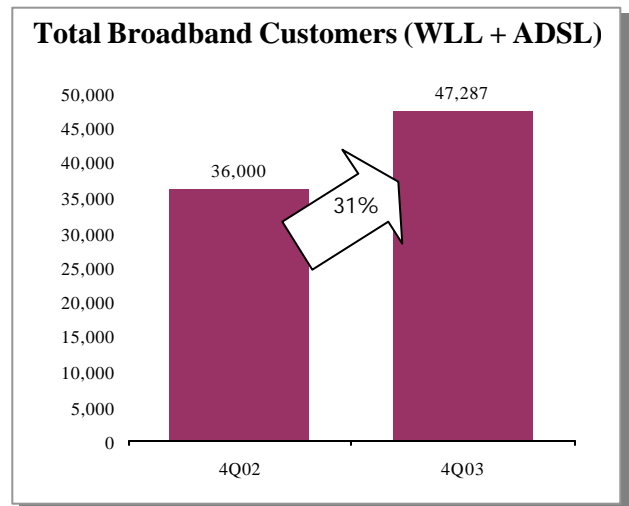
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▪ **Internet**

The Internet broadband market continues growing through its WLL and ADSL service as the trend continues of heavy usage customers moving towards broadband services. Entel's number of WLL and ADSL customers reached 47,287 in the fourth quarter of 2003, representing an increase of 31% with respect to the same period of last year.

In continuing with the efforts for higher market penetration, in December 2003 the Company launched the wireless 512 kbps plan, which permits users to downstream higher speed. The Company also offered a wireless 256 kbps plan to replace a former 280 kbps, in order to integrate the broadband offering.

Total connections using Entel's Internet dial-up services reached 147 thousand in December 2003, decreasing a 17% compared with the same period 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)**

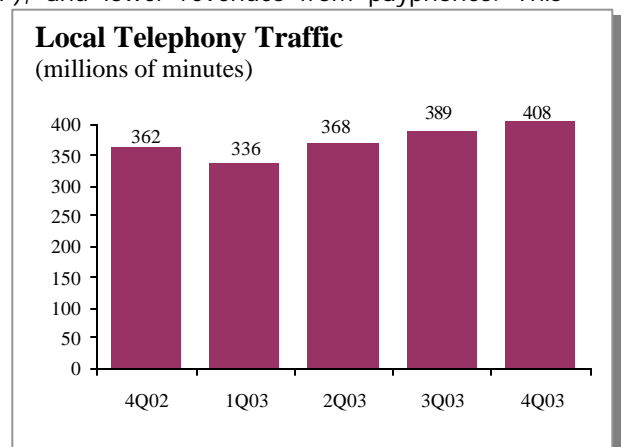
Local telephone revenues decreased 4% to Ch\$ 7.9 billion during the fourth quarter of 2003, from Ch\$ 8.3 billion. This was due to lower traffic to mobile phones (Calling Party Pays -CPP), and lower revenues from payphones. This decrease was partially offset by a 6% increase in revenues from fixed charges.

The number of lines in service (WLL lines not included) has increased to 103 thousand, from 98 thousand in 4Q02.

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

Local Telephony + WLL

Revenues from Entel Phone (including WLL) grew 4% to Ch\$ 9.4 billion during fourth quarter of 2003, from Ch\$ 9.0 billion. This increase was basically due to higher revenues from WLL services associated with new offering plans during 2003 and also to an increase in revenues from fixed charges due to a higher number of lines in service.



During 4Q03, operating losses of Entelphone reached Ch\$ 0.8 billion, compared to a loss of Ch\$ 1.9 billion during 4Q02. This improvement was due to the increase in operations from WLL.

