

A tall, slender telecommunications tower with multiple levels of antennas and equipment, positioned vertically on the left side of the slide. The tower is reflected in the white background below. Several circular logos with a stylized 'E' and the word 'ENTEL' are scattered around the tower.

ENTEL Results First Quarter 2003

Available at
www.entel.cl
“Investors” Section



Main Events

First Quarter 2003:

- Repaid debt in the amount of US\$ 33 million. As of April 2003, US\$ 58 has been repaid.
- Standard & Poor's improved Entel's rating trend from "stable" to "positive".
- Chilean telecommunication regulatory authority approved technical and economical basis for the mobile tariff setting process.



Chilean Mobile Tariff Setting Process Schedule

- Jan- Feb 03: Mobile companies propose and Chilean telecom regulator (“Subtel”) defines the technical and economical basis for the mobile tariff setting process.
- 25-Jul 03: Mobile companies give tariff proposal to Subtel.
- 22-Nov 03: Subtel issues objections and observations to mobile company’s proposals. In case of disagreement between mobile companies and Subtel, the opinion of an expert commission will be requested.
- Feb-Mar 04: Publication of new tariffs, with a retroactive effect starting January 2004.

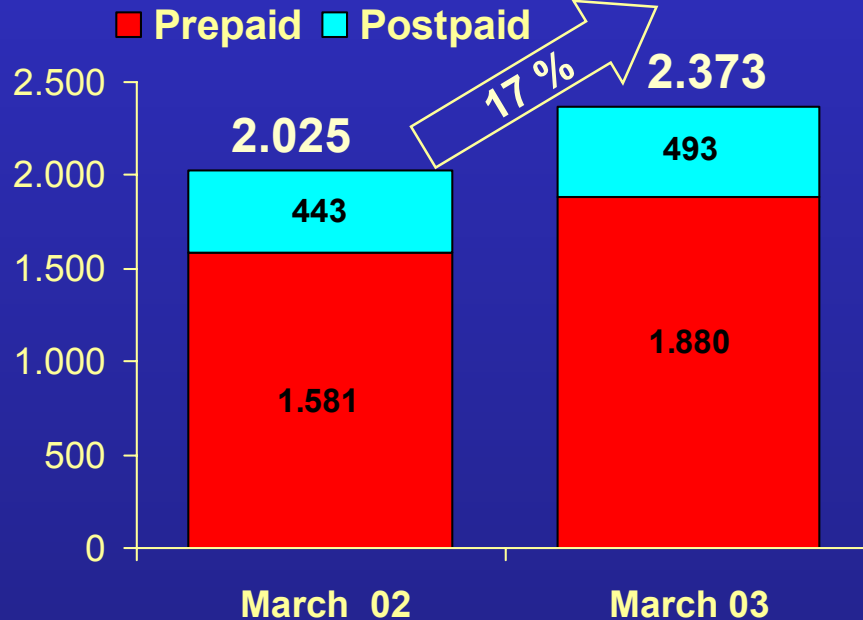


Activity by Business Sector

- Mobile Telephony
- Long Distance
- Data Services
- Internet
- Local Telephony
- International Subsidiaries

Mobile Telephony

Entel's Mobile Subscribers
(In Thousands)



→ Leader with 41% market share.

→ Leader in the monthly client capture rate.

→ Continues high client growth rate. Gross revenues of 165,560 clients during 1Q03.

→ Continued lower prepaid handset subsidies.

→ Mobile companies looking for higher profitability.

→ Increase in average prepaid pack price to Ch\$ 58,000 and postpaid initial payment to Ch\$ 22,500.

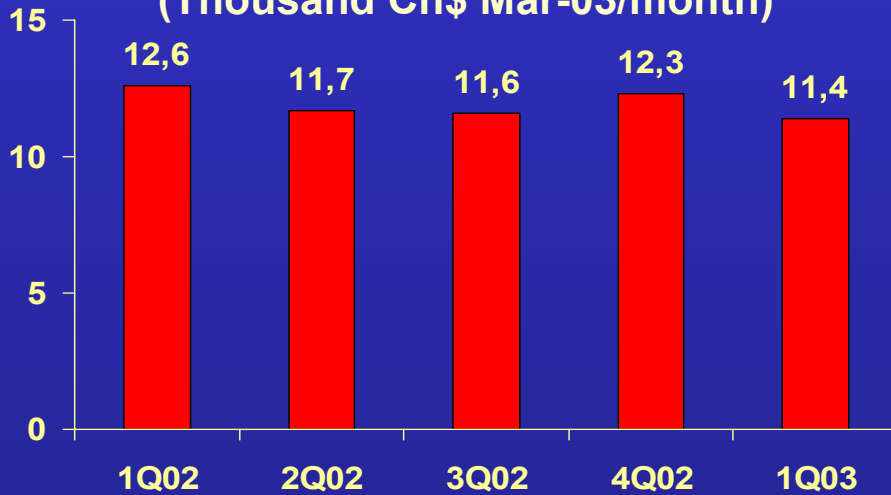
→ Focus on product innovation to improve ARPU.



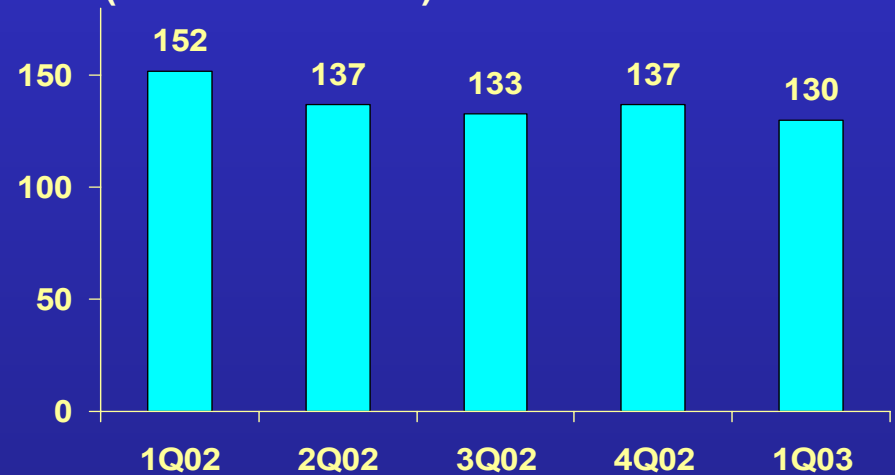
Mobile Telephony

Exchange rate: 731.56 Ch\$/ US\$

ARPU Average (Thousand Ch\$ Mar-03/month)



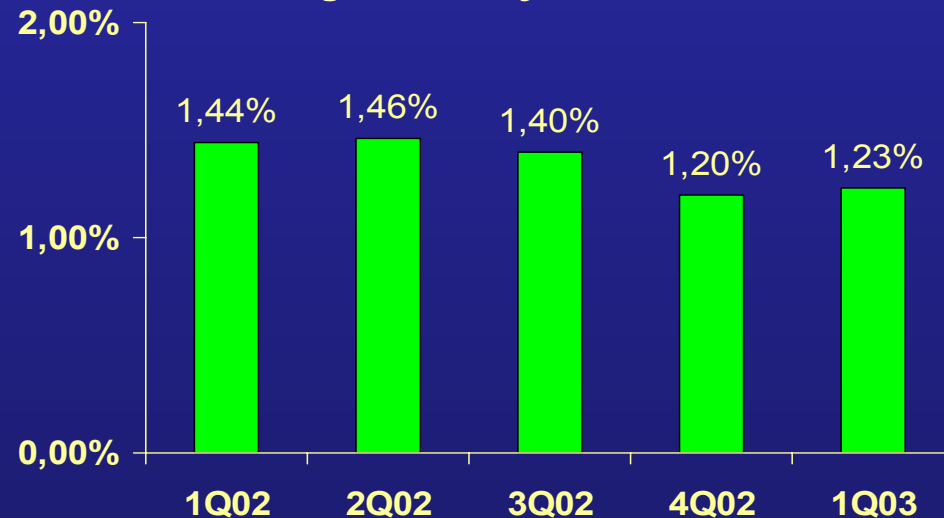
MOU Average (Minutes/month)



1Q03 vs 1Q02:

- ARPU and MOU decreased 10% and 14% respectively, due to a higher penetration rate and a lower incoming traffic from local telephones .
- Monthly churn remains low at 1.23%, due to Entel's current client retention strategies and a customer database adjustment.

