

A tall telecommunications tower with multiple antenna arrays is positioned 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. A large, semi-transparent blue banner with a world map and clouds is centered on the slide.

ENTEL Results Third Quarter 2004

Available at
www.entel.cl/Investors



Main Events Third Quarter 2004

- Extraordinary impacts affecting results:
 - Write offs: During the quarter Americatel USA affected by prior years` receivables write-offs of Ch\$ 10.4 billion in Americatel USA .
 - Impairments: Affecting the parent company and Entelphone in Ch\$ 7.1 billion.
- Americatel USA under deep re-organization.
- On October, Intelsat announced the approval to sell 100% of the company to Zeus Holdings. This could represent an extraordinary profit before taxes of Ch\$ 4,417 millions. Intelsat expects transaction finalization within the 4Q04.
- The Company concluded a debt payment of a trade facility of US\$ 20 million in October 2004.
- On October 27, Entel announced an interim dividend of Ch\$ 15 per share. The dividend represents the same amount distributed as interim dividend in 4Q03.



Income Statement adjustents in Sept.

✓Americatel USA:

Operating income impact:

- Unbillable after ending the collection of prior years` Notes receivables: MM\$ 10.382

✓Entel SA y Entelphone:

- Non-operating expenses impact due to assets impairments:

-Equipment and stocks:	MM\$ 1.654 (Entel)
	MM\$ 1.407 (EPH)
-Submarine fiber optic cables	MM\$ 4.003 (Entel)

Impact in income before taxes in Sept 2004: MM\$ 17.446



Activity by Business Sector



ENTEL
INTERNET

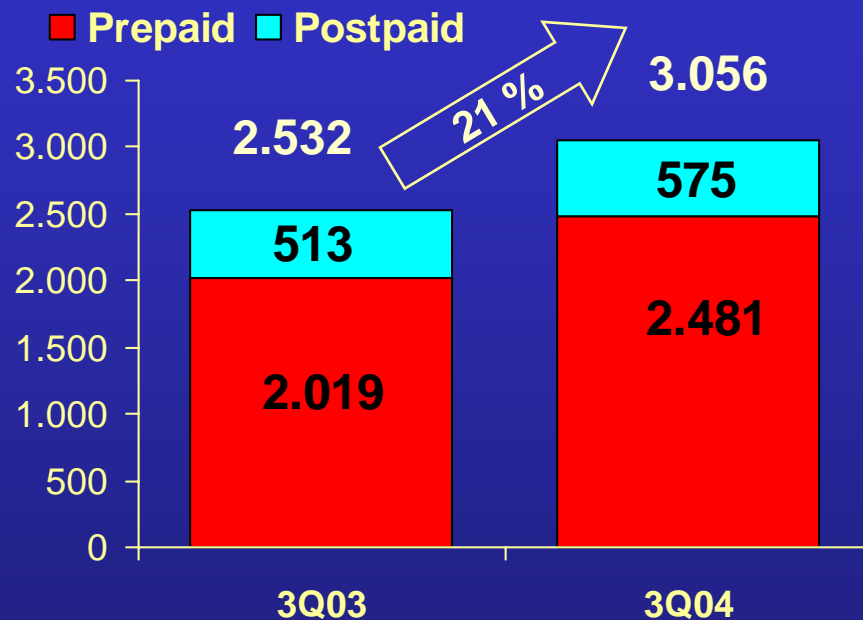
❖ **Enlace Internacional**
vía fibra óptica, de más de
200 Mbps

BANDA ANCHA
ADSL **ENTEL**



Mobile Telephony

Entel's Mobile Subscribers (In Thousands)



→40% market share as of Sept 04.

→Aggressive competitive environment during 3Q04.

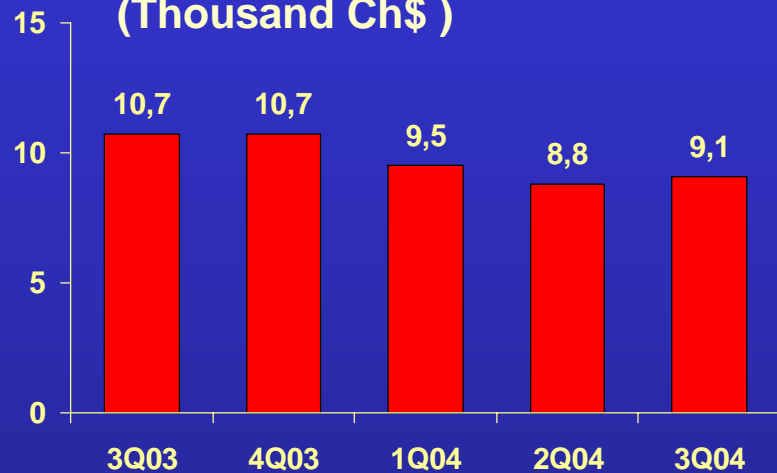
→Growing participation in higher value tier customers.

→ During this 3Q04 Entel PCS launched EDGE technology in Santiago and V Region.

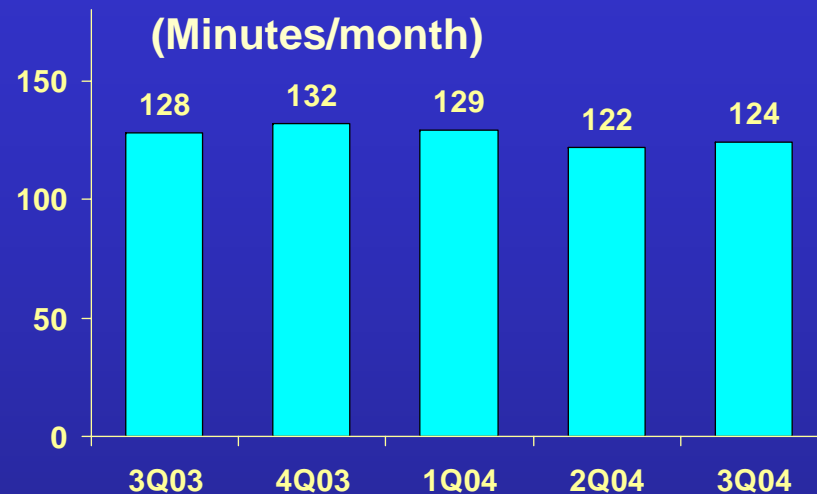


Mobile Telephony

ARPU Average (Thousand Ch\$)



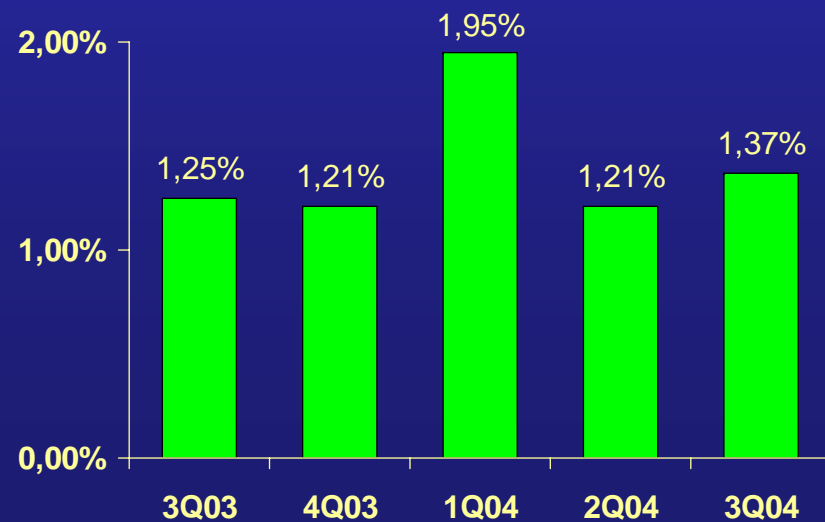
MOU Average (Minutes/month)



3Q04 vs 3Q03:

- ARPU decreased 16% mainly in the pre-paid segment. ARPU`s in the contract segment remained almost unchanged.
- MOU slightly decreased 3% compared to 3Q03, mainly in pre-paid segment.
- Churn: increased in pre-paid segment churn rate while contract segment decreased 53%.

