

Santiago, 03 de diciembre 2008



2008120109218

03/12/2008 - 11:41

Operador: LADIAZ

División Control Financiero Valores



SUPERINTENDENCIA
VALORES Y SEGUROS

Señor

Guillermo Larraín Ríos

Superintendencia de Valores y Seguros

Av. Libertador Bernardo O'Higgins

Presente

Ref.: Remite Schedule TO y otro relativo a la oferta americana y publicaciones del aviso de inicio de la oferta pública de adquisición de acciones que se indica.

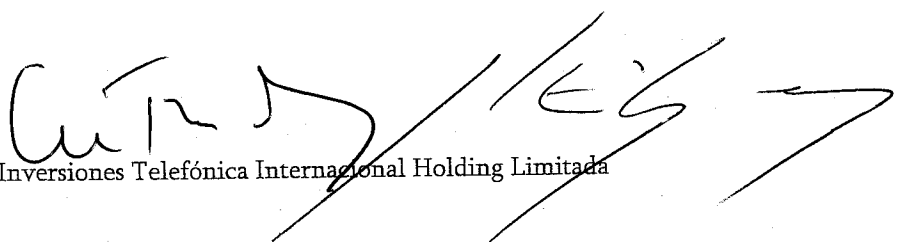
De nuestra consideración:

En relación a la oferta pública de adquisición de acciones de Compañía de Telecomunicaciones de Chile S.A. por Inversiones Telefónica Internacional Holding Limitada (OPA), por medio de la presente tenemos el agrado de acompañar los siguientes documentos:

- Publicaciones en los diarios El Mercurio de Santiago y La Tercera del aviso de inicio de la OPA de fecha 1 de diciembre. Al respecto hacemos presente que copia del texto de dicho aviso fue remitido a esta Superintendencia con igual fecha.
- Prospecto en idioma inglés distribuido en el mercado americano "Schedule TO/13E-3".
- Copia de la publicación del aviso de oferta en el mercado americano, publicado con fecha 2 de diciembre de 2008 en el periódico "The Wall Street Journal".

Le hacemos presente que traducciones al español de los documentos señalados en los apartados anteriores le serán remitidos a esta Superintendencia tan pronto estén disponibles.

Sin otro particular, les saluda atentamente,


Inversiones Telefónica Internacional Holding Limitada

cc. Bolsa de Comercio de Santiago.
Bolsa Electrónica de Chile
Bolsa de Valores de Valparaíso
Compañía de Telecomunicaciones de Chile S.A.

Av. Vitacura 2736, piso 2 Santiago-Chile

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares and/or ADSs. The U.S. Offer is made solely by the Offer to Purchase dated December 2, 2008 and the related Form of Acceptance, ADS Letter of Transmittal and ADS Notice of Guaranteed Delivery and any amendments or supplements thereto. The U.S. Offer is not being made to, and tenders will not be accepted from or on behalf of, holders of Shares or ADSs in any jurisdiction in which the making of the U.S. Offer or the acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. However, the Purchaser may, in its discretion, take such action as it may deem necessary to make the U.S. Offer in any jurisdiction and extend the U.S. Offer to holders in such jurisdiction. In those jurisdictions where it is required that the U.S. Offer be made by a licensed broker or dealer, the U.S. Offer shall be deemed to be made on behalf of the Purchaser by one or more registered brokers or dealers which are licensed under the laws of such jurisdiction.

Notice of Offer to Purchase for Cash
Any and All Outstanding Shares of Common Stock
and American Depositary Shares
of
Compañía de Telecomunicaciones de Chile S.A.
at
1,100 Chilean pesos Net Per Share of Series A Common Stock
990 Chilean pesos Net Per Share of Series B Common Stock
and
4,400 Chilean pesos Net Per American Depositary Share
(each representing 4 Shares of Series A Common Stock)
by
Inversiones Telefónica Internacional Holding Limitada
a limited liability company indirectly owned by
Telefónica, S.A.

Inversiones Telefónica Internacional Holding Limitada (the "Purchaser"), a limited liability company organized and existing under the laws of the Republic of Chile and a wholly owned subsidiary of Telefónica, S.A. ("Telefónica"), a publicly held stock corporation organized under the laws of the Kingdom of Spain, hereby offers to purchase (1) any and all of the outstanding shares of Series A Common Stock, no par value (the "Series A Shares") and Series B Common stock, no par value (the "Series B Shares") and, together with the Series A Shares, the "Shares", of Compañía de Telecomunicaciones de Chile S.A. (the "Company"), a publicly traded stock corporation organized under the laws of the Republic of Chile, other than Shares currently owned directly or indirectly by Telefónica, from all holders of Shares resident in the United States (the "U.S. Holders"), for 1,100 Chilean pesos per Series A Share and 990 Chilean pesos per Series B Share and (2) any and all of the outstanding American Depositary Shares ("ADSs") of the Company, other than ADSs currently owned directly or indirectly by Telefónica, each representing 4 shares of Series A Common Stock, for 4,400 Chilean pesos per ADS, in each case payable in United States dollars as provided below, net to the seller in cash and without interest thereon and subject to any required withholding of taxes (the "U.S. Offer Price"), upon the terms and subject to the conditions set forth in the Offer to Purchase dated December 2, 2008 (the "Offer to Purchase") and in the related Form of Acceptance, ADS Letter of Transmittal and ADS Notice of Guaranteed Delivery (which, as the same may be amended and supplemented from time to time, constitute the "U.S. Offer"). The purchase price for Shares and the purchase price for ADSs accepted for payment pursuant to the U.S. Offer will, in each case, be paid in United States dollars, with the dollar amount thereof being determined by reference to the average exchange rate at which commercial banks conduct authorized transactions in Chile as determined by the Central Bank of Chile and published in the Official Gazette of Chile (the "Observed Exchange Rate") on the Expiration Date (as defined below) or, if the Observed Exchange Rate is not published on the Expiration Date, the Observed Exchange Rate published on the first day immediately preceding the Expiration Date on which day the Observed Exchange Rate is published in the Official Gazette of Chile.

**THE U.S. OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 3:30 P.M., NEW YORK CITY TIME,
ON WEDNESDAY, DECEMBER 31, 2008, UNLESS THE U.S. OFFER IS EXTENDED.**

Concurrent with the U.S. Offer, the Purchaser is offering to purchase (the "Chilean Offer" and, together with the U.S. Offer, the "Offer") from all holders of Shares (including Shares held by U.S. Holders) any and all of the outstanding Shares, other than Shares currently owned directly or indirectly by Telefónica, for 1,100 Chilean pesos per Series A Share and 990 Chilean pesos per Series B Share, net to the seller in cash and without interest (the "Chilean Offer Price" and, together with the U.S. Offer Price, the "Offer Price"). The Chilean Offer will be made on substantially the same terms as the U.S. Offer. The U.S. Offer is open to U.S. Holders of Shares and all holders of ADSs. None of the U.S. Holders of Shares must tender their Shares into the Chilean Offer. U.S. Holders of Shares may tender their Shares into either the U.S. Offer or the Chilean Offer. Holders of ADSs must tender their Shares into the U.S. Offer. In the event that the price per Share to be paid in the Chilean Offer is increased, the Purchaser will make a corresponding increase to the price paid per Share and ADS in the U.S. Offer. Except as otherwise required by applicable law and regulations, Telefónica intends to cause the U.S. Offer to be consummated concurrently with the Chilean Offer. The U.S. Offer and the Chilean Offer are not subject to any conditions.

As of the date hereof, the Company has not taken, and is not expected to take, a position with respect to the Offers.

Tendering holders of Shares who have Shares registered in their own name and who tender directly to the Share Depository will not be obligated to pay brokerage fees, commissions or stock transfer taxes on the sale of their Shares pursuant to the U.S. Offer. Tendering holders of ADSs who have ADSs registered in their own name and who tender directly to the U.S. Depository will not be obligated to pay brokerage fees, commissions or, except as set forth in Instruction 6 of the ADS Letter of Transmittal, transfer taxes on the sale of their ADSs pursuant to the U.S. Offer. Tendering holders of Shares and tendering holders of ADSs who own Shares and/or ADSs through a broker or other nominee, and such broker or nominee tenders their Shares and/or ADSs on their behalf, may have to pay a fee to such broker or nominee.

As of November 26, 2008, there were 957,157,085 Shares issued and outstanding, including approximately 162,846,960 Series A Shares evidenced by ADSs, Telefónica, directly or indirectly, owns 926,028,064 Shares, including Shares represented by ADSs, representing approximately 96.75% of the outstanding Shares. Five of the seven members of the Company's Board of Directors are affiliates of Telefónica.

For purposes of the U.S. Offer, the Purchaser shall be deemed to have accepted for payment tendered Shares and ADSs when and if the Purchaser gives oral or written notice to the U.S. Depository or the Share Depository, as applicable, of its acceptance of the tenders of such Shares and ADSs. Payment for Shares and ADSs accepted for payment pursuant to the U.S. Offer will be made by deposit of the purchase price with the Share Depository, which will act as agent for the tendering holders of Shares, or the U.S. Depository, which will act as agent for the tendering holders of ADSs, respectively, for the purpose of receiving payments from the Purchaser and transmitting such payments to tendering holders of Shares and holders of ADSs, as the case may be. In all cases, payment for Shares accepted for payment pursuant to the U.S. Offer will be made only after timely receipt by the Share Depository of (a) either (1) *datos* (certificates of title) and a certificate from the share department of the Company or the *Deposito Central de Valores* ("DCV"), as the case may be, evidencing such Shares or (2) a confirmation of book-entry transfer of such Shares and (b) a properly completed and duly executed Form of Acceptance (or a copy thereof) and all other required documents. Payment for ADSs accepted for payment pursuant to the U.S. Offer will be made only after timely receipt by the U.S. Depository of American Depositary Receipts ("ADRs") evidencing such tendered ADSs or a book-entry transfer of such ADSs, together with a properly completed and duly executed ADS Letter of Transmittal or an Agent's Message (as defined in the Offer to Purchase) confirming transfer of such tendered ADSs into the U.S. Depository's account at the Book-Entry Transfer Facility (as defined in the Offer to Purchase), and all other required documents. Payment may be made to tendering holders at different times if delivery of the Shares and ADSs and required documents occur at different times.

Under no circumstances will interest be paid by the Purchaser on the purchase price paid for Shares and ADSs pursuant to the U.S. Offer regardless of any delay in making such payments or extension of the expiration date.

The U.S. Offer is currently scheduled to expire at 3:30 p.m., New York City time, on Wednesday, December 31, 2008 (the "Expiration Date"), unless and until the Purchaser, in its sole discretion (but subject to the applicable rules and regulations of the Securities and Exchange Commission (the "Commission"), shall have extended the period of time during which the U.S. Offer will remain open, in which event the term "Expiration Date" will mean the latest time and date at which the U.S. Offer, as so extended by the Purchaser, shall expire.

Subject to the applicable rules and regulations of the Commission, the Purchaser reserves the right, at any time or from time to time, in its sole discretion, to extend for any reason the period of time during which the U.S. Offer remains open by giving oral or written notice of such extension to the Share Depository and the U.S. Depository and making a public announcement thereof.

Tenders of Shares and ADSs made pursuant to the U.S. Offer may be withdrawn at any time prior to the Expiration Date. Thereafter, such tenders are irrevocable, except that they may be withdrawn after January 30, 2009, unless theretofore accepted for payment as provided in the Offer to Purchase, or at such later time as may apply if the U.S. Offer is extended beyond that date. For a withdrawal to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the Share Depository for withdrawal of Shares or by the U.S. Depository for withdrawal of ADSs, as applicable, at the appropriate address as set forth on the back cover of the Offer to Purchase. Any such notice of withdrawal must specify the name of the person who tendered the Shares or ADSs to be withdrawn and the number of Shares or ADSs to be withdrawn and the name of the registered holder, if different from that of the person who tendered such Shares or ADSs. If the Shares or ADSs to be withdrawn have been delivered to the Share Depository or the U.S. Depository, as applicable, a signed notice of withdrawal (with such signature guaranteed by an Eligible Institution (as defined in the Offer to Purchase) in the case of ADSs except for ADSs tendered by an Eligible Institution) must be submitted prior to the release of such Shares or ADSs. Such notice must also specify, in the case of Shares or ADSs tendered by delivery of certificates, the serial numbers shown on the particular shares or ADSs evidencing the Shares or ADSs to be withdrawn or, in the case of Shares or ADSs tendered by book-entry transfer, the name and number of the account to be credited with the withdrawn Shares or ADSs. In addition, Shares tendered by book-entry transfer may be withdrawn only by means of the withdrawal procedures made available by the DCV and must comply with the DCV's procedures. ADSs tendered by the book-entry transfer may be withdrawn only by means of the withdrawal procedures made available by the Book-Entry Transfer Facility and such withdrawal must comply with the Book-Entry Transfer Facility's procedures. None of the Purchaser, Telefónica, the Share Depository or the U.S. Depository or any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal or incur any liability for failure to give any such notification.

The receipt of cash for Shares and/or ADSs pursuant to the U.S. Offer by a U.S. holder (as that term is defined for United States federal income tax purposes, see "The U.S. Offer—Section 6—Certain Tax Considerations" in the Offer to Purchase) will be a taxable transaction for United States federal income tax purposes and may also be a taxable transaction under applicable state, local or foreign tax laws. Holders of Shares and/or ADSs are encouraged to consult their tax advisors with respect to the particular tax consequences of the U.S. Offer to them, including the application and effect of the alternative minimum tax and state, local and foreign tax laws. For a more complete description of certain United States federal income tax consequences of the U.S. Offer, see "The U.S. Offer—Section 6—Certain Tax Considerations" in the Offer to Purchase. The information required to be disclosed by paragraph (d)(1) of Rule 144(d) and Rule 13e-3(c)(1) under the Securities Exchange Act of 1934, as amended, is contained in the Offer to Purchase and is incorporated herein by reference.

The Offer to Purchase and the related Form of Acceptance, ADS Letter of Transmittal, ADS Notice of Guaranteed Delivery and other relevant documents will be mailed to record U.S. Holders of Shares and holders of ADSs and will be furnished to brokers, banks and similar persons whose names, or the names of whose nominees, appear on such list of holders of Shares and holders of ADSs or, if applicable, who are listed as participants in a clearing agency's security position listing, for subsequent transmittal to beneficial owners of Shares and/or ADSs.

The Offer to Purchase and the related Form of Acceptance, ADS Letter of Transmittal and ADS Notice of Guaranteed Delivery contain important information and should be read in their entirety before any decision is made with respect to the U.S. Offer.


Questions and requests for assistance may be directed to the Information Agent at its telephone number set forth below. Additional copies of the Offer to Purchase, the related Form of Acceptance, ADS Letter of Transmittal, ADS Notice of Guaranteed Delivery and other tender offer documents may be obtained free of charge from the Information Agent or from brokers, dealers, commercial banks or trust companies.

The Information Agent for the U.S. Offer is:

D. F. King & Co., Inc.

48 Wall Street
New York, NY 10005
Brokers and Brokers Call: (212) 269-5550
All Others Call Toll Free: (800) 859-8511

December 2, 2008

This advertisement prepared by:  Scheduled to appear in:
The Wall Street Journal — 4 col. x 21" — b/w — December 2, 2008

 **80988 - Telefónica - CTC - Tombstone Ad (WSJ)**
12/01/08 Proof 3c 15:00

BOWNE Electronic Proof

**This proof may not fit on letter-sized
(8.5 x 11 inch) paper.**

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* BOWNE EDGAR CONTROL SHEET *

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2.	EX-99.A.1	2	Y72874/013	-082
3.	EX-99.A.2	2	Y72874/100	-115
4.	EX-99.A.3	2	Y72874/116	-132
5.	EX-99.A.4	2	Y72874/133	-135
6.	EX-99.A.5	2	Y72874/136	-138
7.	EX-99.A.6	2	Y72874/139	-141
8.	EX-99.A.7	2	Y72874/142	-145
9.	EX-99.A.8	2	Y72874/146	-148
10.	EX-99.A.9	2	Y72874/211.01	-211.03
11.	EX-99.A.10	2	Y72874/212.01	-212.07

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<NOTIFY-INTERNET> achichi@deweyleboeuf.com
<NOTIFY-INTERNET> msheyfer@deweyleboeuf.com

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE TO
Tender Offer Statement
Under Section 14(d)(1) or 13(e)(3) of the Securities Exchange Act of 1934

COMPañÍA DE TELECOMUNICACIONES DE CHILE S.A.
(Name of Subject Company)

INVERSIONES TELEFÓNICA INTERNACIONAL HOLDING LIMITADA
TELEFÓNICA, S.A.
(Names of Filing Persons)

American Depositary Shares
(Each Representing 4 Shares of Series A Common Stock, no par value)
(Title of Class of Securities)

204449300
(CUSIP Number of Class of Securities)
Shares of Series A Common Stock, no par value, and Shares of Series B Common Stock, no par value
(Title of Class of Securities)
n/a
(CUSIP Number of Class of Securities)

Marcía García-Legaz Ponce
Head of Investor Relations
Distrito C, Ronda de la Comunicación, s/n
28050 Madrid, Spain
Tel. 011 34 91 482 870
(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications on Behalf of Filing Persons)

Copy to:
Stephen G. Rooney, Esq.
Dewey & LeBoeuf LLP
1301 Avenue of the Americas
New York, New York 10019-6092
(212) 259-8000

CALCULATION OF FILING FEE

Transaction Valuation(1)	Amount of Filing Fee(2)(3)
\$21,044,820.89	\$827.06

- (1) Estimated solely for the purpose of determining the filing fee. The transaction valuation is calculated by adding (A) the product of (x) 12,666,689 (which is the sum of the number of Compañía de Telecomunicaciones de Chile S.A. Series A Shares represented by American Depositary Shares ("ADSs") not held by the Telefónica Group, each representing 4 Series A Shares, and the estimated maximum number of Series A Shares held directly by U.S. holders) times (y) the purchase price of Ch\$1,100 per Series A Share, net in cash, converted to U.S. dollars using an exchange rate of Ch\$664.57 to U.S.\$1.00, the Observed Exchange Rate (as defined in the Offer to Purchase) as of December 1, 2008 and (B) the product of (x) 52,928 (which is the estimated maximum number of Compañía de Telecomunicaciones de Chile S.A. Series B Shares held by U.S. Holders) times (y) the purchase price of Ch\$990 per Series B Share, net in cash, converted to U.S. dollars using an exchange rate of Ch\$664.57 to U.S.\$1.00, the Observed Exchange Rate as of December 1, 2008.
- (2) The amount of the filing fee, calculated in accordance with Rule 0-11(d) of the Securities Exchange Act of 1934, as amended, equals 0.00003930 of the transaction valuation.
- (3) The filing fee was paid on December 1, 2008, the day prior to the filing of this Schedule TO.
- ☐ Check the box if any part of the fee is offset as provided by Rule 0-11 (a) (2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
- ☐ Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer. Check the appropriate boxes below to designate any transactions to which the statement relates:
- ☒ third-party tender offer subject to Rule 14d-1.
- ☐ issuer tender offer subject to Rule 13e-4.
- ☒ going-private transaction subject to Rule 13e-3.
- ☐ amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer: ☐



This Tender Offer Statement on Schedule TO and Schedule 13E-3 Transaction Statement (this "Schedule TO") relates to the offer by Telefónica, S.A., a publicly held stock corporation organized and existing under the laws of the Kingdom of Spain ("Telefónica"), and Inversiones Telefónica Internacional Holding Limitada, a limited liability company (*sociedad de responsabilidad limitada*) organized and existing under the laws of the Republic of Chile and indirectly owned by Telefónica ("Purchaser" and, together with Telefónica, the "Bidders"), to purchase any and all of the outstanding shares of Series A common stock, no par value (the "Series A Shares"), and Series B common stock, no par value (the "Series B Shares" and, together with the Series A Shares, the "Shares"), of Compañía de Telecomunicaciones de Chile S.A., a publicly traded stock corporation organized and existing under the laws of the Republic of Chile (the "Company"), other than Shares currently owned by Telefónica Internacional Chile S.A., a corporation organized and existing under the laws of the Republic of Chile and indirectly wholly owned by Telefónica ("TICSA") and Bidders (together, the "Telefónica Group"), and any and all of the outstanding American Depositary Shares ("ADSs") of the Company, other than ADSs currently held by the Telefónica Group, each representing four Series A Shares, for 1,100 Chilean pesos per Series A Share, 990 Chilean pesos per Series B Share and 4,400 Chilean pesos per ADS, in each case payable in United States dollars based upon the Observed Exchange Rate published in the Official Gazette in Chile on the expiration date of the U.S. Offer (as defined below) (or if the Observed Exchange Rate is not published on the Expiration Date of the U.S. Offer, the Observed Exchange Rate published on the first day immediately preceding the Expiration Date of the U.S. Offer on which day the Observed Exchange Rate is published in the Official Gazette of Chile), net to the seller in cash and without interest thereon and subject to any required withholding of taxes, on the terms and subject to the conditions set forth in the Offer to Purchase, dated December 2, 2008 (the "Offer to Purchase"), and in the related ADS Letter of Transmittal, the Form of Acceptance and the ADS Notice of Guaranteed Delivery (which, as they may be amended and supplemented from time to time, together constitute the "U.S. Offer"), copies of which are attached hereto as Exhibits (a)(1), (a)(2), (a)(3) and (a)(4), respectively. Through a concurrent offer in Chile, Purchaser is offering to purchase any and all of the outstanding Shares, other than Shares currently owned by the Telefónica Group, including Shares held by U.S. persons (the "Chilean Offer" and together with the U.S. Offer, the "Offers"). This Schedule TO is being filed on behalf of the Bidders. The information set forth in the Offer to Purchase, including all schedules and annexes thereto, is incorporated herein by reference in response to all the items of this Schedule TO, including, without limitation, all of the information required by Schedule 13E-3 that is not included in or not covered by the items in Schedule TO, except as otherwise set forth below.

Item 1. Summary Term Sheet.

The information set forth in the section of the Offer to Purchase entitled "Summary Term Sheet" is incorporated herein by reference.

Item 2. Subject Company Information.

(a) The name of the Subject Company is Compañía de Telecomunicaciones de Chile S.A. (the "Company"). The Company's principal executive office is located at Avenida Providencia 111, Santiago, Chile, and its telephone number at such principal executive office is (+56) 26 91 2596 or 26 91 3867.

(b) This Tender Offer Statement on Schedule TO relates to Purchaser's offer to purchase all outstanding Shares and ADSs. Based on publicly available information, there are 28,057,873 Series A Shares (including Series A Share represented by ADSs) and 3,071,148 Series B Shares outstanding, which are not currently owned by the Telefónica Group.

(c) The information set forth in the section of the Offer to Purchase entitled "The U.S. Offer — Price Range of Shares and ADSs; Dividends" is incorporated herein by reference.

Item 3. Identity and Background of Filing Person.

(a) through (c) This Schedule TO is filed by the Bidders. The information set forth in the section of the Offer to Purchase entitled "Special Factors — Certain Information Concerning the Telefónica Group" and Schedule I are incorporated herein by reference.

Item 4. Terms of the Transaction.

The information set forth in the Offer to Purchase is incorporated herein by reference.

Item 5. Past Contracts, Transactions, Negotiations and Agreements.

The information set forth in the sections of the Offer to Purchase entitled "Summary Term Sheet," "Introduction," "The U.S. Offer — Certain Information Concerning the Telefónica Group," "Special Factors — Background of the Offers," "Purpose and Structure of the Offers; Reasons of the Telefónica Group for the Offers," "Special Factors — Transactions and Arrangements Concerning the Shares and the ADSs" and "Special Factors — Related Party Transactions," respectively, is incorporated herein by reference.

Item 6. Purposes of Transaction and Plans or Proposals.

The information set forth in the sections of the Offer to Purchase entitled "Summary Term Sheet," "Introduction," "Special Factors — Price Range of Shares and of ADSs; Dividends," "Special Factors — Certain Effects of the Offers," "Special Factors — Purpose and Structure of the Offers; Reasons of the Telefónica Group for the Offers," and "Special Factors — Transactions and Arrangements Concerning the Shares and the ADSs," respectively, is incorporated herein by reference.

Item 7. Source and Amount of Funds or Other Considerations.

(a) The information set forth in the section of the Offer to Purchase entitled "The U.S. Offer — Source and Amount of Funds" is incorporated herein by reference.

(b) and (d) Not applicable.

Item 8. Interest in Securities of the Subject Company.

The information set forth in the sections of the Offer to Purchase entitled "Special Factors — Interests of Certain Persons in the Offers," "Special Factors — Certain Shares and the ADSs Held by Affiliates of the Company," and "The U.S. Offer — Certain Information Concerning the Telefónica Group," respectively, is incorporated herein by reference.

Item 9. Persons/Assets Retained, Employed, Compensated or Used.

The information set forth in the section of the Offer to Purchase entitled "The U.S. Offer — Fees and Expenses" is incorporated herein by reference.

Item 10. Financial Information.

(a) Not applicable.

(b) Not applicable.

Item 11. Additional Information.

(a) The information set forth in the sections of the Offer to Purchase entitled "Special Factors — Interests of Certain Persons in the Offers" and "Special Factors — Transactions and Arrangements Concerning the Shares and ADSs" is incorporated herein by reference.

(b) The information set forth in the Offer to Purchase and in the related ADS Letter of Transmittal, the Form of Acceptance and the ADS Notice of Guaranteed Delivery, copies of which are attached hereto as Exhibits (a)(1), (a)(2), (a)(3) and (a)(4), respectively, is incorporated herein by reference.

Item 12. Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
Exhibit (a)(1)	Offer to Purchase.
Exhibit (a)(2)	ADS Letter of Transmittal.
Exhibit (a)(3)	Form of Acceptance.
Exhibit (a)(4)	ADS Notice of Guaranteed Delivery.
Exhibit (a)(5)	Form of letter to brokers, dealers, commercial banks, trust companies and other nominees re: Shares.
Exhibit (a)(6)	Form of letter to brokers, dealers, commercial banks, trust companies and other nominees re: ADSs.
Exhibit (a)(7)	Form of letter to be used by brokers, dealers, commercial banks, trust companies and other nominees to their clients re: Shares.
Exhibit (a)(8)	Form of letter to be used by brokers, dealers, commercial banks, trust companies and other nominees to their clients re: ADSs.
Exhibit (a)(9)	Summary newspaper advertisement, published in The Wall Street Journal on December 2, 2008.
Exhibit (a)(10)	English translation of the Notice of the Chilean Offer, published in Chile on December 1, 2008.
Exhibit (c)(1)	English translation of discussion materials dated September 3, 2008 prepared by Santander Investment Chile Limitada for the management of Telefónica, S.A. (incorporated herein by reference to Exhibit (c)(1) to Amendment No. 8 to Telefónica, S.A.'s Schedule TO/13E-3 filed on October 22, 2008).
Exhibit (f)(1)	English translation of Article 69 and Article 69 ter of the Chilean Corporations Law and English translation of the procedure for tendering Shares pursuant to the Chilean Offer (included as Annexes A, B and C of the Offer to Purchase filed herewith as Exhibit(a)(1)).

Item 13. Information Required by Schedule 13E-3.

Item 2. Subject Company Information.

(d) The information set forth in the section of the Offer to Purchase entitled "The U.S. Offer — Price Range of Shares and ADSs; Dividends" is incorporated herein by reference.

(e) Not Applicable.

(f) Not Applicable.

Item 4. Terms of the Transaction.

(c) Not Applicable.

(d) The information set forth in the section of the Offer to Purchase entitled "Special Factors — Appraisal Rights" is incorporated herein by reference.

(e) Not Applicable.

(f) Not Applicable.

Item 5. Past Contracts, Transactions, Negotiations and Agreements.

(c) The information set forth in the section of the Offer to Purchase entitled "Special Factors — Related Party Transactions" is incorporated herein by reference.

(e) Not Applicable.

Item 6. Purposes of the Transaction and Plans or Proposals.

(b) The information set forth in the section of the Offer to Purchase entitled "Special Factors — Purpose and Structure of the Offers; Reasons of the Telefónica Group for the Offers" is incorporated herein by reference.

(c)(6) and (8) The information set forth in the section of the Offer to Purchase entitled "Special Factors — Certain Effects of the Offer" is incorporated herein by reference.

Item 7. Purposes, Alternatives, Reasons and Effects.

(a) through (c) The information set forth in the sections of the Offer to Purchase entitled "Summary Term Sheet," "Introduction," and "Special Factors — Purpose and Structure of the Offers; Reasons of the Telefónica Group for the Offers," respectively, is incorporated herein by reference.

(d) The information set forth in the section of the Offer to Purchase entitled "Special Factors — Certain Effects of the Offer" is incorporated herein by reference.

Item 8. Fairness of the Transaction.

(a) and (b) As of the date hereof, the Company has not taken a position with respect to the Offers. The Company will be obligated to file a Solicitation/Recommendation Statement on Schedule 14D-9 with the Commission within ten Business Days of the date of the Offer to Purchase. In the Schedule 14D-9, the Company is required to set forth whether it will approve or disapprove of the U.S. Offer or not take a position with respect to the U.S. Offer. The information set forth in the section of the Offer to Purchase entitled "Special Factors — Fairness of the Offers" is incorporated herein by reference.

(c) There are no conditions to the U.S. Offer other than that the Shares and/or ADSs be validly tendered at or prior to 3:30 p.m., New York City time, on December 31, 2008 (the "Expiration Date"). Bidders are not obligated to purchase any Shares or ADSs if they are not validly tendered. The transaction is not conditioned upon approval of at least a majority of unaffiliated security holders of the Company. However, Telefónica and Purchaser reserve the right to amend the U.S. Offer to impose one or more conditions to the U.S. Offer. The section of the Offer to Purchase entitled "The U.S. Offer — Certain Conditions of the U.S. Offer" is incorporated herein by reference.

(d) As of this date, to the Bidders' knowledge, a majority of directors who are not employees of the Company has not retained an unaffiliated representative to act solely on behalf of unaffiliated security holders for purposes of negotiating the terms of the transaction and/or preparing a report concerning the fairness of the Offer.

(e) As of this date, the Offer has not been approved by a majority of the directors of the Company who are not employees of the Company.

(f) Not applicable.

Item 9. Reports, Opinions, Appraisals and Negotiations.

(a) and (b) Neither the Bidders nor the Company have received any report, opinion or appraisal from an outside party that is materially related to the Offer.

(c) Not applicable.

Item 10. Source and Amount of Funds or Other Considerations.

(c) The information set forth in the sections of the Offer to Purchase entitled "The U.S. Offer — Source and Amount of Funds" and "The U.S. Offer — Fees and Expenses" is incorporated herein by reference.

Item 12. The Solicitation or Recommendation.

(d) and (e) As of the date hereof, the Company has not taken a position with respect to the Offers. The Company will be obligated to file a Solicitation/Recommendation Statement on Schedule 14D-9 with the Commission within ten Business Days of the date of the Offer to Purchase. In the Schedule 14D-9, the Company is required to set forth whether

it will approve or disapprove of the U.S. Offer or not take a position with respect to the U.S. Offer. The information set forth in the section of the Offer to Purchase entitled "Special Factors — Fairness of the Offers" is incorporated herein by reference.

Item 13. Financial Statements.

(a) The audited financial statements of the Company as of and for the three-year period ended December 31, 2007, which Ernst & Young Ltda in Chile, the Company's independent certified public accountants, have audited, are hereby expressly incorporated herein by reference to Item 8 of the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2007. The Annual Report on Form 20-F for the fiscal year ended December 31, 2007 was filed with the U.S. Securities and Exchange Commission (the "Commission") on April 30, 2008. The financial statements are presented in Chilean pesos and are prepared in accordance with Chilean generally accepted accounting principles ("Chilean GAAP"), which differ in certain significant respects from United States generally accepted accounting principles ("U.S. GAAP").

The unaudited financial statements of the Company as of and for the nine-month period ended September 30, 2008 are hereby expressly incorporated herein by reference to the Company's unaudited interim information contained in the Company's Report of Foreign Issuer on Form 6-K, filed with the Commission on October 23, 2008. The financial statements are presented in Chilean pesos and are prepared in accordance with Chilean GAAP, which differs in certain significant respects from U.S. GAAP.

(b) Not material.

(c) The information set forth in the section of the Offer to Purchase entitled "The U.S. Offer — Certain Information Concerning the Company" is incorporated herein by reference.

SIGNATURES

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: December 2, 2008

TELEFÓNICA, S.A.

By: /s/ Jorge Abadía Pozuelo
Name: Jorge Abadía Pozuelo
Title: Authorized Signatory

By: /s/ Ernesto López Mozo
Name: Ernesto López Mozo
Title: Authorized Signatory

INVERSIONES TELEFÓNICA
INTERNACIONAL HOLDING LIMITADA

By: /s/ Jorge Abadía Pozuelo
Name: Jorge Abadía Pozuelo
Title: Authorized Signatory

By: /s/ Ernesto López Mozo
Name: Ernesto López Mozo
Title: Authorized Signatory

EXHIBIT INDEX

Exhibit No.	Description
Exhibit (a)(1)	Offer to Purchase.
Exhibit (a)(2)	ADS Letter of Transmittal.
Exhibit (a)(3)	Form of Acceptance.
Exhibit (a)(4)	ADS Notice of Guaranteed Delivery.
Exhibit (a)(5)	Form of letter to brokers, dealers, commercial banks, trust companies and other nominees re: Shares.
Exhibit (a)(6)	Form of letter to brokers, dealers, commercial banks, trust companies and other nominees re: ADSs.
Exhibit (a)(7)	Form of letter to be used by brokers, dealers, commercial banks, trust companies and other nominees to their clients re: Shares.
Exhibit (a)(8)	Form of letter to be used by brokers, dealers, commercial banks, trust companies and other nominees to their clients re: ADSs.
Exhibit (a)(9)	Summary newspaper advertisement, published in The Wall Street Journal on December 2, 2008.
Exhibit (a)(10)	English translation of the Notice of the Chilean Offer, published in Chile on December 1, 2008.
Exhibit (c)(1)	English translation of discussion materials dated September 3, 2008 prepared by Santander Investment Chile Limitada for the management of Telefónica, S.A. (incorporated herein by reference to Exhibit (c)(1) to Amendment No. 8 to Telefónica, S.A.'s Schedule TO/13E-3 filed on October 22, 2008).
Exhibit (f)(1)	English translation of Article 69 and Article 69 ter of the Chilean Corporations Law and English translation of the procedure for tendering Shares pursuant to the Chilean Offer (included as Annexes A, B and C of the Offer to Purchase filed herewith as Exhibit(a)(1)).

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Exhibit (a)(1)

OFFER TO PURCHASE FOR CASH
Any and All of the Outstanding Shares of Series A and Series B Common Stock and
Any and All of the Outstanding American Depositary Shares
of
COMPAÑÍA DE TELECOMUNICACIONES DE CHILE S.A.
at
1,100 Chilean Pesos Net Per Series A Share of Common Stock
990 Chilean Pesos Net Per Series B Share of Common Stock
4,400 Chilean Pesos Net Per American Depositary Share
(each representing 4 Shares of Series A Common Stock)
by
INVERSIONES TELEFÓNICA INTERNACIONAL HOLDING LIMITADA
a limited liability company indirectly wholly owned by
TELEFÓNICA, S.A.

THE U.S. OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 3:30 P.M., NEW YORK CITY
TIME, ON DECEMBER 31, 2008, UNLESS THE U.S. OFFER IS EXTENDED.

Inversiones Telefónica Internacional Holding Limitada, a Chilean limited liability company (*sociedad de responsabilidad limitada*) ("Purchaser") and an indirect wholly owned subsidiary of Telefónica, S.A. ("Telefónica," and together with Purchaser, the "Bidders"), a publicly held stock corporation organized and existing under the laws of the Kingdom of Spain, is offering to purchase (1) any and all of the outstanding shares of Series A common stock, no par value (the "Series A Shares") and Series B common stock, no par value (the "Series B Shares" and, together with the Series A Shares, the "Shares"), of Compañía de Telecomunicaciones de Chile S.A. (the "Company"), other than Shares currently owned by Purchaser or by Telefónica Internacional Chile S.A., the parent company of Purchaser and an indirect wholly owned Subsidiary of Telefónica (hereinafter "TICSA"), from all holders of Shares ("Shareholders") resident in the United States ("U.S. Holders") and (2) any and all of the outstanding American Depositary Shares ("ADSs") of the Company, other than ADSs currently owned by Purchaser, each representing 4 Series A Shares (the "U.S. Offer"). The purchase price will be, in each case, a price in Chilean pesos payable in United States dollars based on the Observed Exchange Rate, as defined below, published in the Official Gazette in Chile on the expiration date of the U.S. Offer, or if the Observed Exchange Rate is not published on the expiration date of the U.S. Offer, the Observed Exchange Rate published on the first day immediately preceding the expiration date of the U.S. Offer on which day the Observed Exchange Rate is published in the Official Gazette of Chile. Through a concurrent offer in Chile, Purchaser is offering to purchase any and all of the outstanding Shares, other than Shares currently owned by TICSA or Bidders (together, the "Telefónica Group"), including Shares held by U.S. Holders (the "Chilean Offer" and, together with the U.S. Offer, the "Offers").

On September 17, 2008, Purchaser commenced dual tender offers in Chile and in the United States (the "Initial Chilean Offer" and the "Initial U.S. Offer," respectively, and together, the "Initial Tender Offer") for all outstanding Shares and ADSs. In the initial Tender Offer, the Telefónica Group acquired an aggregate of 496,295,053 Shares, increasing its ownership interest in the Company to a total of 926,028,064 Shares (including Shares represented by ADSs) or approximately 96.75% of the total outstanding Shares. Chilean law requires Purchaser to commence a second tender offer, because it acquired share ownership in excess of two-thirds of the Shares with voting rights issued by the Company. The Offers are for the remaining outstanding Series A Shares, Series B Shares and ADSs not acquired by Bidders in the Initial Tender Offer or previously owned by the Telefónica Group.

Purchaser and its affiliates intend, if permitted by applicable laws and rules of U.S. authorities and the stock exchanges, to cause the Company to (1) delist the ADSs from the New York Stock Exchange, (2) suspend the Company's obligation to file reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), until termination of registration thereunder, (3) terminate the registration of the Shares and ADSs under the Exchange Act and (4) terminate the Company's ADS facility.

This transaction has not been approved or disapproved by the U.S. Securities and Exchange Commission (the "Commission"), or any state securities commission, the *Superintendencia de Valores y Seguros* (the "SVS") or the securities regulatory authorities of any other jurisdiction, nor has the Commission, or any state securities commission, the SVS or the securities regulatory authorities of any other jurisdiction passed upon the fairness or merits of such transaction nor upon the accuracy or adequacy of the information contained in this document. Any representation to the contrary is unlawful.

The date of this Offer to Purchase is December 2, 2008.

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IMPORTANT

Tenders by Holders of Shares: Any U.S. holder of Shares desiring to tender all or any portion of the Shares owned by such holder in the U.S. Offer should either: (1) complete and sign the Form of Acceptance (or a copy thereof, provided the signature is original) in accordance with the instructions in the Form of Acceptance and mail or deliver it together with the *titulo(s)* (certificate(s) of title) and a certificate from the share department of the Company or the *Deposito Central de Valores* ("DCV"), as the case may be, evidencing rights to such tendered Shares free and clear of liens, pledges and encumbrances and all other required documents to Santander S.A. Corredores de Bolsa, as depositary agent of Inversiones Telefónica Internacional Holding Limitada for the Shares in the U.S. Offer (the "Share Depositary"), at the address appearing on the back cover page of this Offer to Purchase, or tender such Shares pursuant to the procedures for book-entry transfer set forth in "The U.S. Offer — Section 3 — Procedures for Accepting the U.S. Offer — Holders of Shares," or (2) cause such holder's broker, dealer, commercial bank, trust company or other nominee to effect the transaction for such holder. Any holder of Shares whose Shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if such holder desires to tender such Shares.

Tenders by Holders of ADSs: Any holder of ADSs desiring to tender all or any portion of the ADSs owned by such holder should either: (1) complete and sign the ADS Letter of Transmittal (or a copy thereof, provided the signature is original) in accordance with the instructions in the ADS Letter of Transmittal and mail or deliver it together with the American Depositary Receipts ("ADRs") evidencing such tendered ADSs and all other required documents to Citibank, N.A., as depositary agent of Inversiones Telefónica Internacional Holding Limitada for the ADSs in the U.S. Offer (the "U.S. Depositary"), at the address appearing on the back cover page of this Offer to Purchase, or tender such ADSs pursuant to the procedures for book-entry transfer set forth in "The U.S. Offer — Section 4 — Procedures for Accepting the U.S. Offer — Holders of ADSs;" (2) cause such holder's broker, dealer, commercial bank, trust company or other nominee to effect the transaction for such holder; or (3) comply with the guaranteed delivery procedures set forth in "The U.S. Offer — Section 4 — Procedures for Accepting the U.S. Offer — Holders of ADSs." Any holder of ADSs whose ADSs are registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if such holder desires to tender such ADSs.

Any holder of ADSs who desires to tender ADSs and whose ADRs evidencing such ADSs are not immediately available, or who cannot comply with the procedures for book-entry transfer described in this Offer to Purchase on a timely basis, may tender such ADSs by following the procedures for guaranteed delivery set forth in "The U.S. Offer — Section 4 — Procedures for Accepting the U.S. Offer — Holders of ADSs."