Average Monthly Churn



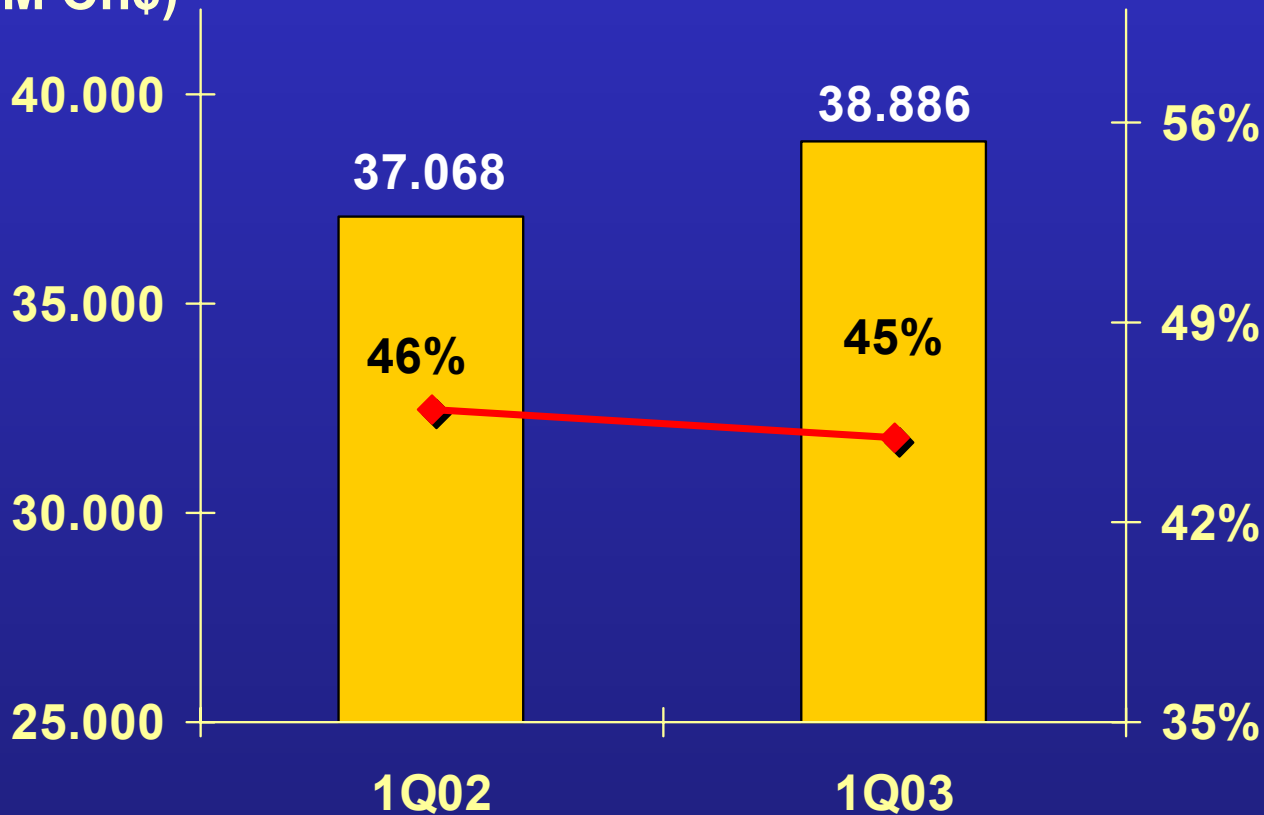


Mobile Telephony

Exchange rate: 731.56 Ch\$/ US\$

EBITDA
(MM Ch\$)

■ EBITDA ◆ EBITDA Margin



→ EBITDA increased 5% in 1Q03 vs. 1Q02. Operating income increased 40% in first quarter.

→ Slight decrease of EBITDA margin due to a higher mobile-to-mobile traffic mix.

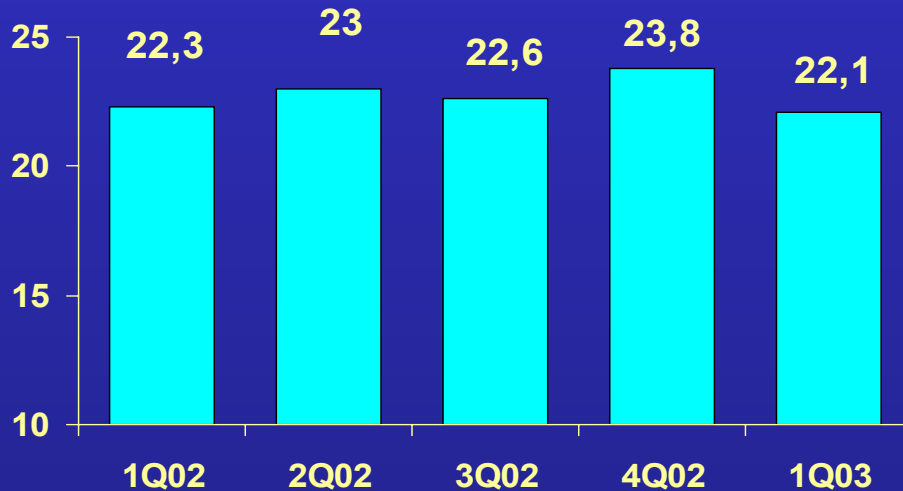
→ Current business development is generating growth in profitability and in cash generation.

EBITDA: Operating income + Depreciation+ Amortization.

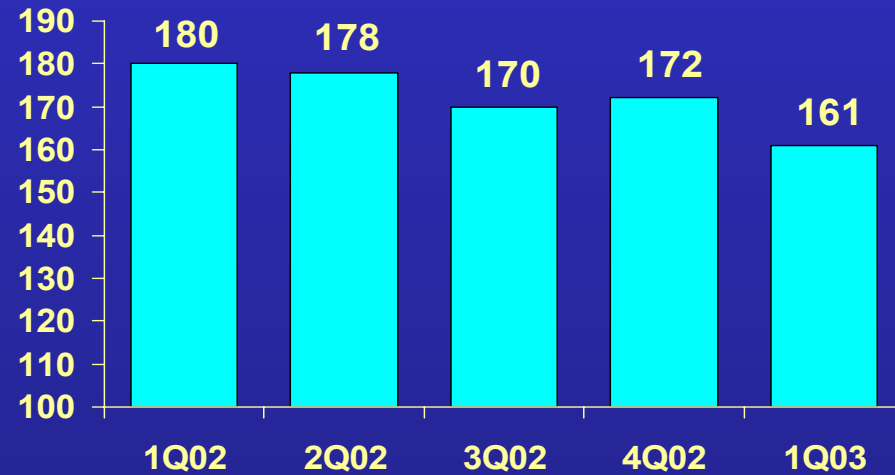


Long Distance

ILD Traffic - Quarterly Evolution
(Millions of minutes)



DLD Traffic - Quarterly Evolution
(Millions of minutes)