Average Monthly Churn

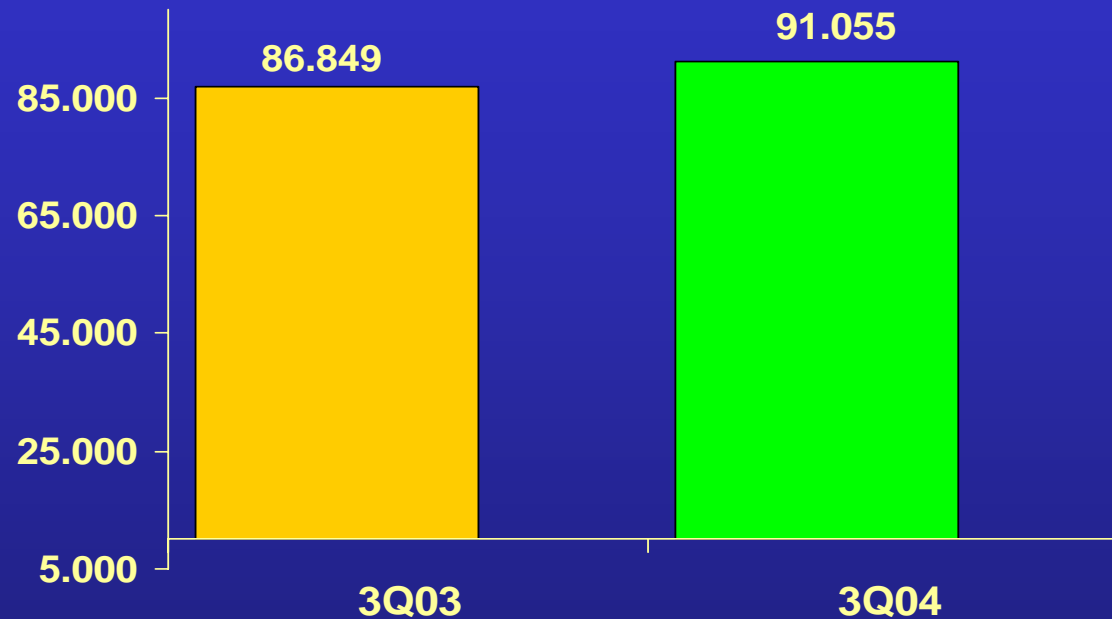




Mobile Telephony

Exchange rate: 608,9 Ch\$/ US\$

Quarterly Revenues (MM Ch\$)



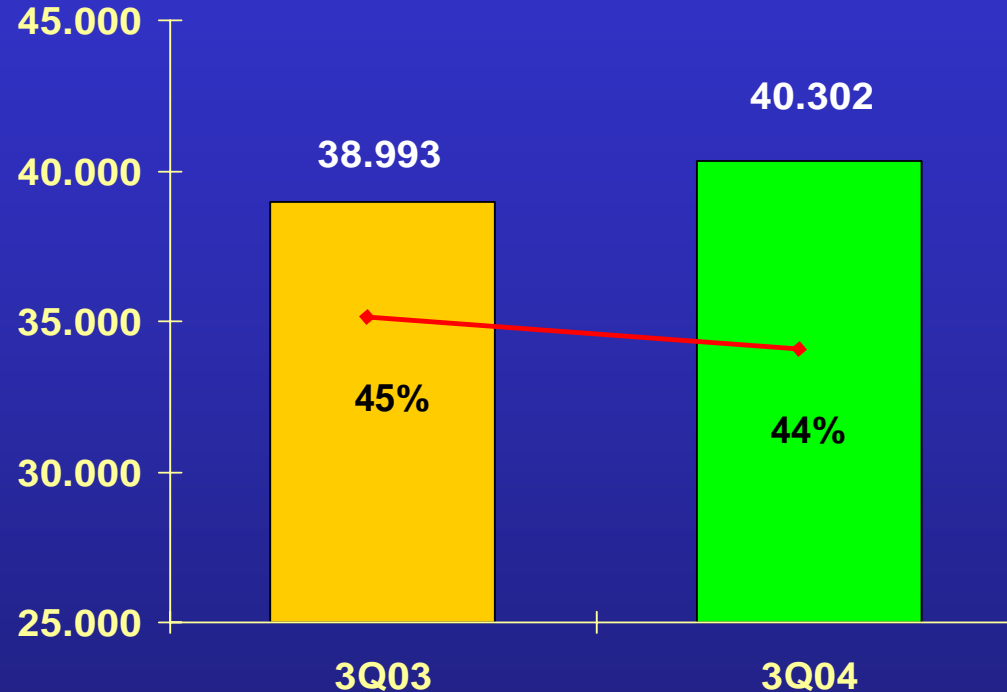
Revenue grew 5%, mainly in equipment sales 47%, outgoing calls 11% and value-added services 70%, partially offset by 19% decrease in access charges as a result of the reduction in interconnection fees.



Mobile Telephony

Exchange rate: 608,9 Ch\$/ US\$

**EBITDA Ch GAAP
(MM Ch\$)**



- EBITDA improved 3% due to higher service and equipment direct margins.
- Business development is leaving behind the impacts of deep reductions in access charges.

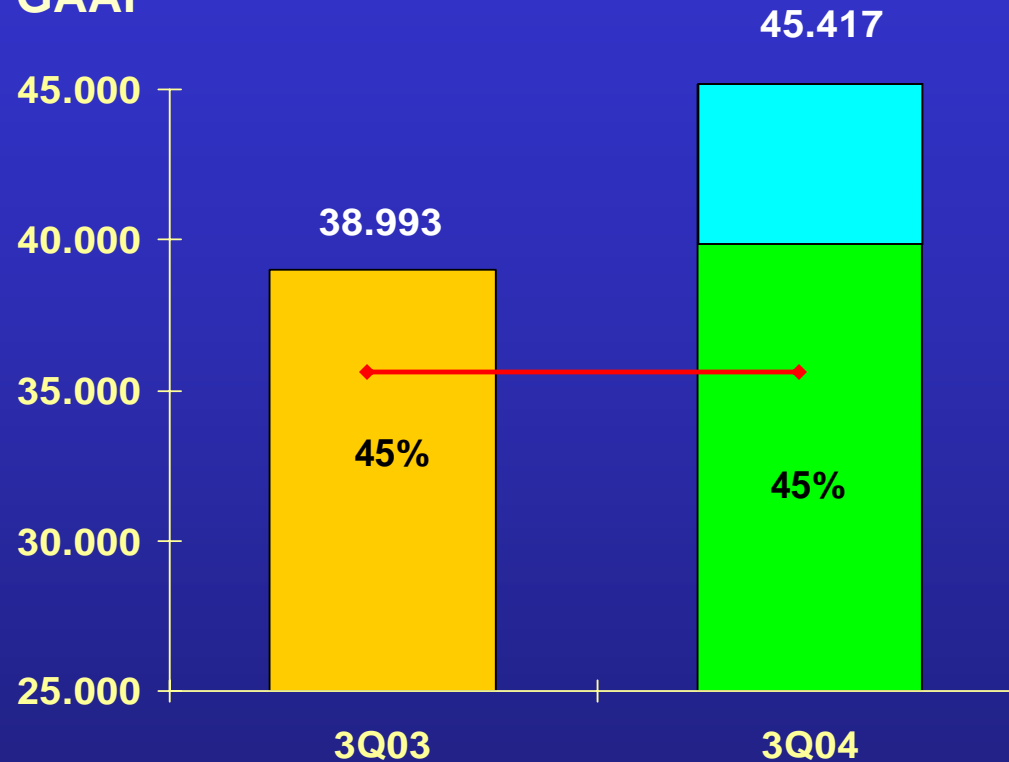
EBITDA: Operating income + Depreciation+ Amortization.



Mobile Telephony EBITDA without access charges reductions would have grown 16%

Exchange rate: 608,9 Ch\$/ US\$

EBITDA Ch GAAP
(MM Ch\$)

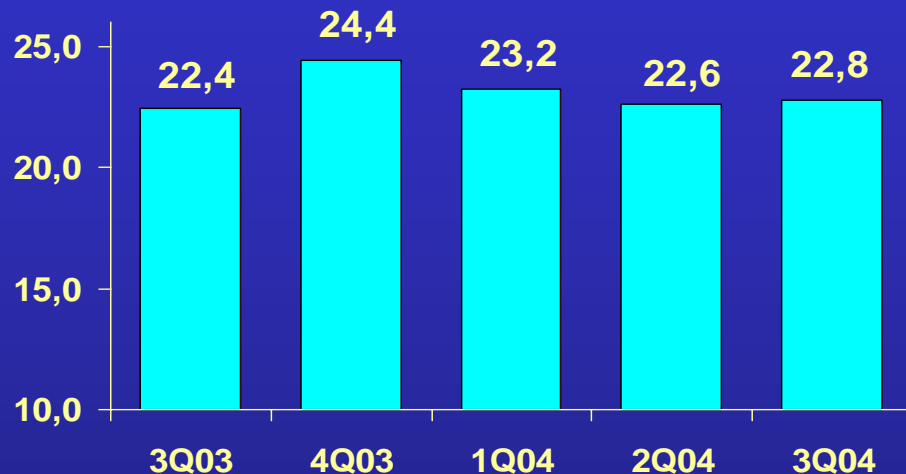


→ Changes in the regulatory framework effective in February 2004 had relevant impact in the Mobile results. Regardless this, the company continues growing its operations at high rates.