Settlement of U.S. Offer Price: The purchase price for each of the Series A Shares and the Series B Shares and the purchase price for ADSs accepted for payment pursuant to the U.S. Offer will, in each case, be paid in United States dollars, with the dollar amount thereof being determined by the daily average dollar-to-peso exchange rate at which commercial banks conduct authorized transactions in Chile as determined by the Central Bank of Chile and published in the Official Gazette of Chile, pursuant to No. 6 of Chapter I of the International Exchange Rules Compendium of the Central Bank of Chile (the "Observed Exchange Rate") on the expiration date of the U.S. Offer, or if the Observed Exchange Rate is not published on the expiration date of the U.S. Offer, the Observed Exchange Rate published on the first day immediately preceding the expiration date of the U.S. Offer on which day the Observed Exchange Rate is published in the Official Gazette of Chile. All tendering holders will bear exchange rate risks and costs if they wish to convert the currency received into another currency.

Copies of this Offer to Purchase, the related Form of Acceptance, ADS Letter of Transmittal, ADS Notice of Guaranteed Delivery or any other tender offer materials must not be mailed to or otherwise distributed or sent in, into or from any country where such distribution or offering would require any additional measures to be taken or would be in conflict with any law or regulation of such country or any political subdivision thereof. Persons into whose possession this document comes are required to inform themselves about and to observe any such laws or regulations. This Offer to Purchase may not be used for, or in connection with, any offer to, or solicitation by, anyone in any jurisdiction or under any circumstances in which such offer or solicitation is not authorized or is unlawful.

Questions and requests for assistance may be directed to D.F. King & Co., Inc. (the "Information Agent") at the telephone number set forth on the back cover of this Offer to Purchase. Additional copies of this Offer to Purchase, the related Form of Acceptance, ADS Letter of Transmittal, ADS Notice of Guaranteed Delivery and other tender offer documents may be obtained free of charge from the Information Agent or from brokers, dealers, commercial banks, trust companies or other nominees.

All references to "U.S. dollars," "\$" and "U.S.\$" are to the currency which is currently legal tender in the United States and all references to "Chilean pesos," "pesos," and "Ch\$" are to the currency which is currently legal tender in the Republic of Chile.

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SUMMARY TERM SHEET

Inversiones Telefónica Internacional Holding Limitada is offering to purchase (1) any and all of the outstanding Series A Shares and Series B Shares, other than Series A Shares and Series B Shares currently owned by the Telefónica Group, from all holders of Shares ("Shareholders") resident in the United States for 1,100 Chilean pesos per Series A Share and 990 Chilean pesos per Series B Share and (2) any and all of the outstanding ADSs, other than ADSs currently owned by the Telefónica Group, for 4,400 Chilean pesos per ADS, in each case payable in United States dollars based upon the Observed Exchange Rate published in the Official Gazette in Chile on the Expiration Date (as defined below) of the U.S. Offer (or if the Observed Exchange Rate is not published on the Expiration Date of the U.S. Offer, the Observed Exchange Rate published on the first day immediately preceding the Expiration Date of the U.S. Offer on which day the Observed Exchange Rate is published in the Official Gazette of Chile), net to the seller in cash and without any interest, and upon the terms and subject to the conditions set forth in this Offer to Purchase and the related Form of Acceptance, ADS Letter of Transmittal and ADS Notice of Guaranteed Delivery. The Observed Exchange Rate is the daily average dollar-to-peso exchange rate at which commercial banks conduct authorized transactions in Chile as determined by the Central Bank of Chile, pursuant to No. 6 of Chapter I of the International Exchange Rules Compendium of the Central Bank of Chile. We refer to a holder of Shares resident in the United States as a "U.S. Holder," to the American Depositary Shares of the Company as "ADSs" and to the offer made in this Offer to Purchase and the related Form of Acceptance, ADS Letter of Transmittal and ADS Notice of Guaranteed Delivery as the "U.S. Offer." The following are answers to some of the questions you, as a U.S. Holder of Shares and/or a holder of ADSs, may have.

We urge you to read carefully the remainder of this Offer to Purchase, the related Form of Acceptance, ADS Letter of Transmittal and ADS Notice of Guaranteed Delivery because the information in this summary term sheet does not contain all of the information you should consider before tendering your Shares and/or ADSs. Additional important information is contained in the remainder of this Offer to Purchase and in the related Form of Acceptance, ADS Letter of Transmittal and ADS Notice of Guaranteed Delivery.

Who is offering to buy my securities?

Our name is Inversiones Telefónica Internacional Holding Limitada ("Purchaser"). We are a limited liability company (*sociedad de responsabilidad limitada*) organized and existing under the laws of the Republic of Chile. We are an indirect wholly owned subsidiary of Telefónica, a publicly held stock corporation organized and existing under the laws of the Kingdom of Spain. Telefónica is a diversified telecommunications and multimedia group which currently provides a comprehensive range of services mainly in Europe and Latin America through one of the world's largest and most modern telecommunications networks. As of the date of this Offer to Purchase, the Telefónica Group owns, through TICSAs and Purchaser, 845,937,574 Series A Shares (including Series A Shares represented by ADSs) and 80,090,490 Series B Shares representing, collectively, approximately 96.75% of the outstanding Shares. See "The U.S. Offer — Section 9 — Certain Information Concerning the Telefónica Group" in this Offer to Purchase.

What are the classes and amounts of securities sought in the U.S. Offer?

We are offering to purchase any and all of the outstanding Series A Shares and Series B Shares held by U.S. Holders and any and all of the outstanding ADSs not already owned by the Telefónica Group. See the "Introduction" to this Offer to Purchase.

What is the Chilean Offer?

Concurrent with the U.S. Offer, we are offering to purchase any and all of the Shares not already owned by the Telefónica Group, for 1,100 Chilean pesos per Series A Share and 990 Chilean pesos per Series B Share, net to the seller in cash and without any interest. We refer to that offer as the "Chilean Offer," and the U.S. Offer and Chilean Offer together as the "Offers." See the "Introduction" to this Offer to Purchase.

Why are you offering to purchase my Shares and/or ADSs?

Because Purchaser acquired more than two-thirds of the outstanding Shares in the Initial Tender Offer, Chilean law requires Purchaser to commence this subsequent tender offer for the Shares (including Shares represented by ADSs).

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See "The U.S. Offer — Special Factors — Purpose and Structure of the Offers; Reasons of the Telefónica Group for the Offers" in this Offer to Purchase.

How much are you offering to pay, what is the form of payment and will I have to pay any fees or commissions?

We are offering to pay, net to you in cash and without any interest, 1,100 Chilean pesos per Series A Share, 990 Chilean pesos per Series B Share and 4,400 Chilean pesos per ADS, in each case payable in United States dollars based upon the Observed Exchange Rate published in the Official Gazette of Chile on the Expiration Date of the U.S. Offer (or if the Observed Exchange Rate is not published on the Expiration Date of the U.S. Offer, the Observed Exchange Rate published on the first day immediately preceding the Expiration Date of the U.S. Offer on which day the Observed Exchange Rate is published in the Official Gazette of Chile). As of December 1, 2008, the U.S. dollar equivalent was equal to approximately U.S. \$1.66 per Series A Share, U.S. \$1.49 per Series B Share and U.S. \$6.62 per ADS, in each case based on the Observed Exchange Rate applicable on that date. If you are the record owner of your Series A Shares, Series B Shares or your ADSs and you tender your Series A Shares, Series B Shares or your ADSs to us in the U.S. Offer, you will not have to pay brokerage fees or similar expenses. If you own your Series A Shares, Series B Shares or your ADSs through a broker or other nominee, and your broker or nominee tenders your Series A Shares, Series B Shares or your ADSs on your behalf, your broker or nominee may charge you a fee for doing so. You should consult your broker or nominee to determine whether any charges will apply. See the "Introduction" to this Offer to Purchase.

Do you have the financial resources to make payment?

The amount of funds needed in connection with the Offers to purchase in the Offers all of the Shares and ADSs that the Telefónica Group does not already own and to pay related fees and expenses will be approximately Ch\$33,904 million or US\$51 million, based on the Observed Exchange Rate on December 1, 2008. Neither the U.S. Offer nor the Chilean Offer is conditioned upon any financing arrangements. Telefónica, directly or through its subsidiaries, currently intends to provide Purchaser with the necessary funds through a combination of intercompany loans and/or capital contributions. Telefónica intends to obtain such funds from available working capital. See "The U.S. Offer — Section 10 — Source and Amount of Funds" in this Offer to Purchase.

Is your financial condition relevant to my decision to tender in the U.S. Offer?

We do not believe that our financial condition, or the financial condition of Telefónica, is relevant to your decision whether to tender your Shares and/or your ADSs and accept the U.S. Offer because:

- the form of payment that you will receive consists solely of cash and, if you tender into the U.S. Offer and receive payment for your Shares and/or your ADSs, you will have no continuing equity interest in the Company or in Telefónica or any of its other affiliates;
- neither the U.S. Offer nor the Chilean Offer is subject to any financing condition; and
- the Offers are being commenced for all the outstanding Series A Shares, Series B Shares and ADSs not currently owned by the Telefónica Group.

See the "Introduction" to this Offer to Purchase.

Does the Company support the U.S. Offer?

As of the date hereof, the Company has not taken a position with respect to the Offers. The Company will be obligated to file a Solicitation/Recommendation Statement on Schedule 14D-9 with the Commission within ten Business Days (a "Business Day" being any day other than a Saturday, Sunday or a U.S. Federal Holiday) of the date of this Offer to Purchase. In the Schedule 14D-9, the Company is required to set forth whether it will approve or disapprove of the U.S. Offer or not take a position with respect to the U.S. Offer. See "Special Factors — Fairness of the Offers" in this Offer to Purchase.

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Why is there a separate Chilean Offer?

U.S. and Chilean laws and practice relating to tender offers are different and inconsistent in several ways. We are making the U.S. Offer in compliance with U.S. law and the Chilean Offer in compliance with Chilean law. However, we are offering the same price in the U.S. Offer and the Chilean Offer. In addition, the terms and conditions relating to the U.S. Offer and the Chilean Offer are substantially the same. See the "Introduction" to this Offer to Purchase and "The U.S. Offer — Section 2 — Acceptance for Payment" in this Offer to Purchase.

Who can participate in the U.S. Offer?

U.S. Holders of Series A Shares and Series B Shares may tender their Shares into either the U.S. Offer or the Chilean Offer. Holders of ADSs must tender their ADSs into the U.S. Offer. See the "Introduction" to this Offer to Purchase, "The U.S. Offer — Section 3 — Procedure for Accepting the U.S. Offer — Holders of Shares" and "The U.S. Offer — Section 4 — Procedure for Accepting the U.S. Offer — Holders of ADSs" in this Offer to Purchase.

Who can participate in the Chilean Offer?

Non-U.S. Holders must tender their Series A Shares and Series B Shares into the Chilean Offer. U.S. Holders may tender their Series A Shares and Series B Shares into either the Chilean Offer or the U.S. Offer. Holders of ADSs may not tender their ADSs directly into the Chilean Offer but may obtain the Series A Shares represented by their ADSs and tender such Series A Shares into the Chilean Offer. See the "Introduction" to this Offer to Purchase.

What is the difference between the U.S. Offer and the Chilean Offer?

Although the terms and conditions of the U.S. Offer and the Chilean Offer are substantially similar, because of differences in law and market practice between the United States and Chile, the rights of tendering holders pursuant to the U.S. Offer and the Chilean Offer are not identical. Under Chilean law, the initial offering period of a tender offer may not exceed 30 calendar days. The tender offer may then be extended one time for a period of between 5 to 15 calendar days. Thus, the maximum time period that a Chilean tender offer can remain open is 45 calendar days. Under U.S. tender offer regulations, a tender offer must remain open for at least 20 Business Days, but there is no maximum time limit. Under some circumstances (such as a change in the price offered per share or other material change in the terms of the U.S. Offer), U.S. tender offer regulations may require an extension of the expiration date of the U.S. Offer to a date later than such 45th day. Chilean laws governing the withdrawal rights of tendering holders also are different from U.S. laws governing such rights. In addition, due to requirements of applicable law or market practice, it is possible that Shareholders tendering in the Chilean Offer will be paid either before or after holders tendering Series A Shares, Series B Shares and/or ADSs in the U.S. Offer, although the price paid per share will be the same. See the "Introduction" to this Offer to Purchase and "Special Factors — Risks of Tendering Shares in the Chilean Offer Instead of the U.S. Offer" in this Offer to Purchase.

In addition, the Chilean Offer is subject to simplified disclosure requirements pursuant to applicable Chilean law and therefore the Chilean Offer disclosure consists of a notice of the Chilean Offer, published in Chile on December 1, 2008. See "Special Factors — Risks of Tendering Shares in the Chilean Offer Instead of the U.S. Offer" in this Offer to Purchase.

How long do I have to decide whether to tender in the U.S. Offer?

You will have until 3:30 p.m., New York City time ("NYT") (the "Expiration Time"), on December 31, 2008 (the "Expiration Date") to decide whether to tender your Series A Shares, Series B Shares and/or ADSs in the U.S. Offer, unless the U.S. Offer is extended. The Chilean Offer will expire at 5:30 p.m., Chilean time, on December 31, 2008, which corresponds to 3:30 p.m. NYT. Further, if you own ADSs and cannot deliver everything that is required in order to make a valid tender by that time, you may be able to use a guaranteed delivery procedure, which is described later in this Offer to Purchase. There is no guaranteed delivery procedure for the tendering of Series A Shares or Series B Shares into the U.S. Offer. See "The U.S. Offer — Section 1 — Terms of the U.S. Offer," "The U.S. Offer — Section 3 — Procedures for Accepting the U.S. Offer — Holders of Shares" and "The U.S. Offer — Section 4 — Procedures for Accepting the U.S. Offer — Holders of ADSs" in this Offer to Purchase.

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Can the U.S. Offer be extended and under what circumstances?

Yes. We expressly reserve the right, in our sole discretion but subject to applicable law, to extend the period of time during which the U.S. Offer remains open, from time to time. See "The U.S. Offer — Section 1 — Terms of the U.S. Offer" in this Offer to Purchase.

What are the conditions to the U.S. Offer?

There are no conditions to the U.S. Offer other than that the Shares and/or ADSs be validly tendered at or prior to the Expiration Time on the Expiration Date. Bidders are not obligated to purchase any Shares or ADSs if they are not validly tendered. Bidders reserve the right, at any time or from time to time, in their sole discretion, to amend the U.S. Offer to impose one or more conditions on the U.S. Offer by giving oral or written notice of the amendment to the Share Depository and the U.S. Depository and making public announcement thereof. See "The U.S. Offer — Section 2 — Acceptance for Payment," "The U.S. Offer — Section 3 — Procedure for Accepting the U.S. Offer — Holders of Shares," "The U.S. Offer — Section 4 — Procedure for Accepting the U.S. Offer — Holders of ADSs" and "The U.S. Offer — Section 12 — Conditions to the U.S. Offer."

What are the conditions to the Chilean Offer?

The Chilean Offer is subject to the same conditions as the U.S. Offer.

How will I be notified if the U.S. Offer is extended?

If we extend the U.S. Offer, we will inform the U.S. Depository and Santander S.A. Corredores de Bolsa, which is our depository for the Shares in the U.S. Offer (the "Share Depository"), of that fact. We also will make a public announcement of the extension, not later than 9:00 a.m., New York City time, on the next Business Day after the day on which the U.S. Offer was scheduled to expire. See "The U.S. Offer — Section 1 — Terms of the U.S. Offer" in this Offer to Purchase.

How do I tender my Shares and/or ADSs in the U.S. Offer?

To tender your Shares in the U.S. Offer, prior to the expiration of the U.S. Offer, either (1) you must deliver the *titulos* (certificates of title) representing your Series A Shares and Series B Shares, together with a properly completed and duly executed Form of Acceptance and all documents identified in the Form of Acceptance, to the Share Depository at the address appearing on the back cover page of this Offer to Purchase; or (2) the Share Depository must receive a confirmation of receipt of your Series A Shares and Series B Shares by book-entry transfer and a properly completed and duly executed Form of Acceptance together with all required documents. See "The U.S. Offer — Section 3 — Procedures for Accepting the U.S. Offer — Holders of Shares" in this Offer to Purchase.

To tender your ADSs in the U.S. Offer, prior to the expiration of the U.S. Offer, the U.S. Depository must receive the American Depository Receipts representing the ADSs or book-entry transfer of such ADSs, together with a properly completed and duly executed ADS Letter of Transmittal or a message transmitted by The Depository Trust Company to the U.S. Depository stating that you have expressly agreed to be bound by the terms of the ADS Letter of Transmittal, and all other required documents. If you cannot get any document or instrument that is required to be delivered to the U.S. Depository by the expiration of the U.S. Offer, you may have a short period of extra time to do so by having a broker, a bank or other fiduciary which is a member of the Securities Transfer Agents Medallion Program or other eligible institution guarantee that the missing item will be received by the U.S. Depository for the U.S. Offer within three New York Stock Exchange trading days. For the tender to be valid, however, the U.S. Depository must receive the missing items within that three trading day period. See "The U.S. Offer — Section 4 — Procedures for Accepting the U.S. Offer — Holders of ADSs" in this Offer to Purchase.

Until what time can I withdraw previously tendered ADSs or Shares of the Company?

You can withdraw ADSs or Shares from the U.S. Offer at any time until the U.S. Offer has expired and, if we have not agreed by January 30, 2009 to accept your ADSs or Shares for payment, you can withdraw them at any time after

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such date until we accept your ADSs or Shares for payment. See "The U.S. Offer — Section 1 — Terms of the Offer" and "The U.S. Offer — Section 5 — Withdrawal Rights" in this Offer to Purchase.

How do I withdraw previously tendered Shares and/or ADSs?

To withdraw ADSs or Shares, you must deliver a written notice of withdrawal, or a copy of one, with the required information to the Share Depositary or the U.S. Depositary, as applicable, while you still have the right to withdraw the Series A Shares, Series B Shares or ADSs. Withdrawn ADSs and Shares may be retendered by again following one of the procedures described in this Offer to Purchase, at any time until the U.S. Offer has expired. See "The U.S. Offer — Section 3 — Procedures for Accepting the U.S. Offer — Holders of Shares," "The U.S. Offer — Section 4 — Procedures for Accepting the U.S. Offer — Holders of ADSs" and "The U.S. Offer — Section 5 — Withdrawal Rights" in this Offer to Purchase.

When and how will I be paid for my tendered Shares and/or ADSs?

Subject to the terms and conditions of the U.S. Offer, we will pay for all ADSs and Shares validly tendered and not properly withdrawn promptly after the Expiration Date of the U.S. Offer, and in any case, pursuant to applicable Chilean law or practice.

We will pay for your ADSs and/or Shares that are validly tendered and not properly withdrawn by depositing the purchase price with the Share Depositary or the U.S. Depositary, as applicable, which will act as depositary for the purpose of receiving payments from us and transmitting such payments to you. In all cases, payment for tendered Shares will be made only after timely receipt by the Share Depositary of the *títulos* (certificates of title) representing your Shares (or of a confirmation of a book-entry transfer of such Shares as described in "The U.S. Offer — Section 3 — Procedures for Accepting the U.S. Offer — Holders of Shares" in this Offer to Purchase), together with a completed Form of Acceptance and all documents identified in the Form of Acceptance for such Shares. Payment for tendered ADSs will be made only after timely receipt by the U.S. Depositary of certificates for such ADSs and a properly completed and duly executed Letter of Transmittal and any other required documents for such ADSs (or of a confirmation of a book-entry transfer of such ADSs as described in "The U.S. Offer — Section 4 — Procedures for Accepting the U.S. Offer — Holders of ADSs" in this Offer to Purchase). See "The U.S. Offer — Section 2 — Acceptance for Payment" in this Offer to Purchase.

Do I have statutory put rights?

No. You do not have any statutory put rights under Chilean law. See "Special Factors — Purpose and Structure of the Offers; Reasons of the Telefónica Group for the Offers" in this Offer to Purchase.

Do I have statutory appraisal rights?

Chilean corporations law does not provide for appraisal rights in connection with tender offers. See "Special Factors — Plans for the Company After the Offers" and "The U.S. Offer — Section 11 — Effect of the Offers on the Market for the Shares and ADSs; Exchange Act Registration" in this Offer to Purchase.

Will the Offers be followed by a Merger?

Purchaser does not have any present plans to effect a merger following the completion of the Offers. See "Special Factors — Plans for the Company After the Offers" in this Offer to Purchase.

Will the Company continue as a public company?

Subject to applicable laws and rules of the Chilean and U.S. authorities and the stock exchanges, Purchaser and its affiliates intend to cause the Company to (1) delist the ADSs from the New York Stock Exchange, (2) suspend the Company's obligation to file reports under the Exchange Act until termination of registration thereunder, (3) terminate the registration of the Shares and ADSs under the Exchange Act and (4) terminate the Company's ADS facility. See "Special Factors — Certain Effects of the Offers" and "The U.S. Offer — Section 11 — Effect of the Offers on the Market for the Shares and ADSs; Exchange Act Registration" in this Offer to Purchase.

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What will happen to any Shares or ADSs of the Company remaining after the Offers?

Purchaser is seeking 100% of the Shares, including Series A Shares represented by ADSs, in the Offers. However, there may be Shares that remain outstanding following completion of the Offers. We do not have any current plans to effect a merger of the Company following the completion of the Offers. Purchaser may, however, from time to time seek (or cause one of its affiliates to seek) to acquire additional outstanding Series A Shares, Series B Shares or ADSs not owned by Purchaser and its affiliates, including, subject to applicable law, by means of one or more tender offers, open market purchases or negotiated transactions. See the "Introduction" to this Offer to Purchase, "Special Factors — Plans for the Company after the Offers," "Special Factors — Certain Effects of the Offers" and "The U.S. Offer — Section 11 — Effect of the Offers on the Market for the Shares and ADSs; Exchange Act Registration" in this Offer to Purchase.

If I decide not to tender, how will the Offers affect my Shares and/or ADSs?

The purchase of Shares and ADSs in the Initial Tender Offer has substantially reduced the number of Shareholders and holders of ADSs. The purchase of the remaining outstanding Shares and ADSs not owned by the Telefónica Group would further reduce the number of holders of Shares and ADSs and the number of Shares and ADSs which are still in the hands of the public may be so small that there may no longer exist an active public trading market (or, possibly, there may not be any public trading market) for the Shares and/or ADSs. The termination of the deposit agreement and the delisting and cessation of making filings described above also may occur. See the "Introduction" to this Offer to Purchase and "The U.S. Offer — Section 11 — Effect of the Offers on the Market for the Shares; Exchange Act Registration" in this Offer to Purchase.

What is the market value of my Shares and/or ADSs as of a recent date?

On November 28, 2008, the last trading day on the Santiago Stock Exchange and the New York Stock Exchange before the announcement of the Offers, the last reported sale price of the Shares on the Santiago Stock Exchange was 1,002.1 Chilean pesos per Series A Share and 990 Chilean pesos per Series B Share and the last sale price of the ADSs reported on the New York Stock Exchange was U.S.\$5.98 per ADS. We advise you to obtain a more recent quotation for Shares and/or ADSs in deciding whether to tender your Shares and/or ADSs. See "The U.S. Offer — Section 7 — Price Range of ADSs; Dividends" in this Offer to Purchase.

What are the U.S. federal income tax consequences if I tender my Shares and/or ADSs?

Generally, if you are a U.S. holder (as that term is defined for U.S. federal income tax purposes, see "The U.S. Offer — Section 6 — Certain Tax Considerations" in this Offer to Purchase), you will be subject to U.S. federal income taxation when you receive cash from us in exchange for the Shares and/or ADSs you tender and you may be subject to applicable state or local law. Holders of ADSs that are not U.S. holders may be subject to foreign taxation upon receipt of cash in exchange for ADSs pursuant to the U.S. Offer. You should consult your tax advisor about the particular effect the U.S. Offer will have on you. See "The U.S. Offer — Section 6 — Certain Tax Considerations" in this Offer to Purchase.

Who can I talk to if I have questions about the U.S. Offer?

You can call D.F. King & Co., Inc., our Information Agent for the U.S. Offer, toll free at (800) 859-8511. See the back cover of this Offer to Purchase.

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To U.S. Holders of Shares of Common
Stock and Holders of American
Depository Shares of Compañía de
Telecomunicaciones de Chile S.A.

INTRODUCTION

Inversiones Telefónica Internacional Holding Limitada ("Purchaser"), a limited liability company (*sociedad de responsabilidad limitada*) organized and existing under the laws of the Republic of Chile and an indirect wholly owned subsidiary of Telefónica, S.A. ("Telefónica"), a publicly held stock corporation organized and existing under the laws of the Kingdom of Spain with its corporate seat located in Madrid, hereby offers to purchase (1) any and all of the outstanding shares of Series A common stock, no par value (the "Series A Shares") and Series B shares of common stock, no par value (the "Series B Shares" and, together with the Series A Shares, the "Shares"), of Compañía de Telecomunicaciones de Chile S.A., a publicly traded stock corporation organized and existing under the laws of the Republic of Chile (the "Company"), other than Shares currently owned by Purchaser or by Telefónica Internacional Chile S.A., a corporation organized and existing under the laws of the Republic of Chile, the parent company of Purchaser and wholly owned by Telefónica ("TICSA"), from all holders of Shares ("Shareholders") resident in the United States (the "U.S. Holders") for 1,100 Chilean pesos per Series A Share and 990 Chilean pesos per Series B Share and (2) any and all of the outstanding American Depository Shares ("ADSs") of the Company, other than ADSs currently owned by the Telefónica Group, each representing four Series A Shares, for 4,400 Chilean pesos per ADS, in each case payable in United States dollars based upon the Observed Exchange Rate published in the Official Gazette of Chile on the Expiration Date (or if the Observed Exchange Rate is not published on the Expiration Date of the U.S. Offer, the Observed Exchange Rate published on the first day immediately preceding the Expiration Date of the U.S. Offer on which day the Observed Exchange Rate is published in the Official Gazette of Chile), net to the seller in cash and without interest thereon and subject to any required withholding of taxes (the "U.S. Offer Price"), upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related Form of Acceptance, ADS Letter of Transmittal and ADS Notice of Guaranteed Delivery (which, as the same may be amended and supplemented from time to time, constitute the "U.S. Offer").

Concurrent with the U.S. Offer, Purchaser is offering to purchase (the "Chilean Offer" and, together with the U.S. Offer, the "Offers") from all Shareholders (including U.S. Holders) any and all of the outstanding Shares, other than Shares currently owned by Purchaser or by TICSA, for 1,100 Chilean pesos per Series A Share and 990 Chilean pesos per Series B Share, net to the seller in cash and without interest and subject to any required withholding of taxes. The Chilean Offer will be made on substantially the same terms as the U.S. Offer. Except as otherwise required by applicable law and regulations, the Telefónica Group intends to consummate the U.S. Offer concurrently with the Chilean Offer.

On September 17, 2008, Purchaser commenced dual tender offers in Chile and in the United States (the "Initial Chilean Offer" and the "Initial U.S. Offer," respectively, and together, the "Initial Tender Offer") for all outstanding Shares and ADSs. The Initial Chilean Offer expired on October 30, 2008 and the Initial U.S. Offer expired on October 31, 2008. In the Initial Tender Offer, the Telefónica Group acquired an aggregate of 496,295,053 Shares, thereby increasing its ownership interest in the Company to a total of 926,028,064 Shares, or approximately 96.75%, of the total outstanding Shares, including Shares represented by ADSs. Chilean law requires Purchaser to commence the Offers because it acquired share ownership in excess of two-thirds of the Shares with voting rights issued by the Company. The Offers are for the remaining Series A Shares and the remaining Series B Shares not acquired by Purchaser in the Initial Tender Offer or previously owned by the Telefónica Group, including Shares represented by ADSs not acquired by Purchaser in the Initial Tender Offer.

As used herein, the "Telefónica Group" shall mean, collectively, Telefónica, TICSA and Purchaser. The "Chilean Exchanges" (in the Spanish language *bolsas de valores*) shall mean, collectively, the *Bolsa de Comercio de Santiago*, *Bolsa de Valores*, the *Bolsa Electronica de Chile*, *Bolsa de Valores* and the *Bolsa de Corredores*, *Bolsa de Valores*.

The U.S. Offer is open to U.S. Holders of Shares and all holders of ADSs. Non-U.S. Holders of Shares must tender their Shares into the Chilean Offer. U.S. Holders of Shares may tender their Shares into either the U.S. Offer or the Chilean Offer. Holders of ADSs must tender their ADSs into the U.S. Offer.

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The purchase price for Series A Shares or Series B Shares and the purchase price for ADSs accepted for payment pursuant to the U.S. Offer will, in each case, be paid in United States dollars, with the dollar amount thereof being determined by the daily average dollar-to-peso exchange rate at which commercial banks conduct authorized transactions in Chile as determined by the Central Bank of Chile and published in the Official Gazette of Chile, pursuant to No. 6 of Chapter I of the International Exchange Rules Compendium of the Central Bank of Chile (the "Observed Exchange Rate") on the Expiration Date, or if the Observed Exchange Rate is not published on the Expiration Date, the Observed Exchange Rate published on the first day immediately preceding the Expiration Date on which day the Observed Exchange Rate is published in the Official Gazette of Chile.

In the event that the price per Share to be paid in the Chilean Offer is increased, Purchaser will make a corresponding increase to the price paid per Share and ADS in the U.S. Offer.

The U.S. Offer is currently scheduled to expire at 3:30 p.m., NYT (the "Expiration Time"), on December 31, 2008 (the "Expiration Date"), unless and until Purchaser, in its sole discretion (but subject to the applicable rules and regulations of the Commission) shall have extended the period of time during which the U.S. Offer will remain open, in which event the term "Expiration Date" will mean the latest time and date at which the U.S. Offer, as so extended by Purchaser, shall expire.

As of the date hereof, the Company has not taken a position with respect to the Offers. The Company will be obligated to file a Solicitation/Recommendation Statement on Schedule 14D-9 with the Commission within ten Business Days of the date of this Offer to Purchase. In the Schedule 14D-9, the Company is required to set forth whether it will approve or disapprove of the U.S. Offer or not take a position with respect to the U.S. Offer. This statement will contain important information and may include certain material non-public information that the Company believes is necessary for Shareholders to make a decision with respect to the Offers. We urge all Shareholders of the Company to review this statement carefully when it becomes available.

As of November 26, 2008, there were 873,995,447 shares of Series A issued and outstanding, including 162,846,960 Shares evidenced by ADSs, and 83,161,638 shares of Series B issued and outstanding. Telefónica indirectly owns 845,937,574 Series A Shares, including Series A Shares represented by ADSs, representing approximately 96.79% of the Series A Shares and 80,090,490 Series B Shares, representing approximately 96.31% of the Series B shares, which corresponds to a total of approximately 96.75% of the issued and outstanding Shares of the Company. While five of the seven current members of the Company's Board of Directors are appointed by the Telefónica Group, given the Telefónica Group's 96.75% ownership interest in the Company, the Telefónica Group is currently entitled to appoint the entire Board of Directors of the Company.

Tendering U.S. Holders of Shares who have Shares registered in their own name and who tender directly to the Share Depository will not be obligated to pay brokerage fees, commissions or stock transfer taxes on the sale of their Shares pursuant to the U.S. Offer. Tendering holders of ADSs who have ADSs registered in their own name and who tender directly to the U.S. Depository will not be obligated to pay brokerage fees, commissions or, except as set forth in Instruction 6 of the ADS Letter of Transmittal, transfer taxes on the sale of their ADSs pursuant to the U.S. Offer. Tendering U.S. Holders of Shares and tendering holders of ADSs who own Shares and/or ADSs through a broker or other nominee, and such broker or nominee tenders their Shares and/or ADSs on their behalf, may have to pay a fee to such broker or nominee. Purchaser will pay all charges and expenses of the Share Depository and the U.S. Depository incurred in connection with the U.S. Offer. See "The U.S. Offer — Section 14 — Fees and Expenses."

This Offer to Purchase and the related Form of Acceptance, ADS Letter of Transmittal and ADS Notice of Guaranteed Delivery contain important information and should be read carefully in their entirety before any decision is made with respect to the U.S. Offer.

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RELIEF GRANTED BY THE COMMISSION

In order to facilitate the making of the U.S. Offer, Telefónica has requested from the Staff of the Commission, and the Staff has granted, certain exemptive relief from the provisions of Rule 14d-10 under the Exchange Act (the “14d-10 Exemption”).

Rule 14d-10(a)(1) under the Exchange Act provides that no person shall make a tender offer unless the offer is open to all security holders of the class of securities subject to the tender offer. Accordingly, in the absence of exemptive relief, the application of Rule 14d-10(a)(1) would prohibit the dual structure of the Offers. The 14d-10 Exemption will permit the U.S. Offer to be open only to U.S. Holders of Shares and holders of ADSs.

SPECIAL FACTORS

Background of the Offers.

Purchaser. Inversiones Telefónica Internacional Holding Limitada was formed by means of public deed dated September 8, 1999 in Santiago, Chile, under the name of Telefónica Interactiva Chile Limitada. Its business address is Avenida Vitacura 2736, Piso 2, Las Condes, Santiago, Chile.

The representatives authorized to represent the Purchaser are Jorge Martina Aste, Luis Muñoz Vallejos, Waldo Maldonado Catalán, Claudio Contreras Villalón, Cristián Aninat Salas, Ignacio Gaspar Sintés, Juan Vidaurrezaga Guerenabarrena, Víctor Galilea Page and José María Álvarez-Pallete López. As of December 2, 2008, Purchaser is the owner of 99.99% of the shares in Terra Networks Chile S.A. Purchaser’s parent companies are Telefónica, S.A., Telefónica Internacional S.A., Telefónica Internacional Holding BV, Telefónica Chile Holding BV and Telefónica Internacional Chile S.A.

Purchases of Shares and ADSs of the Company. Telephone service in Chile commenced in 1880 with the formation of Compañía de Telefonos Edison in Valparaíso. In 1927, the International Telephone and Telegraph Corporation (“ITT”) acquired the Chile Telephone Company, which had 26,205 telephones in operation at the time. In 1930, the Company was formed as a stock company named Compañía de Telefonos de Chile S.A. In 1971, the Chilean Government intervened to take management control of the Company, and in 1974, the Chilean Government’s *Corporación de Fomento de la Producción* (“Corfo”) acquired 80% of the total shares issued by the Company, then held by ITT.

In August of 1987, Corfo announced that it would reduce its shareholdings and privatize the Company by selling approximately 30% of Corfo’s shares in the Company. In January of 1988, 151 million shares of Series A Common Stock of the Company were transferred to Bond Chile. After giving effect to a capital increase in an April 1988 offering and other additional purchases of Series A Common Stock and Series B Common Stock of the Company, Bond Chile owned approximately 50% of the then issued and outstanding capital stock of the Company.

In April of 1990, Telefónica Internacional, S.A., a subsidiary of Telefónica (“TISA”), indirectly acquired the stock of Bond Chile — and thus all of Bond Chile’s interest in the Company. Bond Chile then changed its name to Telefónica Internacional Chile S.A.

The Company’s July 1990 international offering of American Depositary Shares (“ADSs”) reduced TICSAs ownership to 44.45% of the Company’s issued and outstanding capital stock. Subsequently, payments made by third parties for subscribed but unpaid shares further reduced TICSAs ownership to 43.6% until 2003. In 1999, the Company launched its new brand name, “Telefónica CTC Chile.” Since the purchase of an additional 1.3% in July 2004, TICSAs ownership stake in the Company remained 44.9% until the Initial Tender Offer.

On September 17, 2008, Bidders commenced the Initial Chilean Offer and the Initial U.S. Offer, which expired on October 30, 2008 and October 31, 2008, respectively. Pursuant to the Initial Tender Offer, the Bidders acquired an additional 496,295,053 Shares, including Shares represented by ADSs. After the acquisition of such Shares, the Telefónica Group’s ownership interest in the Company increased to a total of 926,028,064 Shares, including Shares represented by ADSs, or approximately 96.75% of the total outstanding Shares of the Company.

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Recent Discussions and Related Events.

In recent years, Telefónica has continually sought to enhance its strategic position on a global scale. To that end, Telefónica has considered various means through which to increase its ownership stake in each of its Latin American affiliates — including, but not limited to, the Company — and across each of its lines of business.

In that regard, Telefónica launched exchange offers in 2000 to increase its ownership stake in several of its then-existing Latin American subsidiaries based in Argentina, Brazil and Peru. Because of, *inter alia*, the regulatory regime and market conditions in Chile at that time, the Company determined not to commence any such exchange offers with respect to its Chilean subsidiaries. Nevertheless, since the time of its series of exchange offers effected in 2000, Telefónica has, from time to time, revisited generally the possibility of increasing its ownership stake in the Company.

In February 2008, Telefónica renewed its focus on the Company and began to consider its options for increasing its position in the subsidiary's stock. In the following months, Telefónica was approached by a number of investment banks proposing a variety of transactions, some of which involved the Company. Telefónica did not pursue any discussions with any of the investment banks regarding any of the proposals relating to the Company. Throughout February and March 2008, Telefónica began evaluating internally a potential increase in its ownership stake in the Company and informally consulted with legal counsel regarding (i) the implications of a potential dual tender offer in the U.S. and in Chile to acquire additional Shares of the Company, and (ii) the U.S. and Chilean legal and regulatory rules governing such prospective transactions.

On March 12, 2008, the management of Telefónica met to discuss the potential transaction. However, on March 13, 2008, Telefónica decided to abandon its preliminary analyses in connection with the potential tender offer.

In June 2008, Telefónica formally retained Guerrero, Olivos Novoa y Errazuriz as its Chilean legal advisor and Dewey & LeBoeuf LLP as its U.S. legal advisor in connection with the potential tender offer. During this time, Telefónica held several discussions with its legal advisors regarding the proposed transaction and consulted with PricewaterhouseCoopers Chile, its tax advisor, for advice regarding the potential tax consequences related to the proposed transaction.

Also during the month of June, Telefónica continued to evaluate internally the potential timing and structure of the proposed tender offer.

On July 1, 2008, the finance officers of Telefónica met to discuss the progress and current status of the various internal analyses. Thereafter and throughout the month of July, Telefónica continued to finalize the structure of the proposed offer and complete its internal analyses.

On July 24, 2008, Telefónica met with its Chilean legal advisor in Madrid, Spain, to further analyze the implications of Chilean law in connection with the proposed tender offer, and to discuss timing issues. On July 29, 2008, Telefónica met with its U.S. and Chilean legal advisors in New York, to discuss, among other things, the timing and structure of the proposed offer and related filings, as well as legal and regulatory issues arising in connection with the transaction, both in the U.S. and in Chile.

During the month of August, Telefónica and its legal advisors prepared drafts of the necessary documents required in connection with the proposed transaction.

On September 1, 2008, Telefónica retained Santander Investment Chile Limitada to act as its financial advisor (the "Financial Advisor"), and mainly to assist Telefónica in connection with the definitive selection and implementation of the best alternative to pursue its objective of increasing its ownership in the Company. Telefónica retained the Financial Advisor based on the Financial Advisor's expertise, reputation and familiarity with Latin American transactions and familiarity with Chilean equity markets and investors, as the Financial Advisor is an affiliate of the largest commercial bank in Chile.

Telefónica did not request, and was not provided with, an appraisal of the assets and liabilities of the Company or an opinion with regards to the fairness, from a financial point of view, of the consideration to be paid in the U.S. Offer.

In early September, the Financial Advisor provided the management of Telefónica with certain discussion materials analyzing the proposed tender offer. Telefónica's management continued to consider methods of achieving Telefónica's strategic goals and conclusively decided to structure the potential transaction as a dual cash tender offer, in both the

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United States and in Chile, for 100% of the outstanding Shares of the Company, other than Shares currently owned by the Telefónica Group. The reasons for structuring the acquisition as a cash tender offer included:

- A cash tender offer provides simplicity for the selling shareholders and the target company;
- The cost-effectiveness for the Bidders, in terms of relatively fast and simple execution of a tender offer; and
- The fairness, from a financial point of view, of the prices offered, after consideration of the different factors set forth below under "Special Factors — Fairness of the Offers."

Accordingly, Telefónica focused on a cash tender offer structure from the outset. Other structures that could have permitted Telefónica to increase its ownership interest in the Company were deemed impractical due to legal and cost considerations.

On September 5, 2008, the Executive Committee of the Board of Directors of Telefónica (the "Executive Committee"), having consulted with management, authorized the Initial U.S. Offer and the Initial Chilean Offer, subject to satisfaction of the applicable legal and regulatory conditions. The decision to launch the transaction at that time was based upon management's business judgment that the additional investment in the Company was attractive relative to Telefónica's other global investment opportunities, the availability of cash to make the Initial Tender Offer and the belief that pension fund investors would be receptive to a tender offer.

On September 11, 2008, Telefónica publicly announced its intention to effect the Initial Tender Offer for all of the outstanding Shares of the Company through a press release, filed on Schedule TO-C with the Commission in the United States and with the Chilean Market Regulator (*Superintendencia de Valores y Seguros*, the "SVS") in Chile.

On September 16, 2008, Telefónica filed with the SVS the documentation required in connection with the Chilean Offer.

On September 17, 2008, Telefónica launched the U.S. Offer by publishing a summary advertisement for the U.S. Offer in *The Wall Street Journal* and by filing with the SEC the documentation required in connection with the U.S. Offer.

On October 7, 2008, the Company held an Extraordinary Meeting of the Shareholders to vote on the certain bylaw amendments upon which the Initial Tender Offer were conditioned (the "Bylaw Amendments"). The Shareholders failed to adopt the Bylaw Amendments.