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Americatel (International Subsidiaries)

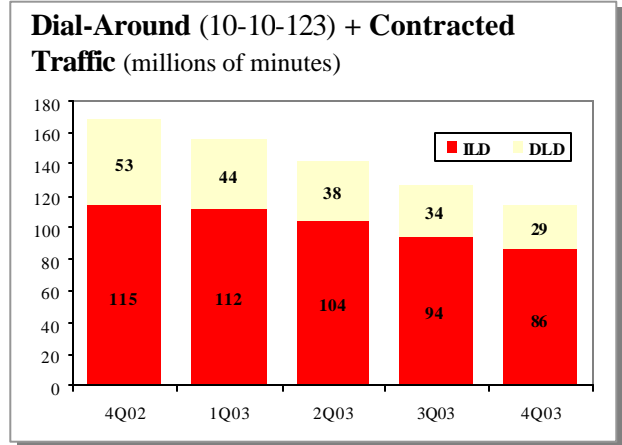
USA

Revenues for Americatel USA decreased 28% to US\$ 41.9 million, from US\$ 58.2 million in the fourth quarter of 2002. This was mainly due to a revenue decrease in ILD dial-around + contracted services and prepaid card business. In both cases this decrease is explained by lower traffic and lower tariffs.

Comparing 4Q03 with 4Q02, ILD dial-around + contracted and prepaid card direct margins decreased due to lower tariffs associated with a competitive environment, partially compensated by lower costs. Higher tariffs and cost reductions increased DLD direct margins.

Cost of operations decreased 25% compared to the fourth quarter of 2002 in line with lower revenues. SG&A expenses decreased 13% mainly due to lower marketing, salaries and other general expenses, all of which reflect the Company's cost-reduction initiatives. Partially offsetting these reductions was an extraordinary bad debt provision of US\$ 3.5 million related to prior years. Operating income decreased from a loss of US\$ 0.2 million, to a loss of US\$ 4.0 million in 4Q03. EBITDA decreased from US\$ 1.2 million to a loss of US\$ 2.5 million.

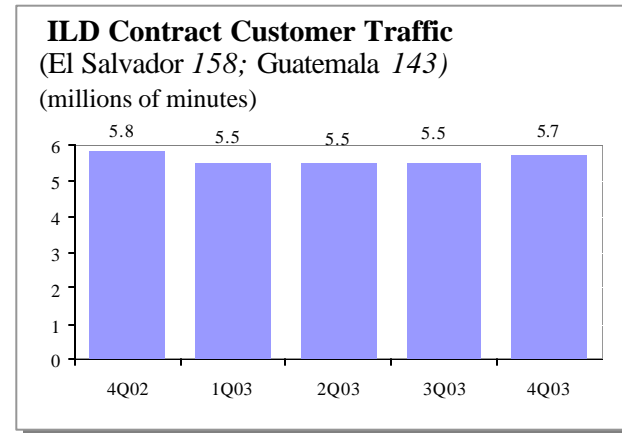
During 4Q03 the prepaid card "Ultra" was launched, which offers minutes priced at a more competitive rate for calls to Latin American countries.



Central America

Revenues increased 18% to US\$ 16.7 million in the fourth quarter 2003, from US\$ 14.2 million, mainly explained by higher wholesale activity. Cost of operations increased 31% mainly due to higher access charges and payments to correspondents, in line with more activity in the wholesale business. SG&A expenses decreased 9%, mainly due to lower outsourced services, billing and collections expenses and general office expenses. As a result, operating income and EBITDA decreased 17% and 13%, respectively, compared to the fourth quarter of 2002, mainly due to lower direct margins in the wholesale business.

During the 4Q03, international long distance services for residential contracts in Guatemala were also launched, focused on heavy user segments.



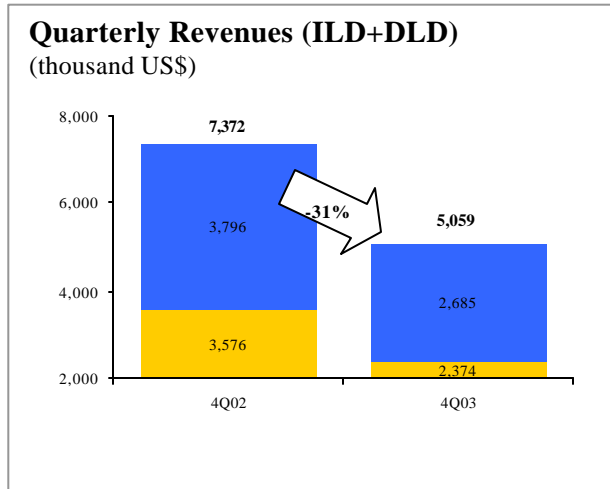
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Peru

Revenues of Americatel Peru decreased 17% to US\$ 7.2 million from US\$ 8.7 million in the fourth quarter of 2002, which is due to decreased DLD traffic and ILD tariffs. Currently, the Peruvian long distance market environment is highly competitive.