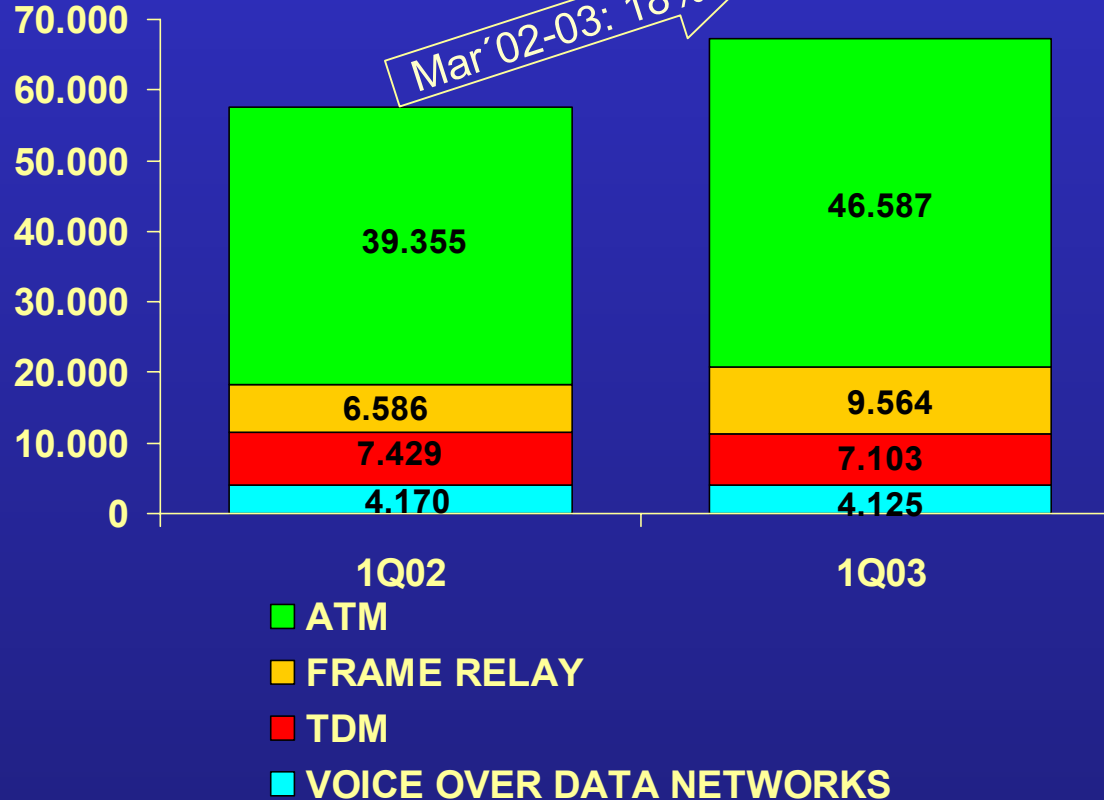
- ILD: flat traffic, with a 5% tariff reduction in 1Q03 vs 1Q02.
- DLD: traffic continues decreasing with a 2% increase in tariffs.
- Stable market share: 37% DLD and 39% ILD.
- Strategy on value added service development to increase ARPU and loyalty: “corta distancia” (or “short distance”) plans.



Data Services

Selected Equivalent Lines

64 Kb equivalent circuits



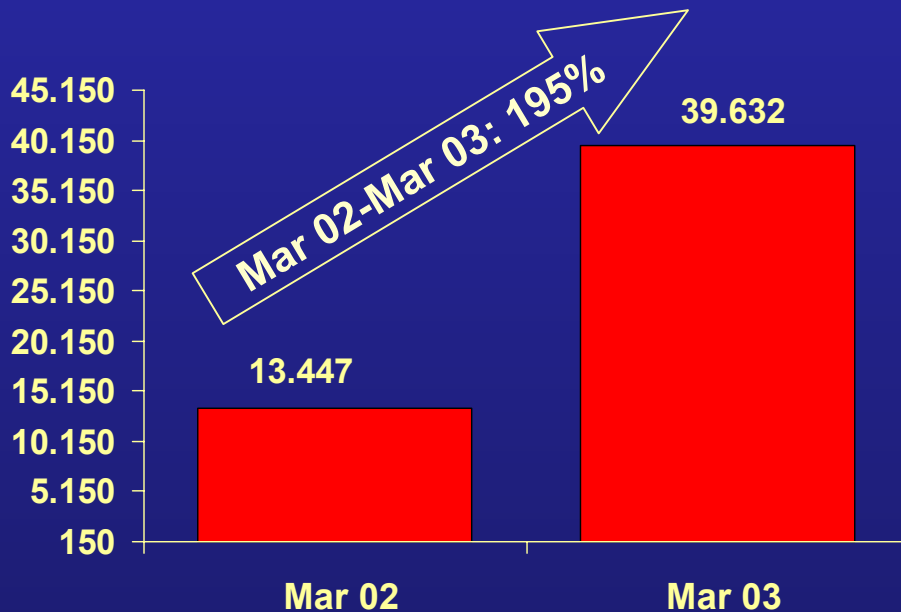
- Continues service migration from low capacity to higher capacity services, looking for a better technological solution for the clients.
- Entel continues with a strategy of offering a bundle of complementary services such as a Call Center, integrated systems, Data Center and e-commerce .



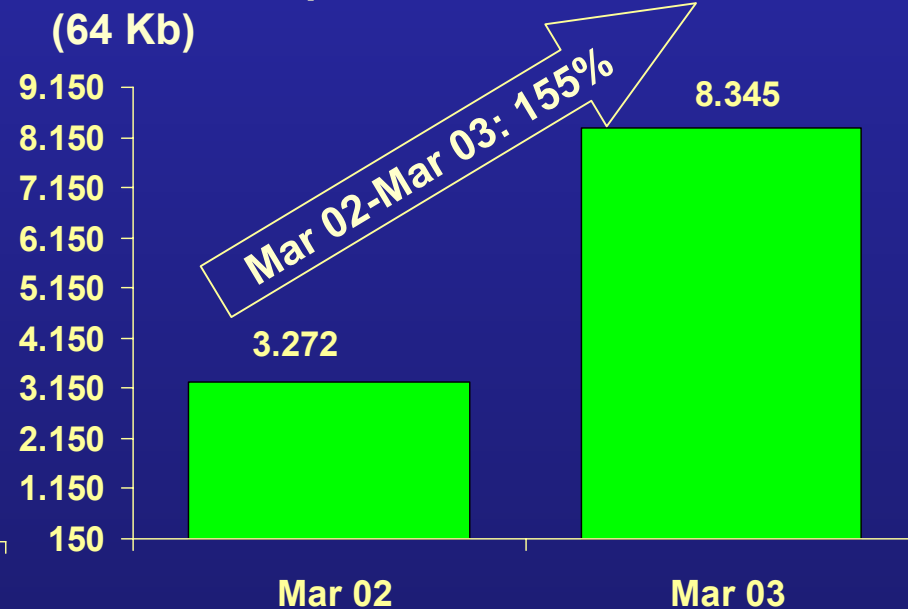
Internet

- Strong growth business in broadband.
- Strategy based both on own network (WLL/ Entelphone) and leased networks.
- The only company “with wireless and wire broadband”.