Between October 8 and October 11, 2008, Purchaser, together with its Financial Advisor, discussed with certain shareholders, namely AFP Capital S.A., AFP Cuprum S.A., Plan Vital S.A., Habitat S.A. and AFP Provida S.A., the possibility of an increase in the offer prices. On October 11, 2008, following discussions with such pension funds, Purchasers decided to increase the offer prices and extend the Initial Tender Offer until October 30, 2008, and AFP Capital S.A., AFP Cuprum S.A. and AFP Provida S.A. (collectively, the "Pension Funds") requested that the Board of Directors of the Company call a new special meeting of Shareholders (the "Second Shareholders Meeting"). There was no written or oral agreement or understanding between the Bidders and the Pension Funds, Plan Vital S.A. or Habitat S.A. as to (i) how the Pension Funds would vote on the Bylaw Amendments at the Second Shareholders Meeting and (ii) whether the Pension Funds would tender their Shares.

On October 13, 2008, Bidders announced an increase in the offer prices of the Initial Tender Offer from 1,000 Chilean pesos per Series A Share and 900 Chilean pesos per Series B Share to 1,100 Chilean pesos per Series A Share and 990 Chilean pesos per Series B Share, respectively, and from 4,000 Chilean pesos per ADS to 4,400 Chilean pesos per ADS. Telefónica also announced that, in connection with the increase in the offer prices, the offer period would be extended to 11:00 p.m., New York City time, on October 30, 2008.

On October 27, 2008, Bidders announced an extension of the Initial U.S. Offer to 12:00 midnight on October 31, 2008.

On October 28, 2008, the Second Shareholders Meeting was held and the Shareholders approved the Bylaw Amendments.

The Initial Chilean Offer and the Initial U.S. Offer expired on October 30, 2008 and October 31, 2008, respectively, and pursuant to the Initial Tender Offer, the Telefónica Group, directly or indirectly, acquired 496,295,053 Shares, including Shares represented by ADSs, validly tendered in the Initial Tender Offer. As a result, the Telefónica Group

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currently owns 926,028,064, or approximately 96.75%, of the total outstanding Shares, including Shares represented by ADSs. Chilean law requires Purchaser to commence the Offers for the Shares and ADSs not acquired by Purchaser in the Initial Tender Offer.

Fairness of the Offers.

The Telefónica Group believes that the Offers are fair to holders of Shares and ADSs other than the Telefónica Group. In making this determination, the Telefónica Group considered the following factors:

- **Premium to Market Price.** The premium represented by the difference between the U.S. Offer Price and recent trading prices of the Shares and ADSs gives holders of Shares and ADSs the opportunity to sell all or a portion of their Shares and ADSs at:
 - a premium of approximately 9.8% over the closing price of Ch\$1,002.1 per Series A Share and a premium of 0% over the closing price of Ch\$990 per Series B Share on the Santiago Stock Exchange on November 28, 2008 (the last trading day on the Santiago Stock Exchange prior to the announcement of the Offers), a premium of approximately 14.0% and 14.6% for Series A and Series B Shares, respectively, calculated according to the applicable Chilean regulations (the volume-weighted average of the daily VWAP (volume weighted average price) of the three Chilean Exchanges, for the period between the 30th and 90th day before the Expiration Date). The average prices, calculated according to this methodology, are Ch\$965 per Series A Share, and Ch\$863.8 per Series B Share;
 - a premium of approximately 37.3% over the closing price of Ch\$801 per Series A Share and a premium of approximately 41.4% over the closing price of Ch\$700 per Series B Share on the Santiago Stock Exchange on September 11, 2008 (the last trading day on the Santiago Stock Exchange prior to the announcement of the Initial Tender Offer);
 - a premium of approximately 38.5%, based on the Observed Exchange Rate published on September 11, 2008, over the closing price per ADS of U.S.\$5.98 on the New York Stock Exchange (the "NYSE") on September 11, 2008 (the last trading day on the NYSE prior to the announcement of the Initial Tender Offer); and
 - a premium of approximately 10.7%, based on the Observed Exchange Rate published on December 1, 2008, over the closing price per ADS of U.S.\$5.98 on the NYSE on November 28, 2008 (the last trading day on the NYSE prior to the announcement of the Offers).
- **Premium to Net Book Value.** The U.S. Offer Price represents a premium of approximately 11.3% over the net book value per Series A Share of Ch\$988.33 as of October 31, 2008 and a premium of approximately 0.2% over the net book value per Series B Shares of Ch\$988.33 as of October 31, 2008.
- **Opportunity for Liquidity.** As of the date of this Offer to Purchase, 957,157,085 million Shares are issued and outstanding, including 162,846,960 Shares evidenced by ADSs. Of these outstanding Shares, 926,028,064 Shares are owned by the Telefónica Group. This means that only approximately 3.25% of the outstanding Shares are not owned by the Telefónica Group. The Offers will provide holders with the opportunity for liquidity by permitting them to sell all or a portion of their Shares and/or ADSs for cash, without the usual transaction costs associated with open-market sales.
- **Timing of the Offers.** The anticipated timing of consummation of the Offers, including the structure of the transaction as a tender offer, allows holders of Shares and ADSs an opportunity to consider the Offers and have withdrawal rights during the period prior to the Expiration Date and decide whether to tender into the Offers, unlike a possible alternative form of transaction in which bidders would place unconditional and irrevocable purchase orders on the Chilean Exchanges for a short duration, during which any subject securities offered for sale on such stock exchanges would be purchased.
- **All Holders of Each Series Will Receive the Same Price.** Negotiated and/or open market purchases of Series A Shares, Series B Shares and ADSs from holders would not have enabled all holders to participate in those purchases at the same price. Since the Offers are structured as an offer for any and all of the outstanding Series A Shares, Series B Shares and ADSs, all holders will be entitled to participate in the Offers with the same price per Series A Share, Series B Share or ADS being offered to all holders.

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- **Uncertainties of the Company's Prospects and Future Operating Results.** The Company's prospects and future operating results are subject to risks, uncertainties and other factors, including, but not limited to:
 - **Chilean Economic Conditions.** Nearly all of the Company's customers are Chilean companies or individuals, and substantially all of the Company's operations are located in Chile. For these reasons, the results of the Company's operations and its financial condition are sensitive to, and dependent upon, the level of economic activity in Chile. Historically, growth in the Chilean telecommunications industry has been tied to the state of Chile's economy, particularly levels of consumer spending and demand. An economic slowdown may negatively affect the Company's business through a decrease in demand and higher customer nonpayment levels.
 - **Changes in Interest Rates.** Chile has experienced changes in interest rates in the past, which could adversely affect the Company's financial condition and results of operations.
 - **Changes in Inflation Rates.** Chile has experienced high levels of inflation in the past. High levels of inflation in Chile could adversely affect the Chilean economy and the Company's financial condition and results of operations.
 - **Increased Competition and Behavior of Other Market Participants.** The Company faces intense competition in every aspect of its business, ranging from existing operators and consolidation to new entrants.
 - **Changes in Technology.** The telecommunications industry as a whole has traditionally been, and is likely to continue to be, subject to rapid and significant changes in technology and the related introduction of new products and services. There can be no assurance as to the effect of such technological changes on the Company or that the Company will not be required to expend substantial financial resources on the development or implementation of new competitive technologies.
 - **Changes in Regulation.** Tariff regulation may have a significant impact on the Company's revenues and its ability to compete in the marketplace, as the Company is required to charge the same tariff to all clients in a designated tariff area. New regulations or changes in other existing regulatory model may also adversely affect the Company's businesses.
 - **Changes in Currency Valuation.** Volatility of the value of the Chilean peso against the U.S. dollar could adversely affect the Company's financial condition and results of operations. Currency devaluations and fluctuations in exchange rates, in particular the Chilean peso and other currencies in which the Company's assets, liabilities and operating results are denominated, including U.S. dollars, may adversely affect the Company's business.

The Bidders considered all of the above risks and uncertainties applicable to telecommunications companies conducting business in Chile without attributing greater weight to one above the others. Based on the foregoing considerations, the Bidders believe that, although they will receive all or substantially all of the benefits of any actual improvements in the earnings of the Company in the future if the Offers are completed, the Bidders will also bear all or substantially all of the risk of the Company going forward, including the risk that improvements in the Company's earnings will not materialize as a result of new conditions or developments affecting the Company and the continued severe volatility of general market and economic conditions. In particular, there has been significant uncertainty in financial markets generally and a substantial decline in the equity markets, both in the United States and in Chile. Accordingly, by extending the Offers at this time, the Bidders believe that they are offering Shareholders a fair price considering the premiums being offered and the uncertainty for Shareholders as to whether maintaining or increasing a current investment in the Company would prove in the future to be their optimal investment strategy.

- **Current Market Prices.** The prices offered for the Series A Shares and for the Series B Shares represent premiums of 9.8% and 0%, respectively, over the closing prices on the Santiago Stock Exchange on November 28, 2008 (the last trading day on the Santiago Stock Exchange prior to the announcement of the Offers).
- **Historical Market Prices.** A premium of approximately 14.0% for the Series A Shares and 14.6% for the Series B Shares was applied to the share price, calculated according to the applicable Chilean regulation: the volume-weighted average of the daily VWAP (volume weighted average price) of the three Chilean Exchanges, for the period between the 30th and 90th day before the acceptance of the tendered Shares. The average prices, calculated according to this methodology, are Ch\$965 per Series A Share and Ch\$863.8 per Series B Share. The Shares and

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ADSs frequently traded at prices above the U.S. Offer Price in 2007 and 2006. However, over the 24-month period ended on September 16, 2008 (the day preceding the commencement of the Initial Tender Offer) the Series A Shares, Series B Shares and ADSs have declined 16.10%, 17.16% and 15.5%, respectively, and, in the last 12-month period ended September 16, 2008, 27.4%, 30% and 28%.

- **Going-Concern Value.** A wide range of analyst reports were considered to reflect the market expectations for future cash flows.
- **Prior Purchase Prices.** The prices offered are identical to the prices offered in the Initial Tender Offer.

In evaluating the fairness of the offer prices to be offered pursuant to the Offers, the Telefónica Group did not take into account the following factors, for the reasons explained below:

- **Financial Advisor Materials.** Financial Advisor discussion materials prepared in advance of the Initial Tender Offer were not considered by Telefónica with regard to the fairness of the Offers because the Financial Advisor's role in the transaction is mainly to assist in maximizing acceptance of the Offers by investors and not to evaluate or give an opinion regarding the fairness of the Offers.
- **Net Book Value.** The net book value of the Company was not considered because the Telefónica Group does not deem this factor to be reflective of the real market value of the Company. The book value of the assets does not reflect the expected future cash flows.
- **Liquidation Value.** The liquidation value of the Company was not considered because the Company will continue to operate as a going-concern and its future prospects are positive, and therefore the liquidation price is not a relevant figure.

The Telefónica Group is not aware of any firm offers by unaffiliated persons with respect to the Company in the past two years.

The Telefónica Group did not find it practicable to, and therefore did not, quantify or otherwise attempt to assign relative weights to the factors considered in reaching its conclusion as to the fairness of the Offers.

The foregoing discussion of the information and factors considered by the Telefónica Group is not intended to be exhaustive but is believed to include all material factors considered by the Telefónica Group.

Upon completion of the Offers, Bidders will own a minimum of approximately 96.75% and a maximum of 100% of the issued and outstanding Shares of the Company. Former holders of Shares and ADSs that have been tendered and purchased pursuant to the Offers would not have the opportunity to participate in the future earnings, profits and growth of the Company and will not have the right to vote on the Company's corporate matters. However, former Shareholders will not face the risk of losses generated by the Company's operations or a decline in the value of the Company after the completion of the Offers. Further, unaffiliated Shareholders who do not tender their Shares and/or ADSs may encounter a reduced public market for their Shares and/or ADSs for the following reasons: (i) upon completion of the Offers, the number of Shares available and publicly traded will likely be further reduced, which could further adversely affect the liquidity and market value of the remaining Shares and (ii) if permitted by applicable laws and rules of U.S. authorities and the stock exchanges, the Telefónica Group intends to cause the Company to (a) delist the ADSs from the NYSE, (b) suspend the Company's obligation to file reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), until termination of registration thereunder, (c) terminate the registration of the Series A Shares and ADSs under the Exchange Act and (d) terminate the Company's ADS facility, which may result in the ADSs ceasing to trade even in the over-the-counter market and quotations therefor may not be obtainable. See "The U.S. Offer — Section 6 — Certain Tax Considerations" for a discussion of the tax consequences of the U.S. Offer.

As of the date hereof, the Company has not taken a position with respect to the Offers. The Company will be obligated to file a Solicitation/Recommendation Statement on Schedule 14D-9 with the Commission within ten Business Days of the date of this Offer to Purchase. In the Schedule 14D-9, the Company is required to (i) make a recommendation, (ii) state that it is neutral or (iii) state that it is unable to take a position with respect to the Offers in the Schedule 14D-9. This statement will contain important information and may include certain material non-public information that the Company believes is necessary for Shareholders to make a decision with respect to the Offers. We urge all shareholders of the Company to review this statement carefully when it becomes available.

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The Chilean Offer is subject to simplified disclosure requirements pursuant to applicable Chilean law. See "Special Factors — Risks of Tendering Shares in the Chilean Offer Instead of the U.S. Offer." Pursuant to such simplified procedure of the Chilean Offer, and according to the applicable laws of the Republic of Chile, individual opinions of the members of the Board of Directors of the Company as to whether tendering into the Chilean Offer is in the best interests of Shareholders are not required.

As of this date, to the Bidders' knowledge, a majority of directors who are not employees of the Company has not retained an unaffiliated representative to act solely on behalf of unaffiliated security holders for purposes of negotiating the terms of the transaction and/or preparing a report concerning the fairness of the Offer.

Purpose and Structure of the Offers; Reasons of the Telefónica Group for the Offers.

Chilean law requires any person, after acquiring two-thirds or more of the voting power of a company, to commence a subsequent tender offer for all remaining shares of a company within 30 days following the acquisition of such control. As Bidders increased their ownership of Shares, including Shares represented by ADSs, to approximately 96.75% of the issued and outstanding Shares of the Company in the Initial Tender Offer, Bidders are required by Chilean law to engage in these subsequent Offers.

The purpose of the Offers is to comply with Chilean law and to enable Bidders to acquire the remaining approximately 3.25% equity interest in the Company not already owned by the Telefónica Group.

The Telefónica Group intends, if permitted by applicable laws and rules of U.S. authorities and the stock exchanges, to cause the Company to (a) delist the ADSs from the NYSE, (b) suspend the Company's obligation to file reports under the Exchange Act, until termination of registration thereunder, (c) terminate the registration of the Shares and ADSs under the Exchange Act and (d) terminate the Company's ADS facility. However, the Telefónica Group does not intend, within the next 12-month period, to cancel the registration of the Shares with the SVS and to cease being subject to the reporting requirements applicable to publicly traded companies in Chile, nor to delist the Shares from the Chilean Exchanges. The acquisition of Shares and ADSs not owned by TICSAs through a cash tender offer provides public holders of Shares and ADSs with cash for their Shares and ADSs as promptly as practicable.

In addition, the Telefónica Group currently intends to retain all of its Shares and ADSs, including those tendered pursuant to the Offers. However, the Telefónica Group reserves the right to make any changes it deems necessary or appropriate in light of its review or in light of future developments. See "Special Factors — Plans for the Company after the Offers."

The Offers do not require approval of the Board of Directors of the Company or any committee thereof. No such approval is required under Chilean law and no such approval was sought.

The Telefónica Group does not have any present plans to effect a merger of the Company or similar transaction following completion of the Offers. See "Special Factors — Plans for the Company after the Offers."

Because the Offers are structured as tender offers, they provide Shareholders who are considering a sale of all or a portion of their Shares and/or ADSs the opportunity to sell those Shares and/or ADSs for cash without the usual transaction costs associated with open-market sales.

Certain Shares and ADSs Held by Affiliates of the Company.

Based on information provided by the Company, as of November 28, 2008, all of the executive officers and directors of the Company combined hold less than 1% of the outstanding Shares.

Plans for the Company After the Offers.

Subject to certain matters described below, it is currently expected that, initially following the Offers, the business and operations of the Company will generally continue as they are currently being conducted. Telefónica currently intends to cause the Company's operations to continue to be run and managed by the Company's existing executive officers. Nevertheless, Telefónica will continue to evaluate all aspects of the business, operations, financial condition, prospects, capitalization, corporate structure, assets properties, policies, management and personnel of the Company, as well as conditions in securities markets generally, general economic and industry conditions and other factors after the

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consummation of the Offers, and will take, or cause to be taken, such further actions as it deems appropriate under the circumstances then existing. In particular, following the Offers, Telefónica may, or, subject to applicable law, may cause other parties to:

- (a) change the Company's Board of Directors by electing new persons as directors of the Company as a consequence of Telefónica increasing its stake in the Company;
- (b) take actions to achieve cost savings through potential scale efficiencies;
- (c) from time to time seek (or cause one of its affiliates to seek) to acquire additional outstanding Shares or ADSs not owned by the Telefónica Group, including by means of one or more tender offers, open market purchases or negotiated transactions subject to Chilean legal requirements; or
- (d) from time to time seek (or cause one of its affiliates to seek) to sell or otherwise dispose of some or all of the holdings of Shares or ADSs of the Telefónica Group through open market sales or one or more negotiated transactions subject to Chilean legal requirements.

There are no plans to sell or otherwise transfer any relevant portion of the Company or any of its subsidiaries. A "relevant" portion of the Company shall be intended to mean a sale or other disposition of assets of the Company or of any of its subsidiaries representing more than 5% of the assets of the Company or its subsidiaries, as applicable.

Telefónica expressly reserves the right to make any changes that it deems necessary or appropriate in light of its review or in light of future developments.

Except as set forth above or elsewhere in this Offer to Purchase, the Telefónica Group does not have any present plans or proposals that would result in (a) any extraordinary corporate transaction, such as a merger, reorganization, liquidation, or purchase, sale or transfer of a material amount of assets of the Company or any of its subsidiaries, (b) any change in the current Board of Directors or management of the Company (including any plans or proposals to change the number or term of directors, to fill any existing vacancy on the Board of Directors or to change any material term of the employment contract of any executive officer) (except any change of the Board of Directors resulting from Telefónica increasing its stake in the Company after the offer) or (c) any other material changes to the Company's current dividend rate or policy, indebtedness, capitalization or corporate structure or business.

Certain Effects of the Offers.

Participation in Future Growth. Upon consummation of the Offers, holders of Shares and ADSs that are purchased pursuant to the Offers will not have the opportunity to participate in the future earnings, profits and growth of the Company and will not have any right to vote on the Company's corporate matters. To the extent that the Telefónica Group's percentage ownership of the Company is increased pursuant to the Offers, its interests in the net book value and net earnings of the Company will increase correspondingly (to 100% if all the outstanding Shares and ADSs are purchased pursuant to the Offers). As a result, the Telefónica Group will have a greater benefit from any income generated by the Company's operations and any increase in the value of the Company following the Offers. Similarly, the Telefónica Group will bear a greater portion of the risk of any losses generated by the Company's operations and any decrease in the value of the Company after completion of the Offers and holders of Shares and ADSs that are purchased pursuant to the Offers will not face the risk of losses that could be generated by the Company's operations or the risk of a decline in the value of the Company after completion of the Offers.

Although Telefónica's current economic interests in the net book value and net earnings of the Company is 96.75%, for accounting purposes, in accordance with International Financial Reporting Standards ("IFRS"), Telefónica consolidates the Company by the full integration method. Therefore, there will not be a significant effect on Telefónica's books from a reporting perspective. However, to the extent that the Telefónica Group's interest in the Company could increase up to 100%, there will be a corresponding increase in the Telefónica Group's economic interest in the net book value of the Company from, approximately, U.S.\$1,057.6 million up to 1,093.1 U.S. million (calculated in accordance with IFRS figures as of September 30, 2008 and with the exchange rate on September 30, 2008).

((*) This amount does not include the goodwill that could arise from the transaction.

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Effects on Market for Shares and Registration of Shares in the Chilean Securities Registry. The purchase of Shares pursuant to the Offers will reduce the number of Shares that might otherwise trade publicly and could reduce the number of holders of Shares which could adversely affect the liquidity and market value of the Shares held by the public.

The Shares and the Company are currently registered with the Securities Registry kept by the SVS. They also are listed and traded on the Chilean Exchanges. According to Chilean law, the SVS may cancel the registration of the shares of any company in the Securities Registry if the shares or the company do not comply with the registration requirements. In addition, a company may voluntarily request that the SVS cancel the registration of its shares with the Securities Registry. Such application may be made to the SVS if (a) for a period of six months, (1) there are fewer than 100 holders of such shares who, taken together, hold at least 10% of the issued capital of the company, excluding those who individually, or through other individuals or corporations, exceed that percentage, and (2) there are fewer than 500 holders of shares, and (b) two-thirds of the shareholders of the company vote in favor of the company ceasing to be a public company and ceasing to be a company registered with the SVS. Any shareholders who dissent from such shareholder approval or abstain from voting for such resolution would be entitled to statutory appraisal rights. If the above-mentioned conditions are met, the board of directors of such company would file an application with the SVS requesting the cancellation of its shares from registration. It also may request the cancellation of the company from the Securities Registry, provided there are no outstanding securities of the company held by the public. In addition, once the cancellation of registration is granted by the SVS, the company may request that the relevant stock exchanges delist its shares from such exchanges. Once the foregoing steps are taken, Chilean law generally does not require any additional shareholder approval in order for a Chilean company to delist.

However, the Telefónica Group is not planning, within the next 12-month period, to cancel the registration of the Shares with SVS and to cause the Company to cease being subject to the reporting requirement applicable to publicly traded companies in Chile, nor to delist the Shares from the Chilean Exchanges.

Effects on Market for ADSs. The purchase of ADSs pursuant to the U.S. Offer will further reduce the number of ADSs that might otherwise trade publicly and could reduce the number of holders of ADSs which could adversely affect the liquidity and market value of the ADSs held by the public.

The ADSs are listed on the NYSE. Depending on the number of ADSs purchased pursuant to the U.S. Offer and the aggregate market value of any ADSs not purchased pursuant to the U.S. Offer, the ADSs may no longer meet the requirements for continued listing on the NYSE and may be delisted from the NYSE. The NYSE does not currently have a formal policy with respect to the delisting of ADSs. Even if after the consummation of the Offers the ADSs still meet the NYSE requirements for continued listing, the Telefónica Group intends to cause the Company to seek to have the ADSs delisted from the NYSE pursuant to the rules of the NYSE for voluntary delistings.

Termination of Deposit Agreement. In addition to the deregistration of the Shares and ADSs under the Exchange Act as discussed below, the Telefónica Group also intends to cause the Company to give notice to the ADS Depositary to terminate the Deposit Agreement. Under the Deposit Agreement, the ADS Depositary will terminate the Deposit Agreement by mailing notice of such termination to the holders of all ADRs then outstanding at least 30 days prior to the termination date specified in such notice. If any ADRs remain outstanding after the termination date, the ADS Depositary thereafter will discontinue the registration of transfers of ADRs, will suspend the distribution of dividends to the holders thereof, and will not give any further notices or perform any further acts under the Deposit Agreement, except that the ADS Depositary will continue to collect dividends and other distributions pertaining to the Series A Shares, will sell rights, and will continue to deliver the Series A Shares, together with any dividends or other distributions received with respect thereto and the net proceeds of the sale of any rights or other property, in exchange for ADRs surrendered to the ADS Depositary. At any time after the expiration of one year from the date of termination, the ADS Depositary may sell the Series A Shares then held under the Deposit Agreement and may thereafter hold uninvested the net proceeds of any such sale, together with any other cash then held by it thereunder, without liability for interest, for the pro rata benefit of the holders of ADRs which have not theretofore been surrendered. It is possible that after the termination of the Deposit Agreement the ADSs will not continue to trade even in the over-the-counter market and quotations therefor may not be obtainable.

Registration of Shares and ADSs Under the Exchange Act. The Series A Shares and ADSs are currently registered under the Exchange Act. The Telefónica Group intends to cause the Company to terminate these registrations. Such registration may be terminated if (i) the ADSs or the Series A Shares are not listed on a national securities exchange and

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(ii) the ADSs or the Series A Shares are (a) held of record (as defined in Rule 12g5-1 under the Exchange Act) by fewer than 300 persons resident in the United States or (b) the average daily trading volume in the United States of the Shares (including Shares represented by ADSs) for a recent 12-month period has been no greater than 5 percent of the average daily trading volume of that class on a worldwide basis.

The termination of registration of the Series A Shares and the ADSs under the Exchange Act would make certain provisions of the Exchange Act, such as the requirements of Rule 13e-3 under the Exchange Act with respect to "going private" transactions and the reporting obligations under Section 13(d) and the rules relating thereto, no longer applicable to the Series A Shares or the ADSs. Furthermore, "affiliates" of the Company and persons holding "restricted securities" of the Company may be deprived of the ability to dispose of such securities pursuant to Rule 144 promulgated under the Securities Act of 1933, as amended (the "Securities Act"). If registration of the Series A Shares and the ADSs under the Exchange Act were terminated, the Company would no longer be required to file periodic reports with the Commission and the ADSs would no longer be "margin securities" under the rules of the Board of Governors of the United States Federal Reserve System (the "Federal Reserve Board") or eligible for listing on the NYSE.

Margin Regulations. The ADSs are currently "margin securities," as such term is defined under the rules of the Federal Reserve Board, which has the effect, among other things, of allowing brokers to extend credit on the collateral of such securities. Depending upon factors similar to those described above regarding listing and market quotations, following the Offers it is possible that the ADSs would no longer constitute "margin securities" for purposes of the margin regulations of the Federal Reserve Board, in which event such ADSs could no longer be used as collateral for loans made by brokers. See "The U.S. Offer — Section 11 — Effect of the Offers on the Market for the Shares and ADSs; Exchange Act Registration."

Appraisal Rights.

As the Bidders have acquired more than two-thirds of the total number of voting Shares, including ADSs representing Shares, the Bidders are now able to approve the following actions: (a) the transformation, spin-off or merger of the Company; (b) the sale of 50% or more of the Company's assets, whether or not such sale includes the Company's liabilities, as well as the formulation or modification of any business plan that contemplates the sale of assets for an amount exceeding the above-mentioned percentage (for such purposes, all such operations executed by means of one or more acts related to any corporate property shall be understood as a same sale operation during any period of 12 consecutive months); (c) the creation of guarantees or liens in an amount in excess of 50% of the Company's assets guaranteeing third parties' obligations other than guarantees or liens of subsidiaries (in which case the decision by the Board of Directors will suffice); (d) the decision to make public corporation rules no longer applicable to the Company; (e) the curing of technical defects in the constitutive documents of the Company or any amendment thereto that would otherwise render such documents voidable; (f) the creation of a series of preferred shares or a change to the preferences of an existing series of shares; (g) an amendment to the term or duration of the Company or its early termination; (h) change of the domicile of the Company; (i) the reduction of its equity capital; (j) approval and valuation of capital contributions made in property other than cash (unanimous shareholder approval would be required to avoid the statutory obligation of having experts to estimate capital contributions not made in cash); (k) amendments to the rights of the shareholders meetings; (l) reduction of the number of members of the Board of Directors of the Company and amendments to the limitations of the powers of the Board of Directors; (m) the manner upon which the Company's profits will be distributed (except that unanimous shareholder approval would be required for the Company not to distribute dividends of at least 30% of its net profits in any fiscal year); (n) the Company's acquisition of its own Shares under certain circumstances; (o) the approval of related party transactions under certain circumstances; and (p) other actions expressly provided for in the bylaws of the Company.

Chilean corporate law provides for statutory appraisal rights for minority shareholders that are opposed to any of the resolutions set forth in clauses (a) through (f) and in clause (p) above (excluding the spin-off of the company). Dissenting shareholders must state their opposition in the corresponding shareholders' meeting. Shareholders that did not attend the shareholders' meeting may state their opposition within 30 days from the date of the meeting. The Bidders have no plans currently to take any of the actions listed above which would provide for appraisal rights to any objecting shareholders.

The board of directors of the Company may convene another shareholders' meeting to reconsider the resolution that triggered appraisal rights. If the board of directors does not call a second meeting of the shareholders or the resolution is

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not revoked at such meeting, all dissenting shareholders that stated their opposition would have the right to compel the Company to purchase their shares. The purchases would be made at a price determined based on the weighted average trading price on stock exchanges in Chile during the two months prior to the date of the shareholders meeting at which the relevant resolution was approved. If no such weighted average trading price is available, the price at which the shares must be purchased would be book value.

Interests of Certain Persons in the Offers.

Except as described elsewhere in this Offer to Purchase: (1) none of the Telefónica Group or, to the best of its knowledge, any of the persons listed on Schedule I to this Offer to Purchase or, to the best of its knowledge, any associate or majority-owned subsidiary of the Telefónica Group or any of the persons listed on Schedule I beneficially own or have any right to acquire, directly or indirectly, any equity securities of the Company; and (2) to the best of the Telefónica Group's knowledge, none of the persons listed in Schedule I to this Offer to Purchase has effected any transaction in such equity securities during the past 60 days. In the Initial Tender Offer, which expired in Chile on October 30, 2008 and in the United States on October 31, 2008, Purchaser acquired approximately 51.85% of the issued and outstanding Shares of the Company (including Series A Shares represented by ADSs), bringing the Telefónica Group's total interest in the Company to approximately 96.75% of the issued and outstanding Shares.

Except as described elsewhere in this Offer to Purchase, since January 1, 2006, there have been no negotiations, transactions or material contacts between the Telefónica Group or any of its respective subsidiaries or, to the best of the Telefónica Group's knowledge, any of the persons listed in Schedule I to this Offer to Purchase, on the one hand, and the Company or any of its affiliates, on the other hand, concerning a merger, consolidation, acquisition, tender offer for or other acquisition of any class of securities of the Company, an election of directors of the Company or a sale or other transfer of a material amount of assets of the Company.

Five of the seven current directors of the Company are affiliates of Telefónica. These five directors are: (1) Emilio Gilolmo Lopez, (2) Narcis Serra Serra, (3) Andres Concha Rodriguez, (4) Fernando Bustamante and (5) Marco Colodro, all of whom were appointed at the 2007 annual meeting of the Company's Shareholders except for Andres Concha who was appointed by Telefónica at the April 23, 2008 meeting of the Board of Directors of the Company. Five of the seven alternate directors of the Company are affiliates of Telefónica. These five alternate directors are Jose Maria Alvarez-Pallate, Manuel Alvarez-Tronge, Mario Eduardo Vasquez, Alfonso Ferrari Herrero and Raul Morodo, all of whom were appointed at the 2007 annual meeting of the Company's Shareholders, except for Raul Morodo who was appointed by Telefónica at the April 23, 2008 meeting of the Board of Directors of the Company. It is expected that such persons will retain their respective positions at the Company following completion of the Offers. In addition, according to the information provided by the Company in its Form 20-F, as of March 2008, the following directors of the Company own Shares or ADSs: Marco Colodro (2 Series B Shares) and Alfonso Ferrari (1 Series B Share). Each of Messrs. Colodro and Ferrari holds Series B Shares to comply with the legal requirements for Series B directorship. See "Special Factors — Certain Shares and ADSs held by Affiliates of the Company."

The Company does not have any employment agreements, severance agreements or other arrangements with any of its current executive officers that have any change of control provisions or similar provisions that would be in any way affected by the successful completion of the Offers.

Transactions and Arrangements Concerning the Shares and ADSs.

For a discussion of acquisitions of Shares and ADSs by the Telefónica Group, see "Special Factors — Background of the Offers — Purchaser" and "Special Factors — Background of the Offers — Purchasers of Additional Shares and ADSs." The Telefónica Group's aggregate percentage beneficial ownership (as defined in Rule 13d-3 under the Exchange Act) of the outstanding Shares (including Shares represented by ADSs) as of the date of this Offer to Purchase is approximately 96.75%.

Except as set forth in this Offer to Purchase, neither the Telefónica Group or, to the best knowledge of the Telefónica Group, any person listed in Schedule I hereto, is a party to any contract, agreement, arrangement, understanding or relationship with any other person with respect to any securities of the Company (including, without limitation, any contract, agreement, arrangement, understanding or relationship concerning the transfer or the voting of any such

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securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss, divisions of profits or losses, or the giving or withholding of proxies, consents or authorizations).

Neither the Company nor the Telefónica Group has made any underwritten public offering of the securities of the Company during the past three years.

Related Party Transactions.

For the purposes of this section, all references to the "Telefónica Group" refer to Telefónica and its Latin American subsidiaries.

Transactions between Telefónica and the Company or any of its Affiliates

According to Chilean Law, all public corporations with a stock exchange market capitalization greater than 1,500,000 *Unidades de Fomento* (an *Unidades de Fomento* being an inflation-indexed Chilean peso-denominated monetary unit determined by the Central Bank of Chile), approximately US\$48.3 million based on the Observed Exchange Rate and the *Unidad de Fomento* value as of December 1, 2008, must appoint a directors committee composed of three directors, the majority of whom must be independent from the controlling shareholder. The main functions of the directors' committee are among others (i) to review the account inspectors' report and the external auditors' report, (ii) to propose external auditors, and (iii) to examine all applicable transactions involving directors and related parties. The Directors' Committee examines, proposes and makes recommendations to the Board of Directors that are not binding upon the Board.

According to publicly available information about the Company, in the ordinary course of its business, the Company engages in a variety of transactions with certain of its affiliates, primarily for the purchase, at fair market prices negotiated on an arm's-length basis, of goods or services that may also be provided by other suppliers. The Directors' Committee is informed of all transactions involving directors and related parties in advance, and such transactions are approved by the Board of Directors.

Below are descriptions of such transactions with affiliates that are material to either the Company or the related counterparty. Financial information concerning these transactions is also set forth in Note 6 to the Audited Consolidated Financial Statements of the Company for the period ended December 31, 2007, is included in the Company's annual report on Form 20-F for the period ended December 31, 2007. As of December 31, 2007, the receivables from related parties amounted to Ch\$119,781 million (US\$39.8 million) and the accounts payable to related parties amounted to Ch\$33,449 million (US\$67.3 million). The income and expenses from related party transactions resulted in a net expense to the Company of Ch\$68,160 million (US\$137.2 million).

According to publicly available information about the Company, on December 31, 2007, the report regarding the commercial operations between the companies of the Telefónica Group and the Company and its affiliates was approved as of such date. The total amount involved in such operations was Ch\$20,165 million, of which Ch\$9,700 million was with companies related to the Company and Ch\$10,384 million with companies related to Telefónica.

According to the publicly available information of the Company, below is a detailed list of related party transactions between the Company and the Telefónica Group.

Transactions with Terra Networks Chile S.A.

On April 30, 1998, the Company entered into an agreement with Terra Networks Chile S.A., a subsidiary of Telefónica S.A., pursuant to which the Company provided collection services to Terra Networks Chile. Furthermore, on June 1, 1999, the Company entered into an agreement with Terra Networks Chile pursuant to which Terra Networks Chile provides Internet access to certain Chilean schools, the costs of which are to be paid by the Company to Terra Networks Chile. The Company also has an agreement to purchase online advertising from Terra Networks Chile for itself and its subsidiaries. In January 2007, the Company and Terra Networks Chile signed a three-year agreement to outsource the provision of Internet access to the Company's broadband customers. The Company recorded net income of Ch\$4,720 million and Ch\$5,813 million in the years 2005 and 2006, respectively, and net expense of Ch\$9,512 million (US\$19.1 million) in 2007, under these agreements. The Company had balances receivable from Terra Networks Chile of Ch\$422 million (US\$0.8 million) and Ch\$2,034 million as of December 31, 2007 and 2006, respectively. Balances

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payable to Terra Networks Chile from the Company under these agreements amounted to Ch\$2,407 million (US\$4.8 million) and Ch\$5,731 million as of December 31, 2007 and 2006, respectively.

Transactions with Correspondents of Telefónica Group

In 2004, correspondent agreements were entered into with members of Telefónica Group. These members are Telefónica Argentina, Telefónica Sao Paulo, Telefónica Guatemala, Telefónica Peru, Telefónica Puerto Rico and other mobile companies within Telefónica Group such as Telefónica Movil El Salvador. These agreements generated net income of Ch\$178 million (US\$0.4 million) and Ch\$279 million for the years ended December 31, 2005 and 2006 respectively, and a net expense of Ch\$833 million (US\$1.7 million) for the year ended December 31, 2007. The outstanding balances payable by the Company as of December 31, 2007 and 2006 were Ch\$1,235 million (US\$2.5 million) and Ch\$1,167 million, respectively. The outstanding balances in favor of the Company as of December 31, 2007 and 2006 were Ch\$3,433 million (US\$6.9 million) and Ch\$2,367 million, respectively.

Transactions with Telefónica Moviles de Chile S.A.

After the sale of Telefónica Movil de Chile S.A in 2004, this company changed its name to Telefónica Moviles de Chile S.A. As of December 31, 2007 and 2006, respectively, the Company recognized a balance in favor of Ch\$7,077 million (US\$14.2 million) and Ch\$9,838 million, mainly related to access charges and rental of capacity. As of December 31, 2007 and 2006, respectively, the Company recognized a balance payable of Ch\$14,006 million (US\$28.2 million) and Ch\$18,838 million, mainly related to mobile interconnections (CPP). Transactions with Telefónica Moviles de Chile for the years ended December 31, 2005, 2006 and 2007 generated net expenses of Ch\$31,248 million, Ch\$30,188 million and Ch\$27,089 million (US\$54.5 million), respectively.

Transactions with Telefónica Moviles Chile Affiliates

As a result of Long Distance contracts with Telefónica Moviles Chile Inversiones S.A., Telefónica Moviles Chile S.A. and Telefónica Moviles Chile Larga Distancia S.A., the Company recognized a total balance in favor of Ch\$380 million (US\$0.8 million) and Ch\$412 million as of December 31, 2007 and 2006, respectively, and a total balance payable of Ch\$44 million and Ch\$5 million as of December 31, 2007 and 2006. For the years ended December 31, 2005 and 2006, these contracts generated total net expenses of Ch\$10,706 and Ch\$8,121, respectively, and generated income of Ch\$1,052 million (US\$2.1 million) for the year ended December 31, 2007.

Transactions with Telefónica International Wholesale Services Group

The Company has an agreement with companies belonging to the Telefónica International Wholesale Services Group ("TIWS") for international data traffic services. The agreements with the TIWS companies were all effective during 2007 and have different expiration dates, depending on the nature of each specific contract. These agreements generated net expenses of Ch\$3,007 million, Ch\$4,135 million and Ch\$8,320 million (US\$16.7 million) for the years ended December 31, 2005, 2006 and 2007, respectively. The outstanding balances under the agreement in favor of the Company as of December 31, 2007 and 2006 were Ch\$778 million (US\$1.6 million) and Ch\$945 million, respectively. The Company had balances payable of Ch\$7,702 million (US\$15.5 million) and Ch\$5,485 million in 2007 and 2006, respectively.

Transactions with Atento Chile

In 2007, the Company extended several of its agreements with Atento Chile, an affiliate of Telefónica, including: (i) its maintenance agreement, ensuring the maintenance of the supplier's productivity, quality and capacity, with an average price reduction of 19%, (ii) its tele-sales agreement for inbound tele-sales platforms for the residential segment to secure the deal's efficiency, maintaining the same prices as under the current agreement; (iii) its tele-service and inbound sales agreement for the residential sector to November 30, 2007, maintaining current prices; and (iv) its inbound tele-sales agreement for the residential segment has been extended with Atento Chile to April 2007, consistent with the conditions of current agreements.

In addition, the Company's subsidiary, Telemergencia, entered into an agreement with Atento Chile for post-sale and monitoring platforms service, totaling more than 32,000 monthly calls and occupying some 140 positions, at an annual value of Ch\$780 million. The Company also entered into an agreement with Atento Chile for the outbound tele-sales platforms service for the *Pequeñas y Medianas Empresas* (small and mid-sized companies) segment, at the previous year's

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pricing schedule, for a period of one year. The Company awarded the following service platforms to Atento Chile for periods of one and two years: (i) Publiguias queries (level 103 platform); (ii) residential commercial service and businesses (level 105-107 platforms); (iii) technical service (level 104 platform); (iv) residential and commercial customer loyalty and business; (v) inbound business tele-sales, with prices calculated in accordance with volumes and traffic; (vi) consolidation and reconnection; (vii) securing of residential sales; (viii) securing of business segment sales; (ix) back office; and (x) web-center, with prices calculated in accordance with volumes and traffic.

Transactions with Movistar

In 2007, the Company entered into a resource lease agreement with Movistar, an affiliate of Telefónica, to replace external plant wiring to customer residences, as a wireless network solution to address wiring theft. This agreement, which is for a fixed monthly sum of 5,000 Chilean pesos for active clients with use of the 22.3 mErl mobile network (220 minutes of traffic), replaces the final mile of external plant wiring enabling wireless use by the Company’s customers, using the GSM network. This product, which includes fixed and mobile services packaged by the Company, provides through Movistar and its affiliates, a fixed-mobile private data network, for a flat fee. This data network depends on the quantity of equipment contracted by the client and is non-exclusive.

Transactions with Terra Chile

In 2007, the Company entered into an Internet access agreement with Terra Chile, an affiliate of Telefónica, as a result of the conversion of the business model to an outsourcing model, which has a term of three years, beginning January 1, 2007. The prices of this agreement, calculated by volume, range from Ch\$2,000 to Ch\$950 per client, depending upon the monthly fleet. In addition, the Company authorized and paid to Terra Chile Ch\$199 million in commissions for broadband sales in 2006.