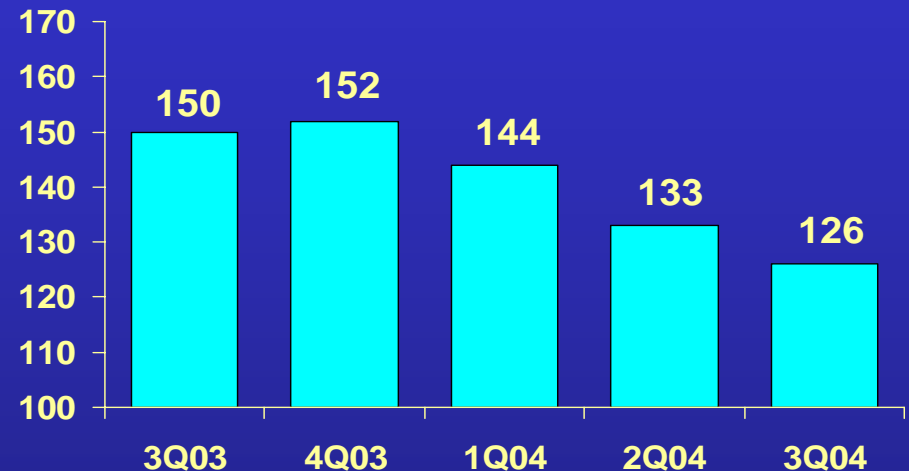


Long Distance

ILD Traffic - Quarterly Evolution
(Millions of minutes)



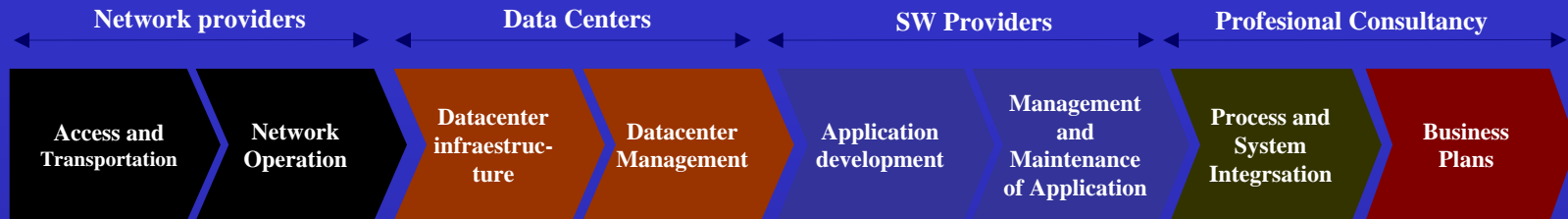
DLD Traffic - Quarterly Evolution
(Millions of minutes)



- International long distance (ILD) traffic increased 2% mainly in the contract dial-around service. Average tariffs decreased 11%.
- Domestic long distance (DLD) traffic decreased 16% while average tariffs increased in 3% in the period. The substitution effect from higher usage of mobile phones continues affecting traffic.
- Value Added Services represents 40% of revenues
- Average market share: 35% DLD and 41% ILD.



Data Services

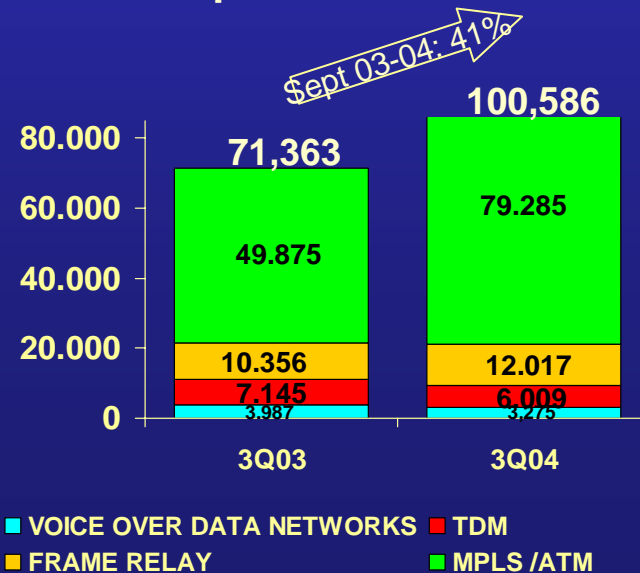


→ Focused on reaching a relevant position in integration and business process outsourcing (BPO) services, in the corporate segment offering integrating customized solutions.

→ Higher activity in 3Q04 in contracts related to the integration of services, and higher speed services (IP networks).

→ Relevant contracts with government agencies, mayor Chilean banks and private medical agencies.

Selected Equivalent Lines 64 Kb equivalent circuits



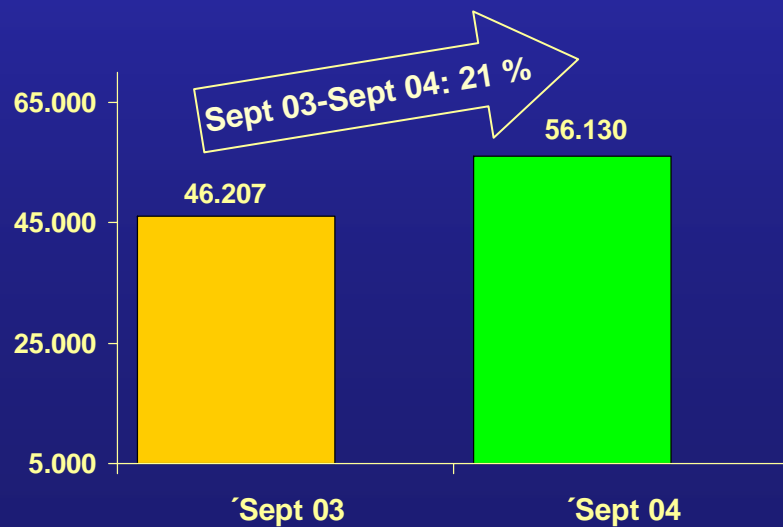


Internet

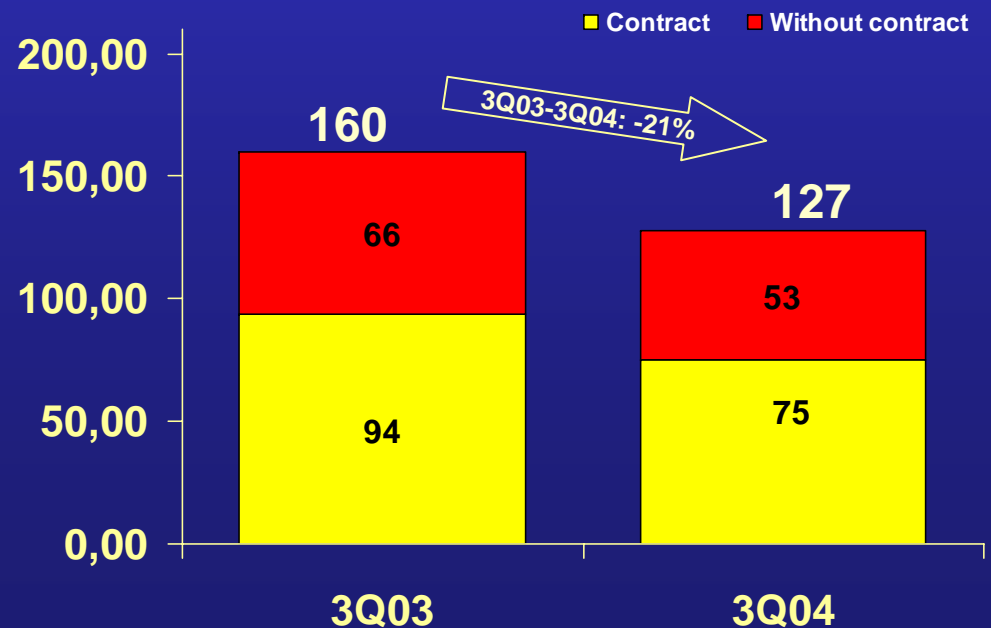
- Continue capturing broadband industry growth with own (WLL/ local) and leased network.
- Continue migration from dial-up access to broadband access service.

Broadband clients WILL + ADSL

-Currently WLL represents 42% of the customer base.