During 4Q03, Americatel Peru bought DIVEO, whose network allows the Company to increase its services in Datacom (including WLL) and local telephony in Lima.

Americatel Peru's operating income reached a loss of US\$ 0.08 million. EBITDA reached to US\$ 0.5 million in 4Q03. These results were affected by the consolidation of the DIVEO operations.



BALANCE SHEET

Consolidated Balance Sheet
(in millions of Chilean Pesos as of December 31, 2003)

	DEC-03	DEC-02	Var %
Assets	1,231,936	1,303,468	-5%
Current assets	364,788	362,191	1%
Property, plant & equipment, net	770,510	821,046	-6%
Other assets	96,638	120,230	-20%
Liabilities & shareholders' equity	1,231,936	1,303,468	-5%
Current liabilities	247,905	172,285	44%
Long-term liabilities	394,088	573,281	-31%
Minority interest	6,127	7,555	-19%
Shareholders' equity	583,815	550,346	6%

Financial Indexes

	DEC-03	DEC-02
Current assets/Current liabilities	1.47	2.10
EBITDA/Financial expenses	9.34	8.27
Financial debt/EBITDA	1.94	2.35
Total liabilities/(equity + min. interest)	1.09	1.34

Gross debt decreased 19% from Ch\$ 579.1 billion to Ch\$ 470.6 billion, mainly due to the repayment of Ch\$ 40.5 billion and a 17% exchange rate decrease from December 2002 to December 2003 affecting the U.S. dollar-denominated debt. Net debt (gross debt minus cash and net receivables from hedging activities) reached Ch\$ 397 billion, 24% lower than in 4Q02, 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

- Internal restructuring of mature business to adjust the Company's structure to the current business environment.
- Prepayment of a local bond of US\$ 40 million in January 2004. This bond was due in 2010 and had a 7% annual face value interest rate.

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- Tariff decree process for mobile access charges was announced in January, considering a decrease of 27% in average.

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Company Description

Empresa Nacional de Telecomunicaciones S.A. is the second-largest Telecommunications Company in Chile with Ch\$ 1,231,936* million in assets and Ch\$ 729,252* million in annual revenues reported in 2003. 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 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, 2003.

Individual Consolidated Results by Business Segment (Unaudited)
(in millions of Chilean Pesos as of December 31, 2003)

	<u>4Q03</u>	<u>4Q02</u>	<u>Var%</u>	<u>12M03</u>	<u>12M02</u>	<u>Var%</u>
Mobile Telephony						
Revenues	90,526	89,830	1%	346,219	330,012	5%
- Service	82,206	82,019	0%	318,486	303,908	5%
- Equipment	8,320	7,811	7%	27,733	26,104	6%
Cost of Operations	44,546	47,491	-6%	175,996	170,950	3%
Selling and Administrative Expenses	18,102	19,548	-7%	76,166	88,339	-14%
Operating Income	27,878	22,790	22%	94,057	70,723	33%
Operating Margin	31%	25%		27%	21%	
EBITDA	42,935	38,938	10%	156,713	147,610	6%
EBITDA Margin	47%	43%		45%	45%	
ENTEL Parent Company (LD, Internet and Data Services)						
Revenues	64,474	92,926	-31%	265,198	297,333	-11%
Cost of Operations	29,440	54,519	-46%	123,406	149,200	-17%
Selling and Administrative Expenses	15,873	16,948	-6%	64,405	65,240	-1%
Depreciation and Amortization	13,672	13,296	3%	55,322	55,176	0%
Operating Income	5,489	8,162	-33%	22,065	27,717	-20%
Operating Margin	9%	9%		8%	9%	
EBITDA	19,802	21,672	-9%	78,777	83,789	-6%
EBITDA Margin	31%	23%		30%	28%	
ENTEL Phone (local telephony + WLL)						
Revenues	9,432	9,032	4%	36,765	33,286	10%
Cost of Operations	7,118	7,258	-2%	28,943	24,435	18%
Selling and Administrative Expenses	3,172	3,727	-15%	12,022	12,095	-1%
Operating Income	-858	-1,953	-56%	-4,200	-3,244	29%
Operating Margin	-9%	-22%		-11%	-10%	
EBITDA	2,176	999	118%	7,602	6,366	19%
EBITDA Margin	23%	11%		21%	19%	