Transactions with Casiopea Re

In 2007, the Company renewed its asset insurance policy with Casiopea Re, the Telefónica Group’s reinsurance company, for the period from March 31, 2007 to March 31, 2008. The policy was issued by Mapfre Seguros Generales and insures against risks relating to fire, natural disaster, theft and assault, remittance of securities, employee loyalty, cyber-risk and other items, for a total of US\$2.6 billion, including buildings, internal plant equipment, external plant facilities (excluding aerial wiring), inventory, office furniture and equipment, computer equipment, radio and broadcasting equipment and operating income. The premium amount is US\$873,986, which amount is significantly lower than the average market rate, with a maximum indemnity of US\$400 million. In 2008, the Company again renewed its asset insurance policy with Casiopea Re, for the period from March 31, 2008 to March 31, 2009. The renewed policy was issued by Chilena Consolidada and insures against risks relating to fire, natural disaster, theft, assault, remittance of securities, employee loyalty, cyber-risk and other items, for a total of US\$2.669 billion, including, but not limited to, buildings, internal plant equipment, external plant facilities (excluding aerial wiring), inventory, office furniture and equipment, computer equipment, radio and broadcasting equipment and operating income. The premium amount is US\$971,071, with a maximum indemnity of US\$400 million.

Transactions with Telefónica Ingeniería y Seguridad (“TIS”)

The Company entered into a framework agreement with TIS, which provides for the maintenance and installation of electronic security systems, including maintenance and security services.

Transactions with Telefónica Internet Empresas (“TIE”)

In September, 2007, in connection with the implementation of Terra Chile’s new business model, the Company acquired 100% of the shares of TIE, an internet services provider, at book value.

Transactions between Telefónica Multimedia Chile and Telefónica Servicios de Musica (“TSM”)

In October, 2007, Telefónica Multimedia Chile and TSM entered into an agreement, to provide 20 theme audio channels, at a fee of US\$0.18 per subscriber, and assuming the investment in equipment, which permits flexibility in channel programming and content.



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Transactions with Telefónica I+D

The Company awarded Telefónica I+D the new development for expansion of the “Sigres” Project to address growth in such sector. The “Sigres” project (the Company’s new services management platform) was developed with a view towards expanding the management platform by increasing total equipment resources and incorporating new networks and systems, at a cost of US\$4.2 million during the 2007-2009 period.

Transactions with Telefónica International Wholesale Services Chile

The Company renewed its International Services Agreement with Telefónica International Wholesale Services Chile in June, 2007. The agreement relates to the provision of international business services between Telefónica Empresas Chile and Telefónica International Wholesale Services Chile and was renewed in order to offer international end-user services corresponding to IP MPLS, Frame Relay, Clear Channel and ATM, which allows the provision of a complete offering of international links (end-to-end) to large local clients.

The Company entered into an international internet access services agreement with Telefónica International Wholesale Services Chile to provide the following services: (i) international internet access, allowing interconnection to the Company’s backbone in the United States, using the underwater fiber optic connections between Valparaiso and Miami, at a price of US\$7.5 million in 2007 and a range of US\$15.6 to US\$21.2 in 2008, depending upon actual consumption during the year, and (ii) maintenance, supervision and replacement and repair management for the capacity purchased by Telefónica Larga Distancia, totaling US\$800,000 per year in 2007 and US\$720,000 per year for 2008.

In December, 2007, the Company entered into a voice business administration agreement with Telefónica International Wholesale Services Chile. The agreement relates to the Company’s international voice business, including termination of incoming international traffic, distribution of outgoing international traffic and transit and resale of international traffic, at a fixed and variable price depending upon the incoming international traffic business margins.

Transactions with Bidders

Bidders completed tender offers for 100% of the outstanding Shares of the Company, including Shares represented by ADSs, in Chile and in the United States on October 30, 2008 and October 31, 2008, respectively. Pursuant to those offers, Telefónica increased its indirect ownership interest in the Company to approximately 96.75% of the outstanding Shares of the Company.

Related Companies Reports

Report on transactions with related companies, as at December 31, 2007. The report on the status of existing commercial relations between companies of the Telefónica Group and the Company and its subsidiaries was approved as at December 31, 2007. Transactions totaled Ch\$20.165 billion, of which Ch\$9.7 billion were between the Company and/or any of its subsidiaries and Ch\$10.384 billion with companies related to the controlling shareholder.

Report on transactions with related companies, as at June 30, 2007: the report on the status of existing commercial relations between companies of the Telefónica Group and the Company and any of its subsidiaries was approved as at June 30, including transactions in amounts less than U.S.\$250,000. Transactions totaled Ch\$19.7 billion, of which Ch\$9.1 billion were between the Company and/or any of its subsidiaries and Ch\$10.6 billion with companies related to the controlling shareholder.

Significant Corporate Events

As of the date of this Offer to Purchase, the Telefónica Group owns 926,028,064 Shares, including Series A Shares represented by ADSs, representing approximately 96.75% of the outstanding Shares. At the Company’s 2007 (and 2008) Annual Meeting of Shareholders, seven directors were elected to the Board of Directors of the Company. Five of the seven directors elected to the Company’s Board of Directors and five of seven alternate directors were appointed by Telefónica. The Chief Executive Officer of the Company, Mr. Jose Moles Valenzuela, is also an officer of Telefónica.

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At the special meeting of Shareholders of the Company held on April 14, 2008, the Shareholders approved a capital reduction of Ch\$39,243 million (US\$74.6 million), or Ch\$41 per share. Payment of this capital reduction was made on June 13, 2008.

The last dividend distributed to Shareholders by the Company was on May 14, 2008. The dividend distribution made to Shareholders equaled Ch\$5,050 million (US\$9.6 million), or Ch\$5.27606 per share, and was paid out of and charged to, the 2007 net income. The sum of this dividend and the interim dividend paid in November 2007 equaled 100% of the Company's 2007 net income. However, in a Form 6-K filed on November 24, 2008, the Company announced that the Board of Directors has decided to pay interim dividend no. 176 amounting to Ch\$5,742,942,510 (or Ch\$6.0 per share) out of the profits of the fiscal year ending on December 31, 2008. Interim dividend no. 176 will be paid beginning December 10, 2008.

On October 28, 2008, in connection with the Initial Tender Offer, the Shareholders of the Company voted to amend the Bylaws of the Company to eliminate, among others, the restriction that no person, directly or indirectly, could own or vote more than 45% of the outstanding voting capital stock of the Company.

During the last three years, the Company has not participated in any merger or acquisition activities material to the business, except for (i) being the subject of the Initial Tender Offer and (ii) the sale of the assets and client portfolio of Telefónica Asistencia y Seguridad S.A., a wholly owned subsidiary of the Company, to Prosegur Cia de Seguridad, for the total amount of Ch\$15,562,789,930 on October 14, 2008. However, during 2006 and 2007, the Company entered into the following internal restructuring transactions:

- In January 2006, TIE contributed 100% of its ownership interest in Tecnonautica to the Company, pursuant to which, Tecnonautica became a wholly owned subsidiary of the Company. Following this transfer of interest, Tecnonautica changed its name to Telefónica Multimedia and expanded its line of business to pay television services.
- In January 2006, Telefónica Empresas contributed its ownership interest in TIE to the Company, pursuant to which TIE became a wholly owned subsidiary of the Company.
- In March 2006, CTC Equipos was merged with and into the Company, with the Company as the surviving entity.
- Also, in March 2006, the Company's long-distance service provider subsidiaries, Telefónica Mundo and Globus, merged to form a new subsidiary, Telefónica Larga Distancia.
- In November 2006, TIE sold its ownership interest in Telepeajes de Chile S.A. to Telefónica Gestion de Servicios Compartidos de Chile, S.A. ("t-gestiona"), a subsidiary of the Company. On the same date, t-gestiona purchased a third party's ownership interest in Telepeajes de Chile S.A., resulting in 99.99% ownership of Telepeajes de Chile S.A. by t-gestiona. Subsequent thereto, Telepeajes de Chile S.A. changed its name to Instituto Telefónica Chile and changed its corporate business purpose.
- In September 2007, the Company acquired all of the outstanding stock of TIE not owned by the Company.
- At a meeting of the Board of Directors held on December 20, 2007, the Board of Directors authorized the dissolution of TIE, pursuant to which all of TIE's assets and liabilities were assigned to and assumed by the Company, which is its legal successor.

Negotiations or Contacts Between Affiliates of the Company or Between the Company and any Interested Person

Except for the Initial Tender Offer, which expired in Chile on October 30, 2008 and in the United States on October 31, 2008, and as described elsewhere in this Offer to Purchase, since January 1, 2006, there have been no negotiations, transactions or material contacts concerning a merger, consolidation, acquisition, tender offer for or other acquisition of any class of securities of the Company, an election of directors of the Company, or a sale or other transfer of a material amount of assets of the Company, between (1) any affiliates of the Company and any other affiliates of the Company or (2) between the Company or any of its affiliates, on the one hand, and any unaffiliated person who would have a direct interest in such matters, on the other hand.

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Agreements involving the Company's Securities

There are no voting agreements between Telefónica or any of its officers and directors and any other persons regarding the securities of the Company.

Risks of Tendering Shares in the Chilean Offer Instead of the U.S. Offer.

U.S. Holders of Shares may elect to tender their Shares into the Chilean Offer instead of the U.S. Offer. ADSs may only be tendered into the U.S. Offer. Although the terms and conditions of the U.S. Offer and the Chilean Offer are substantially similar, because of differences in law and market practice between the United States and Chile, the rights of tendering holders pursuant to the U.S. Offer and the Chilean Offer are not identical.

While Bidders intend to have the Offers expire at the same time, due to differing regulations under Chilean and U.S. regulatory schemes, it is possible that the Offers could expire at different times. Chilean laws governing the withdrawal rights of tendering holders also are different from U.S. laws governing such rights. Tenders of Shares and ADSs made pursuant to the U.S. Offer may be withdrawn at any time prior to the Expiration Date. Thereafter, such tenders are irrevocable, except that they may be withdrawn after January 30, 2009, unless theretofore accepted for payment as provided in this Offer to Purchase, or at such later time as may apply if the U.S. Offer is extended beyond that date. See the discussion in the section of entitled "The U.S. Offer — Section 5 — Withdrawal Rights." Under Chilean law, statutory withdrawal rights are granted throughout the term of the tender offer, including any extension, up to the expiration of the Chilean Offer, and thereafter such withdrawal rights terminate. U.S. Holders intending to tender their Shares into the Chilean Offer should refer to Annex C to the Offer to Purchase for the procedure for tendering into the Chilean Offer, which differs from the procedures for tendering Shares into the U.S. Offer, and should refer to Article 211 of the Chilean Securities Act (*Ley No. 18.045*) for information regarding withdrawal rights in the Chilean Offer. There are no appraisal rights in the Chilean Offer.

Pursuant to SVS Rule 1514, a simplified tender offer procedure is available if the following criteria are present: (i) the tender offer is made for not more than 5% of the total amounts of shares outstanding; (ii) the transaction is made on a stock exchange; (iii) the acquisition is effected pro rata among the tendering shareholders; and (iv) the percentage sought will not allow the bidder to gain control of the target company. If the aforementioned criteria are met, the bidder is not required to file a prospectus or to publish an advertisement announcing the results of the tender offer. Similarly, the directors of the target company are not required to issue individual opinions as to whether tendering into the offer is in the best interests of the shareholders. The Chilean Offer meets the criteria of SVS Rule 1514; accordingly the Chilean Offer will be subject to a simplified tender offer procedure, and the disclosure for the Chilean Offer will consist of a notice published in the Chilean newspapers *El Mercurio de Santiago* and *La Tercera* on December 1, 2008 (the "Chilean Notice"). An English translation of the Chilean Notice is attached as Exhibit (a)(11) to the tender offer statement on Schedule TO/13E-3, but such translation, as is the case with respect to any and all translated documents filed pursuant to the U.S. Offer, is for informational purposes only and U.S. Holders who wish to tender their Shares into the Chilean Offer should consult the original Spanish documents provided to the SVS in Chile. Further, press releases and announcements may be made in Chile but not made in the U.S. and may not be translated into English and filed with the Commission. Furthermore, the Chilean Offer is not subject to U.S. tender offer rules and the benefits thereof would not be available to U.S. Holders tendering Shares into the Chilean Offer.

Bidders are offering to pay to U.S. Holders who tender into the U.S. Offer the U.S. dollar equivalent of Ch\$1,100 per Series A Share, Ch\$990 per Series B Share and Ch\$4,400 per ADS. Shares tendered pursuant to the U.S. Offer and accepted for payment will be converted into U.S. dollars using the Observed Exchange Rate published on the Expiration Date (or if the Observed Exchange Rate is not published on the Expiration Date of the U.S. Offer, the Observed Exchange Rate published on the first day immediately preceding the Expiration Date of the U.S. Offer on which day the Observed Exchange Rate is published in the Official Gazette of Chile). However, U.S. Holders who tender into the Chilean Offer will be paid the above-referenced purchase price in Chilean pesos and not U.S. dollars. Furthermore, it is possible that, due to requirements of applicable law or market practice, holders of Shares tendering in the Chilean Offer will be paid either before or after holders tendering Series A Shares, Series B Shares and/or ADSs in the U.S. Offer, although the price paid per Share will be the same. In addition, it is recommended that U.S. Holders wishing to tender in the Chilean Offer consult their tax advisor as there may be different tax consequences in the Chilean Offer not contemplated in this Offer to Purchase.

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THE U.S. OFFER

1. Terms of the U.S. Offer. Upon the terms and subject to the conditions of the U.S. Offer (including, if the U.S. Offer is extended or amended, the terms and conditions of any extension or amendment), Purchaser will accept for payment and pay for all Shares and ADSs that are validly tendered prior to the Expiration Date and not properly withdrawn as provided in "The U.S. Offer — Section 5 — Withdrawal Rights."

There are no conditions to the U.S. Offer other than that the Shares and/or ADSs be validly tendered at or prior to the Expiration Time on the Expiration Date. Bidders are not obligated to purchase any tendered Shares or ADSs if they are not validly tendered. Bidders reserve the right, at any time or from time to time, in their sole discretion, to amend the U.S. Offer to impose one or more conditions on the U.S. Offer by giving oral or written notice of such amendment to the Share Depository and the U.S. Depository and making public announcement thereof.

Subject to the applicable rules and regulations of the Commission, Purchaser reserves the right, at any time or from time to time, in its sole discretion, to extend for any reason the period of time during which the U.S. Offer remains open by giving oral or written notice of such extension to the Share Depository and the U.S. Depository and making public announcement thereof. During any such extension, all Shares and ADSs previously tendered and not withdrawn will remain subject to the U.S. Offer, subject to the rights of a tendering holder to withdraw its Shares and/or ADSs. There can be no assurance that Purchaser will exercise its right to extend the U.S. Offer.

If Purchaser makes a material change in the terms of the U.S. Offer or the information concerning the U.S. Offer, Purchaser will extend the U.S. Offer to the extent required by Rules 14d-4(d), 14d-6(c) and 14e-1 under the Exchange Act. The minimum period during which an offer must remain open following material changes in the terms of or information concerning an offer, other than a change in price or a change in the percentage of shares sought, will depend upon the facts and circumstances then existing, including the relative materiality of the changed terms or information.

Any extension, delay, termination, waiver or amendment of the U.S. Offer will be followed as promptly as practicable by a public announcement thereof. Subject to applicable law (including Rules 14d-4(d) and 14d-6(c) under the Exchange Act, which require that material changes in the information published, sent or given to any holders of Shares and holders of ADSs in connection with the U.S. Offer be promptly disseminated to such holders in a manner reasonably designed to inform them of such changes), and without limiting the manner in which Purchaser may choose to make any public announcement, Purchaser will have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a press release to the Dow Jones News Service. In the case of an extension of the U.S. Offer, Purchaser will make a public announcement of such extension no later than 9:00 a.m., New York City time, on the next Business Day (a "Business Day" being any day other than a Saturday, Sunday or U.S. Federal Holiday) after the previously scheduled Expiration Date, in accordance with the public announcement requirements of Rule 14e-1(d) under the Exchange Act.

The Company will make available its Shareholder registry and security position listings to Purchaser and will cause the ADS Depository to provide Purchaser with the list of record holders for ADSs and security position listings, as required by Chilean Law, for the purpose of disseminating this Offer to Purchase to U.S. Holders of Shares and holders of ADSs. This Offer to Purchase and the related Form of Acceptance, ADS Letter of Transmittal, ADS Notice of Guaranteed Delivery and other relevant documents will be mailed to record U.S. Holders of Shares and holders of ADSs and will be furnished to brokers, banks and similar persons whose names, or the names of whose nominees, appear on such list of holders of Shares and holders of ADSs or, if applicable, who are listed as participants in a clearing agency's security position listing, for subsequent transmittal to beneficial owners of Shares and/or ADSs.

2. Acceptance for Payment. Upon the terms and subject to the conditions of the U.S. Offer, Purchaser will accept for payment and pay for the Shares and ADSs validly tendered prior to the Expiration Date and not properly withdrawn, promptly after the Expiration Date, and in any case pursuant to applicable Chilean law or practice. In addition, subject to the applicable rules of the Commission, Purchaser reserves the right, in its sole discretion, to delay the acceptance for payment or the payment for the Shares and ADSs pending receipt of any regulatory approval. For a description of Purchaser's right to terminate the U.S. Offer and not accept for payment or pay for Shares and ADSs or to delay the acceptance for payment or the payment for Shares and ADSs, see "The U.S. Offer — Section 1 — Terms of the U.S. Offer."

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For purposes of the U.S. Offer, Purchaser shall be deemed to have accepted for payment tendered Shares and ADSs when and if Purchaser gives oral or written notice to the Share Depository and the U.S. Depository, as applicable, of its acceptance of the tenders of such Shares and ADSs. Payment for Shares and ADSs accepted for payment pursuant to the U.S. Offer will be made by deposit of the purchase price with the Share Depository, which will act as agent for the tendering holders of Shares, or the U.S. Depository, which will act as agent for the tendering holders of ADSs, as applicable, for the purpose of receiving payments from Purchaser and transmitting such payments to tendering holders of Shares and holders of ADSs, as the case may be. In all cases, payment for Shares accepted for payment pursuant to the U.S. Offer will be made only after timely receipt by the Share Depository of (a) either (1) *titulo(s)* (certificates of title) and a certificate from the share department of the Company or the DCV as the case may be, evidencing such Shares or (2) a confirmation of book-entry transfer of such Shares and (b) a properly completed and duly executed Form of Acceptance (or a copy thereof, provided the signature is original) and all other required documents. Payment for ADSs accepted for payment pursuant to the U.S. Offer will be made only after timely receipt by the U.S. Depository of ADRs evidencing such tendered ADSs or book-entry transfer of such tendered ADSs, together with a properly completed and duly executed ADS Letter of Transmittal or an Agent's Message (as defined in "The U.S. Offer — Section 4 — Procedures for Accepting the U.S. Offer — Holders of ADSs") confirming transfer of such tendered ADSs into the U.S. Depository's account at the Book-Entry Transfer Facility (as defined in "The U.S. Offer — Section 4 — Procedures for Accepting the U.S. Offer — Holders of ADSs"). Payment may be made to tendering holders at different times if delivery of the Shares and ADSs and other required documents occur at different times. For a description of the procedure for tendering Shares and ADSs pursuant to the U.S. Offer, see "The U.S. Offer — Section 3 — Procedures for Accepting the U.S. Offer — Holders of Shares" and "The U.S. Offer — Section 4 — Procedures for Accepting the U.S. Offer — Holders of ADSs." Under no circumstances will interest be paid by Purchaser on the purchase price paid for Shares and ADSs pursuant to the U.S. Offer regardless of any delay in making such payments or extension of the Expiration Date.

If Purchaser increases the purchase price to be paid for Shares pursuant to the Chilean Offer, Purchaser will pay such increased consideration for all Shares and ADSs purchased pursuant to the U.S. Offer, whether or not such Shares and ADSs were tendered prior to such increase in consideration.

Purchaser reserves the right to transfer or assign, in whole or, from time to time, in part, to one or more of its affiliates the right to purchase all or any portion of Shares and ADSs tendered pursuant to the U.S. Offer, but any such transfer or assignment will not relieve Purchaser of its obligations under the U.S. Offer or prejudice the rights of tendering holders of Shares and tendering holders of ADSs to receive payment for Shares and ADSs validly tendered and accepted for payment.

If any tendered Shares and/or ADSs are not purchased pursuant to the U.S. Offer for any reason pursuant to the terms and conditions of the U.S. Offer, or if certificates are submitted for more Shares and/or ADSs than are tendered, certificates for such unpurchased or untendered Shares and/or ADSs will be returned (or, in the case of Shares and ADSs tendered by book-entry transfer, such Shares and ADSs will be credited to the appropriate account), without expense to the tendering holder, promptly following the expiration or termination of the U.S. Offer.

3. Procedure for Accepting the U.S. Offer — Holders of Shares. Any U.S. Holder who holds Shares and who desires to accept the U.S. Offer in respect of all or any portion of such holder's Shares should complete Boxes 1 and 3 and, if appropriate, Box 4 and sign Box 2 of the Form of Acceptance in accordance with the instructions printed thereon. An accepting holder of Shares should submit a properly completed and duly executed Form of Acceptance (or copy thereof, provided the signature is original), together with the following documents to the Share Depository at the address set forth on the back cover of this Offer to Purchase:

- (a) *titulo(s)* evidencing ownership of Shares, if Shares are held in certificated form;
- (b) a certificate from the Share department of the Company or the DCV evidencing the number of Shares, if any, held on deposit at the DCV, the number of Shares and original issued Shares, if any, held by the holder, and indicating the liens or encumbrances that affect the Shares;
- (c) duly signed *traspaso(s)* (deed of transfer) indicating the number of Shares and the number of original issue Shares, if any, to be tendered, with the date of such *traspaso(s)* in blank;
- (d) in the case of Shares held on deposit at the DCV, a letter to the DCV instructing the DCV to perform a book-entry transfer in favor of Purchaser;

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- (e) in the case the U.S. Holder is an individual, a copy of the U.S. Holder's passport or photo identification card;
- (f) in the case the U.S. Holder is an entity, (1) a secretary's certificate certifying the name, title and specimen signature of an officer authorized to execute the transfer documents and a copy of the entity's organizational documents, and (2) a copy of the passport or photo identification card of the authorized officer; and
- (g) any other documents requested by the U.S. Depositary to evidence the authority of the U.S. Holder to tender and sell its Shares.

References in this section to a holder of Shares shall include references to the person or persons executing a Form of Acceptance and, in the event of more than one person executing a Form of Acceptance, the provisions of this section shall apply to them jointly and severally.

Book-Entry Transfer. The Share Depositary has established an account with respect to the Shares at DCV for purposes of the U.S. Offer. Shares held in book-entry form may be tendered by sending or submitting by hand to the Share Depositary at its address set forth on the back cover of this Offer to Purchase a properly completed and duly executed Form of Acceptance, together with items (b) through (g) above, as applicable, and effecting book-entry delivery of the Shares to the above-mentioned account of the Share Depositary.

Certificates of Title and/or Other Document(s) of Title. If the *título(s)* have been issued but have been lost or destroyed, the Form of Acceptance should nevertheless be completed, signed and returned to the Share Depositary as soon as possible and the *título(s)* should be forwarded as soon as possible thereafter but in no event later than the Expiration Date. If the *título(s)* are lost or destroyed, the holder of Shares should follow the procedures set forth in Article 21 of the Rules of Law 18.046 of the Chilean Companies Law and thereupon request the Shareholders' Registry of the Company at Huérfanos 770, Piso 22, Santiago, Chile, telephone (+56) 26 91-3869 to issue substitute *título(s)*. When completed, the new *título(s)* must be submitted to the Share Depositary, in accordance with the above-described procedure, in support of the Form of Acceptance.

The method of delivery of *título(s)* for Shares and all other required documents is at the option and risk of the tendering holder of Shares and the delivery will be deemed made only when actually received by the Share Depositary. In all cases, sufficient time should be allowed to ensure timely delivery. Registered mail with return receipt requested, properly insured, is recommended for Shares sent by mail.

Form of Acceptance. Each holder of Shares by whom or on whose behalf a Form of Acceptance is executed irrevocably undertakes, represents, warrants and agrees to and with Purchaser (so as to bind the holder and the holder's personal representatives, heirs, successors and assigns) to the following effect:

- (a) that the execution of a Form of Acceptance shall constitute: (1) an acceptance of the U.S. Offer in respect of the number of Shares identified in Box 1 of the Form of Acceptance; and (2) an undertaking to execute all further documents and give all further assurances which may be required to enable Purchaser to obtain the full benefit of this section and/or perfect any of the authorities expressed to be given hereunder, on and subject to the terms set out or referred to in this document and the Form of Acceptance and that, subject only to the rights set out in "The U.S. Offer — Section 5 — Withdrawal Rights," each such acceptance shall be irrevocable;
- (b) that the Shares in respect to which the U.S. Offer is accepted or deemed to be accepted are fully paid and non-assessable, sold free from all liens, equities, charges and encumbrances and together with all rights now or hereafter attaching thereto, including voting rights and the right to all dividends, other distributions and interest payments hereafter declared, made or paid;
- (c) that the execution of the Form of Acceptance constitutes, subject to the accepting holder not having validly withdrawn his or her acceptance, the irrevocable appointment of the Share Depositary acting on behalf of Purchaser, its directors and agents as such holder's attorney and/or agent (the "Attorney") and an irrevocable instruction to the Attorney to complete and execute his or her signed *traspaso(s)* and all or any form(s) of transfer and/or other document(s) at the discretion of the Attorney in relation to the Shares referred to in paragraph (a) above in respect of which the accepting holder of Shares has not validly withdrawn acceptance in favor of Purchaser or such other person or persons as Purchaser may direct and to deliver such form(s) of transfer and/or other document(s) at the discretion of the Attorney together with the *título(s)* and/or other document(s) of title relating to such Shares and to do all such

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other acts and things as may in the opinion of the Attorney be necessary or expedient for the purpose of, or in connection with, the acceptance of the U.S. Offer and to vest in Purchaser or its nominee(s) the Shares as aforesaid;

(d) that the execution of the Form of Acceptance constitutes, subject to the accepting holder of Shares not having validly withdrawn its acceptance, an irrevocable authority and request (1) to the Company, its *Gerente General* (General Manager) or its agents to procure the registration of the transfer of the Shares pursuant to the U.S. Offer and the delivery of the new *título*(s) and/or other document(s) of title in respect thereof to Purchaser or as Purchaser may direct; and (2) to Purchaser or its agents to record and act upon any instructions with regard to notices and payments which have been recorded in the records of the Company in respect of such holder's holding(s) of Shares;

(e) that the holder of Shares will deliver to the Share Depository at the address shown on the back page of this Offer to Purchase such holder's *título*(s) and/or document(s) of title in respect of the Shares referred to in paragraph (a) or an indemnity acceptable to Purchaser in lieu thereof, as soon as possible;

(f) that this section shall be incorporated in and form part of the Form of Acceptance, which shall be read and construed accordingly; and

(g) that the holder agrees to ratify each and every act or thing which may be done or effected by Purchaser or any of its directors or agents or the Company or its agents, as the case may be, in the proper exercise of any of its power and/or authorities thereunder.

U.S. Receiving Agent. Citibank, N.A. has agreed to act as U.S. receiving agent for the Share Depository and as such will accept tenders of Shares in the U.S. on behalf of the Share Depository and will transfer the documents so received to the Share Depository promptly upon receipt at the risk of the tendering holder.

Partial Tenders. If fewer than all of the Shares delivered to the Share Depository are to be tendered, the holder thereof should so indicate in the Form of Acceptance by filling in the number of Shares which are to be tendered in Box 1 of the Form of Acceptance. In such case, a new *título* for the remainder of the Shares represented by the old *título* will be sent to the person(s) signing such Form of Acceptance (or delivered as such person properly indicates thereon) as promptly as practicable following the date the tendered Shares are purchased.

All Shares delivered to the Share Depository will be deemed to have been tendered unless otherwise indicated. See Instruction 1 of the Form of Acceptance.

Guaranteed Delivery. There is no guaranteed delivery procedure for the tendering of Shares into the U.S. Offer.

Acceptance of U.S. Offer Through a Power of Attorney. If a holder of Shares wishes to accept the U.S. Offer but is away from home or if the Form of Acceptance is being signed under a power of attorney, the holder's appointed attorney should send the Form of Acceptance by the quickest means to the holder for execution or, if the holder has executed a power of attorney, have the Form of Acceptance signed by the attorney. The completed Form of Acceptance together with the required documents should be delivered to the Share Depository at the address set forth on the back cover of this Offer to Purchase and accompanied by the power of attorney (or a duly certified copy thereof). Any power of attorney must have been granted before a notary public in Chile or before a competent Chilean General Consul. The power of attorney (or a duly certified copy thereof) will be submitted for registration by the Share Depository and returned as directed. No other signatures are acceptable.

Acceptance of U.S. Offer and Representations by Holder. The tender of Shares pursuant to any one of the procedures described above will constitute the tendering holder's acceptance of the U.S. Offer, as well as the tendering holder's representation and warranty that (a) such holder owns the Shares being tendered within the meaning of Rule 14e-4 promulgated under the Exchange Act, (b) the tender of such Shares complies with Rule 14e-4, (c) such holder is a U.S. Holder, and (d) such holder has the full power and authority to tender and assign the Shares tendered, as specified in the Form of Acceptance. Purchaser's acceptance for payment of Shares tendered pursuant to the U.S. Offer will constitute a binding agreement between the tendering holder and Purchaser containing the terms of the U.S. Offer.

Matters Concerning Validity, Eligibility and Acceptance. All questions as to the form of documents and the validity, eligibility (including time of receipt) and acceptance for payment of any tender of Shares will be determined by Purchaser in its sole discretion, which determination shall be final and binding. Purchaser reserves the absolute right to reject any or all

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tenders of Shares determined by it not to be in proper form or the acceptance for payment of or payment for which may, in the opinion of Purchaser's counsel, be unlawful. Purchaser also reserves the absolute right to waive any defect or irregularity in any tender of Shares. None of the Telefónica Group or the Share Depositary or any other person will be under any duty to give notification of any defect or irregularity in tenders or incur any liability for failure to give any such notification.

Appointment as Attorney-in-Fact and Proxy. By executing the Form of Acceptance as set forth above, the tendering holder of Shares irrevocably appoints each designee of Purchaser set forth therein as attorney-in-fact and proxy of such holder, with full power of substitution, to vote the Shares as in such manner as each such attorney-in-fact and proxy (or any substitute thereof) will deem proper in its sole discretion, and to otherwise act (including pursuant to written consent) to the full extent of such holder's rights with respect to the Shares (and any and all securities or rights issued or issuable in respect of such Shares on or after December 2, 2008 (collectively, the "Share Distributions")) tendered by such holder and accepted for payment by Purchaser prior to the time of such vote or action. All such proxies and powers of attorney will be considered coupled with an interest in the tendered Shares and will be irrevocable and are granted in consideration of, and are effective upon, the acceptance for payment of such Shares and all Share Distributions in accordance with the terms of the U.S. Offer. Such acceptance for payment by Purchaser will revoke, without further action, any other proxy or power of attorney granted by such holder at any time with respect to such Shares and all Share Distributions and no subsequent proxies or powers of attorney may be given or written consent executed (or, if given or executed, will not be deemed effective) with respect thereto by such holder. By executing the Form of Acceptance as set forth above, the tendering holder of Shares further agrees that effective from and after the date Shares are tendered thereby: (a) Purchaser shall be entitled to direct the exercise of any votes attaching to any Shares in respect of which the U.S. Offer has been accepted or is deemed to have been accepted and any other rights and privileges attaching to such Shares, including any right to call a meeting of the Shareholders; and (b) the execution of the Form of Acceptance and its delivery to the Share Depositary will constitute (1) an authority from the tendering holder of Shares to send any notice, circular, document or other communications which may be required to be sent to such holder to Purchaser at its registered office, (2) an authority to Purchaser to sign any consent to execute a form of proxy in respect of the Shares in respect of which the U.S. Offer has been accepted or is deemed to have been accepted appointing any person nominated by Purchaser to attend general meetings of Shareholders of the Company and to exercise the votes attaching to such Shares on behalf of the tendering holder of Shares and (3) the agreement of the tendering holder of Shares not to exercise any of such rights without the consent of Purchaser and the irrevocable undertaking of the tendering holder of Shares not to appoint a proxy for or to attend general meetings of Shareholders.

Backup U.S. Federal Income Tax Withholding. Under U.S. federal income tax law, the Share Depositary may be required to withhold and pay over to the U.S. Internal Revenue Service a portion of the amount of any payments made pursuant to the U.S. Offer. To avoid backup withholding, unless an exemption applies, a holder of Shares that is a U.S. Holder (as defined for U.S. federal income tax purposes, see "The U.S. Offer — Section 6 — Certain Tax Considerations" of this Offer to Purchase) must provide the Share Depositary with the holder's correct taxpayer identification number ("TIN") and certify under penalties of perjury that the TIN is correct and that the holder is not subject to backup withholding by completing the Substitute Form W-9 in the Form of Acceptance. If a U.S. Holder does not provide its correct TIN or fails to provide the certifications described above, the U.S. Internal Revenue Service may impose a penalty on the holder, and any payment made to the holder pursuant to the U.S. Offer may be subject to backup withholding. All U.S. Holders surrendering Shares pursuant to the U.S. Offer should complete and sign the Substitute Form W-9 included in the Form of Acceptance to provide the information and certifications necessary to avoid backup withholding (unless an applicable exemption exists and is proved in a manner satisfactory to the Share Depositary).

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from payments made to a U.S. Holder may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is properly furnished to the U.S. Internal Revenue Service.

Purchaser's acceptance for payment of the Shares tendered pursuant to the U.S. Offer will constitute a binding agreement between each tendering holder of Shares and Purchaser upon the terms and subject to the conditions of the U.S. Offer. If you are in any doubt about the procedure for tendering your Shares into the U.S. Offer, please telephone the Information Agent at its telephone number set forth on the back cover of this Offer to Purchase.

U.S. Holders who hold Shares may, at their option, tender their Shares into the Chilean Offer instead of the U.S. Offer. Any U.S. Holder of Shares who desires to accept the Chilean Offer should follow the procedures for

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tendering Shares into the Chilean Offer described in Annex C hereto. However, there are many important aspects to consider for a U.S. Holder considering whether to tender into the Chilean Offer rather than into the U.S. Offer. See "Special Factors — Risks of Tendering into the Chilean Offer."

4. Procedures for Accepting the U.S. Offer — Holders of ADSs. To tender ADSs pursuant to the U.S. Offer:

(a) (1) a properly completed and duly executed ADS Letter of Transmittal (or copy thereof, provided the signature is original) and all other documents required by the ADS Letter of Transmittal must be received by the U.S. Depositary at one of its addresses set forth on the back cover of this Offer to Purchase and (2) ADRs for the ADSs to be tendered must be received by the U.S. Depositary at one of such addresses by the Expiration Date;

(b) a holder's ADSs must be delivered pursuant to the procedures for book-entry transfer described below (and a properly completed and duly executed ADS Letter of Transmittal (or copy thereof, provided the signature is original), unless an Agent's Message (as defined below) confirming such delivery is received by the U.S. Depositary) by the Expiration Date; or

(c) the guaranteed delivery procedure described below must be complied with.

The term "Agent's Message" means a message, transmitted by the Book-Entry Transfer Facility (as defined below) to and received by the U.S. Depositary and forming a part of a book-entry confirmation which states that the Book-Entry Transfer Facility has received an express acknowledgment from the participant tendering the ADSs which are the subject of such book-entry confirmation that such participant has received and agrees to be bound by the terms of the ADS Letter of Transmittal and that Purchaser may enforce such agreement against such participant.

Book-Entry Delivery. The U.S. Depositary will establish an account with respect to the ADSs at The Depository Trust Company ("Book-Entry Transfer Facility") for purposes of the U.S. Offer within two Business Days after the date of this Offer to Purchase, and any financial institution that is a participant in the system of the Book-Entry Transfer Facility may make book-entry delivery of ADSs by causing the Book-Entry Transfer Facility to transfer such ADSs into the U.S. Depositary's account in accordance with the procedures of the Book-Entry Transfer Facility. However, although delivery of ADSs may be effected through book-entry transfer, a properly completed and duly executed ADS Letter of Transmittal or an Agent's Message and any other required documents must, in any case, be received by the U.S. Depositary at one of its addresses set forth on the back cover of this Offer to Purchase prior to the Expiration Date, or the guaranteed delivery procedure described below must be complied with. Delivery of the ADS Letter of Transmittal and any other required documents or instructions to the Book-Entry Transfer Facility does not constitute delivery to the U.S. Depositary. If tender is made by Book-Entry Transfer Facility, the ADS Letter of Transmittal must be delivered by means of an Agent's Message.

Partial Tenders. If fewer than all of the ADSs evidenced by ADRs delivered to the U.S. Depositary are to be tendered, the holder thereof should so indicate in the ADS Letter of Transmittal by filling in the number of ADSs which are to be tendered in the box entitled "Number of ADSs Tendered" in the ADS Letter of Transmittal. In such case, a new ADR for the untendered ADSs represented by the old ADR will be sent to the person(s) signing such ADS Letter of Transmittal (or delivered as such person properly indicates thereon) as promptly as practicable following the date the tendered ADSs are accepted for payment.

All ADSs delivered to the U.S. Depositary will be deemed to have been tendered unless otherwise indicated. See Instruction 4 of the ADS Letter of Transmittal.

Signature Guarantees. Except as otherwise provided in the next sentence, all signatures on an ADS Letter of Transmittal must be guaranteed by a financial institution (including most banks, savings and loan associations and brokerage houses) which is a participant in the Security Transfer Agents Medallion Program, the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program (each, an "Eligible Institution"). Signatures on an ADS Letter of Transmittal need not be guaranteed (a) if the ADS Letter of Transmittal is signed by the registered holder(s) of the ADSs tendered therewith and such holder(s) have not completed the box entitled "Special Issuance Instructions" on the ADS Letter of Transmittal or (b) if such ADSs are tendered for the account of an Eligible Institution. See Instructions 1 and 5 of the ADS Letter of Transmittal.

Guaranteed Delivery. If a holder of ADSs desires to tender ADSs pursuant to the U.S. Offer and cannot deliver such ADSs and all other required documents to the U.S. Depositary prior to the Expiration Date, or such holder of ADSs

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cannot complete the procedure for delivery by book-entry transfer on a timely basis, such ADSs may nevertheless be tendered if all of the following conditions are met:

- (a) such tender is made by or through an Eligible Institution;
- (b) a properly completed and duly executed ADS Notice of Guaranteed Delivery substantially in the form provided by Purchaser is received by the U.S. Depositary (as provided below) prior to the Expiration Date; and
- (c) the ADRs for such ADSs, together with a properly completed and duly executed ADS Letter of Transmittal (or a copy thereof, provided the signature is original) with any required signature guarantee or, in the case of ADSs held in book-entry form, a timely confirmation of a book-entry transfer of such ADSs into the U.S. Depositary's account at the Book-Entry Transfer Facility together with an Agent's Message, and any other documents required by such ADS Letter of Transmittal, are received by the U.S. Depositary within three NYSE trading days after the date of execution of the ADS Notice of Guaranteed Delivery.

The ADS Notice of Guaranteed Delivery may be delivered by hand or mail or transmitted by facsimile transmission to the U.S. Depositary and must include a guarantee by an Eligible Institution in the form set forth in such Notice. In the case of ADSs held through the Book-Entry Transfer Facility, the ADS Notice of Guaranteed Delivery must be delivered to the U.S. Depositary by a participant in the Book-Entry Transfer Facility via the Book-Entry Transfer facility confirmation system by means of an Agent's Message.

Other Requirements. Notwithstanding any other provisions hereof, payment for ADSs accepted for payment pursuant to the U.S. Offer will, in all cases, be made only after receipt by the U.S. Depositary of ADRs evidencing such ADSs or book-entry transfer of such ADSs, a properly completed and duly executed ADS Letter of Transmittal (or a copy thereof, provided the signature is original) or an Agent's Message, together with any required signature guarantees and any other documents required by the ADS Letter of Transmittal. Accordingly, payment might not be made to all tendering holders of ADSs at the same time if certain tendering holders tender pursuant to the guaranteed delivery procedure and will depend upon when ADRs evidencing such ADSs are received by the U.S. Depositary or book-entry confirmations with respect to such ADSs are received into the U.S. Depositary's account at the Book-Entry Transfer Facility. Under no circumstances will interest be paid on the U.S. Offer Price to be paid by Purchaser, regardless of any extension of the U.S. Offer or any delay in making such payment.

The method of delivery of ADSs and all other required documents, including through the Book-Entry Transfer Facility, is at the option and risk of the tendering holders of ADSs and the delivery will be deemed made only when actually received by the U.S. Depositary (including, in the case of book-entry transfer, by book-entry confirmation). In all cases, sufficient time should be allowed to ensure a timely delivery. Registered mail with return receipt requested, properly insured, is recommended for ADSs sent by mail.

Acceptance of U.S. Offer and Representations by Holder. The tender of ADSs pursuant to any one of the procedures described above will constitute the tendering holder's acceptance of the U.S. Offer, as well as the tendering holder's representation and warranty that (a) such holder owns the ADSs being tendered within the meaning of Rule 14e-4 promulgated under the Exchange Act, (b) the tender of such ADSs complies with Rule 14e-4, and (c) such holder has the full power and authority to tender and assign the ADSs tendered, as specified in the ADS Letter of Transmittal. Purchaser's acceptance for payment of ADSs tendered pursuant to the U.S. Offer will constitute a binding agreement between the tendering holder of ADSs and Purchaser containing the terms of the U.S. Offer.