Active Dial-Up Access Accounts (In Thousands)

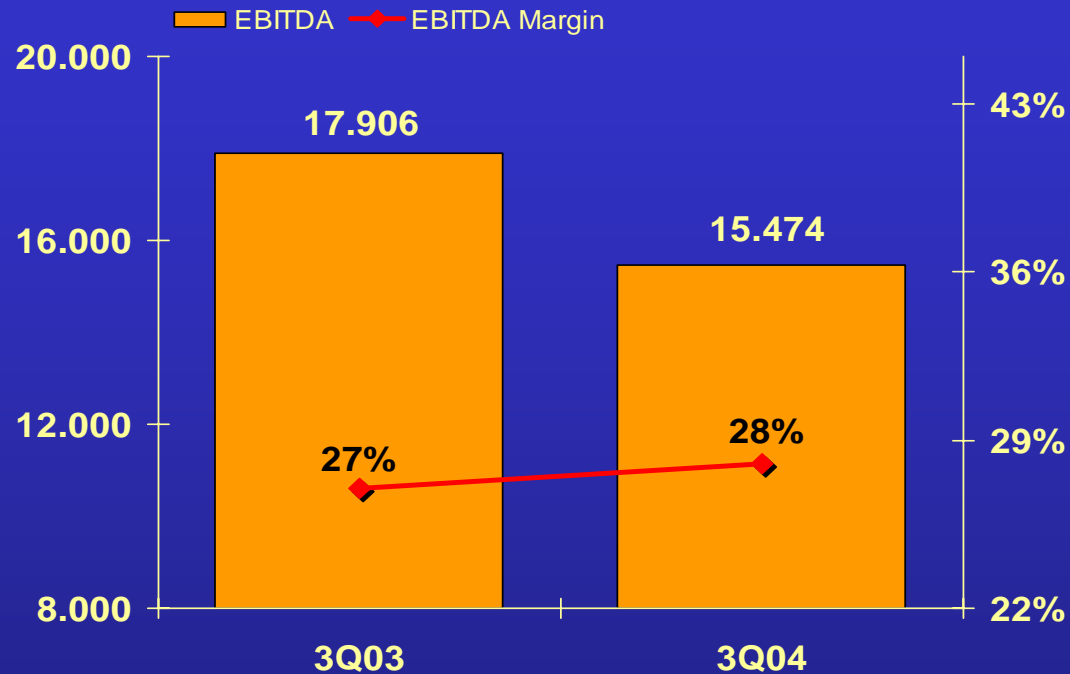




Entel Parent Company

Exchange rate: 608,9 Ch\$/ US\$

EBITDA (MM Ch\$)

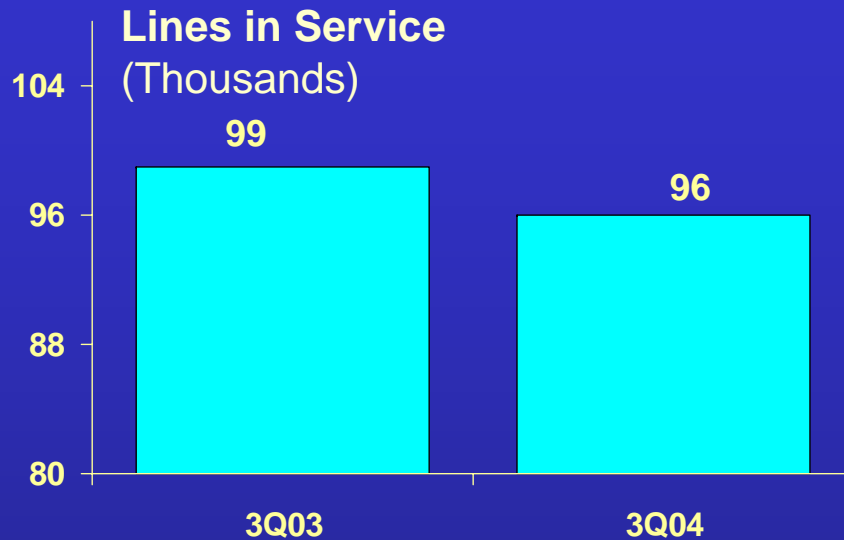


- EBITDA decreased 14% due to lower LD revenues and lower tariffs in leased capacity.
- Operational efficiencies and tight cost/capex control
- EBITDA margin improved mainly as a result of cost-efficiency plans

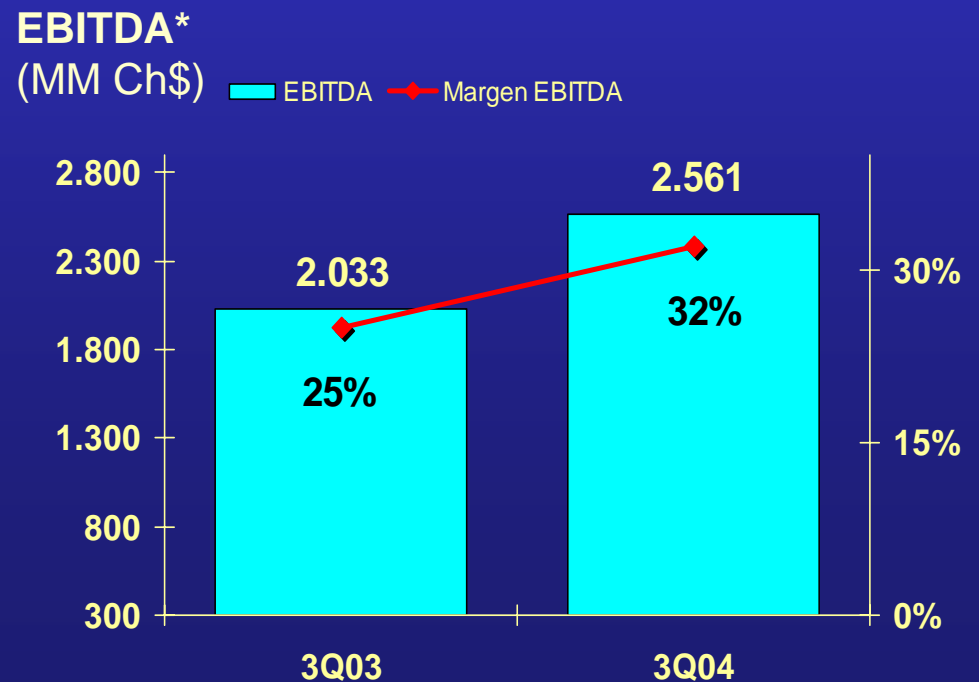
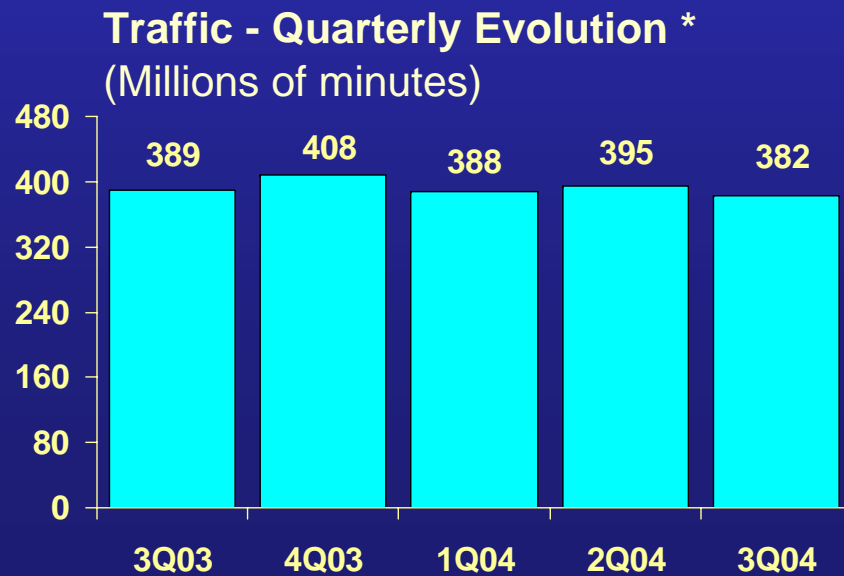


Local Telephony

Exchange rate: 608,9 Ch\$/ US\$



- Bundling of local telephony lines with ADSL.
- 81% of billing lines in business and corporate customers.
- Higher 26% EBITDA due to lower SG&A.
- Slight decrease in traffic and lines in services.



* Includes all traffic through Entelphone (SLM, Internet, LD, CPP).

*WLL not included.