Broadband clients WILL + ADSL



Dedicated equivalent lines (64 Kb)



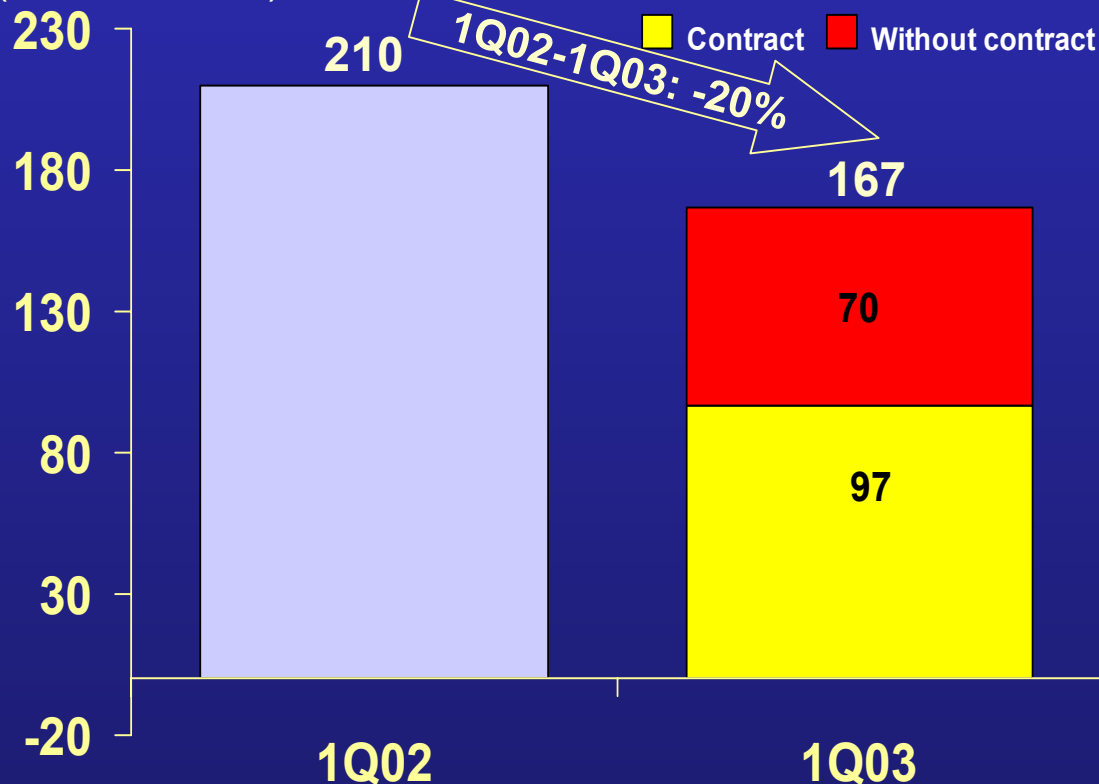


Internet

- Migration of contracted customers to broadband services.
- Plans adjusted to customer usage (“free”, “plus”, even tariffs).
- Incentive client usage through a good portal positioning and Merconet (market place).

Active Dial-Up Access Accounts

(In Thousands)



→ B2B marketplace (Merconet) clients: 511.

During 1Q03:

→ 29 million average page views/month.

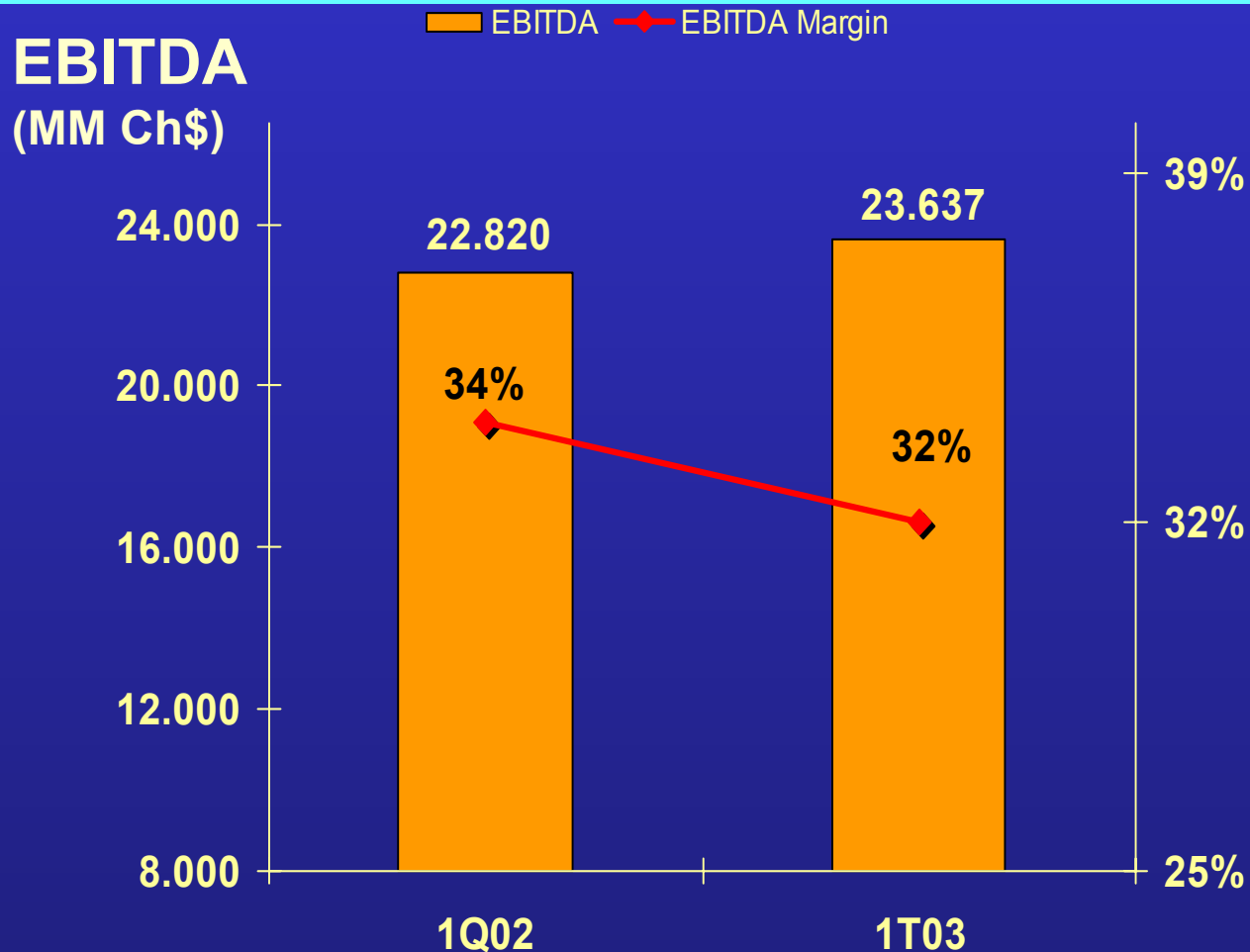
→ Average of 863 thousand unique visits/month.

*Adjustment in customer database in December 2002 for 32,351.



Entel Parent Company

Exchange rate: 731.56 Ch\$/ US\$



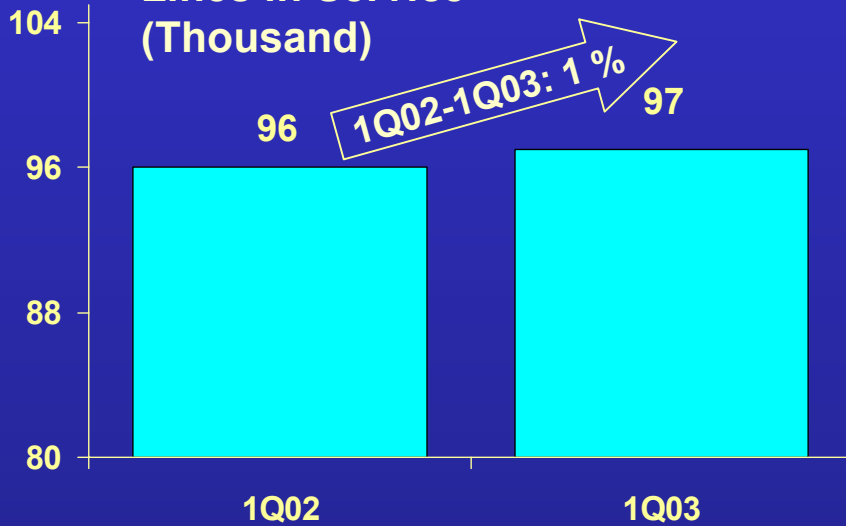
→ EBITDA increased 4% due to the Company's cost reduction plan.