Matters Concerning Validity, Eligibility and Acceptance. All questions as to the form of documents and the validity, eligibility (including time of receipt) and acceptance for payment of any tender of ADSs will be determined by Purchaser in its sole discretion, which determination shall be final and binding on all parties. Purchaser reserves the absolute right to reject any or all tenders of ADSs determined by it not to be in proper form or if the acceptance for payment of, or payment for, such ADSs may, in the opinion of Purchaser's counsel, be unlawful. Purchaser also reserves the absolute right to waive any defect or irregularity in any tender of ADSs, whether or not similar defects or irregularities are waived in the case of other holders. No tender of ADSs will be deemed to have been validly made until all defects and irregularities have been cured or waived. None of the Telefónica Group, the U.S. Depositary or any other person will be under any duty to give notification of any defect or irregularity in tenders or incur any liability for failure to give any such notification. Purchaser's interpretation of the terms and conditions of the U.S. Offer (including the ADS Letter of Transmittal and the instructions thereto) will be final and binding on all parties.

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Appointment as Attorney-in-Fact and Proxy. By executing the ADS Letter of Transmittal (or delivering an Agent's Message) as set forth above, the tendering holder of ADSs irrevocably appoints each designee of Purchaser set forth therein as attorney-in-fact and proxy of such holder, with full power of substitution, to vote the ADSs as in such manner as each such attorney-in-fact and proxy (or any substitute thereof) will deem proper in its sole discretion, and to otherwise act (including pursuant to written consent) to the full extent of such holder's rights with respect to the ADSs (and any and all securities or rights issued or issuable in respect of such ADS on or after December 2, 2008 (collectively, the "ADS Distributions")) tendered by such holder and accepted for payment by Purchaser prior to the time of such vote or action. All such proxies and powers of attorney will be considered coupled with an interest in the tendered ADSs and will be irrevocable and are granted in consideration of, and are effective upon, the acceptance for payment of such ADSs and all ADS Distributions in accordance with the terms of the U.S. Offer. Such acceptance for payment by Purchaser will revoke, without further action, any other proxy or power of attorney granted by such holder at any time with respect to such ADSs and all ADS Distributions and no subsequent proxies or powers of attorney may be given or written consent executed (or, if given or executed, will not be deemed effective) with respect thereto by such holder. By executing the ADS Letter of Transmittal as set forth above, the tendering holder of ADSs further agrees that effective from and after the date ADSs are tendered thereby that: (a) Purchaser shall be entitled to direct the exercise of any votes attaching to any Shares represented by ADSs in respect of which the U.S. Offer has been accepted or is deemed to have been accepted and any other rights and privileges attaching to such Shares represented by ADSs, including any right to call a meeting of the Shareholders; and (b) the execution of the ADS Letter of Transmittal and its delivery to the U.S. Depositary will constitute (1) an authority from the tendering holder of ADSs to send any notice, circular, document or other communications which may be required to be sent to such holder to Purchaser at its registered office, (2) an authority to Purchaser to sign any consent to execute a form of proxy in respect of the Shares represented by the ADSs in respect of which the U.S. Offer has been accepted or is deemed to have been accepted appointing any person nominated by Purchaser to attend general meetings of Shareholders of the Company and to exercise the votes attaching to such Shares on behalf of the tendering holder of ADSs, and (3) the agreement of the tendering holder of ADSs not to exercise any of such rights without the consent of Purchaser and the irrevocable undertaking of the tendering holder of ADSs not to appoint a proxy for or to attend general meetings of Shareholders.

In addition, by executing the ADS Letter of Transmittal (or delivering an Agent's Message) as set forth above, the tendering holder of ADSs irrevocably appoints each of Purchaser and the U.S. Depositary as attorney-in-fact of such holder, with full power of substitution, to register the transfer of the tendered ADSs, to surrender the tendered ADSs for withdrawal of the Shares represented by the ADSs and to instruct the ADS Depositary as to delivery of those Shares.

Backup U.S. Federal Income Tax Withholding. Under U.S. federal income tax law, the U.S. Depositary may be required to withhold and pay over to the U.S. Internal Revenue Service a portion of the amount of any payments made pursuant to the U.S. Offer. To avoid backup withholding, unless an exemption applies, a holder of Shares, including Shares represented by ADSs, that is a U.S. Holder (as defined for U.S. federal income tax purposes, see "The U.S. Offer — Section 6 — Certain Tax Considerations" of this Offer to Purchase) must provide the U.S. Depositary with the holder's correct taxpayer identification number ("TIN") and certify under penalties of perjury that the TIN is correct and that the holder is not subject to backup withholding by completing the Substitute Form W-9 in the ADS Letter of Transmittal. If a U.S. Holder does not provide its correct TIN or fails to provide the certifications described above, the U.S. Internal Revenue Service may impose a penalty on the holder, and any payment made to the holder pursuant to the U.S. Offer may be subject to backup withholding. All U.S. Holders surrendering Shares or ADSs pursuant to the U.S. Offer should complete and sign the Substitute Form W-9 included in the ADS Letter of Transmittal to provide the information and certifications necessary to avoid backup withholding (unless an applicable exemption exists and is proved in a manner satisfactory to the U.S. Depositary).

Certain holders (including, among others, all corporations and certain foreign individuals and foreign entities) may not be subject to backup withholding. Non-U.S. Holders (as defined for U.S. federal income tax purposes, see "The U.S. Offer — Section 6 — Certain Tax Considerations" of this Offer to Purchase) should complete and sign the appropriate Form W-8 (a copy of which may be obtained from the U.S. Depositary) in order to avoid backup withholding. These holders should consult a tax advisor to determine which Form W-8 is appropriate. See the ADS Letter of Transmittal, for more information.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from payments made to a U.S. Holder may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is properly furnished to the U.S. Internal Revenue Service.

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Purchaser's acceptance for payment of the ADSs tendered pursuant to the U.S. Offer will constitute a binding agreement between each tendering holder of ADSs and Purchaser upon the terms and subject to the conditions of the U.S. Offer.

If you are in any doubt about the procedure for tendering ADSs, please telephone the Information Agent at its telephone number set forth on the back cover of this Offer to Purchase.

5. Withdrawal Rights. Tenders of Shares and ADSs made pursuant to the U.S. Offer may be withdrawn at any time prior to the Expiration Date. Thereafter, such tenders are irrevocable, except that they may be withdrawn after January 30, 2009, unless theretofore accepted for payment as provided in this Offer to Purchase, or at such later time as may apply if the U.S. Offer is extended beyond that date.

If Purchaser extends the period of time during which the U.S. Offer is open, is delayed in accepting for payment or paying for Shares and ADSs, or is unable to accept for payment or pay for Shares and ADSs pursuant to the U.S. Offer for any reason, then, without prejudice to Purchaser's rights under the U.S. Offer but subject to Purchaser's obligations under the Exchange Act, the Share Depositary or the U.S. Depositary may, on behalf of Purchaser retain all Shares and ADSs tendered, and such Shares and ADSs may not be withdrawn except as otherwise provided in this section. Any such delay will be an extension of the U.S. Offer to the extent required by law.

For a withdrawal to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the Share Depositary or the U.S. Depositary, as applicable, at one of their respective addresses set forth on the back cover of this Offer to Purchase. Any such notice of withdrawal must specify the name of the person who tendered the Shares or ADSs to be withdrawn and the number of Shares or ADSs to be withdrawn and the name of the registered holder, if different from that of the person who tendered such Shares or ADS. If the Shares or ADSs to be withdrawn have been delivered to the Share Depositary or the U.S. Depositary, as applicable, a signed notice of withdrawal (with such signature guaranteed by an Eligible Institution in the case of ADSs except for ADSs tendered by an Eligible Institution) must be submitted prior to the release of such Shares or ADSs. Such notice must also specify, in the case of Shares or ADSs tendered by delivery of certificates, the serial numbers shown on the particular *títulos* (certificates of title) or ADRs evidencing the Shares or ADSs to be withdrawn or, in the case of Shares or ADSs tendered by book-entry transfer, the name and number of the account to be credited with the withdrawn Shares or ADSs. In addition, Shares tendered by book-entry transfer may be withdrawn only by means of the withdrawal procedures made available by the DCV and must comply with the DCV's procedures. ADSs tendered by the book-entry transfer may be withdrawn only by means of the withdrawal procedures made available by the Book-Entry Transfer Facility and must comply with the Book-Entry Transfer Facility's procedures. Withdrawals may not be rescinded, and Shares and ADSs withdrawn will thereafter be deemed not validly tendered for purposes of the U.S. Offer. However, withdrawn Shares and ADSs may be re-tendered by again following one of the procedures described in "The U.S. Offer — Section 3 — Procedures for Accepting the U.S. Offer — Holders of Shares" and "The U.S. Offer — Section 4 — Procedures for Accepting the U.S. Offer — Holders of ADSs," as applicable, at any time prior to the Expiration Date.

All questions as to the form and validity (including time of receipt) of any notice of withdrawal will be determined by Purchaser in its sole discretion, which determination shall be final and binding. None of the Telefónica Group, the Share Depositary, the U.S. Depositary or any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal or incur any liability for failure to give any such notification.

6. Certain Tax Considerations. The following describes the material U.S. federal income tax and Chilean tax consequences of the tender of Shares and/or ADSs pursuant to the U.S. Offer.

U.S. Federal Income Tax Consequences. The following describes the material U.S. federal income tax consequences to U.S. Holders, as defined below, of the tender of their Shares, or to U.S. Holders and Non-U.S. Holders, as defined below, of the tender of their ADSs, pursuant to the U.S. Offer. This discussion is based on the tax laws of the United States currently in effect, including the Internal Revenue Code of 1986, as amended (the "Code"), final, temporary and proposed Treasury regulations, administrative pronouncements and judicial decisions, all of which are subject to change, possibly with retroactive effect. This discussion does not address U.S. state, local or non-U.S. tax consequences. The discussion applies only to U.S. Holders of Shares or U.S. Holders and Non-U.S. Holders of ADSs, that, in each case, hold the Shares or ADSs as capital assets for U.S. federal income tax purposes and it does not address special classes of holders, such as:

- certain financial institutions;

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- insurance companies;
- dealers and traders in securities or foreign currencies;
- persons holding Shares or ADSs as part of a hedge, straddle or conversion transaction;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. Dollar;
- partnerships or other entities classified as partnerships for U.S. federal income tax purposes;
- persons liable for the alternative minimum tax;
- tax-exempt organizations; or
- persons holding Shares or ADSs that own or are deemed to own ten percent or more of any class of the Company's stock.

These special classes of holders are urged to consult their U.S. tax advisors as to any special U.S. provisions that may be applicable to them.

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of Shares or ADSs that is, for U.S. federal income tax purposes, (i) a citizen or individual resident of the United States; (ii) a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States or any political subdivision thereof; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust that (A) is subject to the primary supervision of a United States court and the control of one or more United States persons or (B) has a valid election in effect under applicable Treasury Regulations to be treated as a United States person. A "Non-U.S. Holder" is a holder that is not a U.S. Holder, including, but not limited to, residents of Chile or persons carrying on a trade, profession or vocation in Chile through a branch, agency or permanent establishment.

General. In general, a U.S. Holder that receives cash for the Shares or ADSs pursuant to the U.S. Offer will recognize gain or loss for U.S. federal income tax purposes equal to the difference between the amount realized in exchange for the Shares or ADSs (generally the amount of cash received by such U.S. Holder) and such U.S. Holder's adjusted tax basis in such Shares or ADSs. Subject to the discussion below, any gain or loss recognized will be capital gain or loss and will be long-term capital gain or loss (subject to a maximum 15% tax rate for certain non-corporate taxpayers) if the U.S. Holder has held the Shares or ADSs for more than one year.

A Non-U.S. Holder generally will not be subject to U.S. federal income tax on any gain realized upon the sale or other disposition of ADSs unless: (i) the gain is effectively connected with such Non-U.S. Holder's conduct of a trade or business within the United States (and, under certain treaties, is attributable to a U.S. permanent establishment); or (ii) such Non-U.S. Holder is an individual, present in the United States for 183 days or more in the taxable year of disposition and meets certain other conditions.

PFIC. Based on the Company's annual report on Form 20-F for the year ended December 31, 2007, filed by the Company with the Commission on May 7, 2008 (the "2007 20-F"), we believe the Company was not a passive foreign investment company (a "PFIC") for U.S. federal income tax purposes for its 2007 taxable year. While we are not aware of any significant transactions or events in 2008 that would change this conclusion, since the PFIC status of the Company for each year depends upon the composition of the Company's income and assets and upon the market value of the Company's assets (generally including, among others, equity investments less than 25% owned) from time to time, there can be no assurance that the Company will not be considered a PFIC for any taxable year. If the Company were considered a PFIC for any taxable year during which a U.S. Holder held Shares or ADSs, certain adverse tax consequences could apply to such U.S. Holder pursuant to a sale of such Shares or ADSs in the U.S. Offer, including the imposition of interest charges and tax at higher rates than would otherwise apply. Certain elections may be available (including a mark-to-market election) to U.S. Holders that may mitigate the tax adverse consequences resulting from PFIC status. U.S. Holders should consult the 2007 20-F under the subsection "U.S. Federal Income Taxation — Passive Foreign Investment Company Status" for more details on the U.S. federal income tax consequences of the sale or other disposition of Shares or ADSs in the event the Company is or has ever been a PFIC for U.S. federal income tax purposes and any elections available to a U.S. Holder.

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U.S. Federal Income Tax Withholding. As noted in “The U.S. Offer — Section 3 — Procedures for Accepting the U.S. Offer — Holders of Shares” and “The U.S. Offer — Section 4 — Procedures for Accepting the U.S. Offer — Holders of ADSs,” a holder of Shares and/or ADSs (other than an “exempt recipient,” including a corporation, a Non-U.S. Holder that provides appropriate certification (if the payor does not have actual knowledge that such certificate is false) and certain other persons) that receives cash in exchange for Shares and/or ADSs may be subject to United States federal backup withholding tax (currently at a rate equal to 28%), unless such holder provides its taxpayer identification number and certifies that such holder is not subject to backup withholding tax by submitting a completed Substitute Form W-9 to the Share Depository or the U.S. Depository, as applicable. Accordingly, each U.S. Holder should complete, sign and submit the Substitute Form W-9 included as part of the Form of Acceptance and ADSs Letter of Transmittal in order to avoid the imposition of such backup withholding tax. Non-U.S. Holders should complete and sign the appropriate Form W-8 (a copy of which may be obtained from the Share Depository or the U.S. Depository, as applicable) and submit such form to the Share Depository or the U.S. Depository, as applicable, in order to avoid backup withholding.

Chilean Tax Consequences for U.S. Holders. Any gain recognized by an individual who is not domiciled or resident in Chile or any legal entity that is not organized under the laws of the Republic of Chile and does not have a permanent establishment in Chile (a “Non-Chilean Holder”) upon the sale of the ADSs pursuant to the U.S. Offer will not be subject to Chilean taxation.

Gains recognized by a Non-Chilean Holder upon the sale of Shares pursuant to the U.S. Offer will currently be subject to the following taxes: (a) a 17% fixed tax rate, provided that (1) such Shares have been held for at least one year, (2) the Non-Chilean Holder is not considered to be customarily engaged in the buying and selling of shares, and (3) such transfer is not made to a person related to such person; or (b) in case any of the three requirements set forth in (a) is not met, such gains will be added to the net taxable earnings of such person and, as such, are subject to a 17% first category tax, plus the additional tax at a rate of 35%, minus a credit for the 17% first category tax already paid on these capital gains. Withholdings on such capital gains are applicable under Chilean law based on different rates depending on the final payable tax rate described above.

Notwithstanding the foregoing, gains recognized by a Non-Chilean Holder upon the sale of Shares will not be subject to Chilean taxes if (a) such Shares have a “high presence” in the Chilean Exchanges (as described below), (b) such Shares originally were acquired in (1) a local stock exchange, (2) a tender offer for Shares, (3) an initial public offering of Shares during the formation of the Company or capital increase of the Company or (4) conversion of convertible bonds, and (c) the subsequent sale is made in (1) a local stock exchange, (2) other authorized stock exchanges, or (3) a tender offer for Shares.

Shares are considered to have a “high presence” in the Chilean Exchanges when they have been traded for a certain number of days at a volume exceeding a specific amount. As of the date of this Offer to Purchase, the Shares are considered to have a high presence in the Chilean Exchanges.

Any gain recognized by any person other than a Non-Chilean Holder (a “Chilean Holder”) upon the sale of the ADSs pursuant to the U.S. Offer will be subject to Chilean income taxes by adding such gain to the taxable income of such Chilean Holder and applying to such income the tax rate which would otherwise be applicable on such Chilean Holder’s income under Chilean law.

No Chilean stamp, issue, registration or similar taxes or duties will apply to the sale of Shares or ADSs pursuant to the U.S. Offer.

Because individual circumstances may differ, you should consult your tax advisor regarding the applicability of the rules discussed above to you and the particular tax effects to you of the U.S. Offer.

7. Price Range of Shares and ADSs; Dividends.

Price Range of Shares. The Shares are listed and traded on the Chilean Exchanges under the symbols “CTC-A” and “CTC-B”. As of November 26, 2008, there are 957,157,085 Shares outstanding, including 162,846,960 Shares represented by ADSs. As of the date of this Offer to Purchase, the Telefónica Group owns, directly and indirectly, 926,028,064 Shares representing approximately 96.75% of the outstanding Shares, including Shares represented by ADSs. The following table sets forth, for the periods indicated, the quarterly high and low closing prices of the Shares in Chilean

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pesos as reported by the Santiago Stock Exchange. The following information reflects nominal Chilean peso amounts as of the trade dates and has not been restated in constant Chilean pesos.

	Ch\$ per Share			
	High		Low	
	Series A	Series B	Series A	Series B
Fiscal Year Ending December 31, 2008				
First Quarter	969	900	751	785
Second Quarter	994	880	745	660
Third Quarter	992	884	745	660
October	1,090	961	867	880
November	1,090	990	970	961
Fiscal Year Ended December 31, 2007				
First Quarter	1,260	1,100	1,055	951
Second Quarter	1,330	1,125	1,140	1,020
Third Quarter	1,285	1,081	1,050	980
Fourth Quarter	1,245	1,110	935	900
Fiscal Year Ended December 31, 2006				
First Quarter	1,264	1,060	1,055	1,000
Second Quarter	1,195	1,080	910	900
Third Quarter	995	927	860	779
Fourth Quarter	1,082	990	935	845

Source: The Company’s Annual Report on Form 20-F for its fiscal year ended December 31, 2007 (other than data for the fiscal year ending December 31, 2008, the source of which is Bloomberg L.P.).

On November 28, 2008, the last full trading day on the Santiago Stock Exchange prior to the public announcement of the Offers, the reported closing sales price of the Shares on the Santiago Stock Exchange was Ch\$1,002.10 per Series A Share and Ch\$990 per Series B Share. On December 1, 2008, the last full trading day on the Santiago Stock Exchange prior to the date of this Offer to Purchase, the reported closing sales price of the Shares on the Santiago Stock Exchange was approximately Ch\$1,085 per Series A Share and Ch\$990 per Series B Share. **Holders are urged to obtain current market quotations for the Series A Shares and Series B Shares.**

Price Range of ADSs. The ADSs are traded on the NYSE under the symbol “CTC.” Each ADS represents 4 Series A Shares. As of the close of business on November 26, 2008, there were 40,711,740 ADSs outstanding. The Telefónica Group owns 37,865,393 ADSs. The following table sets forth, for the periods indicated, the quarterly high and low closing prices of the ADSs in U.S. dollars as reported by the NYSE.

	US\$ per ADS	
	High	Low
Fiscal Year Ending December 31, 2008		
First Quarter	8.62	6.61
Second Quarter	9.20	5.68
Third Quarter	7.44	5.32
October	7.15	5.60
November	6.56	5.80
Fiscal Year Ended December 31, 2007		
First Quarter	9.43	8.04
Second Quarter	9.92	8.75
Third Quarter	9.94	8.15
Fourth Quarter	9.90	7.46
Fiscal Year Ended December 31, 2006		
First Quarter	9.70	8.02
Second Quarter	9.18	6.47
Third Quarter	7.53	6.40
Fourth Quarter	8.28	6.94

Source: The Company’s Annual Report on Form 20-F for its fiscal year ended December 31, 2007 (other than data for the fiscal year ending December 31, 2008, the source of which is Bloomberg L.P.).

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On November 28, 2008, the last full trading day on the NYSE prior to the public announcement of the Offers, the reported closing sales price of the ADSs on the NYSE was U.S.\$5.98 per ADS (or Ch\$3,974, based on the Observed Exchange Rate on December 1, 2008). On December 1, 2008, the last full trading day on the NYSE prior to the date of this Offer to Purchase, the reported closing sales price of the ADSs on the NYSE was U.S.\$6.68 (or Ch\$4,439.33) per ADS, based on the Observed Exchange Rate on December 1, 2008. **Holders are urged to obtain current market quotations for the ADS.**

Dividends. As required by the Chilean Corporation Act, unless otherwise decided by unanimous vote of the holders of all of the issued and outstanding shares, the Company must distribute a cash dividend in an amount equal to at least 30% of its consolidated net profits for that year determined in accordance with Chilean generally accepted accounting principles ("Chilean GAAP") unless and except to the extent it has incurred losses.

The table below sets forth the nominal Chilean peso amount of dividends per Share and U.S. dollar amount of dividends per ADS (each ADS representing 4 Series A Shares) for fiscal years 2006, 2007 and 2008, as reported by the Company in its Annual Report filed on Form F-20 and Current Company Reports filed on Forms 6-K filed on April 30, 2008 and August 6, 2008, respectively, paid in respect of each of the years indicated.

DIVIDENDS	DATE OF PAYMENT	CH\$ PER SHARE	US\$ PER SHARE
Capital Reduction	June 15, 2006	\$ 42.0	\$.08
Final Dividend No. 171	June 22, 2006	\$ 15.3(4)	\$.02
Interim Dividend No. 172	November 23, 2006	\$ 11.0(5)	\$.02
Final Dividend No. 173	May 16, 2007	\$ 13.4(6)	\$.03
Capital Reduction	June 12, 2007	\$ 51.0	\$.08
Interim Dividend No. 174	November 21, 2007	\$ 6.0	\$.01
Final Dividend No. 175	May 14, 2008	\$ 5.3	\$.01
Capital Reduction	June 13, 2008	\$ 41.0	\$.09
Interim Dividend No. 176	December 10, 2008*	\$ 6.0	*

* According to the Form 6-K filed by the Company on November 24, 2008, Interim Dividend No. 176 will be paid starting on December 10, 2008.

8. Certain Information Concerning the Company. Except as otherwise stated in this Offer to Purchase, the following and other information contained in this Offer to Purchase concerning the Company is taken from the Company's Annual Report on Form 20-F for its fiscal year ended December 31, 2007. Although Purchaser has no knowledge that would indicate that any statements contained herein based upon such reports and documents are untrue, neither Telefónica nor Purchaser takes responsibility for the accuracy or completeness of the information contained in such reports and other documents or for any failure by the Company to disclose events that may have occurred and may affect the significance or accuracy of any such information but that are unknown to Telefónica or Purchaser.

The Company is a Chilean company that provides a broad range of telecommunications and other services throughout Chile, including local telephone service and broadband, domestic and international long distance service, data transmission, dedicated lines, terminal equipment sales and leasing and interconnection, security, value-added and pay television services.

As of the date of this Offer to Purchase, there were 957,157,085 Shares issued and outstanding, including Shares evidenced by ADSs. As of the date of this Offer to Purchase, the Telefónica Group owns, directly or indirectly, 926,028,064 Shares (including Shares represented by ADSs) representing approximately 96.75% of the issued and outstanding Shares. As of November 26, 2008, there were 162,846,960 Shares evidenced by ADSs. 11,385,388 of the Series A Shares are represented by ADSs not held by the Telefónica Group.

The Company is organized and existing under the laws of the Republic of Chile and has its principal executive offices located at Avenida Providencia 111, Santiago, Chile, telephone: (+56) 26 91 3869.

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Financial Information. The following table presents summary financial data for the Company as of and for the three-year period ended December 31, 2007 and as of and for the nine-month periods ended September 30, 2007 and 2008. The summary financial data for each of the fiscal years have been derived from, and are qualified by reference to, the Company's financial statements contained in the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2007, which Ernst & Young Ltda., the independent registered public accountants of the Company, have audited. The financial data for each of the fiscal years includes certain data reconciled under U.S. GAAP taken from the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2007. The summary financial data for the nine months ended September 30, 2007 and 2008 have been derived from, and are qualified by reference to, the Company's unaudited interim information for the nine-month period ended September 30, 2008 contained in the Company's Form 6-K filed with the Commission on October 23, 2008. No U.S. GAAP reconciliation is available for the financial data for the nine-month period ended September 30, 2008. The Company's financial statements were prepared in accordance with Chilean GAAP, which differs in certain significant respects from U.S. GAAP. For a summary of significant differences between Chilean GAAP and U.S. GAAP, including the impact of such differences on the Company's net income and shareholders' equity, see Section I of Note 37 to the Audited Consolidated Financial Statements included in the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2007, a copy of which is included herein as Annex D.

	For the Year Ended December 31,				For the Nine Months Ended September 30,	
	2005	2006	2007	2007	2007	2008
	(In millions of constant Chilean pesos as of December 31, 2007, except ratios and share data)				(In millions of constant Chilean pesos as of June 30, 2008, except ratios and share data)	
	(In millions of U.S. Dollars)					
Statement of Operations Data:						
Chilean GAAP						
Operating Revenues	636,779	619,917	632,572	1,273.1	503,941	503,018
Operating Costs and Expenses	(409,073)	(400,629)	(423,274)	(851.8)	(340,168)	(348,152)
Administrative and Selling Costs	(132,200)	(130,550)	(140,963)	(283.7)	(114,089)	(117,932)
Operating Results	95,505	88,738	68,335	137.5	49,684	36,934
Interest Income	8,755	4,765	7,173	14.4	3,859	4,011
Interest Expense, Net of Capitalized Interest	(32,350)	(20,922)	(18,910)	(38.1)	(14,120)	(22,799)
Price Level Restatement and Exchange Differences(1)	3,181	715	1,393	2.8	3,043	22,212
Other non-operating income, net	(10,828)	(16,469)	(24,375)	(49.1)	(5,737)	(10,470)
Income before Income Taxes	64,264	56,826	43,960	88.5	36,729	29,888
Income Tax	(36,616)	(31,790)	(33,214)	(66.8)	(26,184)	(21,866)
Net Income (loss)	27,615	25,081	10,856	(21.8)*	10,867	8,272
Dividends Paid(2)	126,916	25,800	19,434	39.1	20,439	14,592
Chilean GAAP earnings (loss) per Share (3)	28.85	26.20	11.34	0.02	11.35	8.64
Earnings per ADS(4)	115.40	104.80	45.37	0.09	45.41	34.57
Dividends per Share(5)	13.60	26.95	20.30	0.04	21.35	15.24
Dividends per ADS(4)	530.39	107.82	81.22	0.16	85.41	85.41
Weighted Average Number of Shares Outstanding	957,157,085	957,157,085	957,157,085		957,157,085	957,157,085

* This is a number reflected in the "Key Information — A. Selected Financial Data" section of the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2007. This number appears incorrect, and we believe the correct number should be 21.8.

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	For the Year Ended December 31,			2007 (In millions of constant of U.S. Dollars)	For the Nine Months Ended September 30,	
	2005	2006	2007		2007	2008
	(In millions of constant Chilean pesos as of December 31, 2007, except ratios and share data)				(In millions of constant Chilean pesos as of June 30, 2008, except ratios and share data)	
Statement of Operations Data:						
U.S. GAAP						
Net Income (loss) in accordance with U.S. GAAP	50,042.0	43,705.9	35,988.9	72.4	*	*
Net income (loss) from continuing operations**	50,042.0	43,705.9	35,988.9	72.4	*	*
Net income (loss) from discontinuing operations**	—	—	—	—	*	*
Number of Shares	957,157,085	957,157,085	957,157,085	957,157,085	957,157,085	957,157,085
Net Income (loss) in accordance with U.S. GAAP per Share	52.28	45.66	38.00	0.08	*	*
Net Income (loss) from continuing operations per Share	52.28	45.66	38.00	0.08	*	*
Net Income (loss) from discontinuing operations per Share	—	—	—	—	*	*
Balance Sheet Data:						
Chilean GAAP						
Current Assets	349,041	315,448	352,577	709.3	355,576	348,467
Property, Plant and Equipment, net	1,426,066	1,330,430	1,257,311	2,530.4	1,358,175	1,273,358
Other Assets	101,229	87,771	75,027	151.0	84,466	101,086
Total Assets	1,876,336	1,733,648	1,684,916	3,390.9	1,798,217	1,722,911
Total Long-Term Debt (including Current Maturities)(6)	550,875	431,308	391,549	788.0	434,347	428,583
Total Shareholders' Equity	1,014,943	967,417	906,534	1,824.4	974,838	930,892
U.S. GAAP						
Total Assets	1,876,029	1,744,700	1,704,464	3,430.3	*	*
Shareholders' Equity	882,845	855,992	829,147	1,668.7	*	*
Paid in Capital	1,000,817	956,821	904,736	1,820.8	*	*
Other Data:						
Capital Expenditures(7)	79,024	117,629	144,654	291.1	108,303	96,501

* There is no publicly available interim information that is reconciled to U.S. GAAP.

** The Company has revised its amounts previously presented under U.S. GAAP to reclassify its discontinued operations for the sale of Telefónica Móvil de Chile S.A. in 2004. These revised numbers are unaudited. Under Chilean GAAP, the Company is not required to restate or reclassify financial information presented in previous years to reflect significant divestitures. For purposes of U.S. GAAP, the Company is required to eliminate the results of operations of certain divested operations from those of its continuing operations in presenting its U.S. GAAP results. See Note 37 to the Audited Consolidated Financial Statements included herein as Annex D.

(1) Monetary correction is the aggregate of purchasing power gain (loss) on indexation and gain (loss) on foreign currency transactions.

(2) Dividends paid represents the amount of dividends paid in the periods indicated.

(3) Basic earnings (loss) per share have been computed using the weighted average number of shares outstanding during each period presented.

(4) Calculated on the basis that each ADS represents four shares of Series A Common Stock.

(5) Represents an amount equal to the interim dividends declared for each year and the final dividend for the preceding year declared in April of each year.

(6) Total Long-Term Debt (including Current Maturities) includes notes and accounts payable to related companies and capital lease obligations.

(7) Represents the amount disbursed in each year, irrespective of the year in which the investment was made.

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Exchange Rates. The Federal Reserve Bank of New York does not report a noon buying rate for Chilean pesos. The following table sets forth the annual high, low, average and year-end Observed Exchange Rate for United States dollars for each year starting in 2005 as reported by the Central Bank of Chile.

Observed Exchange Rates of Ch\$ per US\$1.00				
Year	Low(1)	High(1)	Average(2)	Year-end
2008 (through December 1)	431.22	676.75	523.73	664.57
2007	493.14	548.67	522.47	495.82
2006	511.44	549.63	530.28	534.43
2005	509.70	592.75	559.77	514.21

Source: Central Bank of Chile.

- (1) Exchange rates are the actual high and low, on a day-by-day basis, for each period.
- (2) The average of monthly average rates during the period.

The Observed Exchange Rate applicable on December 1, 2008 was Ch\$664.57 = U.S.\$1.00.

Available Information. The Company is subject to the informational requirements of the Exchange Act applicable to foreign private issuers with securities registered under Section 12 of the Exchange Act and in accordance therewith is required to file reports and other information with the Commission relating to its business, financial condition and other matters. Such reports and other information may be retrieved from the Commission’s website (www.sec.gov) and inspected at the public reference facilities maintained by the Commission at 100 F Street, N.E., Washington, D.C. 20549. Copies of such material can also be obtained from the Public Reference Section of the Commission in Washington, D.C. 20549, at prescribed rates. Such material should also be available for inspection at the library of the NYSE, 20 Broad Street, New York, New York 10005.

9. Certain Information Concerning the Telefónica Group.

Purchaser. Purchaser is a corporation organized and existing under the laws of the Republic of Chile and is a wholly owned subsidiary of Telefónica. As of the date of this Offer to Purchase, the Telefónica Group owns, directly or indirectly, 926,028,064 Shares (including 151,461,572 Series A Shares represented by 37,865,393 ADSs) representing approximately 96.75% of the outstanding Shares of the Company. The principal business address of Purchaser is Avenida Vitacura 2736, Piso 2, Las Condes, Santiago, Chile. The telephone number of Purchaser is (+56) 26 91 4156.

Telefónica, S.A. is a publicly held stock corporation organized and existing under the laws of the Kingdom of Spain with its corporate seat in Madrid. Telefónica is a diversified telecommunications group which provides a comprehensive range of services through one of the largest and most modern telecommunications networks in the world, mainly focused on providing fixed and mobile telephony services. Telefónica is present principally in Spain, Europe and Latin America.

Telefónica’s ordinary shares, nominal value one euro each, are currently listed on Madrid, Barcelona, Bilbao and Valencia stock exchanges under the symbol “TEF.” They are also listed on various foreign exchanges such as the London, Buenos Aires and Tokyo stock exchanges and are quoted through the Automated Quotation System of the Spanish stock exchanges. American Depositary Shares representing Telefónica’s common shares are listed on the NYSE and the Lima Stock Exchange under the symbol “TEF”. The business address of Telefónica is Distrito C, Ronda de la Comunicacion, s/n, 28050 Madrid, Spain. The telephone number of Telefónica at such offices is 011-34 91 482 8600 (Investor Relations).

Telefónica is subject to the informational and reporting requirements of the Exchange Act applicable to foreign private issuers with securities registered under Section 12 of the Exchange Act and is required to file reports and other information with the Commission relating to its business, financial condition and other matters. Additional information concerning Telefónica is set forth in Telefónica’s Annual Report on Form 20-F for the fiscal year ended December 31, 2007. Such report and other information may be retrieved from the Commission’s website (www.sec.gov) and inspected at the public reference facilities maintained by the Commission at 100 F Street, N.E., Washington, D.C. 20549. Copies of such material can also be obtained from the Public Reference Section of the Commission in Washington, D.C. 20549, at

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prescribed rates. Such material should also be available for inspection at the library of the NYSE, 20 Broad Street, New York, New York 10005.

During the last five years, none of the Telefónica Group or, to the best of their knowledge, any of the persons listed in Schedule I hereto (a) has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (b) was a party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of such laws.

10. Source and Amount of Funds. The U.S. Offer is not conditioned upon any financing arrangements. The amount of funds required to purchase in the Offers all of the outstanding Shares and ADSs not already owned by the Telefónica Group and to pay related fees and expenses is expected to be approximately Ch\$33,904 million or U.S.\$51 million, based on the Observed Exchange Rate on December 1, 2008.

The funds to be used by Purchaser to purchase tendered securities and pay expenses in connection with the Offers will be provided by TICSА, a 99.999999% indirect subsidiary of Telefónica and the Chilean parent company of Purchaser. These funds will come from one or more of the following sources: (i) the cash available in TICSА and (ii) an intercompany loan granted by TISA to TICSА.

As of the date hereof, no new loan agreements with any third party have been entered into in connection with the Offers.

11. Effect of the Offers on the Market for the Shares and ADSs; Exchange Act Registration.

Effects on Market for Shares and Registration of Shares in the Chilean Securities Registry. The purchase of Shares pursuant to the Offers will further reduce the number of Shares that might otherwise trade publicly and could further reduce the number of holders of Shares which could adversely affect the liquidity and market value of the Shares held by the public.

The Shares and the Company are currently registered with the Securities Registry kept by the SVS. The Shares are also listed and traded on the Chilean Exchanges. According to Chilean law, the SVS may cancel the registration of the shares of any company in the Securities Registry if the shares or the companies do not comply with the requirements for its registration. In addition, a company may voluntarily request that the SVS cancel the registration of its shares with the Securities Registry. Such application may be made to the SVS if (a) for a period of six months, (1) there are fewer than 100 holders of such shares who, taken together, hold at least 10% of the issued capital of the company, excluding those who individually, or through other individuals or corporations, exceed that percentage and (2) there are fewer than 500 holders of shares, and (b) two-thirds of the shareholders of the company vote in favor of the company ceasing to be a public company and ceasing to be a company registered with the SVS. Any shareholders who dissent from such shareholder approval or who did not attend the corresponding shareholders meeting would be entitled to statutory appraisal rights. If the above-mentioned conditions are met, the board of directors of such company would file an application with the SVS requesting the cancellation of the company and its shares from registration. In addition, once the cancellation of registration is granted by the SVS, the company may request that the relevant stock exchanges delist its shares from such exchanges. Once the foregoing steps are taken, Chilean law generally does not require any additional shareholder approval in order for a Chilean company to delist.

However, the Telefónica Group is not planning, within the next 12-month period, to cancel the registration of the Shares with the SVS and to cease being subject to the reporting requirements applicable to publicly traded companies in Chile, nor to delist the Shares from the Chilean Exchanges.

Effects on Market for ADSs. The purchase of ADSs pursuant to the U.S. Offer will further reduce the number of ADSs that might otherwise trade publicly and could further reduce the number of holders of ADSs which could adversely affect liquidity and market value of the remaining ADSs held by the public.

The ADSs are listed on the NYSE. Depending on the number of ADSs purchased pursuant to the U.S. Offer and the aggregate market value of any ADSs not purchased pursuant to the U.S. Offer, the ADSs may no longer meet the requirements for continued listing on the NYSE and may be delisted from the NYSE. The NYSE does not currently have a formal policy with respect to the delisting of ADSs. Even if after the consummation of the Offers the ADSs still meet

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the NYSE requirements for continued listing, the Telefónica Group intends to cause the Company to seek to have the ADSs delisted from the NYSE pursuant to the rules of the NYSE for voluntary delistings.

If the ADSs are delisted from the NYSE, it is possible that the ADSs would continue to trade on other securities exchanges or in the over-the-counter market and that price quotations would be reported by such exchanges or through other sources for so long as there continues to be in effect the Deposit Agreement. However, the extent of the public market for the ADSs and the availability of such quotations would depend upon such factors as the number of holders and/or the aggregate market value of the ADSs and/or Shares remaining at such time, the interest in maintaining a market in the ADSs on the part of securities firms, the possible termination of registration under the Exchange Act and other factors.

Registration of Series A Shares and ADSs Under the Exchange Act. The Series A Shares and ADSs are currently registered under the Exchange Act. The Telefónica Group intends to cause the Company to terminate these registrations. Such registration may be terminated if (i) the ADSs and the Series A Shares are not listed on a national securities exchange and (ii) the ADSs and the Series A Shares are (a) held of record (as defined in Rule 12g5-1 under the Exchange Act) by fewer than 300 persons resident in the United States or (b) the average daily trading volume in the United States of the Series A Shares (including Series A Shares represented by ADSs) for a recent 12-month period has been no greater than 5 percent of the average daily trading volume of that class on a worldwide basis.

The termination of registration of the Series A Shares and ADSs under the Exchange Act would make certain provisions of the Exchange Act, such as the requirements of Rule 13e-3 under the Exchange Act with respect to “going private” transactions and the reporting obligations under Section 13(d) and the rules relating thereto, no longer applicable to the Series A Shares or ADSs. Furthermore, “affiliates” of the Company and persons holding “restricted securities” of the Company may be deprived of the ability to dispose of such securities pursuant to Rule 144 promulgated under the Securities Act. If registration of the Series A Shares and ADSs under the Exchange Act were terminated, the Company would no longer be required to file periodic reports with the Commission and the ADSs would no longer be “margin securities” under the rules of the Board of Governors of the United States Federal Reserve System (the “Federal Reserve Board”) or eligible for listing on the NYSE.

Margin Regulations. The ADSs are currently “margin securities” under the regulations of the Federal Reserve Board, which has the effect, among other things, of allowing brokers to extend credit on the collateral of such securities. Depending upon factors such as the number of the aggregate market value of the publicly held ADSs, following the Offers it is possible the ADSs would no longer constitute “margin securities” for the purpose of the Federal Reserve Board’s margin regulations, in which event such ADSs could no longer be used as collateral for loans made by brokers.

For a more detailed description of the foregoing, see “Special Factors — Certain Effects of the Offers.”

12. Certain Conditions of the U.S. Offer.

There are no conditions to the U.S. Offer other than that the Shares and/or ADSs be validly tendered at or prior to the Expiration Time on the Expiration Date. Bidders are not obligated to purchase any tendered Shares or ADSs if they are not validly tendered. Bidders reserve the right, at any time or from time to time, in their sole discretion, to amend the U.S. Offer to impose one or more conditions on the U.S. Offer by giving oral or written notice of such amendment to the Share Depositary and the U.S. Depositary and making public announcement thereof.

The U.S. Offer is not conditioned upon approval of at least a majority of unaffiliated security holders of the Company.

13. Certain Legal Matters; Regulatory Approvals.

General. Except as otherwise stated in this Offer to Purchase, the information contained in this Offer to Purchase concerning the Company is taken from the Company’s Annual Report on Form 20-F for its fiscal year ended December 31, 2007. Based on such information, Purchaser is not aware of (a) any governmental license or regulatory permit that appears to be material to the Company’s business that might be adversely affected by Purchaser’s acquisition of the Shares and/or the ADSs in the Offers, (b) any approval or other action by any government or governmental administrative or regulatory authority or agency, domestic or foreign, that would be required for the acquisition or ownership of the Shares and/or the ADSs by Purchaser as contemplated herein, or (c) any approval or other action by any government or governmental administrative regulatory authority or agency, domestic or foreign, or any consent, waiver or other approval that would be

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required as a result of or in connection with the Offers, including but not limited to, any consents or other approvals under any licenses, concessions, permits and agreements to which the Company or Purchaser or any of their respective subsidiaries or affiliates is a party. Should any such approval or other action be required, Purchaser currently contemplates that such approval or other action will be sought. Purchaser does not currently intend to delay the acceptance for payment of or payment for the Shares and/or the ADSs tendered pursuant to the U.S. Offer pending any such approval or other action. There can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial conditions or that if such approvals were not obtained or such other actions were not taken adverse consequences might not result to the business of the Company or the Telefónica Group, any of which could cause Purchaser to elect to terminate the U.S. Offer without the purchase of the Shares and/or the ADSs thereunder.