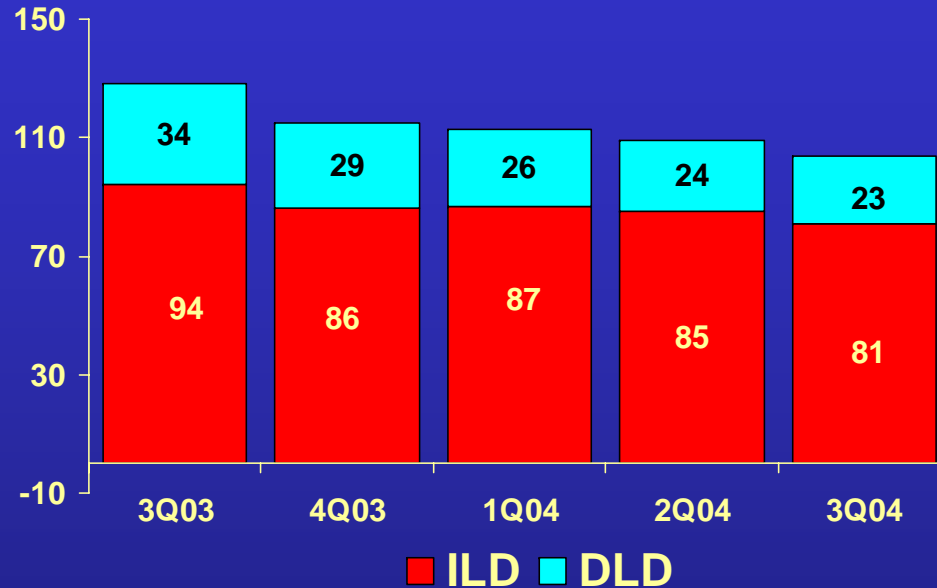
Americatel USA under deep reorganization

- Staff as of October is 31% lower than at the beginning of 2004. Currently 92 people.
- Strategic redefinitions:
 - Focus in 10-10-123 dial-around code and contract service.
 - Non core projects discontinued (ISP, Clec, others).
- Sharp reductions in costs and expenses in process (Call Centers, SAC, Salaries and Expenses, Marketing and Outsourcing).
- Goal is to improve profitability and boost cash flow in the short term.
- AT&T and MCI withdrawal from residential segment could reduce the competitive environment for Americatel's core business.



Americatel USA

Dial-around -10 10 123 + Subscribers Traffic
Quarterly Evolution (Millions of minutes)

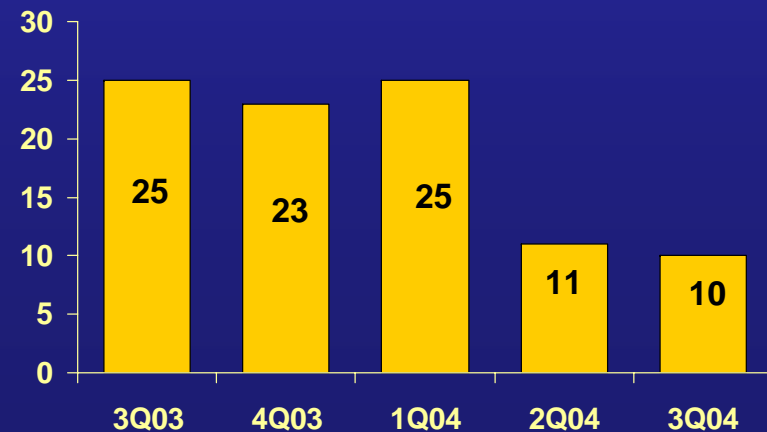


Dial-around + Contracts trend:

→ Direct margins stabilizing vs first half 2004.

→ Prepaid card strategy focused on profitable segments.

Prepaid Ticket Traffic
Quarterly Evolution
(Millions of minutes)





Americatel Corp Cash Flow.

<i>US\$ million</i>	9M04
Reported EBITDA	(22,6)
Prior years' Writeoff	<u>22,5</u>
Adjusted EBITDA	<u>(0,1)</u>
Capex	(0,8)
Working Capital and others net	1,0
Interest Expenses net	(0,8)
Recovery of OAN Chapter XI Trial	15,5
Net Cash Flow applied to reduce debt	14,8

- Regardless accounting losses, Americatel USA has generated positive Cash Flow during 2004, due to the US\$15,5 Millions recovered of OAN trial (Former collection Agency that filed in Chapter XI during 2001) and to working capital reduction.

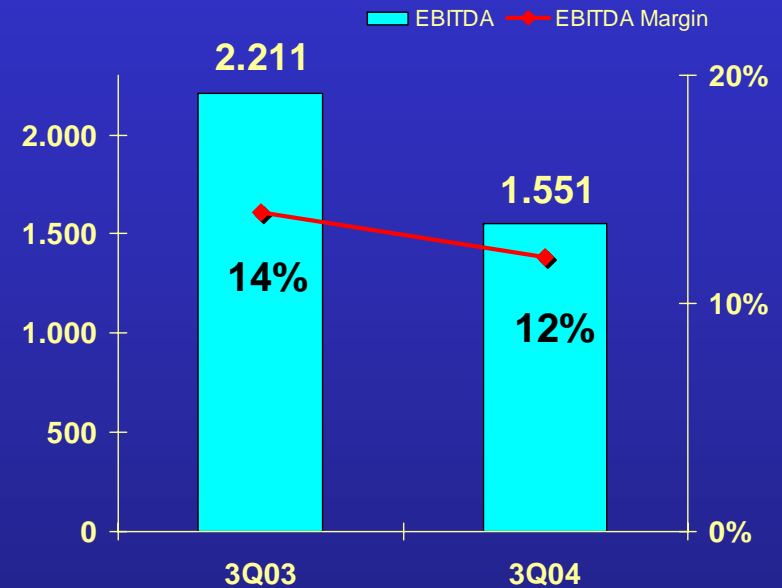
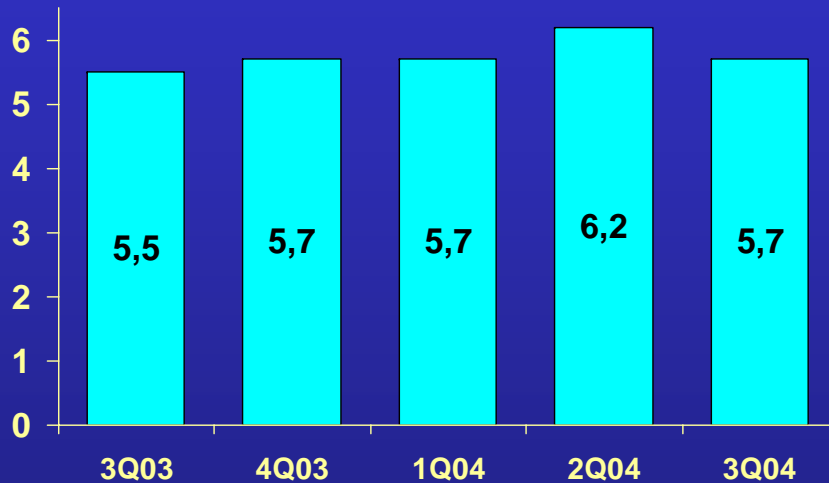


Americatel Central America

Exchange rate: 608,9 Ch\$/ US\$

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

EBITDA
(Thousands US\$)



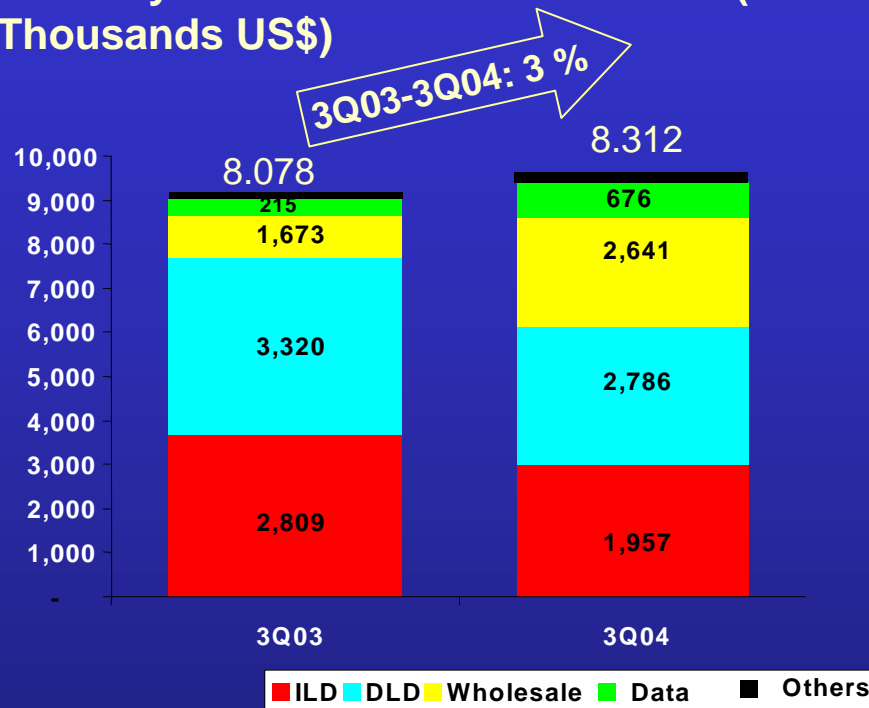
→ EBITDA decreased 30% mainly explained by lower margins in the wholesale business. This decline was partially offset by higher margins in data services and lower SG&A expenses.