→ EBITDA margin falls due to the increase of traffic businesses, which have lower margins.



Local Telephony

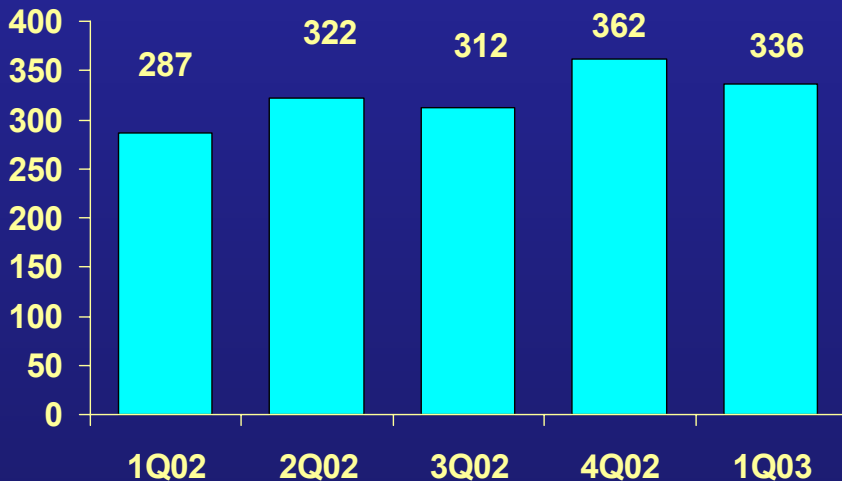
**Lines in Service
(Thousand)**



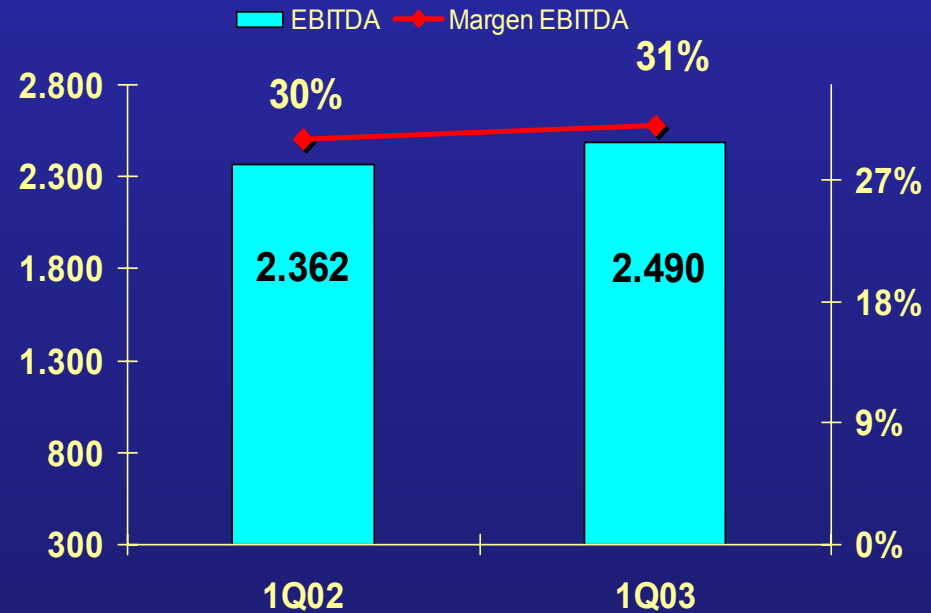
73% of billing lines in business and corporate customers.

→ 5% EBITDA increases in 1Q03 compared to 1Q02 due to higher fixed charge and variable charge revenues.

**Traffic - Quarterly Evolution
(millions of minutes)**



EBITDA*
(MM Ch\$)

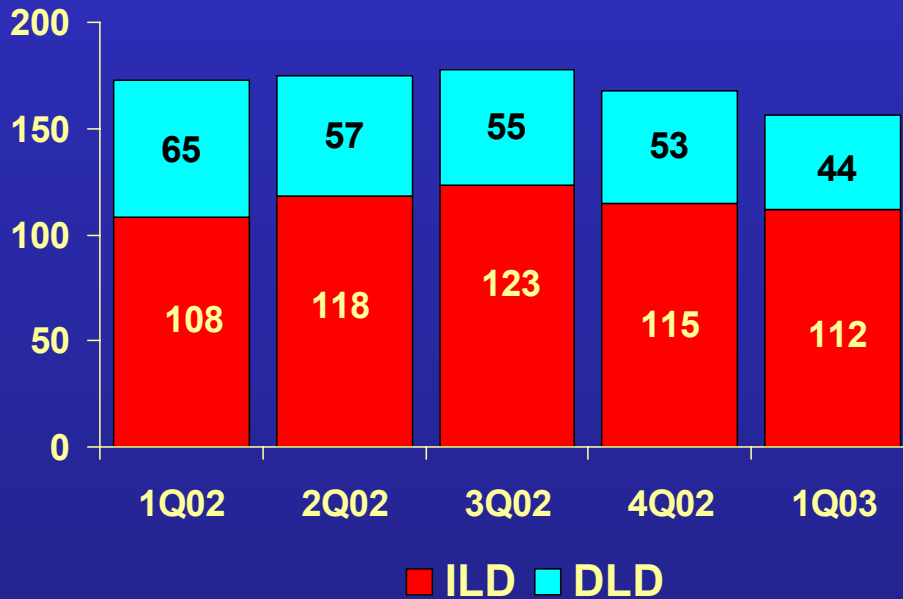


*This figure does not include WLL.



Americatel USA

Dial-around -10 10 123 + Contracted Traffic
Quarterly Evolution (Million minutes)

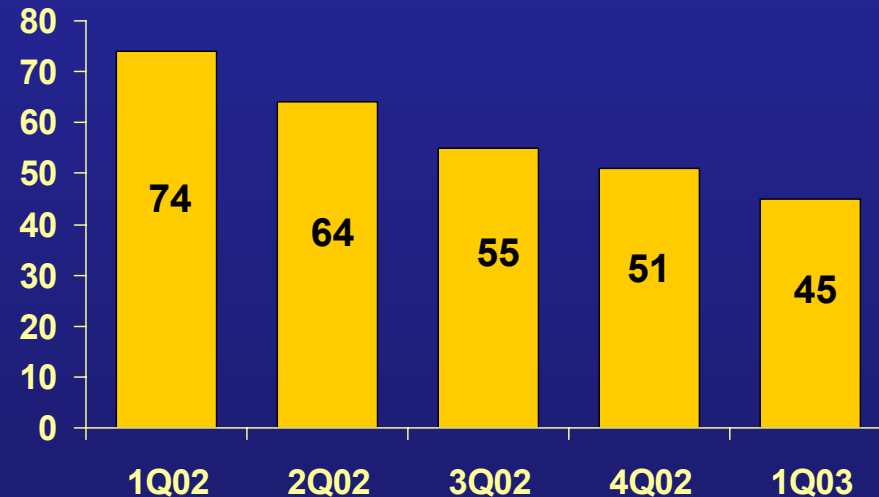


→ Prepaid card traffic decreased 38% associated with a competitive environment.

Dial-around + Contracted margin trend:

- ILD direct margins decreased due to tariff decrease associated with a more competitive environment.
- DLD direct margin improved due to higher tariff and to cost reduction.