Chilean Corporate Law. Chilean law provides for statutory appraisal rights for minority shareholders when holders of at least two-thirds of the outstanding shares with voting power approve certain fundamental resolutions set forth in "Special Factors — Appraisal Rights." Following the adoption of a resolution relating to any of these matters, the Company would be required to publish an advertisement in a newspaper describing such resolution. Appraisal rights are only granted to shareholders that (1) stated their opposition to the relevant resolution in the corresponding shareholders meeting, or (2) did not attend the meeting and stated their opposition to the resolution within 30 days from the date of the meeting. The Board of Directors of the Company may convene another shareholders meeting to consider the resolution that triggered the appraisal right. If the Board of Directors does not convene a second shareholders meeting or the resolution is not revoked at such meeting, all dissenting shareholders that previously notified the Company would have the right to compel the Company to purchase their Shares. The price of the purchases arising from appraisal rights must be paid within 60 days of the date on which the resolution triggering appraisal rights is approved. Appraisal rights purchases must be made at a price determined from the weighted average trading price on stock exchanges in Chile during the two months prior to the date of the shareholders' meeting at which the resolution relating to such fundamental decision was approved. If no such weighted average trading price is available, the share purchase would be made at book value.

In accordance with Article 12 of the Chilean Securities Act, Purchaser must report the results of the Offers to the SVS and the relevant Chilean stock exchanges within two trading days of the date on which Purchaser acquires more than 10% of the Shares (including ADSs) pursuant to the Offer. In addition, the Company must give notice of the acquisition of a majority of the ownership interests of the Company within two trading days after the first day of the month following the month in which the purchases under the Offers are made. Purchaser intends to take, or cause to be taken, all steps necessary to comply with Article 12 of the Chilean Securities Act.

Antitrust and Regulatory Laws. Under the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act"), certain acquisitions may not be consummated unless certain information has been furnished to the Federal Trade Commission and the Antitrust Division of the Department of Justice and certain waiting period requirements have been satisfied. Based on a review of publicly available documents filed with the Commission in the United States, Purchaser believes that the HSR Act is not applicable to the purchase of the Shares and/or the ADSs pursuant to the Offers and that such purchase will not violate such antitrust laws.

There are no requirements under Chilean law that the Chilean Antitrust Authority (the "CAA") be notified of the Offers. The CAA does, however, have broad authority to investigate any intended transaction that the CAA determines is likely to cause an adverse effect on, or lessen, competition. Although it is not anticipated that the CAA will investigate the Offers, no assurance can be given that the CAA will not determine that the Offers are anticompetitive and subject to the scrutiny of the CAA.

Provision for Unaffiliated Security Holders. In connection with the Offers, the Telefónica Group has not granted to unaffiliated security holders access to its corporate files or arranged for counsel or appraisal services at the expense of the Telefónica Group.

14. Fees and Expenses. Except as set forth below, Purchaser will not pay any fees or commissions to any broker, dealer or other person for soliciting tenders of the Shares or the ADSs pursuant to the U.S. Offer.

Purchaser has retained Citibank, N.A. to act as depositary of Purchaser for the ADSs in the U.S. Offer and Santander S.A. Corredores de Bolsa to act as depositary of Purchaser for the Shares in the U.S. Offer. The U.S. Depositary and the

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Share Depositary will receive reasonable and customary compensation for their services, will be reimbursed for certain reasonable out-of-pocket expenses and will be indemnified against certain liabilities in connection therewith, including certain liabilities under the U.S. federal securities laws. Purchaser has also retained D.F. King & Co., Inc. to act as information agent in connection with the U.S. Offer. The information agent will receive reasonable and customary compensation for its services, will be reimbursed for certain reasonable out-of-pocket expenses and will be indemnified against certain liabilities in connection therewith, including certain liabilities under the U.S. federal securities laws.

Brokers, dealers, commercial banks and trust companies will be reimbursed by Purchaser for customary mailing and handling expenses incurred by them in forwarding offering material to their customers.

Purchaser has agreed to pay Santander S.A. Corredores de Bolsa reasonable and customary compensation for its services as financial advisor, a portion of which is contingent upon the consummation of the Offers. In addition, Purchaser has agreed to indemnify the Financial Advisor and its affiliates against certain liabilities, and to reimburse Financial Advisor up to a certain amount for its reasonable out-of-pocket expenses in connection with the Offers. The Financial Advisor and its affiliates have performed and perform from time to time, in the ordinary course of business, various investment and/or commercial banking services for the Telefónica and its affiliates, including investment banking, debt capital markets, credit and financing transactions, derivatives and risk management, transaction banking and corporate trust services. During the last two years, the Financial Advisor or its affiliates acted as arranger or underwriter in 8 financing transactions and acquisitions exceeding U.S.\$200 million for Telefónica or one of its affiliates, including the Initial Tender Offer, for which it received customary fees.

In the ordinary course of business, the Financial Advisor and its affiliates may actively trade Shares or ADSs of the Company and equity or debt securities of Telefónica and its affiliates for their own accounts and for the accounts of their customers and accordingly may hold a long or short position in such securities.

It is estimated that the expenses incurred by Purchaser in connection with the U.S. Offer will be approximately as set forth below:

Advertising	US	\$125,000
Depositary Fees		\$ 25,000
Legal Fees and Related Expenses		\$200,000
Financial Advisors, Filing Fees and Related Expenses		\$100,000
Printing, Mailing and Distribution Expenses		\$ 50,000
Miscellaneous		\$ 25,000
Total	US	\$525,000

Purchaser will be responsible for payment of the foregoing fees and expenses. The Company will not be responsible for payment of any of the foregoing fees and expenses.

No employee of the Company has been or will be employed or used by the Telefónica Group in connection with the transactions.

15. Forward-Looking Statements. This Offer to Purchase contains “forward-looking” statements. Those forward-looking statements include, but are not limited to, statements as to plans for the Company, statements as to expectations regarding whether conditions of closing the Offers will be satisfied and whether the Offers will be consummated on schedule or at all, and statements as to the funding of future expenditures and investments. Those forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those expressed in those forward-looking statements. Such factors include, but are not limited to, the effect of general economic conditions, changes in interest rates, the behavior of other market participants and the actions of government regulators. Fluctuations in exchange rates between the Euro and the other currencies in which Telefónica’s assets, liabilities or results are denominated, in particular the U.S. dollar and the Chilean peso, can also influence the actual results as can other factors discussed in Telefónica’s public filings. Many of these factors are beyond the Telefónica Group’s ability to control or estimate precisely. Readers are cautioned not to place undue reliance on such forward-looking statements, which only speak as of the date of this Offer to Purchase. For a more detailed discussion of such risks and other factors, see Telefónica’s Annual Report on Form 20-F for its most recent fiscal year. The Telefónica Group does not undertake any obligation to release publicly any revisions to those forward-looking statements to reflect events or

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circumstances after the date of this Offer to Purchase or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

16. Miscellaneous. The U.S. Offer is not being made to, and tenders will not be accepted from or on behalf of, holders of Shares or ADSs in any jurisdiction in which the making of the U.S. Offer or acceptance thereof would not be in compliance with the laws of such jurisdiction. However, Purchaser may, in its discretion, take such action as it may deem necessary to make the U.S. Offer in any jurisdiction and extend the U.S. Offer to holders in such jurisdiction. In those jurisdictions where it is required that the U.S. Offer be made by a licensed broker or dealer, the U.S. Offer shall be deemed to be made on behalf of Purchaser by one or more registered brokers or dealers licensed under the laws of such jurisdiction. Purchaser is not aware of any jurisdiction where the making of the U.S. Offer is prohibited by any administrative or judicial action pursuant to any valid statute.

No person has been authorized to give any information or make any representation on behalf of Purchaser not contained in this Offer to Purchase or the related Form of Acceptance, ADS Letter of Transmittal or ADS Notice of Guaranteed Delivery and, if given or made, such information or representation must not be relied upon as having been authorized.

Purchaser has filed with the Commission a Tender Offer Statement on Schedule TO, together with exhibits, pursuant to Section 14(d)(1) of the Exchange Act and Rule 14d-3 thereunder, furnishing certain additional information with respect to the U.S. Offer, which includes information required by Schedule 13E-3. The Schedule TO and any amendments thereto, including exhibits, may be examined and copies may be obtained from the offices of the Commission in the manner set forth in this Offer to Purchase. The Schedule TO and any amendments thereto, including any exhibits thereto, are also publicly available on the Commission website (www.sec.gov). See "The U.S. Offer — Section 8 — Certain Information Concerning the Company."

INVERSIONES TELEFÓNICA INTERNACIONAL HOLDING LIMITADA

December 2, 2008

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SCHEDULE I

INFORMATION CONCERNING THE DIRECTORS AND EXECUTIVE OFFICERS OF TELEFÓNICA, S.A. AND MANAGEMENT OF INVERSIONES TELEFÓNICA INTERNACIONAL HOLDING LIMITADA.

1. *Board Members, Executive Commission Members and Executive Officers of Telefónica, S.A. (“Telefónica”).* Set forth below is the name, present and principal occupation or employment and material occupations, positions, offices or employments for the past five years of each member of the Board of Directors and each Executive Officer of Telefónica. The primary business address of each of the following Directors and Executive Officers is Telefónica’s principal address at Distrito C, Ronda de la Comunicación, s/n 28050 Madrid, Spain, Telephone: +34 91 482 8548. Members of the Executive Commission are identified by an asterisk. Except as noted below, all of the Directors and Executive Officers of Telefónica are citizens of the Kingdom of Spain.

Name	Present Principal Occupation or Employment; Material Positions Held During the Past Five Years
César Alierta Izuel*	Executive Chairman and Chairman of the Board. On January 1997, Mr. Alierta was appointed as a director of Telefónica and on July 26, 2000, he was appointed as Telefónica’s Executive Chairman. Mr. Alierta is director of Telecom Italia since November 8, 2007. Mr. Alierta holds a law degree from the University of Zaragoza and an MBA from Columbia University (New York) and is currently a member of the Columbia Business School Board of Overseers.
Isidro Fainé Casas*	Vice-Chairman of the Board. For over 40 years, Mr. Fainé has worked in several financial institutions, including amongst others: Banco Atlántico, S.A., (1964), Banco de Asunción (Paraguay) (1969), Banco Riva y García, S.A. (1973), Banca Jover, S.A. (1974), and Banco Unión, S.A. (1978). Mr. Fainé is currently chairman of La Caja de Ahorros y Pensiones de Barcelona (“la Caixa”), executive chairman of Abertis Infraestructuras, S.A. and vice-chairman of the board of directors of Repsol YPF, S.A. He is also a member of the board of directors of Criteria CaixaCorp, S.A., Caifor, S.A. and Port Aventura, S.A.
Vitalino Manuel Nafría Aznar	Vice-Chairman of the Board. In July 2000, he was appointed general manager and director of the board of directors of Banco Bilbao Vizcaya Argentaria (BBVA) Bancomer. In December 2001, he was appointed a member of the executive committee of BBVA and in January 2003 he became general manager of BBVA America. Since January 2005, he has been the Retail Banking Manager in Spain and Portugal for BBVA.
Julio Linares López*	Director and Chief Operating Officer since December 19, 2007. In January 2000, he was appointed executive chairman of Telefónica de España, S.A., a position which he held until December 2005, when he was appointed Telefónica’s managing director for Coordination, Business Development and Synergies of Telefónica.
José María Abril Pérez*	Director. In 2002, he became managing director of Wholesale and Investment Banking Division and member of the executive committee of BBVA, and he is now in early retirement. Until July 2007, he was vice president of Bolsas y Mercados Españoles, S.A.
José Fernando de Almansa Moreno-Barreda	Director. From 1993 to 2002, Mr. Fernando de Almansa was Chief of the Royal Household and is currently Personal Advisor to His Majesty the King. He is also chief executive officer of Servicios Externos de Apoyo Empresarial, S.A. de C.V. and substitute director of BBVA Bancomer México, S.A. de C.V.

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Name	Present Principal Occupation or Employment; Material Positions Held During the Past Five Years
José María Álvarez-Pallete López	Director. In July 2002, he was appointed chairman and chief executive officer of Telefónica Internacional, S.A. and he has been General Manager of Telefónica Latin America since July 2006.
Sir David Arculus	Director. From 2002 to 2004, he was chairman of Earls Court and Olympia Ltd. From 2004 to January 2006, he served as chairman of O2. Sir Arculus was deputy president of the Confederation of British Industry (CBI) until 2006 and is currently a member of the Oxford University Press Finance Committee. Sir Arculus is a British citizen.
Eva Castillo Sanz	Director. In 2000, Ms. Castillo became chief executive officer of Merrill Lynch Capital Markets Spain. After that, Ms. Castillo was appointed chief operating officer for EMEA Equity Markets. In October 2003, she was appointed head of Global Markets & Investment Banking in Spain and Portugal, as well as president of Merrill Lynch Spain. Currently she heads Global Wealth Management business operations in Europe, the Middle East and Africa, including Merrill Lynch Bank (Suisse) and the International Trust and Wealth Structuring business. She is a member of the Merrill Lynch EMEA Executive Committee, the Global Wealth Management Executive and Operating Committees.
Carlos Colomer Casellas*	Director. In 1990, Mr. Colomer was appointed executive vice-president and chief operating officer of Revlon Inc. In 2000, he was appointed chairman and chief executive officer of the Colomer Group. Mr. Colomer is chairman of the Colomer Group and director of Altadis, S.A. He is also vice-chairman of Indo Internacional, S.A., chairman of Ahorro Bursátil, S.A. SICAV and Inversiones Mobiliarias Urquiola, S.A. SICAV.
Peter Erskine*	Director. In 2001, Mr. Erskine became chief executive officer and a director of the board of directors of Telefónica O2 Europe, Plc. In 2006, he became executive chairman of Telefónica O2 Europe, Plc and from July 2006 until December 2007, he served as general manager of Telefónica O2 Europe, Plc. Currently, Mr. Erskine is member of the advisory board of the University of Reading Business School. Mr. Erskine is a British citizen.
Alfonso Ferrari Herrero*	Director. From 1996 until 2000, served as chairman and chief executive officer of Beta Capital, S.A.
Luiz Fernando Furlán	Director. Throughout his career he has been chairman of the board of directors of Sadia S.A., where he worked since 1978, and member of the board of directors of several other companies in Brazil and abroad such as Pan American Beverages, Inc. — USA (Panamco) and Brasmotor S.A. (Brazil). From 2003 to 2007, he was Minister of Development, Industry and Foreign Trade of Brazil. Currently he is also chairman of Amazonas Sustainability Foundation and member of the board of directors of Redecard S.A., Amil Participações S.A., Kroton Educacional S.A., Marisa S.A. and Stefanini IT Solutions S.A. Mr. Furlán is a Brazilian citizen.
Gonzalo Hinojosa Fernández de Angulo*	Director. From 1985 until 2006, Mr. Hinojosa served as chief executive officer of Cortefiel, S.A., a post which he combined with his appointment as chairman since 1998. He currently serves as a director of Dinamia Capital Privado, S.A., SCR.

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Name	Present Principal Occupation or Employment; Material Positions Held During the Past Five Years
Pablo Isla Álvarez de Tejera	Director. In 1996, Mr. Isla was appointed general manager of the National Heritage Department of the Treasury Department of Spain (<i>Ministerio de Economía y Hacienda</i>). In July 2000, Mr. Isla was appointed chairman of the board of Grupo Altadis and co-chairman of the company. Since June 2005, Mr. Isla is the deputy chairman and chief executive officer of Inditex, S.A.
Antonio Massanell Lavilla	Director. Mr. Massanell is currently senior executive vice president of la Caixa and a member of the boards of directors of e-La Caixa 1, S.A., Port Aventura, S.A. Espacio Pyme, S.A., Bousorama, S.A., Caixa Capital Desarrollo, S.C.R., S.A. and Caixa Capital Risc, S.G.E.C.R., S.A.
Francisco Javier De Paz Mancho*	Director. From 1996 to 2004, he was corporate strategy manager of the Panrico Donuts Group. From 1998 to 2004, he served as director of Mutua de Accidentes de Zaragoza (MAZ) and of the Panrico Group. From 2004 to 2006, he was director of Tunel de Cadí, S.A.C. and from 2003 to 2004, he served as chairman of the Patronal Pan y Bollería Marca (COE). From 2004 to 2007, he was chairman of the National Company MERCASA.
Guillermo Ansaldo Lutz	Managing Director of Telefónica Spain since December 2007, and a member of the Executive Committee of Telefónica. From 2000 to 2004, he was the chief executive officer of Telefónica de Argentina, S.A. and since April 2005, he held the position of chief executive officer of Telefónica de España, S.A.
Matthew Key	General Manager of Telefónica Europe and a member of the Executive Committee of Telefónica. From 2000 to 2002, he worked as non-executive director in Vodafone Egypt. He has served as chairman and non-executive director of Telco Mobile since 2003. From 2003 to 2005, he was non-executive director of Link Stores. In February 2002, he was appointed chief financial officer of O2 UK until December 2004. In January 2005, he was appointed chief executive officer of O2 UK. Mr. Key is a British citizen.
Santiago Fernández Valbuena	General Manager of Finance and Corporate Development since December 2002 and a member of the Executive Committee of Telefónica. He has served as the chief financial officer since July 2002. He joined Telefónica Group in 1997 as chief executive officer of Fonditel, Telefónica's pension assets manager.
Luis Abril Pérez	Technical General Secretary to the Chairman. From 1994 to 1999, Mr. Abril acted as general director for Banco Español de Crédito, S.A. (Banesto), and he later acted as general director for Communications for Banco Santander Central Hispano, S.A. (1999 to 2001).
Calixto Ríos Pérez	General Manager of Internal Audit. In November 2000, he joined the Telefónica Group as general manager for Institutional Relations, and in July 2002, he was appointed general manager for Internal Auditing and Communications.

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Name	Present Principal Occupation or Employment; Material Positions Held During the Past Five Years
Ramiro Sánchez de Lerín García-Ovies	General Secretary and Secretary to Telefónica’s Board of Directors. In 1982, he became a Government Attorney (<i>Abogado del Estado</i>) and started working for the Local Tax Authorities in Madrid (<i>Delegación de Hacienda de Madrid</i>). Afterwards he was assigned to the State Secretariat for the European Communities and later to the Foreign Affairs Ministry. He has been general secretary and secretary of the Board of Elosúa, S.A., Tabacalera, S.A., Altadis, S.A. and Xfera Móviles, S.A.

2. *Directors and Executive Officers of Inversiones Telefónica Internacional Holding Limitada (“Purchaser”).* Purchaser is a limited liability company (*sociedad de responsabilidad limitada*) organized and existing under the laws of the Republic of Chile. The management of a limited liability company in Chile is freely determined in its bylaws by the partners thereof. The management of Purchaser is vested upon one of its partners, Telefónica Internacional Chile S.A., which has the widest authorities to represent Purchaser. For administration purposes, Telefónica Internacional Chile S.A. may appoint by public deed one or more agents. The principal address of Purchaser is: Vitacura 2736, Piso 2; Las Condes, Santiago, Chile, telephone: +56 269 14 156.

By public deed dated August 2, 2006, Telefónica Internacional Chile S.A. appointed the persons set forth below as agents, which acting jointly any two of them have the power to represent Purchaser. Each of the persons set forth below is a citizen of the Republic of Chile.

Name	Present Principal Occupation or Employment; Material Positions Held During the Past Five Years
Jorge Mario Martina Aste	Commercial Engineer — Pontificia Universidad Católica de Chile. From January of 2000 through the present, Mr. Martina Aste has acted as General Manager of Terra Networks Chile. In 2006, he assumed the additional role of General Director for Chile, Argentina, Colombia, Mexico and Peru. His principal objective is to lead and implement the Strategy for Terra Latin America in Spanish-speaking countries.
Luis Domingo Muñoz Vallejos	Commercial Engineer — Universidad de Chile. From January 2000 through the present, Mr. Muñoz Vallejos has acted as the Director of Administration and Finances of Terra Networks Chile, where his principle objective has been to maximize the company’s profitability.
Waldo Rafael Maldonado Catalán	Civil Engineer — Universidad de Chile. From January 2000 through the present, Mr. Maldonado Catalán has acted as Director of Integration Technology, where his principle role has focused on the evaluation, development and implementation of technology solutions needed for the development of Terra Networks Chile’s business.
Claudio Contreras Villalón	Computer Engineer — IPS. From June of 2000 through the present, Mr. Contreras Villalón has acted as Director of Operations, where his principle objective has been guarantying the impeccability and availability of Terra Networks Chile’s services to its clients and ensuring client satisfaction.

By resolution dated October 24, 2008, the Board of Directors of Telefónica Internacional Chile S.A., appointed the persons set forth below as agents. Any two of the persons set forth below acting jointly have the power to represent Purchaser, other than Mr. Alvarez Pallette-López who, acting individually, has the power to represent Purchaser. Messrs. Sintes, Vidaurrazaga and Alvarez-Pallette are citizens of the Kingdom of Spain. Messrs. Aninat and Galilea are citizens of the Republic of Chile.

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Name	Present Principal Occupation or Employment; Material Positions Held During the Past Five Years
Cristián Aninat Salas	Secretary of the Board of Directors from 1997 until November 1, 2008 and General Counsel of Telefónica Chile. Mr. Aninat Salas joined the Company in 1994 and has been the General Counsel of Telefónica Latinoamerica since November 2008. He holds a law degree from the Universidad Católica de Chile.
Ignacio Gaspar Sintés	Finance Director of Telefónica Internacional S.A. since January 2002. Mr. Gaspar Sintés has also served as Treasury and Financial Planning Director for Telefónica Latinoamérica since January 2007 and holds a degree in Economics and Business Administration from the University of Valencia, Spain.
Juan Vidaurrazaga Guerenabarrena	Chief Financial Officer of the Company since November 2007. Appointed Chief Financial Officer of Telefónica Móviles Chile since July 2005. Joined Telefónica, SA in Madrid in June 2001 as manager in the capital markets area. He holds a graduate degree in economics from the Universidad Pontificia de Comillas of Madrid
Víctor Galilea Page	General Counsel and Secretary of the Board of Directors of Telefónica Chile since November 2008. Prior to that, Mr. Galilea was the regulatory director of Telefónica S.A. since 2006, and the general counsel of Telefónica Móviles Chile since 2004. Mr. Galilea holds a law degree from the Universidad de Chile. Former Director of Legal and Regulation of Telefónica Móviles Chile S.A.
José María Álvarez-Pallete López	In July 2002, Mr. Álvarez Pallete was appointed chairman and chief executive officer of Telefónica Internacional, S.A. and he has been General Manager of Telefónica Latin America since July 2006. Mr. Álvarez-Pallete holds a graduate degree in economics from the Complutense University of Madrid. He also studied economics at the Université Libre de Belgique.

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ANNEX A

Description of Appraisal Rights Under the Chilean Corporations Law

The following is an English language translation of Article 69 of the Chilean Corporations Act relating to shareholders' appraisal rights. The summary set forth below is included for general information only. Holders of Shares and/or ADSs should consult their own legal advisors with respect to the application and effect of Article 69 of the Chilean Corporations Act to them in connection with the U.S. Offer.

Article 69. The approval by the meeting of shareholders of any of the matters indicated below shall grant the dissenting shareholder the right to appraisal of his or her shares. Notwithstanding the foregoing, if the bankruptcy of the company has been declared, the exercise of the appraisal right¹ shall be suspended for as long as the credits existing at the time the appraisal right was granted remain unpaid. The same rule shall apply when the company becomes subject to an agreement with creditors approved in accordance with Title XII of the Bankruptcy Act, while such agreement is in effect, unless its provisions authorize the payment of appraisal rights of shareholders or when such agreement is terminated by the declaration of bankruptcy.

A shareholder is considered to be dissenting when he has opposed the matter with respect to which appraisal rights exist in the respective meeting, or, while not dissenting at the meeting, expresses his opposition to the matter in writing to the company within the term set forth in the next article 30 days from the date of the corresponding shareholders meeting.

The price to be paid by the company to the dissenting shareholder who exercises his appraisal rights shall be, in private corporations, the book value per share, and in the publicly held corporations, the market value per share, calculated as set forth in the Rule the market value per share shall be determined from the weighted average trading price on stock exchanges in Chile during the two months prior to the date of the shareholders' meeting where the relevant matter was approved.

Appraisal rights are triggered if any of the following matters are approved by the shareholders:

- 1) The transformation of the company into another type of corporate entity;
- 2) The merger of the company;
- 3) The transfer of 50% or more of the assets of the company in accordance with the provisions referred to in Article 67, No. 9 of the Chilean Corporations Act;
- 4) The creation of guarantees or liens referred to in Article 67 No. 11 of the Chilean Corporations Act liens to guaranty obligations of third parties (other than company's subsidiaries) in an amount in excess of 50% of the company's assets;
- 5) The creation of preferences for a series of shares or the increase or reduction of existing preferences. In this case, only the dissenting shareholders of the affected series of shares shall have appraisal rights;
- 6) The curing of a flaw in a corporation's constitutive documents or any amendment thereto that may have resulted in their annulment;
- 7) All other cases set forth in the law or the company's bylaws giving rise to appraisal rights, as applicable; and
- 8) Article 1 of the Chilean Corporations Act provides that approving the deregistration of the company from the Registry of Commerce kept by the *Superintendencia de Valores y Seguros* also triggers appraisal rights for dissenting shareholders and for shareholders not attending the meeting where the deregistration was approved.

¹ This Annex A discusses "withdrawal rights" under Chilean law. The term "appraisal rights," which is a literal translation of and conveys the same meaning as "withdrawal rights," is used because this is the commonly used term in the United States for the same concept.

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ANNEX B

Description of the Mandatory Tender Offer Requirement Under the Chilean Corporations Law

The following is an English language translation of Article 69 ter of the Chilean Corporations Act relating to the mandatory tender offer requirement that requires Purchaser to commence a second public tender offer in Chile for the remaining Shares of the Company that were not acquired by Purchaser during the tender offer that commenced on September 17, 2008. The summary set forth below is included for general information only. Holders of Shares and/or ADSs who wish to tender their Shares and/or ADSs should consult their own legal advisors with respect to the application and effect of Article 69 ter of the Chilean Corporations Act to them in connection with the U.S. Offer.

Article 69 ter. If, as a consequence of any acquisition, a person becomes the owner of two thirds or more of the outstanding voting stock of a company that offers its shares to the public, such person shall, within thirty days from the date of such acquisition, make a tender offer for the remaining shares in accordance to the terms of Title XXV of Law No. 18,045 (tender offers general regulation). Said tender offer must be made at a price not lower than that price that would apply in case of appraisal rights.

If the tender offer is not made within the term set forth herein, appraisal rights shall be granted to shareholders in accordance with the terms of Article 69 ter (described in Annex A). In such a case, the purchase price would be calculated based on the date following the expiration day of the aforementioned 30 days term.

The obligation set forth in the second preceding paragraph shall not be applicable when the ownership of two-thirds or more of the shares referred therein is obtained as a consequence of a statutory capital reduction of such company resulting from the capital not being fully subscribed and paid for within the legal term.

In case all shareholders exercise their option to sell all their shares to the controlling shareholder or to exercise their appraisal rights, as the case may be, the ground for dissolution set forth in Article 103, No. 2, shall not apply to the company, unless the controller decides to the contrary and makes a statement in such regard in accordance to Article 213 of Law No. 18,045.

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ANNEX C

Procedures for Tendering Shares in the Chilean Offer

State of the Offered Shares

The accepted shares shall be registered in the name of the acceptor in the Shareholders Registry of the Company, duly paid and free of encumbrances.

Formalities for the Acceptance of the Offer and Necessary Documents

The Chilean Offer will be conducted in the Santiago Stock Exchange, using a procedure called Block Firm Offer (*Oferta a Firme en Bloque*), specifically approved by the Santiago Stock Exchange for simplified tender offer procedures.

The Block Firm Offer procedure is described in Title 2.2.3 of the Santiago Stock Exchange's Manual for Stock Operations, approved in October 21, 1991.

According to this procedure, only Santiago Stock Exchange's stock brokers may participate in the tender offer process. Therefore, those shareholders who intend to tender their shares in the Chilean Offer must approach the Offer Administrator or any other Santiago Stock Exchange stock broker.

The shareholder delivering his or her acceptance of the Chilean Offer shall simultaneously execute a transfer for the totality of the shares subject to the Chilean Offer that he or she is willing to sell, which shall fulfill all current regulations, in favor of the Offer Administrator or in favor of the facilitating broker, as applicable, and further execute a custody contract with the Offer Administrator or the corresponding broker who shall perform the necessary formalities to take possession of the relevant shares, and, in the case of a broker other than the Offer Administrator, such delivery must be made in the terms of the Chilean Offer.

The shareholders accepting the Chilean Offer shall indicate the same only during the valid term or its relevant extension, via a written sale order, subject to the terms and conditions of the Chilean Offer, which such shareholder must sign before a representative of the Offer Administrator or a participating broker, or via a duly authorized signature executed before a public notary, and, in both cases, with the fingerprints of the signatories.

Participating stock brokers must deliver the corresponding sale orders or acceptances according to the Santiago Stock Exchange Manual for Stock Operations.

The acceptance shall be delivered from Monday to Friday, 9:30 a.m. to 6:30 p.m. Chilean time, with the exception of the applicable expiration date of the Chilean Offer or its respective extension, on which the acceptance shall be received until 5:30 p.m. Chilean time.

Likewise, those shareholders or the broker to whom such shareholder turns shall deliver to the Offer Administrator the following documents:

- (i) The titles of the original shares for the shares sold in their possession, or a certificate that for this purpose shall be issued by the Securities Department of the Company, accrediting that the title or titles are deposited with the Company located at Avenida Providence 111, borough of Providencia, city of Santiago, Chile.
- (ii) A certificate issued by the Securities Department of the Company, accrediting that in their records the shares are not affected by any encumbrance.
- (iii) Copy, of both sides, of the identity card of the shareholder or its representative, or the legal representative if the shareholder is a company, which original shall be provided at the moment of executing the acceptance. The copy must be certified as faithful by a public notary or checked by the corresponding participating broker.
- (iv) Original or authorized copy of the valid power of attorney with which the representatives act on behalf of the shareholders, which shall contain sufficient representative powers to sell the shares under the conditions established in the Chilean Notice, granted or authorized by a public notary.
- (v) Authorized copy of the totality of legal antecedents of the shareholders that are companies, including the totality of incorporating documents, any modifications thereto, and existing authorizations and other pertinent

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resolutions, as well as an authorized copy of the totality of documents that accredit the legal capacity of its representatives.

(vi) Authorized copy of the totality of the legal antecedents of the shareholders whose shares were registered in the name of communities or heirs, including the totality of declarative documents related thereto, any modifications, and all resolutions and pertinent certificates, including an authorized copy of all the documents that accredit the legal capacity of its representatives.

Additionally, the acceptance shall include a client form and a custody contract with the respective broker, in accordance with the relevant regulations.

Participating brokers other than the Offer Administrator shall take into custody the relevant shares and, as the case may be, shall formulate one or more acceptances to the Chilean Offer Administrator, in the terms indicated in this section, which shall be delivered jointly with the other documents identified herein.

The administrators of pension funds and mutual funds, for the funds administered by them, as well as the other institutional investors who are required to maintain their investments in their name until the sale of the same, who decide to participate in the Chilean Offer hereunder, shall be governed by the procedures and mechanisms provided in the applicable regulations and shall deliver the acceptance of the Chilean Offer to the Offer Administrator's office, during the valid term of the Chilean Offer or its extension, it not being necessary to deliver a share transfer nor the delivery of titles mentioned in number (i) above. In any event, such documents shall be delivered jointly to the Offer Administrator with the payment of the corresponding institutional investor of the price for the shares sold in this process.

Devolution of Values

In the event that the Chilean Offer fails, whether by reason of the conditions pertinent thereto or for any other, the shares accepted as sold and part of the Chilean Offer, as well as all other documents required for acceptance shall be made immediately available to them, and in any event, as of 9:00 a.m. Chilean time on the day of publication of the Result Advertisement is publicized, or the next banking day, without generating any right to an indemnification, payment or reimbursement for the shareholders that have accepted the Chilean Offer, nor shall the same imply an obligation or responsibility of the Bidder, its agents, advisors, or representatives.

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ANNEX D

Note 37. Description of Differences Between Chilean and United States Generally Accepted Accounting Principles from Compañía de Telecomunicaciones de Chile S.A.'s annual report on Form 20-F for the fiscal year ended December 31, 2007, filed on May 7, 2008.

The Company prepared its consolidated balance sheets as of December 31, 2006 and 2007, respectively, and its consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2007, included in its 20-F filing for the year ended December 31, 2007, in conformity with accounting principles generally accepted in Chile ("Chilean GAAP") with a reconciliation to net income for each of the three years in the period ended December 31, 2007, and a reconciliation to shareholders' equity as of December 31, 2006 and 2007, respectively, derived from applying accounting principles generally accepted in the United States of America ("US GAAP"). This presentation is in accordance with Item 18 of Form 20-F.

I. Differences in measuring methods

The Company's consolidated financial statements are prepared in accordance with generally accepted accounting principles ("GAAP") in Chile, which differ in certain respects from US GAAP.

Under Chilean GAAP, financial statements are restated to reflect the full effects of the gain (loss) in the purchasing power of the Chilean peso on the financial position and results of operations of reporting entities. The method is based on a model that enables calculation of net inflation gains or losses caused by monetary assets and liabilities exposed to changes in the purchasing power. The model prescribes that the historical cost of such accounts be restated for general price-level changes between the date of origin of each item and the year-end. As allowed pursuant to the rules and regulations for Form 20-F, the reconciliation included herein of consolidated net income, other comprehensive income and shareholders' equity does not include adjustments to eliminate the effect of inflation accounting under Chilean GAAP.

Under Chilean GAAP, in accordance with Technical Bulletin 64 (BT 64), the financial statements of foreign subsidiaries that operate in countries exposed to significant risks ("unstable countries), and that are not considered to be an extension of the parent Company's operations, must be remeasured into US dollars. The Company has an equity method investment in the Brazilian TBS Celular Participacion S.A., the Company remeasured this foreign equity-investee into US dollars under this requirement as follows:

Monetary assets and liabilities are translated at year-end rates of exchange between the US dollar and the local currency.

All non-monetary assets and liabilities and shareholders equity are translated at historical rates of exchange between the US dollar and the local currency.

Income and expense accounts are translated at average rates of exchange between the US dollar and local currency.

The effects of any exchange rate fluctuations are included in the results of operations for the period.

Under BT 64, the investment in a foreign subsidiary is price-level restated, the effects of which are reflected in income, while the effects of the foreign exchange gain or loss between the Chilean Peso and the US dollar are reflected in equity in the account "Cumulative Translation Adjustment"; as the foreign investment itself is measured in US dollars.

In the opinion of the Company and under the exemption allowed for Technical Bulletin 64 by the AICPA International Task Force, the Chilean GAAP procedures described above are part of the comprehensive basis of preparation of price-level adjusted financial statements required by Chilean GAAP. Inclusion of inflation and translation effects in the financial statements is permitted for Form 20-F and considered appropriate under the inflationary conditions that have historically affected the Chilean economy and accordingly, are not eliminated in the reconciliation to US GAAP.

a) Technical revaluation of Property, Plant and Equipment

As mentioned in Note 2(k) to the Chilean GAAP financial statements, in accordance with standards issued by the SVS in 1986, the property, plant and equipment of the Company subject to such regulation are allowed to be revalued pursuant to a technical appraisal. The difference between the book value prior to revaluation and the revalued amount is

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included in equity as a surplus on account of such technical appraisal, and is subject to Chilean inflation adjustment and depreciation. Under US GAAP, such revaluations are not permitted. The effects of the reversal of this revaluation net of the accumulated depreciation, as well as of the related depreciation expense for the years are shown under paragraph (o) below.

b) Investments in Debt and Equity Securities

Under Chilean GAAP, investments in securities are accounted for at the lower of cost or market value. Under US GAAP, securities are classified as trading, held-to-maturity or available-for-sale. Those securities classified as trading are carried at their fair value, with realized and unrealized gains and losses recognized currently in earnings. Available-for-sale securities are also carried at fair value, with unrealized gains and losses recorded in shareholders' equity. Securities classified as held-to-maturity are carried at amortized cost. The effects of the reversal of the unrealized losses that were considered to be temporary and the recording of the unrealized gains on available-for-sale securities which are recorded in equity in US GAAP for each year are included in paragraph (o) below.

c) Deferred Income Taxes

(i) Complementary Accounts

Starting January 1, 2000, the Company recorded income taxes in accordance with Technical Bulletin No. 60 of the Chilean Association of Accountants and its related amendments. Recognizing, using the liability method, the deferred tax effects of temporary differences between the financial reporting basis and the tax basis of assets and liabilities. As a transitional provision, a contra asset or liability had been recorded for the effects of the deferred tax assets and liabilities not recorded prior to January 1, 2000. Such complementary asset or liability is being amortized to income over the estimated average reversal periods corresponding to the underlying temporary differences to which the deferred tax asset or liability relates. The effects of the differences, primarily related to the amortization of the complementary account are included under paragraph (o) below.

(ii) Deferred tax effects of US GAAP adjustments

Under US GAAP, companies must account for deferred taxes in accordance with Statements of Financial Accounting Standards ("SFAS") No. 109 "Accounting for Income Taxes", which requires an asset and liability approach for financial accounting and reporting of income taxes, under the following basic principles: (a) a deferred tax liability or asset is recognized for the estimated future tax effects attributable to temporary differences and tax loss carryforwards; (b) the measurement of deferred tax liabilities and assets is based on the provisions of the enacted tax law and the effects of future changes in tax laws or rates are not anticipated; and (c) the measurement of deferred tax assets is reduced by a valuation allowance, if based on the weight of available evidence, it is more likely than not that some portion of the deferred tax assets will not be realized.

Temporary differences are defined as any difference between the financial reporting basis and the tax basis of an asset and liability that at some future date will reverse, thereby resulting in taxable income or expense. Temporary differences ordinarily become taxable or deductible when the related asset is recovered or the related liability is settled. A deferred tax liability or asset represents the amount of taxes payable or refundable in future years under currently enacted tax rates as a result of temporary differences at the end of the current year.

Certain US GAAP adjustments generate temporary differences and related tax effects which are included in paragraph (o) below.

(iii) Adoption of FASB Interpretation No. 48

During 2007, the Company adopted FASB Interpretation No. 48: "Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109" ("FIN 48"), which clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with Statement of Financial Accounting Standards No. 109: "Accounting for Income Taxes" ("FAS 109"). The Interpretation prescribes a threshold for the financial statement recognition and measurement of a tax position taken or expected to be taken within an income tax return. For each tax position, the enterprise must determine whether it is more likely than not that the position will be sustained upon

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examination by taxing authorities, based on the technical merits of the position, including resolution of any related appeals or litigation. A tax position that meets the more likely than not recognition threshold is then measured to determine the amount of benefit to be recognized within the financial statements. No benefits may be recognized for tax positions that do not meet the more likely than not threshold. For tax positions that meet the more likely than not threshold, the benefit to be recognized is the largest amount that is greater than 50% likely of being realized upon ultimate settlement.

Under Chilean GAAP, the Company recorded a provision for uncertainties in tax positions of Ch\$5,487 million. As a result of implementing FIN 48, no material adjustment in the provision for uncertainties in tax positions was recognized. The Company and its subsidiary recognize interest and penalties related to unrecognized tax benefits in financial expense and other operating expense, respectively.

The Company potentially is subject to income tax audits in Chile until the applicable statute of limitations expires. Tax audits by their nature are often complex and can require several years to complete. With few exceptions, the Company is no longer subject to income tax examinations by tax authorities for years before 2004.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	ThCh\$
Balance as of January 1, 2007	6,046,382
Additions for tax positions of prior periods	941,002
Settlements	(1,500,100)
Balance at December 31, 2007	5,487,284

d) Capitalization of finance costs

(i) Capitalization of interest

Under Chilean GAAP, all interest on debt directly associated with construction projects is capitalized, including interest, price-level restatement and, with respect to foreign currency borrowings, foreign currency translation gains and losses. Until the end of 2002, all debt of the Company was considered directly associated with construction projects. The capitalization of interest costs associated with projects under construction is optional when incurred on debt that is not directly related to such projects. In 2003 under Chilean GAAP, the Company has discontinued capitalizing interest on its construction in progress due to the lack of incurrence of new debt which could be associated with such construction and the short-term nature of the items currently being included in the construction in progress category. Under US GAAP capitalization of interest is required for the interest which could be avoided should expenditures for the associated assets have not been made. Since 2003 the Company continues to capitalize interest under US GAAP only.

The effects of the differences, including those related to the depreciation, described above are included under paragraph (o) below.

(ii) Foreign currency exchange differences

Under US GAAP, the Company reverses those amounts previously capitalized related to foreign currency exchange gains and losses on foreign currency borrowings related to construction for purposes of reconciling to US GAAP.

The effects of the differences, including those related to the depreciation, described above are included under paragraph (o) below.

e) Staff Severance Indemnities

(i) Prior Service Cost

Under Chilean GAAP, prior service cost resulting from the adoption of new severance indemnity plans created in year 1987 were charged to income upon adoption.