Americatel Peru

Exchange rate: 608,9 Ch\$/ US\$

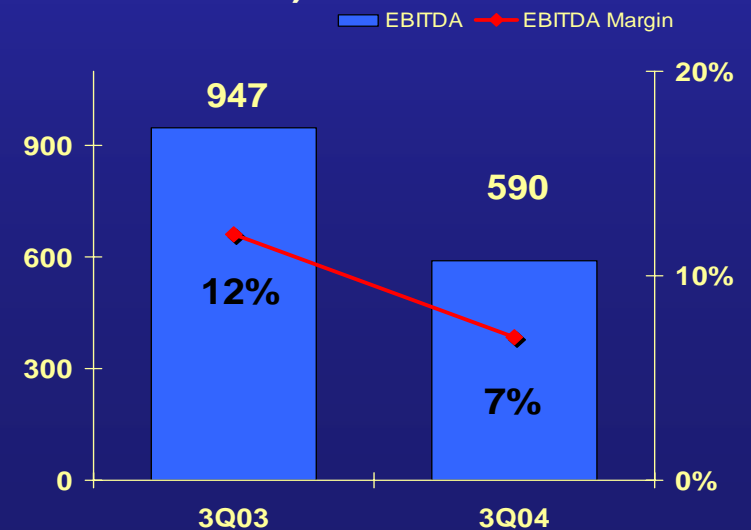
Quarterly Revenues Americatel Peru (ILD +DLD) (Thousands US\$)



→ Increase in wholesale revenues together with data and local telephony.

→ EBITDA decreased 38% due to lower margins in LD derived by higher competitive environment.

EBITDA Peru (Thousands US\$)





Financial Results Third Quarter 2004

- Consolidated Operating Results
- Non Operating Results



Consolidated Quarterly Results

(MM Ch\$ Sept-04)

Exchange rate: 608,9 Ch\$/ US\$

	3Q04	3Q03	Var%
Net revenues	166.806	180.960	-8%
Cost of operations	98.808	98.511	0%
Selling & administrative expenses	56.061	56.661	-1%
Operating income	11.937	25.788	-54%
Ebitda	46.100	59.415	-22%
Non operating income	-12.332	-8.358	48%
Income before tax & minority interest	-395	17.430	-102%
Tax	-1.559	-2.780	44%
Minority interest	2.270	-184	-
Net income	368	14.466	-97%

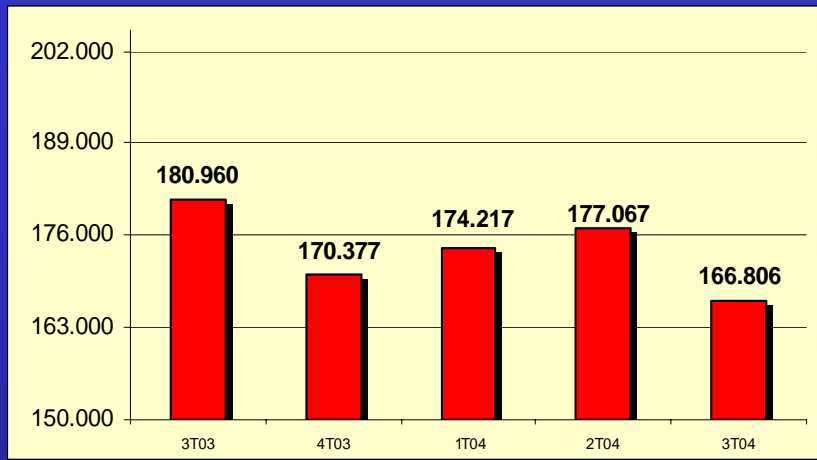
- **Revenues** decrease mainly as a consequence of lower LD sales in both the international subsidiaries and in the parent company, and to lower traffic business together with a lower 8% exchange rate affecting all revenues linked to the U.S. dollar.
- **Operating income and EBITDA** affected by extraordinary prior years` receivables write-offs of Ch\$ 10.4 billion in Americatel USA and reductions in Mobile interconnection rates.
- **Non-operating** losses increased due to an extraordinary non-cash charge related to assets impairments of Ch\$ 7,1 billion from Entel and Entelphone.
- **Net income** for the quarter excluding the write-offs in Americatel USA and asset impairments would have reached Ch\$ 16.6 billion, an increase of 15% compared to 3Q03.



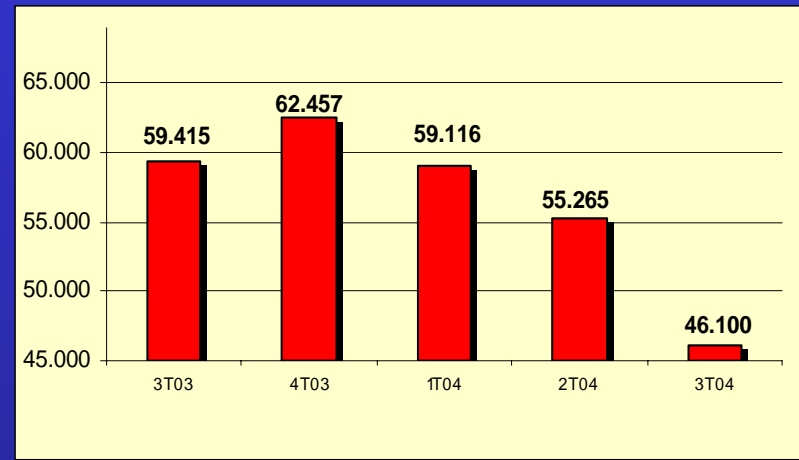
Consolidated Quarterly Results

(MM Ch\$ Sept-04)