Prepaid Ticket Traffic
Quarterly Evolution
(Millions of minutes)



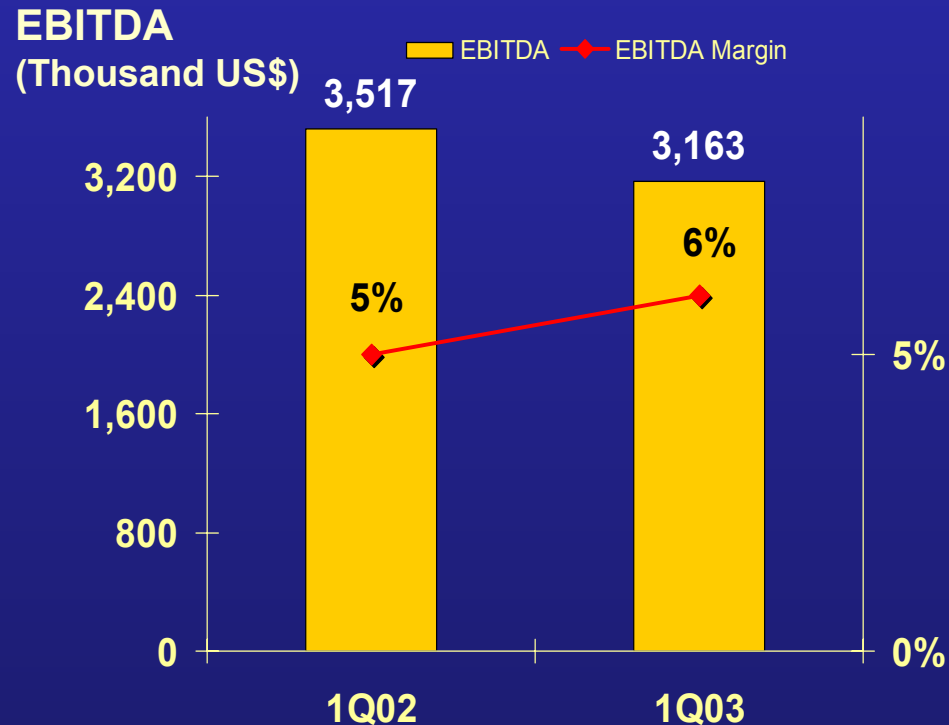


Americatel USA

→ Profitability strategy:

- Dial-around + Contracted segment: development of new services (short distance plan, tariff control) to increase ARPU and customer loyalty.
- Prepaid segment: Development of joint-ventures and cobranding, to decrease distribution costs. Focus on profitable geographic areas.
- Improvement of traffic routing costs and unbillable customers identification.

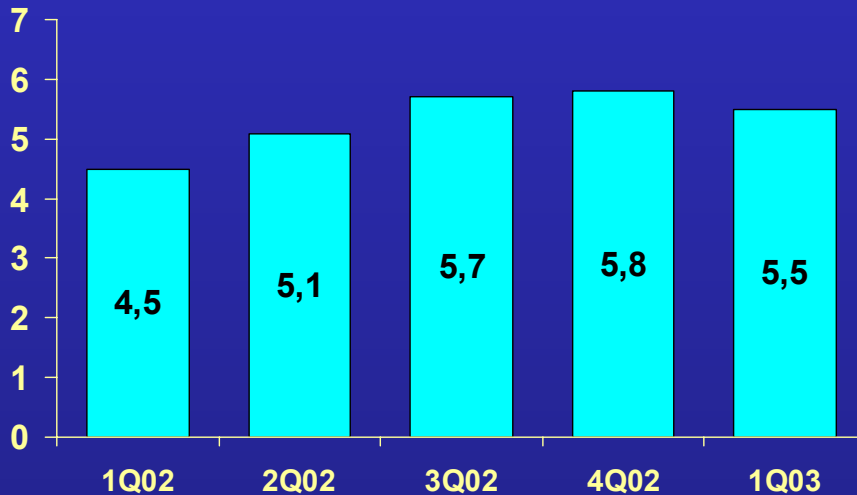
→ Despite of a strong decrease in revenues (28%), EBITDA decreased only 10%.



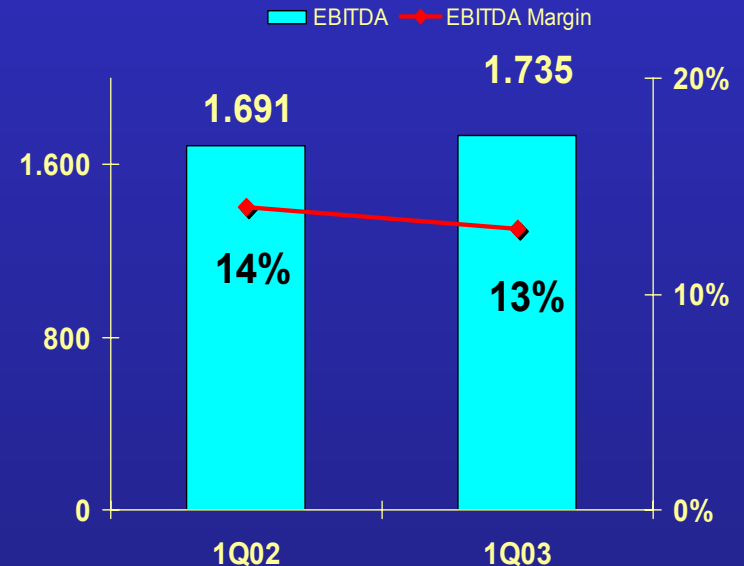


Americatel Central América

Carrier 158 (El Salvador) + 143 (Guatemala)
Traffic - Quarterly Evolution
(Millions of minutes)



EBITDA
(Thousand US\$)



→ EBITDA increased due to higher revenues in telephony and cost contention.

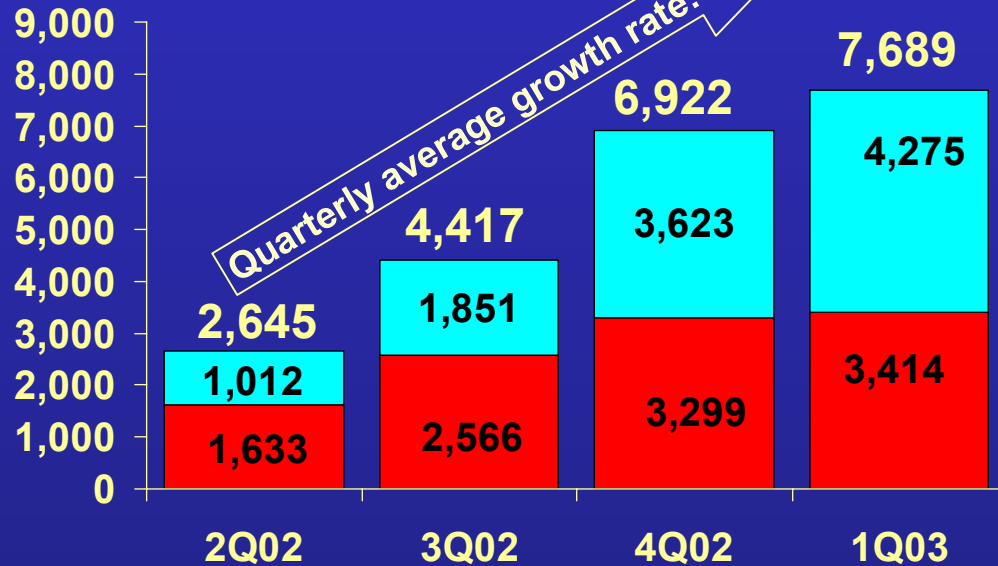
→ During 1Q03 an interconnection contract renewed with a local incumbent in El Salvador.

→ This contract establishes access charge tariffs for a 5 year period.