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Individual Consolidated Results by Business Segment (Unaudited)
(in thousands of U.S. dollars and millions of Chilean Pesos as of December 31, 2003)

	<u>4Q03</u>	<u>4Q02</u>	<u>Var%</u>	<u>12M03</u>	<u>12M02</u>	<u>Var%</u>		<u>4Q03</u>	<u>4Q02</u>	<u>Var%</u>	<u>12M03</u>	<u>12M02</u>	<u>Var%</u>
Americatel USA	(US\$)	(US\$)		(US\$)	(US\$)			(Ch\$)*	(Ch\$)*		(Ch\$)*	(Ch\$)*	
Revenues	41,909	58,232	-28%	195,869	261,205	-25%		14,849	33,658	-56%	116,307	189,582	-39%
Cost of Operations	30,410	40,732	-25%	133,194	183,463	-27%		11,357	23,511	-52%	79,091	133,157	-41%
Selling & Administrative Expenses	15,482	17,703	-13%	64,738	71,847	-10%		5,983	10,553	-43%	38,441	52,146	-26%
Operating Income	-3,983	-203	1,858%	-2,063	5,895	-		-2,490	-406	513%	-1,225	4,279	-
Operating Margin	-10%	0%		-1%	2%			-17%	-1%	-	-1%	2%	
EBITDA	-2,499	1,217	-	4,197	11,434	-63%		-1,920	450	-	2,492	8,299	-70%
EBITDA Margin	-6%	2%		2%	4%			-13%	1%	-	2%	4%	
	<u>4Q03</u>	<u>4Q02</u>	<u>Var%</u>	<u>12M03</u>	<u>12M02</u>	<u>Var%</u>		<u>4Q03</u>	<u>4Q02</u>	<u>Var%</u>	<u>12M03</u>	<u>12M02</u>	<u>Var%</u>
Americatel Central America	(US\$)	(US\$)		(US\$)	(US\$)			(Ch\$)*	(Ch\$)*		(Ch\$)*	(Ch\$)*	
Revenues	16,670	14,183	18%	59,639	52,558	13%		7,098	8,667	-18%	35,414	38,147	-7%
Cost of Operations	12,882	9,849	31%	47,593	39,077	22%		5,387	5,909	-9%	28,261	28,362	0%
Selling & Administrative Expenses	2,038	2,235	-9%	6,821	7,113	-4%		899	1,415	-37%	4,050	5,163	-22%
Operating Income	1,750	2,099	-17%	5,225	6,368	-18%		813	1,343	-39%	3,103	4,622	-33%
Operating Margin	10%	15%		9%	12%			11%	15%		9%	12%	
EBITDA	2,428	2,801	-13%	8,119	9,038	-10%		1,070	1,768	-39%	4,821	6,560	-27%
EBITDA Margin	15%	20%		14%	17%			15%	20%		14%	17%	

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

Entel Group Consolidated Income Statement (Audited)
(in thousands of Chilean Pesos as of December 31, 2003)

	Dec-03	Dec-02	Var %
INCOME STATEMENT			
NET REVENUE	729,251,899	812,809,284	-10%
OPERATING COSTS	(407,628,886)	(479,806,947)	
Gross Profit	321,623,013	333,002,337	
SELLING AND ADMINISTRATIVE EXPENSES	(213,411,131)	(234,466,188)	
OPERATING INCOME	108,211,882	98,536,149	10%
Non-Operating Results:			
Financial Income	3,013,148	2,627,008	
Other Income	283,568	2,312,519	
Income (loss) from affiliates	(193,838)	(1,646,560)	
Amortization of goodwill	(3,816,503)	(3,604,260)	
Financial Expenses	(25,897,476)	(29,739,366)	
Other Expenses	(12,967,711)	(18,499,931)	
Price-level restatement	(8,471,831)	(7,622,803)	
Exchange gain	7,937,277	4,784,827	
NON OPERATING INCOME	(40,113,366)	(51,388,566)	-22%
Income before tax	68,098,516	47,147,583	
Income Tax	(8,071,253)	(4,338,692)	
Consolidated Net Income before minority interest	60,027,263	42,808,891	
Minority Interest	(85,650)	(1,302,056)	
Net income (loss)	<u>59,941,613</u>	<u>41,506,835</u>	
Amortization of negative goodwill	35,590	-	
NET INCOME	59,977,203	41,506,835	44%