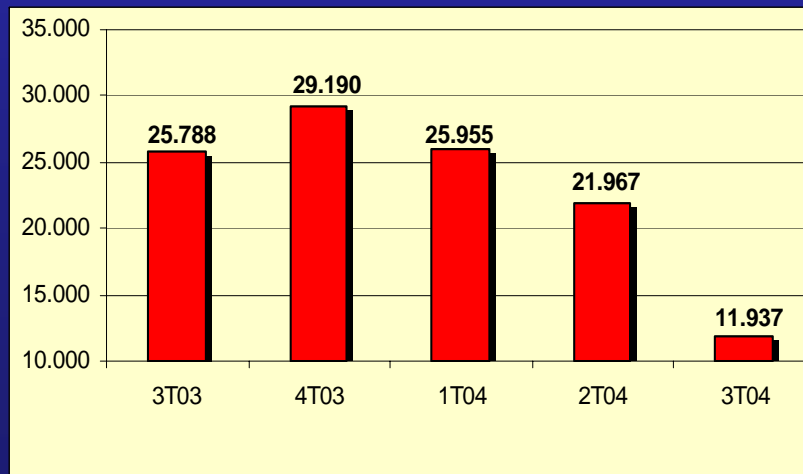
Revenues



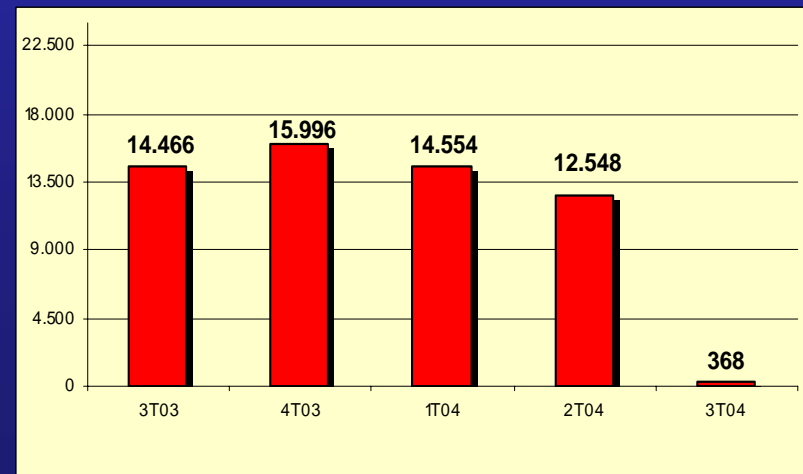
EBITDA



Operating Income



Net Income

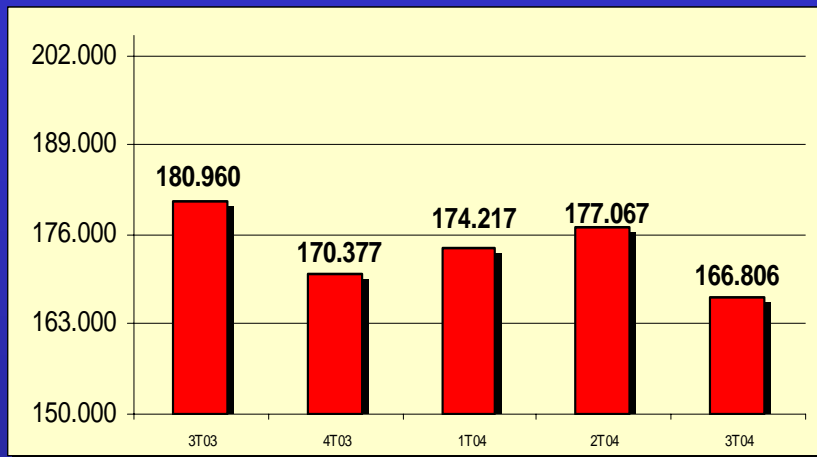




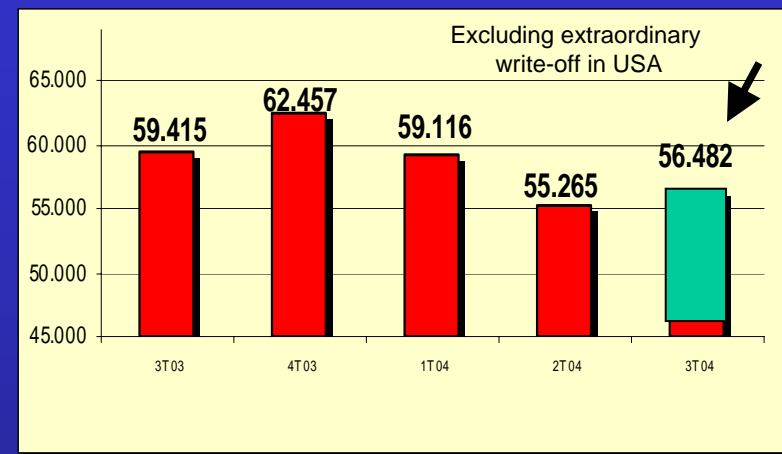
Consolidated Quarterly Results

(MM Ch\$ Sept-04)

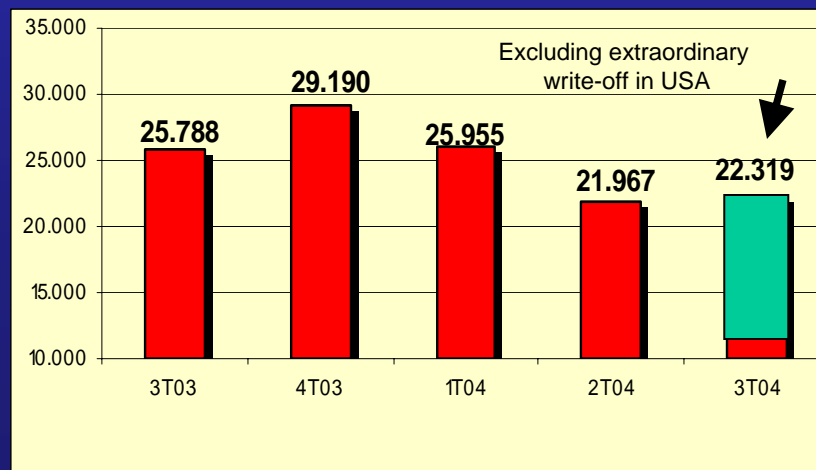
Revenues



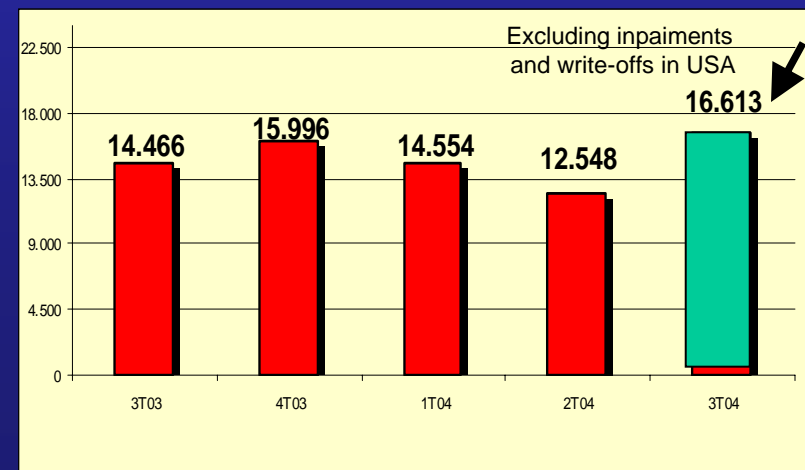
EBITDA



Operating Income



Net Income





Consolidated Revenues

(MM Ch\$ Sept-04)

	3Q04	3Q03	Change %	Var MM\$
Net revenues	166.806	180.960	-8%	-14.153
Mobile services	90.078	85.828	5%	4.250
Domestic long distance	9.885	11.217	-12%	-1.332
International long distance	4.607	5.431	-15%	-824
Internet	7.049	8.039	-12%	-990
Data services	9.804	11.072	-11%	-1.268
Other telecommunication companies	2.027	2.611	-22%	-583
Traffic business	9.932	13.247	-25%	-3.314
International subsidiaries	24.918	34.708	-28%	-9.790
Local telephony	6.665	6.970	-4%	-305
Others	1.841	1.836	0%	5

- **International subsidiaries:** reduction in revenues explained by lower ILD in USA together with an 8% decrease in USD exchange rate.
- **Internet:** decrease 12% in revenues due to lower dial-up revenues partially offset by 21% increase in broadband customer base.
- **Traffic business: 25% decreases** due to lower incoming traffic together with lower sales in the wholesale market.
- **Data services :** decrease 11% resulting from a decline mainly due to price reductions in low speed data services .
- **Mobile telephony :** increase in revenues mainly due to higher equipment sales.
- **DLD :** 16% decreased in traffic while 3% increased in tariffs
- **ILD :** 2% increase in traffic and average tariffs decreased 11%.



Consolidated Costs and Expenses

(MM Ch\$ Sept-04)

	3Q04	3Q03	Change %	Var MM\$
Cost of operations and Selling & adm. Expenses	154.869	155.171	0%	-302
Access charges	26.658	30.131	-12%	-3.474
Payments to correspondents	13.445	18.827	-29%	-5.382
Depreciation & amortization	29.620	29.977	-1%	-357
Salaries & expenses	12.208	17.973	-32%	-5.765
Advertising costs	6.704	9.111	-26%	2.407
Amortization of prepaid equipment	4.107	3.472	18%	635
Bad debt provision	14.577	8.425	73%	6.152
Others (call center, travel,outsourcing.)	47.551	37255	28%	10.296

- **Advertising costs:** 26% reduction in Americatel USA (in line with the re-adequation policy) and in the parent company.
- **Payments to correspondents:** 29% decrease in line with lower traffic in ILD services in Americatel USA and in the parent company.
- **Access charges:** 12% reduction due to the recent impact of the new regulatory tariff decree in mobile business and, to lower DLD and dial-up internet traffic in the Parent Company and lower wholesale traffic in Central America.
- **Salaries and expenses:** 32% decrease in line with the efficiency plans in the parent Company, Americatel USA and Central America.
- **Bad debt provisions:** 73% increase mainly due to an extraordinary receivable write-offs of Ch\$ 10,4 billion in Americatel USA
- **Other costs** increased 48% due to higher maintenance and materials, mainly explained by higher activity in the mobile business, and higher outsourcing in the parent company.



Consolidated Non Operating Results

(MM Ch\$ Sept-04)

	3Q04	3Q03	Change %
Non operating results	(12.332)	(8.358)	48%
Interest income	576	863	-41%
Other income	125	922	-86%
Amortization of goodwill	(860)	(913)	-6%
Financial expenses	(5.145)	(6.571)	-22%
Other expenses	(8.846)	(2.645)	234%
Price level restatements & gain (loss) for exchange rates	1.819	(14)	