Americatel Peru and Venezuela

Quarterly Revenues Americatel Perú (ILD +DLD)
(Thousand US\$)

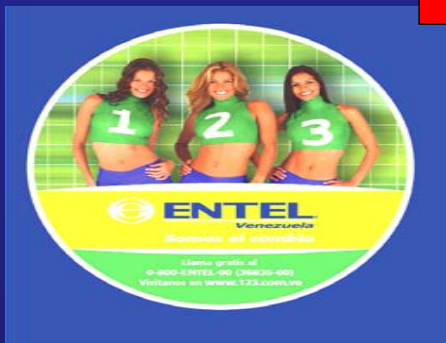
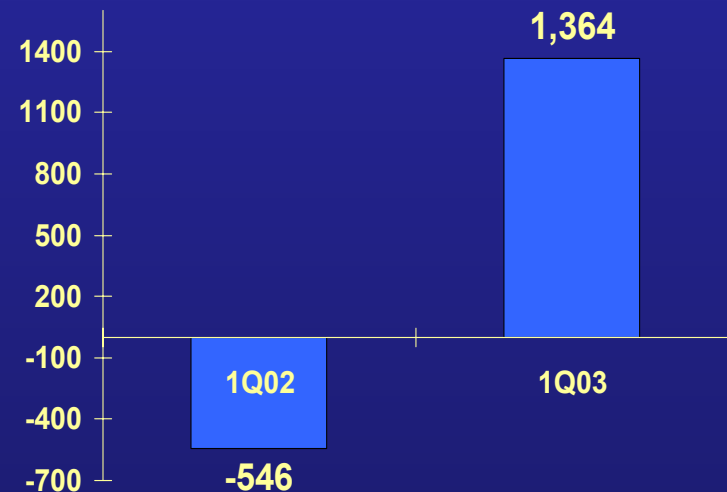


→ Americatel Peru Market Share:

- ILD: 35%.
- DLD: 28%.

→ Positive EBITDA in Peru at the beginning of the second year of operation.

EBITDA Perú
(Thousand US\$)



→ Venezuela: minimum operation during the uncertain situation.



Financial Results First Quarter 2003

- Consolidated Operating Results
- Non Operating Results



Consolidated Quarterly Results

(MM Ch\$ March-03)

Exchange rate: 731.56 Ch\$/ US\$

	1Q03	1Q02	Var%
Net revenues	200.911	193.216	4%
Cost of operations	113.735	112.100	1%
Selling & administrative expenses	55.354	56.167	-1%
Operating income	31.822	24.949	28%
Ebitda	66.101	62.498	6%
Non operating income	-9.414	-10.168	-7%
Income before tax & minority interest	22.408	14.781	52%
Tax	-2.764	-1.423	94%
Minority interest	-185	-293	-37%
Net income	19.460	13.065	49%

- Mobile business growth generates strong operating income growth.
- Higher operating income in Entel Parent Company due to lower SG&A, as a result of cost reduction plan.
- Lower net financial expenses and costs associated to refinancing and hedging.

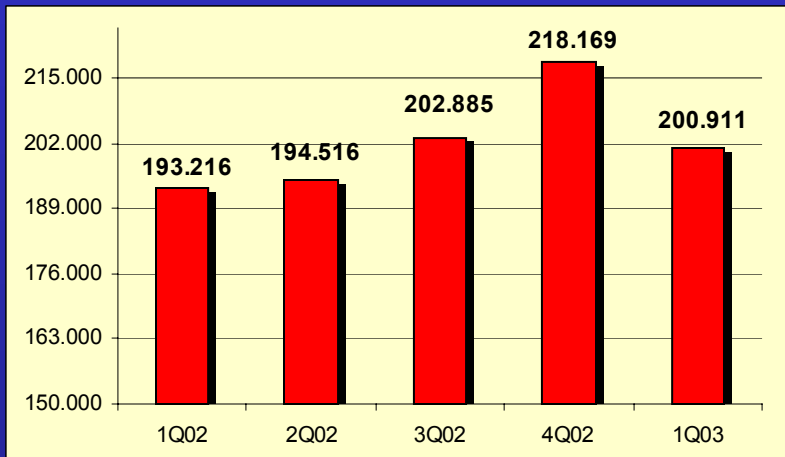


Consolidated Quarterly Results

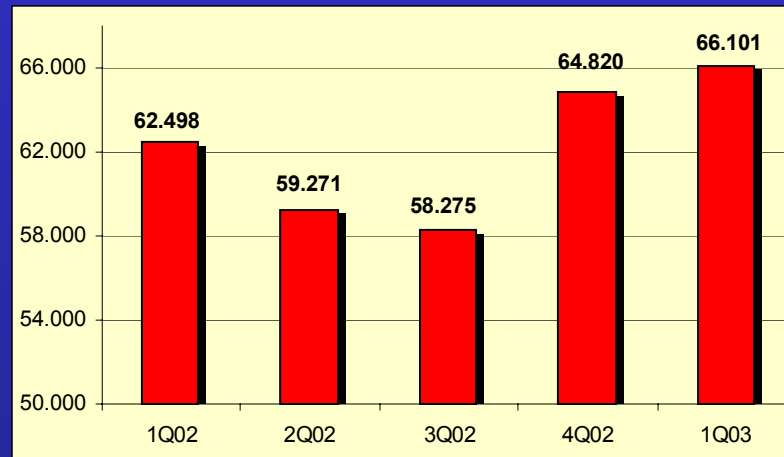
(MM Ch\$ March-03)

Exchange rate: 731.56 Ch\$/ US\$

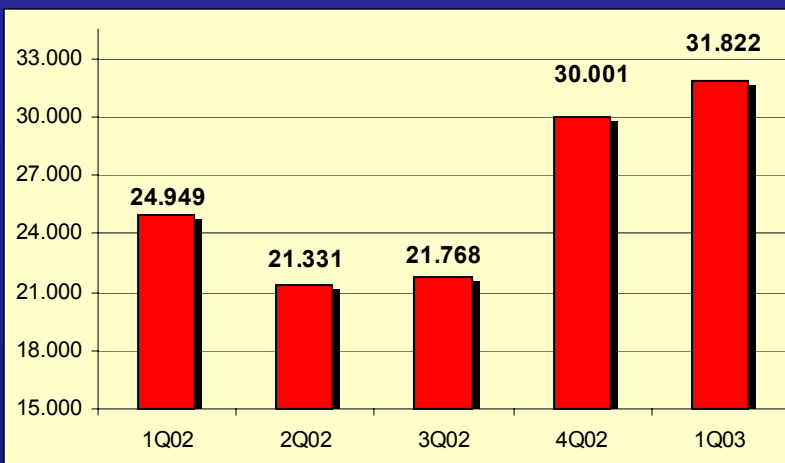
Revenues



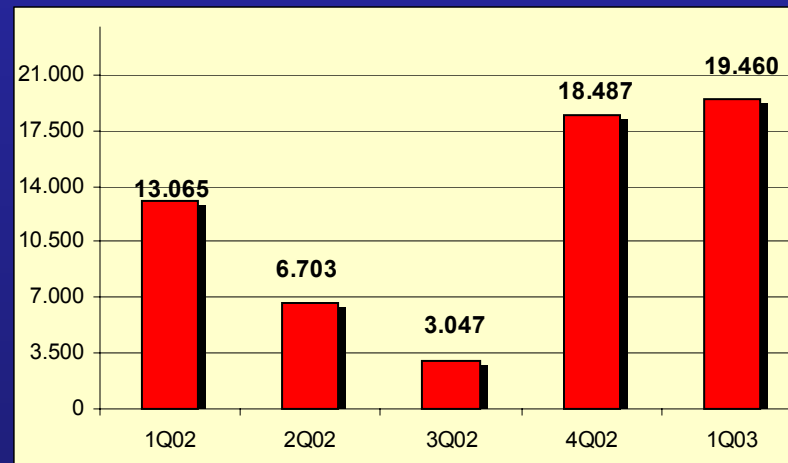
EBITDA



Operating Income



Net Income





Consolidated Revenues

(MM Ch\$ March-03)