Under US GAAP, the prior service cost, under Statement of Financial Accounting Standards 87 is deferred and is amortized into income over the expected working life of the employee. With the adoption of Statement of Financial Accounting Standards No. 158 (SFAS 158), "Employer's Accounting for Defined Pension and Other Postretirement

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Plans — an amendment of FASB Statements No. 87, 88, 106 and 132(R)” as described in part II of Note 37 under paragraph (1), the Company recorded the unamortized amount as a component of the ending balance of accumulated other comprehensive income, net of tax.

The effects of the deferral and the corresponding amortization for the years shown, as well as the adoption of SFAS 158, are included under paragraph (o) below.

(ii) Staff Severance Indemnities under Chilean GAAP

Under the Company’s employment contracts and collective bargaining agreements, it has committed to provide a lump sum payment to each employee at the end of their employment, whether due to death, termination, resignation or retirement. Until November 30, 2004 the Company determined those obligations using the present value method, based on the current salaries and estimated average service life of each employee at year-end, and applying a discount rate of 7%.

Starting December 2004 the Company changed its estimation for staff severance indemnities by incorporating certain additional variables through an actuarial valuation. Variables such as workforce rotation, average salary increases, workforce mortality and average service life as underlying assumptions. Costs for past services of employees, resulting from these changes in assumptions, are deferred and amortized over the employees’ estimated average remaining service periods.

During 2006, the Company changed the discount rate from 7% to 6% as describe in Note 3 (i) to the financial statements. The cost for past services of employees, resulting from this additional change in assumption, is deferred and amortized over the employees’ estimated average remaining service periods.

(iii) Staff Severance Indemnities under US GAAP

Under US GAAP, staff severance indemnities have always been recorded in accordance with SFAS No. 87, “Employer’s Accounting for Pensions” using the projected benefit obligation method. The assumptions used correspond to the valuation under Chilean GAAP, with the difference that until December 31, 2005, a discount factor of 5.5% was applied. As of December 31, 2006, under US GAAP a discount factor of 6% is applied, equal to the treatment under Chilean GAAP. The Company has elected to recognize its actuarial gains and losses immediately under US GAAP. The effects of the elimination of the transitional assets and the differences in the discount rate for the year ended December 31, 2005, and of the elimination of the transitional assets for the year ended December 31, 2006, are included under paragraph (o) below.

f) Derivatives

As described in Note 30 to the financial statements, the Company uses derivative instruments to manage exposures to foreign currency and interest rate risk. The Company’s objectives for holding derivatives are to minimize these risks using the most effective methods to eliminate or reduce the impact of these exposures. The effects of the adjustments for financial derivatives are mainly related to cross currency interest rate swap contracts for the three years in the period ended December 31, 2007. The embedded derivatives are quantified as a separate adjustment in the reconciliation. Both adjustments are included in paragraph (o) below.

(i) Forward exchange contracts:

The Company has forward exchange contracts between the US dollar and Chilean peso and US dollar and the UF, which correspond to expected transactions or to existing assets and liabilities. Under Chilean GAAP, forward exchange contracts related to expected transactions are recorded at fair value with mark to market adjustments recorded as unrealized gains on the balance sheet with no income statement effect and any unrealized loss in the income statements. Forward exchange contracts related to existing assets and liabilities are recorded at fair value with mark to market adjustments recorded as unrealized gains and losses on the balance sheet with no income statement effect. Under US GAAP, these forward exchange contracts are valued at fair value with changes in fair value recognized in income, whether they represent unrealized gains or unrealized losses.

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(ii) Cross currency interest rate swaps:

The Company entered into cross-currency interest rate swaps as hedges of its debt denominated in US dollars. These swaps hedge both, currency risk and interest rate risk. Under Chilean GAAP, the unrealized gain and loss associated with these contracts was deferred. Under US GAAP, these contracts do not qualify for hedge accounting because they do not meet hedge accounting requirements under SFAS No. 133, therefore mark to market adjustments are also charged to income.

(iii) Embedded derivatives:

Current Chilean accounting rules do not consider the existence of derivative instruments embedded in other contracts and therefore they are not analyzed and accounted for in the Company's Chilean GAAP financial statements. For US GAAP purposes, certain implicit or explicit terms included in host contracts that affect some or all of the cash flow or the value of other exchanges required by the contract in a manner similar to a derivative instrument are required to be bifurcated from the host contract and accounted for at fair value.

g) Goodwill

Under Chilean GAAP up through December 31, 2003, the Company recorded goodwill or negative goodwill for the difference between the purchase price and the carrying value of assets acquired and liabilities assumed. As of January 1, 2004 Technical Bulletin No. 72 ("BT 72") of the Chilean Institute of Accountants became effective. The bulletin requires the assets acquired and liabilities assumed to be recorded at fair value and the excess of the purchase price of the investment over the fair value of assets acquired and liabilities assumed to be recorded as goodwill. Under BT 72 goodwill resulting from business combinations is amortized on a straight-line basis over a maximum period of 20 years. Under US GAAP, assets acquired and liabilities assumed are recorded at their fair values. Any excess of the cost of an investment over the fair values of assets acquired and liabilities assumed is recorded as goodwill. In the opinion of the Company, the book value of any assets acquired or liabilities assumed has not materially differed from their fair values in any transaction recorded under purchase accounting in previous periods.

In accordance with SFAS No. 142, "Goodwill and other Intangible Assets" (SFAS No. 142) the Company no longer amortizes goodwill, instead goodwill is tested for impairment on an annual basis and whenever indicators of impairment arise. The goodwill impairment test, which is based on fair value, is performed on a reporting unit level annually. The Company has performed the annual impairment tests of goodwill required by the standards, which did not result in any impairment adjustment during the periods presented other than the impairment in the following paragraph. The adjustment presented in paragraph (o) below reverses the effects of the amortization of goodwill recorded under Chilean GAAP. During the year 2006, as explained in Note 13 Footnote 1, the Company recorded an impairment loss related to the goodwill of its subsidiary Tecnonautica S.A. Under US GAAP, due to the higher unamortized book value, the Company recorded a higher charge to income, which is also reflected in the adjustment presented in paragraph (o) below.

h) Minimum dividend

As required by Law No. 18.046, the Company must distribute a minimum cash dividend equivalent to 30% of net income. Considering the cash situation, levels of projected investment and the solid financial indicators for 2005 and following years, on April 14, 2005, the Ordinary Shareholders' Meeting modified the dividend distribution policy reported at the Ordinary Shareholders' Meeting of April 2004, and agreed to distribute 100% of net income under Chilean GAAP generated during the respective year. Since the payment of these dividends is a legal requirement in Chile, an accrual for US GAAP purposes should be made to recognize the corresponding decrease in shareholders' equity at each balance sheet date. Under Chilean GAAP, the Company records these dividends when they have received the approval of the shareholders during a shareholders' meeting usually held in April of the following year. The effects as of December 31, 2006 and 2007 on consolidated shareholders' equity are shown in the reconciliation in paragraph (o) below.

i) Revenue Arrangements with Multiple Deliverables

Under Chilean GAAP, revenue is generally recognized as services are performed or products are delivered based on the specified contractual price. Under US GAAP, the Company adopted EITF 00-21 "Revenue Arrangements with Multiple Deliverables" on January 1, 2004. Certain of the contracts of the Company contain "multiple elements" as

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defined in the literature. These contracts primarily comprise those of the subsidiary Telefónica Empresas S.A., which is in the business of providing voice and internet data service to corporate customers. Contracts in this business may include equipment sales, equipment rentals, set-up/installation fees, and/or service and maintenance fees. As there is objective and reliable evidence of fair value of all delivered and undelivered items in an arrangement, the total consideration is allocated to the separate units of accounting based on their relative fair values ("relative fair value method"), which approximate the contractually stated prices. The services specified in the arrangement are performed continuously over the term of the contract (and any subsequent renewals). The Company therefore defers and recognizes the set-up fees over the life of the estimated customer relationship in accordance with US GAAP.

Starting in 2005, the Company's accounting under Chilean GAAP for revenue arrangements with multiple deliverable complies with the provisions of EITF 00-21. The previous periods' adjustments to income are included in paragraph (o) below.

j) *Cost adjustment for certain property, plant and equipment*

The Company, as part of its real estate construction-in-progress projects, enters into subcontracting agreements. As part of those agreements, certain cost adjustments may be charged back to the subcontractor. Under Chilean GAAP, back charges are recognized in non-operating income in the period they are collected. Under US GAAP, back charges to subcontractors are included in the determination of acquisition costs and should be applied to reduce contract costs to the extent collectible.

The effect of the adjustment arising from accounting under US GAAP for back charges and the reduction in depreciation related to the reduction of the fixed asset bases is presented in paragraph (o) below.

k) *Connection Fees and Installation Cost:*

Under Chilean GAAP, until December 31, 2006 connection fees are recognized as revenues with its origination, and installation costs for fixed line services are capitalized in fixed assets. Starting 2007, connection fees are deferred over the average estimated customer relationship of 33 months.

Under US GAAP, until December 31, 2005, connection fees were recognized with its origination equal to the treatment under Chilean GAAP, and installation costs were expensed as incurred. Starting in 2006, these connection fees are deferred and taken to the income statement during the average estimated customer relationship period of 33 to 48 months, whereas installation costs are capitalized in fixed assets equal to Chilean GAAP.

As of December 31, 2005, the cumulative effect of the non-deferral of connection fees and installation costs was deemed immaterial, and no change was made to the Company's prior period presentation. In accordance with Staff Accounting Bulletin 108 "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements", the cumulative effect was corrected in 2006.

As a consequence, the reconciliation included in paragraph (o) below includes as of December 31, 2005, the reversal of the capitalization of installation costs and their associated depreciation, and as of December 31, 2006 and 2007, the deferral of connection fees received until December 31, 2006. For connection fees and installation cost incurred in 2007, there is no difference in the treatment under Chilean GAAP and US GAAP.

l) *Write-off of deferred financing costs*

The Company redeemed a UF 3,992,424 series K bond on February 15, 2005. For Chilean GAAP purposes, the majority of the associated deferred financing costs and discount were written off during the year ended December 31, 2004 in the amount of ThCh\$3,676,859. The amount written off was calculated assuming a remaining amortization period ending on the redemption date of February 15, 2005. This write off of the deferred financing costs and discount during 2004 is not permitted under US GAAP, as the related debt issuance costs and discount must be charged to expense in the period in which the early extinguishment takes place under Accounting Principles Board Opinion No. 26 "Early Extinguishment of Debt". Accordingly, this generated a difference of ThCh\$3,676,859 in net income and shareholders' equity between Chilean GAAP and US GAAP, as shown in the reconciliations in paragraph (o) below.

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m) Restructuring costs

Compañía de Telecomunicaciones de Chile S.A. made an offer to some employees to voluntarily terminate their working contracts with the Company. Related to this planned reduction of personnel, the Company made a provision of ThCh\$2,223,814 as of December 31, 2005.

Under US GAAP, in accordance with SFAS 88, the recognition of a liability and a loss requires the acceptance of the offer by employees for a reliable estimation of the obligation. There was no acceptance of the offer by employees prior to January 1, 2006, therefore no provision was recognized.

n) Amortization of Bond Discount

Under Chilean GAAP, the Company is deferring and amortizing the difference between par and placement value of bonds on a straight-line basis over the respective term of the instrument. According to US GAAP, the Company should apply the effective interest rate method to determine the amortization of the bond discount. The impact of not applying the effective interest rate method was deemed not significant, thus the Company did not record an adjustment related to this concept.

o) Effects of conforming to US GAAP

The adjustments to reported net income required to conform to accounting principles generally accepted in the United States are as follows:

	For the Years Ending December 31.			
	2005 ThCh\$	2006 ThCh\$	2007 ThCh\$	2007 ThUS\$ (Note 2)
Net income in accordance with Chilean GAAP	27,614,871	25,081,171	10,856,131	21,848
Technical revaluation of property plant and equipment(a)	(51,560)	118,545	(184,284)	(371)
Deferred income taxes(c)				
Complementary accounts	14,923,938	14,837,908	14,134,785	28,447
Deferred tax effects of US GAAP adjustments	(1,283,159)	(630,277)	(1,931,140)	(3,886)
Capitalization of finance costs(d)				
Capitalization of interest	3,659,881	3,901,805	9,372,172	18,862
Capitalization of foreign currency exchange differences	433,830	433,830	433,830	873
Staff severance indemnities(e)				
Prior service cost	(836,336)	(426,381)	(311,058)	(626)
Staff severance indemnities	1,786,071	4,419,937	1,442,586	2,903
Derivatives(f)				
Financial derivatives	3,719,674	(4,021,233)	(444,604)	(895)
Embedded derivatives	(9,279)	—	—	—
Goodwill(g)	1,736,460	709,643	1,569,490	3,158
Revenue arrangements with multiple deliverables(i)	223,684	366,671	—	—
Cost adjustment for certain property, plant and equipment(j)				
Elimination of back charges	(34,973)	(135,178)	(184,344)	(371)
Depreciation of fixed assets	86,240	91,838	99,880	201
Installation cost(k)	(474,150)	1,181,488	1,135,471	2,285
Write-off of deferred financing costs(l)	(3,676,859)	—	—	—
Restructuring costs(m)	2,223,814	(2,223,814)	—	—
Net income in accordance with US GAAP	50,042,147	43,705,953	35,988,915	72,428

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	For the Years Ending December 31.			
	2005 ThCh\$	2006 ThCh\$	2007 ThCh\$	2007 ThUS\$ (Note 2)
Other comprehensive income net of tax:				
Investments in debt and equity securities(b)	(774,114)	10,316	(12,806)	(26)
Prior service cost(e)		(258,179)	258,179	520
Cumulative translation adjustment on foreign investment	(514,321)	(569,380)	(762,270)	(1,534)
Comprehensive income in accordance with US GAAP	48,753,712	42,888,710	35,472,018	71,388

The adjustments required to conform shareholders' equity amounts to US GAAP are as follows:

	As of December 31,		
	2006 ThCh\$	2007 ThCh\$	2007 ThUS\$ (Note 2)
Shareholders' equity in accordance with Chilean GAAP	967,417,180	906,533,598	1,824,414
Technical revaluation of property plant and equipment(a)			
Positive adjustment to Fixed Assets	(17,909,068)	(17,661,302)	(35,543)
Accumulated Depreciation	17,762,213	17,608,867	35,438
Negative adjustment to Fixed Assets	10,711,196	10,508,665	21,149
Accumulated Depreciation	(6,788,264)	(6,864,437)	(13,815)
Investment in debt and equity securities(b)	15,823	394	1
Deferred income taxes(c)			
Complementary accounts	(109,810,763)	(95,675,978)	(192,549)
Deferred tax effects of US GAAP adjustments	(893,159)	(2,874,557)	(5,785)
Capitalization of finance costs(d)			
Capitalization of interest			
Gross effect on Fixed Assets	20,973,313	28,343,830	57,041
Accumulated Depreciation	(4,871,989)	(2,870,334)	(5,776)
Capitalization of foreign currency exchange differences			
Gross effect on Fixed Assets	(6,033,809)	(6,033,809)	(12,143)
Accumulated Depreciation	3,014,200	3,448,030	6,940
Staff severance indemnities(e)			
Staff severance indemnities under US GAAP	(8,998,178)	(7,555,592)	(15,206)
Derivatives(f)			
Financial derivatives	—	(444,604)	(895)
Goodwill(g)	7,798,310	9,367,800	18,853
Minimum dividend(h)	(13,773,318)	(5,113,188)	(10,290)
Cost adjustment for certain property, plant and equipment(i)			
Gross effect on Fixed Assets	(999,068)	(1,183,538)	(2,382)
Accumulated Depreciation	179,565	279,571	562
Connection Fees and Installation cost(k)			
Connection Fees	(1,802,068)	(666,597)	(1,341)
Shareholders' equity in accordance with US GAAP	855,992,116	829,146,819	1,668,673

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The following summarizes the changes in shareholders' equity under US GAAP during the years ended December 31, 2006 and 2007:

	As of December 31,		
	2006 ThCh\$	2007 ThCh\$	2007 ThUS\$ (Note 2)
Balance as of January 1	882,845,354	855,992,116	1,722,699
Minimum dividend(h)	(13,773,318)	(5,113,188)	(10,290)
Capital decrease	(43,175,352)	(48,815,012)	(98,241)
Other reserves decrease	(724,149)	724,149	1,458
Dividend declared and paid	(11,307,854)	(5,742,943)	(11,558)
Price-level restatement	(761,275)	(3,370,321)	(6,783)
Other comprehensive income, net of tax:			
Cumulative translation adjustment	(569,380)	(762,270)	(1,534)
Unrealized gain on marketable securities, net of taxes(b)	10,316	(12,806)	(26)
Prior Service Cost(e)	(258,179)	258,179	520
Net income in accordance with US GAAP for the year	43,705,953	35,988,915	72,428
Balance at December 31	855,992,116	829,146,819	1,668,673

p) Comprehensive Income

In accordance with Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income" the Company reports a measure of all changes in shareholder's equity that result from transactions and other economic events of the period other than transactions with owners ("comprehensive income"). Comprehensive income is the total of net income (loss) and other non-owner equity transactions that result in changes in net equity. The components of other comprehensive income are reported net of the related tax effects.

The following represents accumulated other comprehensive income balances as of December 31, 2005, 2006 and 2007 (in thousands of constant Chilean pesos as of December 31, 2007):

	2005 Effect of US GAAP			
	Chilean GAAP Cumulative Translation Adjustment	Unrealized (losses) on Marketable Securities	Deferred Income Tax	Accumulated Other Comprehensive Income (loss)
Beginning balance	(1,406,008)	936,062	(159,130)	(629,076)
Credit (charge) for the year	(514,322)	(932,667)	158,553	(1,288,436)
Ending balance	(1,920,330)	3,395	(577)	(1,917,512)

	2006 Effect of US GAAP				
	Chilean GAAP Cumulative Translation Adjustment	Unrealized (losses) on Marketable Securities	Prior Service Cost	Deferred Income Tax	Accumulated Other Comprehensive Income (loss)
Beginning balance	(1,920,330)	3,395	—	(577)	(1,917,512)
Credit (charge) for the year	(578,070)	12,428	(311,058)	50,767	(825,933)
Ending balance	(2,498,400)	15,823	(311,058)	50,190	(2,743,445)

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	2007				
	Effect of US GAAP				
	Chilean GAAP Cumulative Translation Adjustment	Unrealized (losses) on Marketable Securities	Prior Service Cost	Deferred Income Tax	Accumulated Other Comprehensive Income (loss)
Beginning balance	(2,498,400)	15,823	(311,058)	50,190	(2,743,445)
Credit (charge) for the year	(762,270)	(15,429)	311,058	(50,258)	(516,899)
Ending balance	(3,260,670)	394	—	(68)	(3,260,344)

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Copies of the Form of Acceptance and the ADS Letter of Transmittal, properly completed and duly signed with original signatures will be accepted. Completed Forms of Acceptance, accompanied by *título(s)*, a duly signed *traspaso* indicating the number of Shares, but with the date left in blank and a power of attorney to complete the *traspaso* and all other documents of title and transfer, should be delivered to the Share Depositary at the addresses set forth below. The ADS Letter of Transmittal, ADRs for the ADSs and any other required documents should be sent by each holder of the ADSs or his or her broker, dealer, commercial bank, trust company or other nominee to the U.S. Depositary at the addresses set forth below.

The Depositary for the ADSs in the U.S. Offer is:

Citibank, N.A.

By Mail:
Citibank, N.A.
Corporate Actions
P.O. Box 43035
Providence, RI 02940-3035

By Hand/Overnight Courier:
Citibank, N.A.
Corporate Actions
250 Royall Street
Canton, MA 02021

The Depositary for the Shares in the U.S. Offer is:

Santander S.A. Corredores de Bolsa

By Mail:
Santander S.A. Corredores de Bolsa
c/o Citibank, N.A.
Corporate Actions
P.O. Box 43035
Providence, RI 02940-3035

By Hand/Overnight Courier:
Santander S.A. Corredores de Bolsa
c/o Citibank, N.A.
Corporate Actions
250 Royall Street
Canton, MA 02021

Questions and requests for assistance may be directed to the Information Agent at the address and telephone numbers set forth below. Additional copies of this Offer to Purchase, the related Form of Acceptance, ADS Letter of Transmittal, ADS Notice of Guaranteed Delivery and other tender offer materials may be obtained from the Information Agent. A holder of Shares and/or ADSs may also contact a broker, dealer, commercial bank or trust company or other nominee for assistance concerning the U.S. Offer. Copies of the recommendation of the Company on Schedule 14D-9 will be sent to the SVS, the Chilean Exchanges, the Company and the manager of the Chilean Offer when it becomes available.

The Information Agent for the U.S. Offer is:

D.F. King & Co., Inc.

48 Wall Street, 22nd Floor
New York, NY 10005

Bankers and Brokers Call: (212) 269-5550
All Others Call Toll Free: (800) 859-8511

Exhibit (a)(2)

ADS LETTER OF TRANSMITTAL
To Tender American Depositary Shares (“ADSs”)
(evidenced by American Depositary Receipts)
of
Compañía de Telecomunicaciones de Chile S.A.
Pursuant to the Offer to Purchase
dated December 2, 2008
by
INVERSIONES TELEFÓNICA INTERNACIONAL HOLDING LIMITADA
a limited liability company owned by
TELEFÓNICA, S.A.

THE U.S. OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 3:30 P.M., NEW YORK CITY TIME, ON DECEMBER 31, 2008, UNLESS THE U.S. OFFER IS EXTENDED.

The Depositary for the ADSs in the U.S. Offer is:

Citibank, N.A.

By Mail:
Citibank, N.A.
Corporate Actions
P.O. Box 43035
Providence, RI 02940-3035

By Hand/Overnight Courier:
Citibank, N.A.
Corporate Actions
250 Royall Street
Canton, MA 02021

Description of ADSs being tendered			
Name(s) and Address(es) of Registered Holder(s) (Please fill in, if blank, exactly as name(s) appear(s) on ADR(s))	ADSs Tendered (Attach additional signed list if necessary)		
	ADR Serial Number(s)	Total Number of ADSs Evidenced by ADR(s)	Number of ADSs Tendered*
Total Number of ADSs Tendered			ADSs
* Unless otherwise indicated, it will be assumed that all ADSs delivered to the U.S. Depositary are being tendered. See Instruction 4. You must complete the Box headed "Sign Here" in accordance with the instructions set out therein and, if appropriate, the Boxes headed "Special Delivery Instructions" and "Special Issuance Instructions."			

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about what action to take, you should immediately consult your stockbroker, bank manager, lawyer, accountant or other professional or investment advisor.

If you have sold or transferred all your American Depositary Shares ("ADSs") in Compañía de Telecomunicaciones de Chile S.A. (the "Company"), please send this ADS Letter of Transmittal together with the accompanying documents as soon as possible to the purchaser or to the stockbroker, bank or other agent through whom the sale was effected for transmission to the purchaser.

This document should be read in conjunction with the Offer to Purchase dated December 2, 2008 (the "Offer to Purchase"). The definitions used in the Offer to Purchase apply in this ADS Letter of Transmittal. All terms and conditions contained in the Offer to Purchase applicable to the U.S. Offer (as defined in the Offer to Purchase) for ADSs are deemed to be incorporated in and form part of this ADS Letter of Transmittal.

DELIVERY OF THIS ADS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY TO THE U.S. DEPOSITARY (AS DEFINED BELOW). DELIVERY OF THIS ADS LETTER OF TRANSMITTAL AND ANY OTHER REQUIRED DOCUMENTS AND INSTRUCTIONS TO THE BOOK-ENTRY TRANSFER FACILITY WILL NOT CONSTITUTE DELIVERY TO THE U.S. DEPOSITARY.

The instructions accompanying this ADS Letter of Transmittal should be read carefully before this ADS Letter of Transmittal is completed. Questions and requests for assistance may be directed to the Information Agent, D.F. King & Co., Inc., at (800) 859-8511.

Shares of common stock, no par value (the "Shares") of the Company, except insofar as they are represented by ADSs, cannot be tendered by means of this ADS Letter of Transmittal. If you hold Shares which are not represented by ADSs and you are a resident in the United States ("U.S. Holder"), you can obtain a Form of Acceptance for tendering those Shares from D.F. King & Co., Inc., the Information Agent, at (800) 859-8511. See Instruction 9 of this ADS Letter of Transmittal. Shares beneficially owned or held of record by persons who are non-U.S. Holders cannot be tendered pursuant to the U.S. Offer and can only be tendered pursuant to the concurrent Chilean Offer. Information on the Chilean Offer may be obtained from D.F. King & Co., Inc., at (212) 269-5550.

All ADS Letters of Transmittal, American Depositary Receipts ("ADRs") evidencing ADSs and other required documents delivered to Citibank, N.A. (the "U.S. Depositary") by holders of ADSs will be deemed (without any further action by the U.S. Depositary) to constitute acceptance by such holders of the U.S. Offer with respect to such ADSs (and the Shares represented thereby), subject to the terms and conditions set forth in the Offer to Purchase, any supplements or amendments thereto, and this ADS Letter of Transmittal.

Holders of ADSs purchased in the U.S. Offer will receive the purchase price for such securities in cash by check or, in the case of ADSs held through a Book-Entry Transfer Facility, as defined in the Offer to Purchase, by means of delivery of funds to the account maintained at the Book-Entry Transfer Facility by the participant which has tendered the ADS.

This ADS Letter of Transmittal is to be used if ADRs evidencing ADSs are to be forwarded herewith. If delivery of ADSs is to be made by book-entry transfer to an account maintained by the U.S. Depositary at the Book-Entry Transfer Facility, then pursuant to the procedures for book-entry transfer set forth under "The U.S. Offer — Section 4 — Procedures for Accepting the U.S. Offer — Holders of ADSs," the ADS Letter of Transmittal must be delivered by Agent's Message. Holders of ADSs whose ADRs are not immediately available, or who cannot comply with the procedures for book-entry transfer on or prior to the expiration of the U.S. Offer, may tender their ADSs by following the Guaranteed Delivery Procedures set forth under "The U.S. Offer — Section 4 — Procedure for Accepting the U.S. Offer — Holders of ADSs" in the Offer to Purchase. See Instruction 2 of this ADS Letter of Transmittal. **Delivery of documents to the Book-Entry Transfer Facility does not constitute delivery to the U.S. Depositary.**

In the event of an inconsistency between the terms and procedures in this ADS Letter of Transmittal and the Offer to Purchase, the terms and procedures in the Offer to Purchase shall govern. Please contact the Information Agent to discuss any inconsistency.

PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY

Ladies and Gentlemen:

The undersigned hereby tenders to Inversiones Telefónica Internacional Holding Limitada ("Purchaser"), a limited liability company (*sociedad de responsabilidad limitada*) organized and existing under the laws of the Republic of Chile and an indirect wholly owned subsidiary of Telefónica, S.A. ("Telefónica"), a publicly held stock corporation organized and existing under the laws of the Kingdom of Spain, the ADSs (which expression shall in this ADS Letter of Transmittal, except where the context otherwise requires, be deemed to include, without limitation, the Shares represented thereby) of Compañía de Telecomunicaciones de Chile S.A. (the "Company"). The undersigned hereby instructs the U.S. Depositary to accept the U.S. Offer on behalf of the undersigned with respect to the above-described ADSs, subject to the terms and conditions set forth in the Offer to Purchase, any supplements or amendments thereto, and this ADS Letter of Transmittal. The undersigned hereby acknowledges that delivery of this ADS Letter of Transmittal and of the ADSs and other required documents delivered to the U.S. Depositary in connection herewith will be deemed (without any further action by the U.S. Depositary) to constitute acceptances of the U.S. Offer by the undersigned with respect to such ADSs, subject to the rights of withdrawal set out in "The U.S. Offer — Section 5 — Withdrawal Rights" in the Offer to Purchase and the terms and conditions set forth in this ADS Letter of Transmittal.

The undersigned understands that acceptance of the U.S. Offer by the undersigned pursuant to the procedures described herein and in the instructions hereto will constitute a binding agreement between the undersigned and Purchaser containing the terms of the U.S. Offer.

The undersigned hereby delivers to the U.S. Depositary for tender to Purchaser the above-described ADSs, in accordance with the terms and conditions of the Offer to Purchase, any supplements or amendments thereto, and this ADS Letter of Transmittal.

Upon the terms of the U.S. Offer (including, if the U.S. Offer is extended or amended, the terms and conditions of any such extensions or amendments), the undersigned hereby:

(i) sells, assigns and transfers to Purchaser all right, title and interest in and to all the ADSs being tendered hereby (and any and all other securities or rights issued or issuable in respect of such ADSs);

(ii) irrevocably constitutes and appoints the U.S. Depositary an attorney-in-fact and proxy of the undersigned with respect to such ADSs (and any such other securities or rights), with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to (a) deliver ADRs for such ADSs (and any such other securities or rights issued or issuable in respect of such ADSs) or transfer the ownership of such ADSs (and any such other securities or rights issued or issuable in respect of such ADSs) on the account books maintained by the ADS Depositary or the Book-Entry Transfer Facility, together, in any such case, with all accompanying evidences of transfer and authenticity, to Purchaser and (b) receive all benefits and otherwise exercise all rights of beneficial ownership of such ADSs (and any such other securities or rights issued or issuable in respect of such ADSs), all in accordance with the terms of the U.S. Offer; and

(iii) irrevocably grant authority to and request (1) the Company, its *Gerente General* (General Manager) or its agents to procure the registration of the transfer of the Shares pursuant to the U.S. Offer and the delivery of the new *título(s)* and/or other document(s) of title in respect thereof to Purchaser or as Purchaser may direct; and (2) Purchaser or its agents to record and act upon any instructions with regard to notices and payments which have been recorded in the records of the Company in respect of such holder's holding(s) of Shares.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the ADSs tendered hereby (and any and all other ADSs or other securities issued or issuable in respect thereof) and that when the same are purchased by Purchaser, Purchaser will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances, together with all rights now or hereafter attaching to them, including voting rights and rights to all dividends, other distributions and payments hereafter declared, made or paid, and the same will not be subject to any adverse claims. The undersigned will, upon request, execute and deliver any additional documents deemed by the U.S. Depositary or Purchaser to be necessary or desirable to complete the sale,

assignment and transfer of the ADSs tendered hereby (and any and all other securities or rights issued or issuable in respect of such ADSs).

The undersigned agrees to ratify each and every act or thing which may be done or effected by any director of, or other person nominated by, Purchaser or their respective agents, as the case may be, in the exercise of any of his or her powers and/or authorities hereunder.

The undersigned undertakes, represents and warrants that if any provision of this ADS Letter of Transmittal shall be unenforceable or invalid or shall not operate so as to afford Purchaser or the U.S. Depositary or their respective agents the benefit of the authority expressed to be given in this ADS Letter of Transmittal, the undersigned shall, with all practicable speed, do all such acts and things and execute all such documents as may be required to enable Purchaser or the U.S. Depositary to secure the full benefits of this ADS Letter of Transmittal.

All authority herein conferred or agreed to be conferred and all undertakings, representations and warranties given pursuant to this ADS Letter of Transmittal shall be binding upon the successors, assigns, heirs, executors, administrators and legal representatives of the undersigned and shall not be affected by, and shall survive, the death or incapacity of the undersigned. Except as stated in the Offer to Purchase, this tender is irrevocable.

Unless otherwise indicated herein in the box entitled "Special Issuance Instructions," the undersigned hereby instructs Purchaser to:

- (i) issue the check for the purchase price for the ADSs accepted for purchase, and/or
- (ii) issue, or cause to be issued, any ADRs evidencing ADSs not tendered or accepted for purchase,

in the name(s) of the registered holder(s) appearing herein in the box entitled "Description of ADSs Being Tendered."

Similarly, unless otherwise indicated herein in the box entitled "Special Delivery Instructions," the undersigned hereby instructs Purchaser to:

- (i) mail, or cause to be mailed, the check for the purchase price for the ADSs accepted for purchase, and/or
- (ii) return, or cause to be returned, any ADRs evidencing ADSs not tendered or accepted for purchase (and accompanying documents, as appropriate),

to the address(es) of the registered holder(s) appearing herein in the box entitled "Description of ADSs Being Tendered."

In the event that either the "Special Delivery Instructions" or the "Special Issuance Instructions" are completed, the undersigned hereby instructs Purchaser, as applicable, to:

- (i) (x) issue the check for the purchase price for the ADSs accepted for purchase, and/or (y) issue, or cause to be issued, any ADRs evidencing ADSs not tendered or accepted for purchase in the name(s) of the person or persons so indicated; or
- (ii) (x) mail, or cause to be mailed, the check for the purchase price for the ADSs accepted for purchase, and/or (y) return, or cause to be returned, any ADRs evidencing any ADSs not tendered or accepted for purchase (and accompanying documents, as appropriate) to the address(es) of the person or persons so indicated.

In the case of a book-entry delivery of ADSs, the undersigned hereby instructs Purchaser to credit the undersigned's account maintained at the Book-Entry Transfer Facility with (i) the purchase price for the ADSs accepted for purchase, and (ii) any ADSs not accepted for purchase. The undersigned recognizes that Purchaser will not transfer any ADSs from the name of the registered holder thereof if Purchaser does not accept for purchase any of the ADSs so tendered.

The terms and conditions of the U.S. Offer contained in the Offer to Purchase, as from time to time supplemented or amended, shall be deemed to be incorporated in, and form part of, this ADS Letter of Transmittal, which shall be read and construed accordingly. All capitalized terms used herein and not otherwise defined herein have the meanings set forth in the Offer to Purchase.

This ADS Letter of Transmittal shall not be considered complete and valid, and delivery of the consideration pursuant to the U.S. Offer shall not be made, until the ADSs being tendered and all other required documentation have been received by the U.S. Depositary as provided in the Offer to Purchase and this ADS Letter of Transmittal.

Unless you complete the "Special Delivery Instructions" box, the address of the holder inserted in the box entitled "Description of ADSs Being Tendered" is the address to which your consideration will be sent. Please also state a daytime telephone number where you may be contacted in the event of any query.

SPECIAL ISSUANCE INSTRUCTIONS

(See Instructions 1, 5, 6 and 7)

☐ Check box ONLY if (i) the check for the purchase price with respect to ADSs accepted for payment (less the amount of any federal income and backup withholding tax required to be withheld) or (ii) any ADR evidencing ADSs not accepted for purchase is to be issued in the name of someone other than the undersigned.

Issue: ☐ check and /or

☐ ADR(s) to:

Name: _____

(Please Print: First, Middle and Last Name)

Address: _____

(Zip Code)

(Tax Identification or Social Security Number)

Also complete Form W-9 below

SPECIAL DELIVERY INSTRUCTIONS

(See Instructions 1, 5, 6 and 7)

☐ Check box ONLY if (i) the check for the purchase price with respect to ADSs accepted for payment (less the amount of any federal income and backup withholding tax required to be withheld) or (ii) any ADR evidencing ADSs not accepted for purchase is to be mailed to someone other than the undersigned or to the undersigned at an address other than that shown below the undersigned's signature(s).

Mail: ☐ check and/or

☐ ADR(s) to:

Name: _____

(Please Print: First, Middle and Last Name)

Address: _____

(Zip Code)

IMPORTANT: HOLDER(S) SIGN HERE

(ALSO COMPLETE SUBSTITUTE FORM W-9 BELOW)

Signature(s) of Holder(s)

Dated: _____, 2008

(Must be signed by registered holder(s) exactly as name(s) appear(s) on ADR(s) evidencing the ADS(s) or by person(s) to whom ADR(s) surrendered have been assigned and transferred, as evidenced by endorsement, stock powers and other documents transmitted herewith.)

If signature is by any trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or others acting in a fiduciary or representative capacity, please set forth the following and see Instruction 5.

Name(s): _____

(Please Type or Print)

Capacity (full title): _____

Address: _____

(Including Zip Code)

Area Code and Telephone No.: _____

Employer Identification No. or
Social Security No.: _____

GUARANTEE OF SIGNATURE(S)

(If required-See Instructions 1 and 5)

Authorized Signature: _____

Name(s): _____

(Please Type or Print)

Title: _____

Name of Firm: _____

Address: _____

(Including Zip Code)

Area Code and Telephone No.: _____

Dated: _____

INSTRUCTIONS

Forming Part of the Terms and Conditions of the U.S. Offer

1. Guarantee of Signatures. Except as otherwise provided below, all signatures on this ADS Letter of Transmittal must be guaranteed by a financial institution (including most banks, savings and loan associations and brokerage houses) which is a participant in the Security Transfer Agents Medallion Program, the Stock Exchange Medallion Program or the New York Stock Exchange Inc. Medallion Signature Program (each an "Eligible Institution"). Signatures on this ADS Letter of Transmittal need not be guaranteed (a) if this ADS Letter of Transmittal is signed by the registered holder(s) of the ADSs tendered therewith and such holder(s) have not completed the box entitled "Special Issuance Instructions" on this ADS Letter of Transmittal or (b) if such ADSs are tendered for the account of an Eligible Institution. See Instruction 5.

2. Delivery of ADS Letter of Transmittal and ADSs. This ADS Letter of Transmittal is to be completed by ADS holders if ADRs are to be forwarded herewith. If delivery of ADSs are to be made by book-entry transfer to an account maintained by the U.S. Depositary at the Book-Entry Transfer Facility pursuant to the procedures for book-entry transfer set forth under "The U.S. Offer — Section 4 — Procedure for Accepting the U.S. Offer — Holders of ADSs" in the Offer to Purchase, an Agent's Message must be delivered. ADRs evidencing ADSs or confirmation of any book-entry transfer into the U.S. Depositary's account at the Book-Entry Transfer Facility of ADSs delivered electronically, as well as a properly completed and duly executed ADS Letter of Transmittal or, in the case of a book-entry transfer, an Agent's Message and any other documents required by this ADS Letter of Transmittal, must be delivered to the U.S. Depositary at one of its addresses set forth herein prior to the Expiration Date or the tendering ADS holder must comply with the Guaranteed Delivery Procedures set forth below and as provided under "The U.S. Offer — Section 4 — Procedure for Accepting the U.S. Offer — Holders of ADSs" in the Offer to Purchase. If ADRs are forwarded to the U.S. Depositary in multiple deliveries, a properly completed and duly executed ADS Letter of Transmittal must accompany each such delivery.

ADS holders whose ADRs are not immediately available, or who cannot deliver their ADRs and all other required documents to the U.S. Depositary prior to the Expiration Date or complete the procedures for book-entry transfer on a timely basis, as the case may be, may tender their ADSs by properly completing and duly executing the ADS Notice of Guaranteed Delivery pursuant to the Guaranteed Delivery Procedures set forth under "The U.S. Offer — Section 4 — Procedure for Accepting the U.S. Offer — Holders of ADSs" in the Offer to Purchase. Pursuant to the Guaranteed Delivery Procedures, (a) such tender must be made by or through an Eligible Institution, (b) a properly completed and duly executed ADS Notice of Guaranteed Delivery substantially in the form provided by Purchaser must be received by the U.S. Depositary prior to the Expiration Date, and (c) the ADRs for such ADSs, together with a properly completed and duly executed ADS Letter of Transmittal (or copy thereof, provided the signature is original) with any required signature guarantees or, in the case of ADSs held in book-entry form, a timely confirmation of a book-entry transfer of such ADSs into the U.S. Depositary's account at the Book-Entry Transfer Facility together with an Agent's Message and any other documents required, must be received by the U.S. Depositary within three New York Stock Exchange trading days after the date of execution of such ADS Notice of Guaranteed Delivery.

The term "Agent's Message" means a message, transmitted by the Book-Entry Transfer Facility to and received by the U.S. Depositary and forming a part of a book-entry confirmation which states that the Book-Entry Transfer Facility has received an express acknowledgment from the participant tendering the ADSs which are the subject of such book-entry confirmation that such participant has received and agrees to be bound by the terms of the ADS Letter of Transmittal and that Purchaser may enforce such agreement against the participant.

THE METHOD OF DELIVERY OF ADSs AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING THROUGH THE BOOK-ENTRY TRANSFER FACILITY, IS AT THE OPTION AND RISK OF THE TENDERING HOLDERS OF ADSs AND THE DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE U.S. DEPOSITARY (INCLUDING, IN THE CASE OF BOOK-ENTRY TRANSFER, BY BOOK-ENTRY CONFIRMATION). IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE A TIMELY DELIVERY. REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED FOR ADSs SENT BY MAIL.

No alternative, conditional or contingent tenders will be accepted, and no fractional ADSs will be purchased. By executing this ADS Letter of Transmittal (or copy thereof), all tendering ADSs holders waive any right to receive any notice of the acceptance of their ADSs for payment.

3. Inadequate Space. If the space provided herein is inadequate, the serial number of the ADRs, the total number of ADSs represented by such ADRs and the number of ADSs tendered should be listed on a separate schedule attached hereto.

4. Partial Tenders. If fewer than all the ADSs evidenced by ADRs delivered to the U.S. Depositary are to be tendered, fill in the number of ADSs which are to be tendered in the box entitled "Number of ADSs Tendered." In such case, a new ADR for the untendered ADSs represented by the old ADR will be sent to the person(s) signing this ADS Letter of Transmittal, unless otherwise provided in the appropriate box entitled "Special Delivery Instructions" on this ADS Letter of Transmittal, as promptly practicable following the date the tendered ADSs are accepted for payment. All ADSs delivered to the U.S. Depositary will be deemed to have been tendered unless otherwise indicated.

5. Signatures on ADS Letter of Transmittal, Stock Powers and Endorsements. If this ADS Letter of Transmittal is signed by the registered holder(s) of the ADSs tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the certificates without any change whatsoever. DO NOT SIGN THE BACK OF THE ADRs.

If any of the ADSs tendered hereby are owned of record by two or more joint owners, all such owners must sign this ADS Letter of Transmittal.

If any of the ADSs tendered in the U.S. Offer are registered in different names on several ADRs, it will be necessary to complete, sign and submit as many separate ADS Letters of Transmittal as there are different registrations of ADRs.