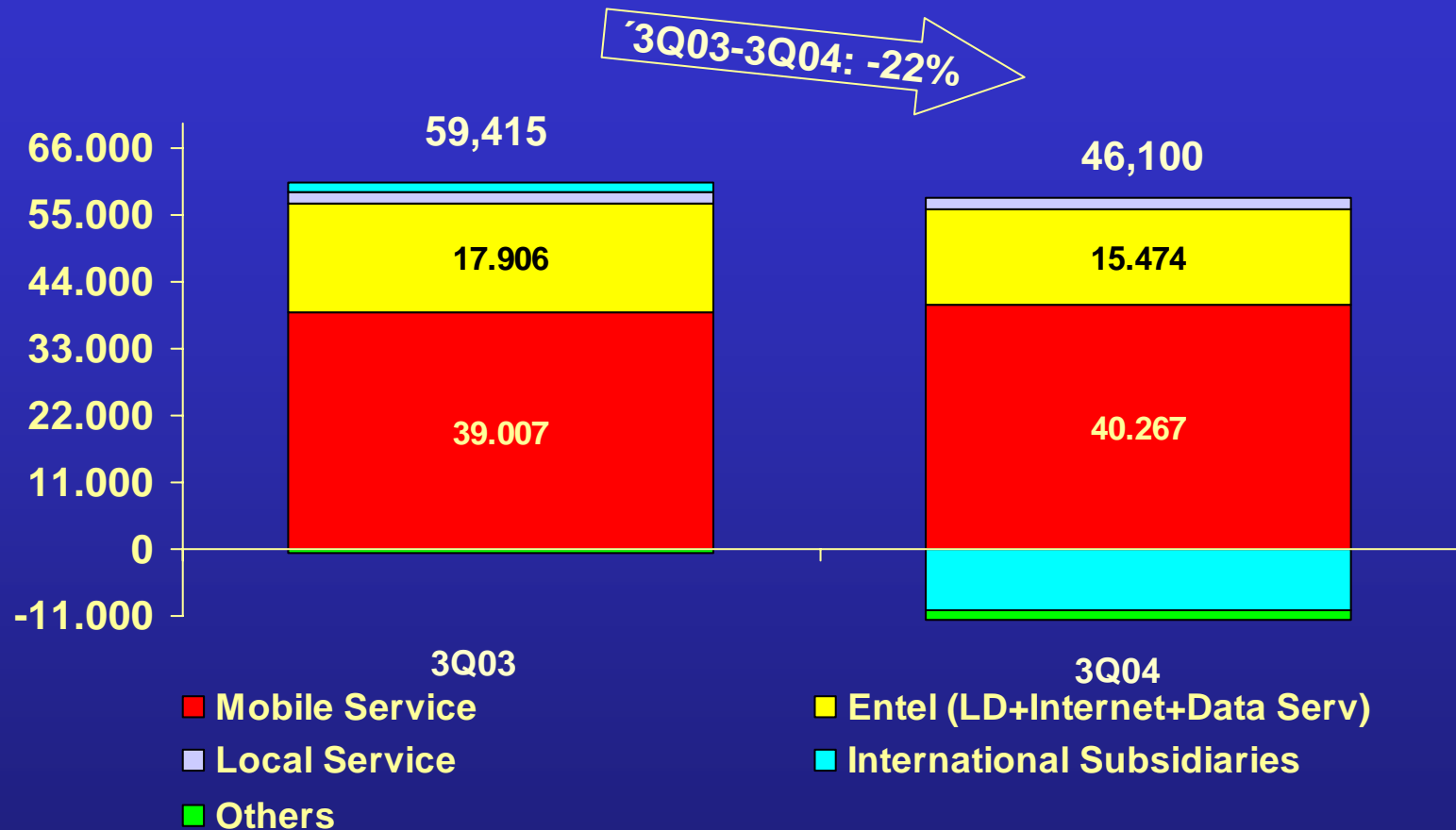
- Higher Other expenses related to asset impairments, affecting international submarine fiber optic cables and stocks/equipments in the parent company of \$ 5,7 billions and Entelphone of \$1,4 billions, amounting a total of Ch\$ 7.1 billion.
- Lower net financial expenses in connection with a lower net financial debt, and lower losses due to price-level adjustment.



Consolidated Cash Generation*

(MM Ch\$ Sept-04)

Exchange rate: 608,9 Ch\$/ US\$



EBITDA Margin

3Q03
33%

3Q04
28%

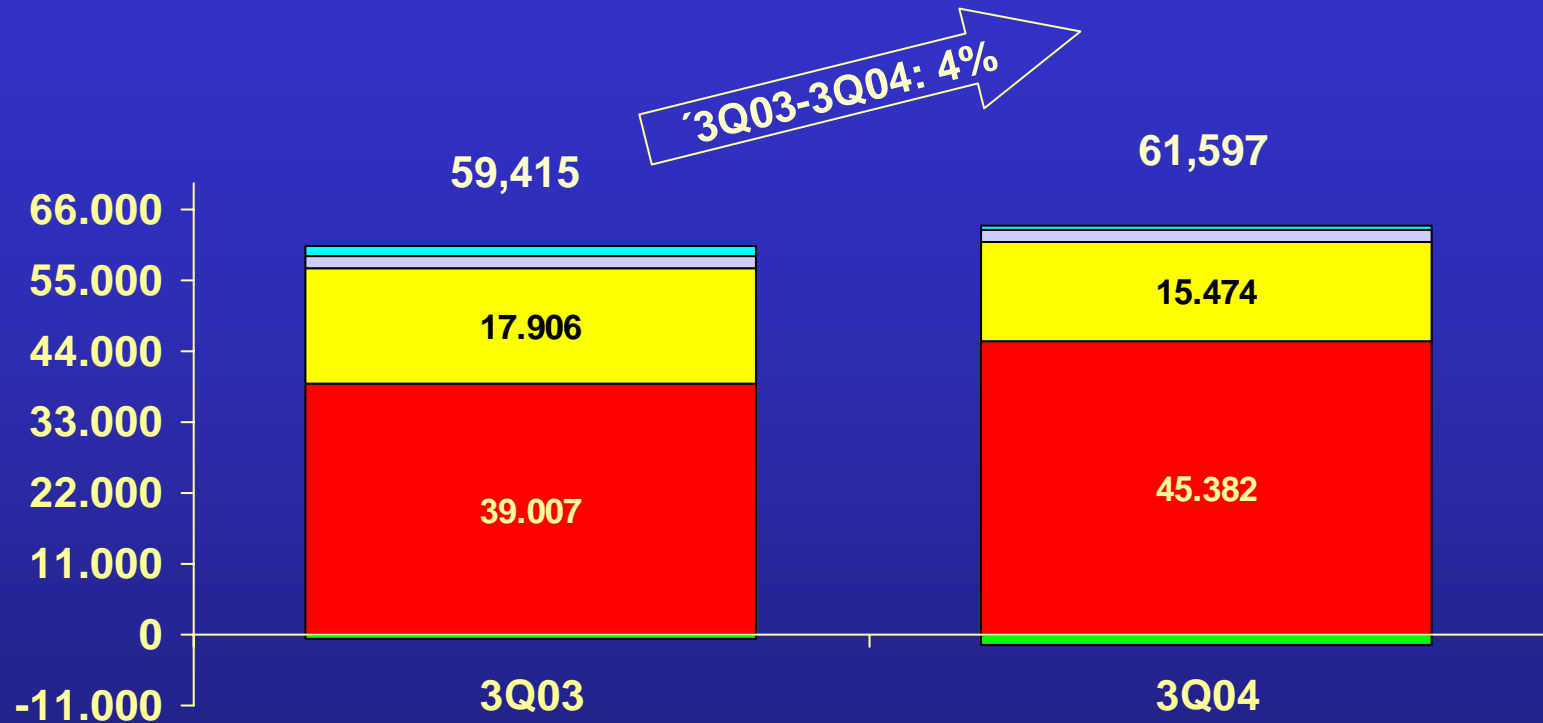
*Operating Income + Depreciation + Amortization



Excluding extraordinary write-offs in USA and access charges reduction in the Mobile, EBITDA would have grown 4%

(MM Ch\$ Sept-04)

Exchange rate: 608,9 Ch\$/ US\$



- Mobile Service
- Entel (LD+Internet+Data Serv)
- Local Service
- International Subsidiaries
- Others
- Columas 6

EBITDA Margin

	3Q03	3Q04
EBITDA Margin	33%	35%

*Operating Income + Depreciation + Amortization



Simplified Free Cash Flow

(MM Ch\$ Sept-04)

Exchange rate: 608,9 Ch\$/ US\$

	As of Sep-04	As of Sep-03
EBITDA	160.481	184.148
CAPEX	-64.543	-55.534
Net Financial Expenses	-13.962	-18.410
SIMPLIFIED CASH FLOW	81.976	110.204

- Lower EBITDA mainly explained by a write-offs in USA, regulatory changes in Chile, lower revenues in long distance.
- Higher Capex mainly in the Mobile business due to increased activity.
- Decline 24% in net financial debt from 3Q04 vs 3Q03.



Consolidated Debt & Hedge

Exchange rate: 608,9 Ch\$/ US\$

HEDGE	Sept 2004	Sept 2003
Average Hedge Debt (US\$ thou.)	324.397	445.908
CONSOLIDATED DEBT	Sept 2004	Sept 2003
Average Gross Debt (MM Ch\$)	460.792	552.420
Current Rate of the period	4,72%	4,89%
Final Gross Debt (Ch\$ MM)	428.087	513.034
Final Net Debt (MM\$ Ch)	331.495	436.257



Financial Ratios

Exchange rate: 608,9 Ch\$/ US\$

	Sept 2004	Sept 2003
Current assets / Current liabilities	1,29	1,96
EBITDA / Financial expenses	9,90	9,04
Financial debt / EBITDA	1,92	2,10
Total liabilities / (equity + min.interest)	0,94	1,15
Net Financial Debt (MM Ch\$)	331,495	436,257

→ Liquidity and interest coverage are at high levels.

Debt ratios continue to improve as a consequence of a reduction in interest bearing debt.



End of Presentation