Exchange rate: 731.56 Ch\$/ US\$

	1Q03	1Q02	Change %	Var MM\$
Net revenues	200,911	193,216	4%	7,695
Mobile services	84,841	78,683	8%	6,158
Domestic long distance	12,790	14,207	-10%	-1,417
International long distance	6,082	6,648	-9%	-566
Internet	6,870	6,933	-1%	-63
Data services	8,523	9,018	-5%	-495
Other telecommunication companies	3,410	2,495	37%	915
Traffic business	19,756	13,245	49%	6,510
International subsidiaries	49,088	53,023	-7%	-3,935
Local telephony	6,947	6,596	5%	352
Others	2,603	2,368	10%	235

- **Mobile telephony** :+18% increase in the average customer base, partially offset by a 10% decrease in ARPUs.
- **Traffic business** : higher wholesale revenues in the parent company.
- **DLD** : 11% traffic decrease and a 2% increase in average tariffs.
- **ILD** : 5% tariff decrease and traffic and a slight tariff decrease.
- **International subsidiaries**: decrease in prepaid services from Americatel USA, partially compensated by higher revenues from Americatel Peru and Americatel Central America .
- **Data services** : lower low-speed data services revenues, partially compensated by ATM and Frame Relay services.



Consolidated Costs and Expenses

(MM Ch\$ March-03)

Exchange rate: 731.56 Ch\$/ US\$

	1Q03	1Q02	Change %	Var MM\$
Cost of operations and Selling & adm. Expenses	169,089	168,267	0%	822
Access charges	30,379	23,184	31%	7,195
Payments to correspondents	27,845	29,964	-7%	-2,119
Depreciation & amortization	30,244	29,017	4%	1,227
Salaries & expenses	17,327	18,174	-5%	-847
Outsourced service	11,508	14,527	-21%	-3,019
Amortization of prepaid equipment	3,840	8,166	-53%	-4,326
Bad debt provision	7,068	6,074	16%	994
Others	40,878	39,163	4%	1,715

- **Access charges:** higher outgoing traffic to mobile networks from Entel PCS, higher traffic in Americatel Peru and in Americatel Central America.
- **Depreciation and amortization:** higher software investment mainly in broadband, data service and data center.
- **Amortization of prepaid equipment:** lower customer base growth rate and lower prepaid handset subsidies.
- **Outsourced services:** lower activity in Americatel USA and cost reduction in the parent company.
- **Payments to correspondents:** lower traffic activity in Americatel USA, partially compensated higher traffic in the parent company.
- **Salaries & expenses:** headcount reduction process in the parent company during 3Q02.

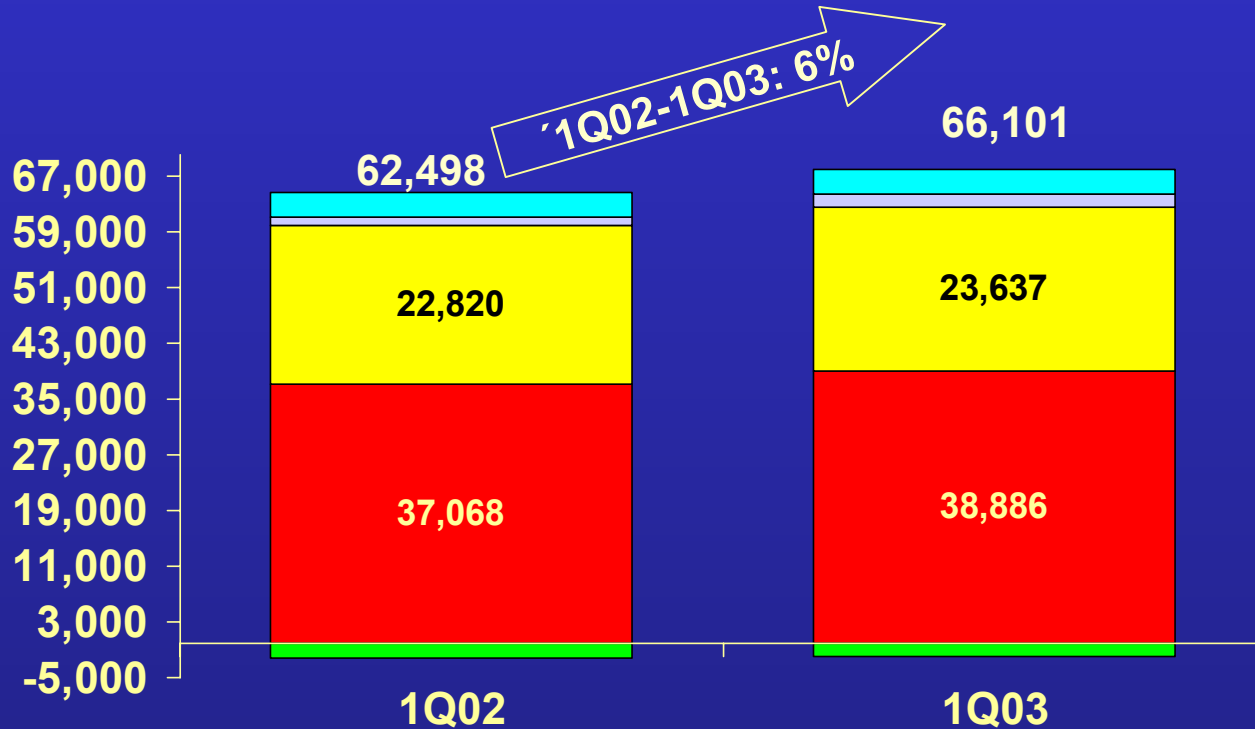


Consolidated Cash Generation*

*Operating Income + Depreciation + Amortization

(MM Ch\$ March-03)

Exchange rate: 731.56 Ch\$/ US\$



- Others
- International Subsidiaries
- Local Service
- Entel (LD+Internet+Data Serv)
- Mobile Service

	1Q02	1Q03
EBITDA Margin	32%	33%



Consolidated Non Operating Results

(MM Ch\$ March-03)

Exchange rate: 731.56 Ch\$/ US\$

	1Q03	1Q02	Change %
Non operating results	(9.414)	(10.168)	-7%
Interest income	646	537	20%
Other income	274	154	79%
Equity in losses of related companies	(194)	(306)	-37%
Amortization of goodwill	(898)	(891)	1%
Financial expenses	(6.846)	(7.069)	-3%
Other expences	(2.188)	(2.851)	-23%
Price level restatements & gain (loss) for exchange rates	(209)	258	

Other non operating expenses:

- Lower refinancing and hedging costs.



Consolidated Debt & Hedge

HEDGE	March	March
First Quarter	2003	2002
Average Hedge Debt (US\$ thou.)	399,512	553,875
Hedging Cost (US\$ thou.)	222	409
Current Rate March 2003 (Annual %)	0.75%	0.68%

CONSOLIDATED DEBT	March	March
	2003	2002
Average Gross Debt (MM Ch\$)	565,107	552,448
Average Financial Expenses (MM Ch\$)	6,846	7,077
Current Rate March 2003 (Annual %)	4.76%	4.52%

Final Gross Debt (US\$ MM)	556,838	548,028
-----------------------------------	----------------	----------------

Final Net Debt (MM\$ Ch)	483,065	527,665
---------------------------------	----------------	----------------



Financial Ratios

Financial Indexes	MARCH 2003	MARCH 2002
Current assets / Current liabilities	2,39	1,54
Total liabilities / (equity + min.interest)	1,26	1,32
EBITDA / Financial expenses	9,68	8,84
Financial debt / EBITDA	2,27	2,36

→ Standard & Poor's improved Entel's rating from "BBB stable" to "BBB positive outlook", due to a positive financial and commercial performance.



End of Presentation