Entel Group Consolidated Balance Sheet (Audited)
(in thousands of Chilean Pesos as of December 31, 2003)

	Dec-03	Dec-02
ASSETS		
Current:	14,672,321	13,890,031
Time deposits	26,315,699	10,281,408
Marketable securities	975,367	3,052,917
Trade accounts receivable, net	185,390,870	201,399,079
Notes receivable, net	8,342,200	9,709,251
Other accounts receivable, net	8,224,915	10,946,126
Due from related companies	-	17,887,234
Inventories	10,751,860	11,039,766
Recoverable taxes	14,611,096	8,728,862
Prepaid expenses	10,813,549	9,356,921
Deferred taxes	13,843,737	14,410,956
Other current assets	70,846,874	51,488,507
Total Current Assets	364,788,488	362,191,058
Property, Plant and Equipment:		
Land	7,524,989	7,756,684
Buildings and infrastructure	200,313,715	198,041,870
Plant and equipment	1,177,309,391	1,127,877,539
Other fixed assets	180,420,178	174,925,952
Accumulated depreciation	(795,057,905)	(687,555,729)
Total Property, Plant and Equipment, net	770,510,368	821,046,316
Other assets:		
Investments in related companies	-	194,804
Investments in other companies	9,889,718	12,039,825
Goodwill	53,036,586	57,635,239
Negative goodwill	(1,032,115)	-
Long-term accounts receivable	9,308,572	15,636,123
Accounts receivable from related companies	-	47,136
Intangibles	15,728,341	15,188,232
Amorization of intangibles	(3,658,593)	(1,843,641)
Others	13,365,017	21,332,649
Total other assets	96,637,526	120,230,367
TOTAL ASSETS	1,231,936,382	1,303,467,741

Entel S.A.
Fourth Quarter and Year End 2003 Results

Entel Group Consolidated Balance Sheet (Audited)
(in thousands of Chilean Pesos as of December 31, 2003)

	Dec-03	Dec-02
LIABILITIES AND SHAREHOLDERS EQUITY		
CURRENT		
Short-term bank loans	5,981,219	5,597,034
Current portion of long-term liabilities with banks and financial	12,717,849	17,798,716
Current portion of bonds payable	25,952,653	6,963,452
Current portion of notes payable and other long-term liabilities	62,175,835	5,187,063
Dividends payable	73,918	40,288
Accounts payable	97,976,653	114,055,352
Notes payable	-	505
Other payables	25,874,124	7,488,876
Notes and accounts payable to related companies	1,455,353	-
Provisions	6,208,022	5,900,195
Retentions	4,220,330	4,233,959
Unearned income	4,861,664	4,950,070
Other current liabilities	407,615	69,748
Total current liabilities	247,905,235	172,285,258
LONG-TERM		
Due to banks and other financial institutions	190,016,000	261,286,596
Bonds payable	132,976,497	155,506,131
Notes payable	47,862,517	134,206,154
Other payables	1,006,272	232,647
Long-term provisions	6,608,611	5,456,293
Long-term deferred taxes	12,048,063	8,546,693
Other long-term liabilities	3,570,452	8,046,901
Total long-term liabilities	394,088,412	573,281,415
Minority Interest	6,127,415	7,555,238
Shareholders' Equity		
Paid-in capital	412,177,259	412,177,260
Other reserves	(2,498,466)	8,693,154
Accumulated deficit for development period	-	(5,170,594)
Retained Earnings:	174,136,527	134,646,010
Accumulated earnings	117,696,536	95,528,064
Net income (loss) for the period	59,977,203	41,506,835
Dividend provisions	(3,537,212)	(2,388,889)
Total Shareholders' Equity	583,815,320	550,345,830
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,231,936,382	1,303,467,741