If this ADS Letter of Transmittal or any ADRs or stock powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and proper evidence satisfactory to Purchaser of their authority to act must be submitted.

If this ADS Letter of Transmittal is signed by the registered holder(s) of the ADSs listed and transmitted hereby, no endorsements of ADRs or separate stock powers are required unless ADSs (evidenced by ADRs) and/or delivery of ADRs for ADSs not tendered or accepted for exchange are to be issued to a person other than the registered holder(s). Signatures on such ADRs or stock powers must be guaranteed by an Eligible Institution.

If this ADS Letter of Transmittal is signed by a person other than the registered holder(s) of the ADSs listed, the ADRs must be endorsed or accompanied by appropriate stock powers signed exactly as the name(s) of the registered holder(s) appear(s) on the ADRs evidencing such ADSs. Signatures on such ADRs or stock powers must be guaranteed by an Eligible Institution.

6. Stock Transfer Taxes. Except as otherwise provided in this Instruction 6, Purchaser will pay or cause to be paid any stock transfer taxes with respect to the transfer and sale of ADSs to it or its offer pursuant to the U.S. Offer. If, however, payment of the purchase price is to be made to, or if ADSs not tendered or accepted for payment are to be registered in the name of, any persons other than the registered holder(s) or if tendered ADSs are registered in the name of any person other than the person(s) signing this ADS Letter of Transmittal, the amount of any stock transfer taxes (whether imposed on the registered holder(s) or such person(s)) payable on account of the transfer to such person will be deducted from the purchase price unless satisfactory evidence of the payment of such taxes or exemption therefrom is submitted.

Except as provided in this Instruction 6, it will not be necessary, for transfer tax stamps to be affixed to the ADSs listed in this ADS Letter of Transmittal.

7. Special Issuance and Delivery Instructions. If a check for the purchase price for ADSs accepted for purchase and/or ADRs evidencing ADSs not accepted for purchase is or are to be issued in the name of a person other than the signer of this ADS Letter of Transmittal or if such check for the purchase price is to be sent and/or such ADRs are to be returned to a person other than the signer of this ADS Letter of Transmittal or to an address other than that indicated in the box entitled "Description of ADSs Being Tendered," the appropriate "Special Delivery Instructions" box and/or the "Special Issuance Instruction" box on this ADS Letter of Transmittal should be completed.

8. Requests for Assistance or Additional Copies. Questions and requests for assistance or additional copies of the Offer to Purchase, this ADS Letter of Transmittal or ADS Notice of Guaranteed Delivery may be directed to the Information Agent at (800) 859-8511.

9. Holders of Shares. Beneficial holders or holders of record of Shares who are U.S. Holders must use the Form of Acceptance to the Share Depository in order to tender their Shares into the U.S. Offer and accept the U.S. Offer. Holders of Shares may not tender Shares pursuant to this ADS Letter of Transmittal except insofar as they are represented by ADSs. If any such holder of Shares which are not represented by ADSs needs to obtain a copy of a Form of Acceptance, such holder should contact the Information Agent at (800) 859-8511. Beneficial holders or holders of record of Shares who are non-U.S. Holders may not tender their Shares pursuant to the U.S. Offer. Holders of ADRs must use this ADS Letter of Transmittal to tender their ADSs.

10. Lost, Destroyed or Stolen ADRs. If any ADR(s) representing ADS(s) has been lost, destroyed or stolen, the holder should contact the U.S. Depository at (877) Citi-ADR (248-4237).

11. Backup U.S. Federal Income Tax Withholding. Under U.S. federal income tax law, the amount of any payments made by the U.S. Depository to holders of ADSs (other than corporate and certain other exempt holders) pursuant to the U.S. Offer may be subject to backup withholding tax currently at a rate of 28%. To avoid such backup withholding tax with respect to payments pursuant to the U.S. Offer, a non-exempt, tendering "U.S. Holder" (as defined in "The U.S. Offer — Section 6 — Certain Tax Considerations" in the Offer to Purchase) must provide the U.S. Depository with such holder's correct taxpayer identification number and certify under penalty of perjury that (1) the TIN provided is correct (or that such holder is awaiting a TIN) and (2) such holder is not subject to backup withholding tax by completing the Substitute Form W-9 included as part of the ADS Letter of Transmittal. If backup withholding applies with respect to a holder of ADSs or if a holder of ADSs fails to deliver a completed Substitute Form W-9 to the U.S. Depository or otherwise establish an exemption, the U.S. Depository is required to withhold 28% of any payments made to such holder.

The box in Part 3 of Substitute Form W-9 may be checked if the holder of ADSs is required to submit a Substitute Form W-9 and has not been issued a TIN and has applied for a TIN or intends to apply for a TIN in the near future. If the box in Part 3 is so checked and the U.S. Depository is not provided with a TIN by the time of payment, the U.S. Depository will withhold 28% on all such payments until a TIN is provided to the U.S. Depository.

Non-U.S. Holders (as defined for U.S. federal income tax purposes, see "The U.S. Offer — Section 6 — Certain Tax Considerations" in the Offer to Purchase) should complete and sign under penalties of perjury, attesting to that holder's exempt status, the appropriate Form W-8 in order to avoid backup withholding. These holders should consult a tax advisor to determine which Form W-8 is appropriate. Such forms can be obtained from the Information Agent.

Backup withholding is not an additional tax. Rather, the tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained by filing a tax return with the IRS. The U.S. Depository cannot refund amounts withheld by reason of backup withholding.

IMPORTANT: THIS ADS LETTER OF TRANSMITTAL OR A COPY HEREOF, TOGETHER WITH ADRs AND ALL OTHER REQUIRED DOCUMENTS OR THE ADS NOTICE OF GUARANTEED DELIVERY MUST BE RECEIVED BY THE U.S. DEPOSITORY PRIOR TO THE EXPIRATION DATE.

TO BE COMPLETED BY ALL TENDERING HOLDERS

Substitute Form W-9 Request for Taxpayer Identification Number and Certification

Name as shown on account (if joint, list first and circle name of the person or entity whose number you enter below)			
Name:			
Please check the appropriate box:		<input type="checkbox"/> Individual/sole proprietor	<input type="checkbox"/> Corporation
		<input type="checkbox"/> Partnership	<input type="checkbox"/> Other (specify): _____
<input type="checkbox"/> Exempt from Backup Withholding			
Address:			
City, State, and Zip Code:			

PART I SUBSTITUTE Form W-9 Department of the Treasury Internal Revenue Service Payer's Request for Taxpayer Identification Number (TIN)	TAXPAYER IDENTIFICATION NO. FOR ALL ACCOUNTS Enter your taxpayer identification number in the appropriate box. For most individuals this is your social security number. If you do not have a number, see the enclosed Guidelines. Note: If the account is in more than one name, see the chart in the enclosed Guidelines on which number to give the payer.	Social Security Number Employer Identification Number
	PART II <input type="checkbox"/> Awaiting TIN	
	PART III Certification — Under penalties of perjury, I certify that: (1) the number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me), (2) I am not subject to backup withholding either because I have not been notified by the Internal Revenue Service ("IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to backup withholding, and (3) I am a U.S. person (including a U.S. resident alien). Certification Instructions — You must cross out Item(2) above if you have been notified by the IRS that you are subject to backup withholding because of under reporting interest or dividends on your tax returns. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS that you are no longer subject to backup withholding, do not cross out Item(2). The certification requirement does not apply to real estate transactions, mortgage interest paid, the acquisition or abandonment of secured property, contributions to an individual retirement account, and payments other than interest and dividends. Also see "Signing the Certification" under "Specific Instructions" in the enclosed Guidelines. SIGNATURE _____ DATE _____	

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING.
 PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER
 IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU WROTE "APPLIED FOR" IN THE
SPACE FOR THE "TIN" IN PART I ON THE SUBSTITUTE FORM W-9.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER	
I certify under the penalty of perjury that a taxpayer identification number has not been issued to me and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number within 60 days, 28% of all reportable payments made to me thereafter will be withheld until I provide a number.	
_____ Signature	_____ Date

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION
NUMBER ON SUBSTITUTE FORM W-9

Guidelines for Determining the Proper Identification Number to Give the Payer — Social Security numbers have nine digits separated by two hyphens: i.e., 000-00-0000. Employer identification numbers have nine digits separated by only one hyphen: i.e., 00-0000000. The table below will help determine the number to give the payer.

For this type of account:	GIVE THE NAME AND SOCIAL SECURITY NUMBER OF —
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account(1)
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor(2)
4. (a.) The usual revocable savings trust account (grantor is also trustee) (b.) So-called trust account that is not a legal or valid trust under state law	The grantor-trustee(1) The actual owner(1)
5. Sole proprietorship or disregarded entity owned by an individual	The owner(3)
6. A disregarded entity not owned by an individual	The owner
7. A valid trust, estate or pension trust	The legal entity(4)
8. Corporate account or account of LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable or other tax-exempt organization	The organization
10. Partnership account held in the name of the business or account of multi-member LLC (other than an LLC described in item 10)	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district or prison) that receives agricultural program payments	The public entity

- (1) List first and circle the name of the person whose number you furnish. If only one person has a social security number, that person's number must be furnished.
- (2) Circle the minor's name and furnish the minor's social security number.
- (3) You must show your individual name, but you may also enter your business or "doing business as" name. You may use either your social security number or employer identification number (if you have one), but the IRS encourages you to use your Social Security Number.
- (4) List first and circle the name of the legal trust, estate or pension trust (do not furnish the identifying number of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

NOTE: If no name is circled when there is more than one name, the number will be considered to be that of the first name listed.

OBTAINING A NUMBER

If you do not have a TIN or you do not know your number, obtain Form SS-5, Application for a Social Security Number Card, or Form SS-4, Application for Employer Identification Number, at the local office of the Social Security Administration or the Internal Revenue Service and apply for a number. Section references in these guidelines refer to sections under the Internal Revenue Code of 1986, as amended.

PAYEES EXEMPT FROM BACKUP WITHHOLDING

Even if the payee does not provide a TIN in the manner required, the payer is **not required** to backup withhold on any payments made to a payee that is:

1. An organization exempt from tax under section 501(a), any individual retirement account ("IRA") where the payor is also the trustee or custodian, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2).
2. The United States or any of its agencies or instrumentalities.
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities.
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities.
5. An international organization or any of its agencies or instrumentalities.

Other payees that **may be exempt** from backup withholding include:

1. A corporation.
2. A foreign central bank of issue.
3. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States.
4. A futures commission merchant registered with the Commodity Futures Trading Commission.
5. A real estate investment trust.
6. An entity registered at all times during the tax year under the Investment Company Act of 1940.
7. A common trust fund operated by a bank under section 584(a).
8. A financial institution.
9. A middleman known in the investment community as a nominee or custodian.
10. A trust exempt from tax under section 664 or described in section 4947.

PAYMENTS EXEMPT FROM BACKUP WITHHOLDING

Dividends and patronage dividends that generally are exempt from backup withholding include:

- Payments to nonresident aliens subject to withholding under section 1441.
- Payments to partnerships not engaged in a trade or business in the United States and that have at least one nonresident alien partner.
- Payments of patronage dividends not paid in money.
- Payments made by certain foreign organizations.
- Section 404(k) distributions made by an ESOP.

Interest payments that generally are exempt from backup withholding include:

- Payments of interest on obligations issued by individuals. However, if you pay \$600 or more of interest **in the course of your trade or business** to a payee, you must report the payment. Backup withholding applies to the reportable payment if the payee has not provided a TIN or has provided an incorrect TIN.
- Payments of tax-exempt interest (including exempt-interest dividends under section 852).
- Payments described in section 6049(b)(5) to nonresident aliens.
- Payments on tax-free covenant bonds under section 1451.
- Payments made by certain foreign organizations.
- Mortgage or student loan interest paid to you.

Other types of payments that generally are exempt from backup withholding include:

- Wages.
- Distributions from a pension, annuity, profit-sharing or stock bonus plan, any IRA where the payor is also the trustee or custodian, an owner-employee plan, or other deferred compensation plan.
- Distributions from qualified tuition programs or Coverdell ESAs.
- Certain surrenders of life insurance contracts.
- Gambling winnings if withholding is required under section 3402(q). However, if withholding is not required under section 3402(q), backup withholding applies if the payee fails to furnish a TIN.
- Real estate transactions reportable under section 6045(e).
- Cancelled debts reportable under section 6050P.
- Certain payment card transactions by a qualified payment card agent (as described in Revenue Procedure 2004-42 and Treasury Regulations section 31.3406(g)-1(f)) and if the requirements under Treasury Regulations section 31.3406(g)-1(f) are met.
- Distributions from a medical savings account and long-term care benefits.
- Fish purchases for cash reportable under section 6050R.

Exempt payees described above should file Form W-9 to avoid possible erroneous backup withholding. **FILE THIS FORM WITH THE PAYER, FURNISH YOUR TIN, WRITE "EXEMPT" ON THE FACE OF THE FORM AND RETURN IT TO THE PAYER. IF THE PAYMENTS ARE INTEREST, DIVIDENDS OR PATRONAGE DIVIDENDS, ALSO SIGN AND DATE THE FORM.**

Certain payments other than interest, dividends and patronage dividends not subject to information reporting are also not subject to backup withholding. For details, see the regulations under Internal Revenue Code sections 6041, 6041A, 6042, 6044, 6045, 6049, 6050A and 6050N.

Privacy Act Notice. — Section 6109 of the Internal Revenue Code requires you to give your correct TIN to persons who must file information returns with the IRS to report, among other things, interest, dividends, and certain other income paid to you. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. possessions to carry out their tax laws. The IRS may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

PENALTIES

- (1) **Penalty for Failure to Furnish TIN.** — If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.
- (2) **Civil Penalty for False Information With Respect to Withholding.** — If you make a false statement with no reasonable basis that results in no imposition of backup withholding, you are subject to a penalty of \$500.
- (3) **Civil and Criminal Penalties for False Information.** — Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.
- (4) **Misuse of Taxpayer Identification Numbers.** — If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

FOR ADDITIONAL INFORMATION CONTACT YOUR TAX CONSULTANT OR THE INTERNAL REVENUE SERVICE.

Exhibit (a)(3)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about what action to take, you should immediately consult your stockbroker, bank manager, lawyer, accountant or other professional or investment advisor.

If you have sold all your shares of common stock in Compañía de Telecomunicaciones de Chile S.A. (the "Company"), please send this Form together with the accompanying documents as soon as possible to the purchaser or to the stockbroker, bank or other agent through whom the sale was effected for transmission to the purchaser.

This document should be read in conjunction with the Offer to Purchase dated December 2, 2008 (the "Offer To Purchase"). The definitions used in the Offer to Purchase apply in this Form of Acceptance (the "Form"). All terms and conditions contained in the Offer to Purchase applicable to the U.S. Offer (as defined in the Offer to Purchase) for Shares are deemed to be incorporated in and form part of this Form.

FORM OF ACCEPTANCE

to Tender Shares of Common Stock
of

Compañía de Telecomunicaciones de Chile S.A.

Pursuant to the Offer to Purchase
dated December 2, 2008

by

INVERSIONES TELEFÓNICA INTERNACIONAL HOLDING LIMITADA

a limited liability company (*sociedad de responsabilidad limitada*) owned by

TELEFÓNICA, S.A.

THE U.S. OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 3:30 P.M., NEW YORK CITY
TIME, ON DECEMBER 31, 2008, UNLESS THE U.S. OFFER IS EXTENDED.

The Depositary for the Shares in the U.S. Offer is:

Santander S.A. Corredores de Bolsa

By Mail:

Santander S.A. Corredores de Bolsa
c/o Citibank, N.A.
Corporate Actions
P.O. Box 43035
Providence, RI 02940-3035

By Hand/Overnight Courier:

Santander S.A. Corredores de Bolsa
c/o Citibank, N.A.
Corporate Actions
250 Royall Street
Canton, MA 02021

**DELIVERY OF THIS FORM OF ACCEPTANCE TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE
WILL NOT CONSTITUTE A VALID DELIVERY. DELIVERY OF THIS FORM OF ACCEPTANCE TO A
BOOK-ENTRY TRANSFER FACILITY WILL NOT CONSTITUTE VALID DELIVERY TO THE SHARE
DEPOSITARY.**

The instructions accompanying this Form of Acceptance should be read carefully before this Form of Acceptance is completed. Questions and requests for assistance may be directed to the Information Agent, D.F. King & Co., Inc., at (800) 859-8511.

THIS FORM OF ACCEPTANCE IS TO BE USED ONLY FOR TENDERING SHARES (AS DEFINED BELOW). DO NOT USE THIS FORM OF ACCEPTANCE FOR TENDERING ADSs OR FOR ANY OTHER PURPOSE.

Action to be taken to accept the U.S. Offer

Please read the detailed instructions on how to complete this Form. This Form should only be used to accept the offer by Inversiones Telefónica Internacional Holding Limitada ("Purchaser"), a limited liability company (*sociedad de responsabilidad limitada*) organized and existing under the laws of the Republic of Chile and an indirect wholly owned subsidiary of Telefónica, S.A. ("Telefónica"), a publicly held stock corporation organized and existing under the laws of the Kingdom of Spain, to purchase shares of common stock (the "Shares") of Compañía de Telecomunicaciones de Chile S.A. (the "Company"), a publicly traded stock corporation organized under the laws of the Republic of Chile, other than Shares currently owned directly or indirectly by Telefónica, from all holders of Shares resident in the United States (the "U.S. Holders"), upon the terms and subject to the conditions set forth in the Offer to Purchase, Form of Acceptance, ADS Letter of Transmittal and ADS Notice of Guaranteed Delivery (which, as the same may be amended and supplemented from time to time, constitute the "U.S. Offer").

Shares beneficially owned or held of record by persons who are not U.S. Holders cannot be tendered pursuant to the U.S. Offer and can only be tendered pursuant to the concurrent Chilean Offer (as defined in the Offer to Purchase). If you are a holder of American Depositary Shares ("ADSs"), you will receive and should complete an ADS Letter of Transmittal and related documents in accordance with the instructions set out therein. If you wish to accept the U.S. Offer, send this completed and signed Form, together with the documents identified below to Santander S.A. Corredores de Bolsa (the "Share Depository"), c/o Citibank, N.A., at the address set forth on the front cover as soon as possible and in any event so as to arrive not later than 3:30 p.m., New York City time, on December 31, 2008, unless the U.S. Offer is extended.

If your *título(s)* and other documentation are not readily available or are lost, this Form should nevertheless be completed, signed and returned as stated above so as to arrive not later than 3:30 p.m., New York City time, on December 31, 2008, unless the U.S. Offer is extended.

Your acceptance of the U.S. Offer is on the terms and subject to the conditions contained in the Offer to Purchase and in this Form. In the event of an inconsistency between the terms and procedures in this Form and the Offer to Purchase, the terms and procedures in the Offer to Purchase shall govern.

If you have any questions as to how to complete this Form, please contact the Information Agent at (800) 859-8511. **Do not detach any part of this Form.**

Instructions for Completion and Submission of this Form

If you wish to accept the U.S. Offer you should:

- (i) complete and sign this Form in accordance with the instructions set out below;
- (ii) forward this Form, together with the following documents to the Share Depository at the address set forth on the front cover:
 - (a) *título(s)* evidencing ownership of Shares, if Shares are held in certificated form,
 - (b) a certificate from the Share department of the Company or the *Depósito Central de Valores* (the "DCV") evidencing the number of Shares, if any, held on deposit at the DCV, the number of Shares and original issued Shares, if any, held by the holder, and indicating the liens or encumbrances that effect the Shares,
 - (c) duly signed *traspaso(s)* (deed of transfer) indicating the number of Shares and the number of original issue Shares, if any, to be tendered, with the date of such *traspaso(s)* in blank,
 - (d) in the case of Shares held on deposit at the DCV, a letter to the DCV instructing the DCV to perform a book-entry transfer in favor of Purchaser,
 - (e) in the case the U.S. Holder is an individual, a copy of the U.S. Holder's passport or photo identification card,
 - (f) in the case the U.S. Holder is an entity, (1) a secretary's certificate certifying the name, title and specimen signature of an officer authorized to execute the transfer documents and a copy of the entity's

organizational documents, and (2) a copy of the passport or photo identification card of the authorized officer, and

(g) any other documents requested by the Share Depository to evidence the authority of the U.S. Holder to tender and sell its Shares; and

(iii) ensure that they are sent so that they arrive or are delivered at the address of the Share Depository set forth above not later than 3:30 p.m., New York City time, on December 31, 2008, unless the U.S. Offer is extended.

The Share Depository has established an account with respect to the Shares at DCV for purposes of the U.S. Offer. Shares held in book-entry form may be tendered by sending or submitting by hand to the Share Depository at its address set forth on the front cover of this Form of Acceptance a properly completed and duly executed Form of Acceptance, together with items (b) through (g) above, as applicable, and effecting book-entry delivery of the Shares to the above-mentioned account of the Share Depository.

Power of Attorney

By accepting the U.S. Offer and signing this Form you hereby grant a special irrevocable power of attorney to the Share Depository authorizing the Share Depository to complete and execute the *traspaso(s)* and all or any forms of transfer and/or other documents at the discretion of the Share Depository in relation to the Shares and to deliver such form(s) of transfer and/or other document(s) at the discretion of the Share Depository together with the *titulo(s)* and/or other document(s) of title relating to such Shares and to do all such other acts and things as may in the opinion of the Share Depository be necessary or expedient for the purpose of, or in connection with, the acceptance of the U.S. Offer and to vest in Purchaser or its nominee (s) the Shares. By signing this Form you hereby grant this irrevocable commercial power of attorney in the understanding that it is being granted in the interest of both the principal and the attorney-in-fact and that the attorney-in-fact shall not be liable for rendering of accounts or any other obligations to you as principal. This commercial power of attorney will be irrevocable unless this Form is revoked. If this Form is revoked, this power of attorney shall be understood as immediately revoked. This power of attorney revokes any and all sell orders of the Shares and powers of attorney granted in connection thereto given previously to this date.

By signing this Form of Acceptance you hereby grant an irrevocable authority and request (1) to the Company, its *Gerente General* (General Manager) or its agents to procure the registration of the transfer of the Shares pursuant to the U.S. Offer and the delivery of the new *titulo(s)* and/or other document(s) of title in respect thereof to Purchaser or as Purchaser may direct; and (2) to Purchaser or its agents to record and act upon any instructions with regard to notices and payments which have been recorded in the records of the Company in respect of such holder's holding(s) of Shares.

Negative Covenant

By signing this Form, you agree that, until the Expiration Date or until your Shares are withdrawn from the Offer, you will not sell, transfer, assign, pledge or in any other way dispose of or encumber the Shares tendered hereby.

Representation

By signing this Form, you declare that your Shares tendered are fully paid and free from liens, equities, charges and encumbrances and that you have the full power and authority to tender and assign your Shares pursuant to the U.S. Offer.

How to complete this Form
(Please complete in BLOCK CAPITALS)

1. The U.S. Offer

To accept the U.S. Offer, write in Box 1 the total number of Shares for which you wish to accept the U.S. Offer. If no number, or a number greater than your entire holding of Shares, is written in Box 1 and you have signed Box 2, you will be deemed to have written the number of Shares comprised in, and to have accepted the U.S. Offer in respect of all Shares tendered. To accept the U.S. Offer, complete Boxes 1 and 3 and, if applicable, Box 4, and sign Box 2 below.

BOX 1
Number of Shares to be Tendered

2. Signatures

You must execute Box 2 in order to tender your Shares and accept the U.S. Offer. If any of the Shares tendered hereby are owned of record by two or more joint owners, all such owners must sign this Form. If any of the tendered Shares are registered in different name on several Share certificates, it will be necessary to complete, sign and submit as many separate Forms as there are different registrations of the Share certificates.

If you sign in a capacity other than that of a registered holder (*e.g.*, under a Power of Attorney), please state the capacity in which you sign and send together with this Form either (i) proper evidence satisfactory to Purchaser of your authority to act in such capacity, or (ii) in the case of a Power of Attorney, an authorized copy of the Power of Attorney duly granted before a Notary Public in Chile or before the competent Chilean General Consul.

Sign here to accept the U.S. Offer

BOX 2

Box 2	
Execution by individuals Signed and delivered as a deed by	Execution by a company Executed and delivered as a deed by
<div></div>	<div></div>
(Name of record holder)	(Name of Company)
<div></div>	(Signature)
<div></div>	(Signature)
(The space above should be used to notarize as appropriate)	

3. Name(s) and address

Complete Box 3 with the full name and address of the sole or first named registered holder together with the names of all other joint holders (if any) in BLOCK CAPITALS.

Full name(s) and address

Box 3				
First registered holder 1. First name(s) (Mr. Mrs. Miss Title) Last name	Joint registered holder(s) 2. First name(s) (Mr. Mrs. Miss Title) Last name	Joint registered holder(s) 3. First name(s) (Mr. Mrs. Miss. Title) Last name	Joint registered holder(s) 4. First name(s) (Mr. Mrs. Miss Title) Last name	5. Corporation(s) Name of Corporation
Address	Address	Address	Address	Address
Zip code	Zip code	Zip code	Zip code	Zip code

Please provide your daytime telephone number in the event that there are any questions regarding the above.

Daytime Telephone No. _____

4. Alternative address

Insert in Box 4 the name and address of the person or agent (for example, your bank) to whom you wish the consideration or returned documents to be sent if not the same as in Box 3. Complete this box if you wish the consideration and/or other documents to be sent to someone other than the first-named registered holder at the address set out in Box 3.

BOX 4	
Name	
Address	
Daytime telephone number	

Additional notes regarding the completion and submission of this Form

In order to be effective, this Form must, except as mentioned below, be executed personally by the registered holder or, in the case of a joint holding, by the representative of ALL the joint holders as provided for in Article 23 of Law 18.046 of the Chilean Corporations Law. A corporation must execute this Form by means of an authorized officer.

1. If your *título(s)* is/are held by your stockbroker, bank or some other agent

You should either obtain from your stockbroker, bank or other agent the *título(s)* in your name and submit it to the Share Depositary together with the *traspaso(s)* with the date in blank and this Form duly signed with all the documents indicated above or, alternatively, you should instruct your stockbroker, bank or other agent to tender your Shares in the manner specified above.

2. If you have lost any of your share certificates

The completed Form, together with any *título(s)* which you have available, should be sent to or delivered by hand to the Share Depositary at the address set forth on the front cover accompanied by a letter stating that you have lost or destroyed one or more of your *título(s)*. You should then follow the procedures provided for in Article 21 of Decree 587 of 1982 and thereupon request the Shareholders' registry of the Company to issue substitute *título(s)*.

3. If a holder is away from home (e.g., abroad or on holiday) or if this Form is being signed under a Power of Attorney

Send this Form by the quickest means (e.g., air mail) to the holder for execution or, if the holder has executed a Power of Attorney, have this Form signed by the Attorney. The completed Form together with the required documents should be deposited with the Share Depositary at the address set forth on the front cover accompanied by the Power of Attorney (or a duly certified copy thereof, provided the signature is original). Any Power of Attorney must have been granted before a Notary Public in Chile or before the competent Chilean General Consul. The Power of Attorney (or a duly certified copy thereof) will be submitted for registration by the Share Depositary and returned as directed. No other signatures are acceptable.

4. If you have sold off all your holdings

You should send this Form at once to the stockbroker, bank or other agent through whom the sale was effected for transmission to the purchaser.

5. If you have any questions

You should immediately contact your stockbroker, bank or other agent or the D.F. King & Co., Inc. at (800) 859-8511.

The consideration due to you under the U.S. Offer cannot be sent to you until all relevant documents have been properly completed and sent to or deposited with the Share Depositary. Notwithstanding that no *título(s)* and/or other document(s) of title is/are delivered with it, this Form, if otherwise valid, accompanied by the appropriate endorsement or certificate signed on behalf of the transfer agent of the Company will be treated as a valid acceptance of the U.S. Offer.

6. If your tendered Shares are accepted for payment, you may be subject to U.S. income tax backup withholding

Under U.S. federal income tax law, the amount of any payments made by the Share Depositary to holders of Shares (other than corporate and certain other exempt holders) pursuant to the U.S. Offer may be subject to backup withholding tax currently at a rate of 28%. To avoid such backup withholding tax with respect to payments pursuant to the U.S. Offer, a non-exempt, tendering "U.S. Holder" (as defined in "The U.S. Offer — Section 6 — Certain Tax Considerations") must provide the Share Depositary with such holder's correct taxpayer identification number ("TIN") and certify under penalty of perjury that (1) the TIN provided is correct (or that such holder is awaiting a TIN) and (2) such holder is not subject to backup withholding tax by completing the Substitute Form W-9 included as part of the Form of Acceptance. If backup withholding applies with respect to a holder of Shares or if a holder of Shares fails to deliver a completed Substitute Form W-9 to the Share Depositary or otherwise establish an exemption, the Share Depositary is required to withhold 28% of any payments made to such holder. See "The U.S. Offer — Section 6 — Certain Tax Considerations."

The box in Part 3 of Substitute Form W-9 may be checked if the holder of Shares is required to submit a Substitute Form W-9 and has not been issued a TIN and has applied for a TIN or intends to apply for a TIN in the near future. If the box in Part 3 is so checked and the Share Depository is not provided with a TIN by the time of payment, the Share Depository will withhold 28% on all such payments until a TIN is provided to the Share Depository.

Backup withholding is not an additional tax. Rather, the tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained by filing a tax return with the Internal Revenue Service. The Share Depository cannot refund amounts withheld by reason of backup withholding.

7. If I want to make a partial tender

If fewer than all of the Shares delivered to the Share Depository are to be tendered, fill in the number of Shares which are to be tendered in Box 1. In such case, a new *titulo* for the remainder of the Shares represented by the old *titulo* will be sent to the person(s) signing this Form, unless otherwise provided in Box 4, as promptly as practicable following the date the tendered Shares are accepted for payment. All Shares delivered to the Share Depository will be deemed to have been tendered unless otherwise indicated in Box 1.

TO BE COMPLETED BY ALL TENDERING HOLDERS

Substitute Form W-9 Request for Taxpayer Identification Number and Certification

Name as shown on account (if joint, list first and circle name of the person or entity whose number you enter below)			
Name:			
Please check the appropriate box:	<input type="checkbox"/> Individual/sole proprietor	<input type="checkbox"/> Corporation	<input type="checkbox"/> Exempt from Backup
	<input type="checkbox"/> Partnership	<input type="checkbox"/> Other (specify): _____	Withholding
Address:			
City, State, and Zip Code:			

PART I SUBSTITUTE Form W-9 Department of the Treasury Internal Revenue Service Payer's Request for Taxpayer Identification Number (TIN)	TAXPAYER IDENTIFICATION NO. FOR ALL ACCOUNTS Enter your taxpayer identification number in the appropriate box. For most individuals this is your social security number. If you do not have a number, see the enclosed Guidelines. Note: If the account is in more than one name, see the chart in the enclosed Guidelines on which number to give the payer.	Social Security Number Employer Identification Number
PART II <input type="checkbox"/> Awaiting TIN		
PART III Certification — Under penalties of perjury, I certify that: (1) the number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me), (2) I am not subject to backup withholding either because I have not been notified by the Internal Revenue Service ("IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to backup withholding, and (3) I am a U.S. person (including a U.S. resident alien). Certification Instructions — You must cross out Item (2) above if you have been notified by the IRS that you are subject to backup withholding because of under reporting interest or dividends on your tax returns. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS that you are no longer subject to backup withholding, do not cross out Item (2). The certification requirement does not apply to real estate transactions, mortgage interest paid, the acquisition or abandonment of secured property, contributions to an individual retirement account, and payments other than interest and dividends. Also see "Signing the Certification" under "Specific Instructions" in the enclosed Guidelines.		
SIGNATURE _____ DATE _____		

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU WROTE "APPLIED FOR" IN THE SPACE FOR THE "TIN" IN PART I ON THE SUBSTITUTE FORM W-9.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER	
I certify under the penalty of perjury that a taxpayer identification number has not been issued to me and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number within 60 days, 28% of all reportable payments made to me thereafter will be withheld until I provide a number.	
_____	_____
Signature	Date

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION
NUMBER ON SUBSTITUTE FORM W-9

Guidelines for Determining the Proper Identification Number to Give the Payer — Social Security numbers have nine digits separated by two hyphens: i.e., 000-00-0000. Employer identification numbers have nine digits separated by only one hyphen: i.e., 00-0000000. The table below will help determine the number to give the payer.

For this type of account:	GIVE THE NAME AND SOCIAL SECURITY NUMBER OF —
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account (1)
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor (2)
4. (a.) The usual revocable savings trust account (grantor is also trustee)	The grantor-trustee (1)
(b.) So-called trust account that is not a legal or valid trust under state law	The actual owner (1)
5. Sole proprietorship or disregarded entity owned by an individual	The owner (3)
6. A disregarded entity not owned by an individual	The owner
7. A valid trust, estate or pension trust	The legal entity (4)
8. Corporate account or account of LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable or other tax-exempt organization	The organization
10. Partnership account held in the name of the business or account of multi-member LLC (other than an LLC described in item 10)	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district or prison) that receives agricultural program payments	The public entity

- (1) List first and circle the name of the person whose number you furnish. If only one person has a social security number, that person's number must be furnished.
- (2) Circle the minor's name and furnish the minor's social security number.
- (3) You must show your individual name, but you may also enter your business or "doing business as" name. You may use either your social security number or employer identification number (if you have one), but the IRS encourages you to use your Social Security Number.
- (4) List first and circle the name of the legal trust, estate or pension trust (do not furnish the identifying number of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

NOTE: If no name is circled when there is more than one name, the number will be considered to be that of the first name listed.

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9, Cont.

OBTAINING A NUMBER

If you do not have a TIN or you do not know your number, obtain Form SS-5, Application for a Social Security Number Card, or Form SS-4, Application for Employer Identification Number, at the local office of the Social Security Administration or the Internal Revenue Service and apply for a number. Section references in these guidelines refer to sections under the Internal Revenue Code of 1986, as amended.

PAYEEES EXEMPT FROM BACKUP WITHHOLDING

Even if the payee does not provide a TIN in the manner required, the payer is **not required** to backup withhold on any payments made to a payee that is:

1. An organization exempt from tax under section 501(a), any individual retirement account ("IRA") where the payor is also the trustee or custodian, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2).
2. The United States or any of its agencies or instrumentalities.
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities.
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities.
5. An international organization or any of its agencies or instrumentalities.

Other payees that **may be exempt** from backup withholding include:

1. A corporation.
2. A foreign central bank of issue.
3. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States.
4. A futures commission merchant registered with the Commodity Futures Trading Commission.
5. A real estate investment trust.
6. An entity registered at all times during the tax year under the Investment Company Act of 1940.
7. A common trust fund operated by a bank under section 584(a).
8. A financial institution.
9. A middleman known in the investment community as a nominee or custodian.
10. A trust exempt from tax under section 664 or described in section 4947.

PAYMENTS EXEMPT FROM BACKUP WITHHOLDING

Dividends and patronage dividends that generally are exempt from backup withholding include:

- Payments to nonresident aliens subject to withholding under section 1441.
- Payments to partnerships not engaged in a trade or business in the United States and that have at least one nonresident alien partner.
- Payments of patronage dividends not paid in money.
- Payments made by certain foreign organizations.
- Section 404(k) distributions made by an ESOP.

Interest payments that generally are exempt from backup withholding include:

- Payments of interest on obligations issued by individuals. However, if you pay \$600 or more of interest in the course of **your trade or business** to a payee, you must report the payment. Backup withholding applies to the reportable payment if the payee has not provided a TIN or has provided an incorrect TIN.
- Payments of tax-exempt interest (including exempt-interest dividends under section 852).
- Payments described in section 6049(b)(5) to nonresident aliens.
- Payments on tax-free covenant bonds under section 1451.
- Payments made by certain foreign organizations.
- Mortgage or student loan interest paid to you.

Other types of payments that generally are exempt from backup withholding include:

- Wages.
- Distributions from a pension, annuity, profit-sharing or stock bonus plan, any IRA where the payor is also the trustee or custodian, an owner-employee plan, or other deferred compensation plan.
- Distributions from qualified tuition programs or Coverdell ESAs.
- Certain surrenders of life insurance contracts.
- Gambling winnings if withholding is required under section 3402(q). However, if withholding is not required under section 3402(q), backup withholding applies if the payee fails to furnish a TIN.
- Real estate transactions reportable under section 6045(e).
- Cancelled debts reportable under section 6050P.
- Certain payment card transactions by a qualified payment card agent (as described in Revenue Procedure 2004-42 and Treasury Regulations section 31.3406(g)-1(f)) and if the requirements under Treasury Regulations section 31.3406(g)-1(f) are met.
- Distributions from a medical savings account and long-term care benefits.
- Fish purchases for cash reportable under section 6050R.

Exempt payees described above should file Form W-9 to avoid possible erroneous backup withholding. **FILE THIS FORM WITH THE PAYER, FURNISH YOUR TIN, WRITE "EXEMPT" ON THE FACE OF THE FORM AND RETURN IT TO THE PAYER. IF THE PAYMENTS ARE INTEREST, DIVIDENDS OR PATRONAGE DIVIDENDS, ALSO SIGN AND DATE THE FORM.**

Certain payments other than interest, dividends and patronage dividends not subject to information reporting are also not subject to backup withholding. For details, see the regulations under Internal Revenue Code sections 6041, 6041A, 6042, 6044, 6045, 6049, 6050A and 6050N.

Privacy Act Notice. --- Section 6109 of the Internal Revenue Code requires you to give your correct TIN to persons who must file information returns with the IRS to report, among other things, interest, dividends, and certain other income paid to you. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. possessions to carry out their tax laws. The IRS may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

PENALTIES

(1) **Penalty for Failure to Furnish TIN.** — If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

(2) **Civil Penalty for False Information With Respect to Withholding.** — If you make a false statement with no reasonable basis that results in no imposition of backup withholding, you are subject to a penalty of \$500.

(3) **Civil and Criminal Penalties for False Information.** — Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

(4) **Misuse of Taxpayer Identification Numbers.** — If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

FOR ADDITIONAL INFORMATION CONTACT YOUR TAX CONSULTANT OR THE INTERNAL REVENUE SERVICE.

EXHIBIT 1

TRASPASO DE ACCIONES

Señor Gerente General de:
Sirvase Ud. Hacer traspasar

Acciones de la
de
las que he enajenado a
al precio de \$

TESTIGOS

propiedad, según títulos N
por cada accion
Santiago, de

Nombre :
Firma :
Domicilio :

Nombre :
Firma :
Domicilio :

FIRMA VENDEDOR O REPRESENTANTE

R.U.T. N :
Domicilio :
Comuna :
Ciudad :
Casilla :
Nacionalidad :
Rol Causa N
Por el presente acepto el traspaso precente y asimismo los estatutos de

Fono
E. Civil
Juzgado

la:

TESTIGOS

FIRMA DEL COMPRADOR

R.U.T. N :
Domicilio :
Comuna :
Ciudad :
Casilla :
Nacionalidad :

Fono
E. Civil

Nombre :
Firma :
Domicilio :
Nombre :
Firma :
Direccion :

Santiago, de

ADQUIRENTE O COMPRADOR SOLICITA

1.- Que la sociedad tenga a su disposicion el título correspondiente a las acciones adquiridas o compradas, dentro del plazo de 6 días hábiles contados desde la fecha de recepcion del traspaso

2.- Que la sociedad no emita el título en el plazo establecido en el N 1 precendente, sin perjuicio de la inscripcion del traspaso correspondiente, y del derecho a solicitar el título cuando lo considere oportuno.

Esta nota se transcribe en virtud de lo estipulado en la Circular N 1816 de la Superintendencia de Valores y Seguros de fecha 26 Octubre de 2006.

PARA USO INTERNO DE LA COMPANIA

SE CANCELO — SE SALDO

SE EMITIO

Título N

por

acciones

Título N

por

TRASPASO DE ACCIONES

Señor Gerente General de:

Sírvase Ud. Hacer traspasar

Acciones de la
de
las que he enajenado a
al precio de \$

propiedad, según títulos N

por caída acción
Santiago, de

TESTIGOS

Nombre :
Firma :
Domicilio :

FIRMA VENDEDOR O REPRESENTANTE

Nombre :
Firma :
Domicilio :

R.U.T. N :
Domicilio :
Comuna :
Ciudad :
Casilla : Fono
Nacionalidad : E. Civil
Rol Causa N Juzgado
Por el presente acepto el traspaso presente y asimismo los estatutos de

la:

TESTIGOS

Nombre :
Firma :
Domicilio :
Nombre :
Firma :
Dirección :

FIRMA DEL COMPRADOR

R.U.T. N :
Domicilio :
Comuna :
Ciudad :
Casilla : Fono
Nacionalidad : E. Civil

Santiago, de

ADQUIRENTE O COMPRADOR SOLICITA

- 1.- Que la sociedad tenga a su disposición el título correspondiente a las acciones adquiridas o compradas, dentro del plazo de 6 días hábiles contados desde la fecha de recepción del traspaso
- 2.- Que la sociedad no emita el título en el plazo establecido en el N 1 precedente, sin perjuicio de la inscripción del traspaso correspondiente, y del derecho a solicitar el título cuando lo considere oportuno.

Esta nota se transcribe en virtud de lo estipulado en la Circular N 1816 de la Superintendencia de Valores y Seguros de fecha 26 Octubre de 2006.

PARA USO INTERNO DE LA COMPAÑIA

SE CANCELO — SE SALDO

SE EMITIO

Título N _____ por _____ acciones Título N _____ por _____
acciones

TRANSFER OF SHARES

General Manager of:

Please transfer

Shares of

owned by

which I have transferred to

at the price of \$

, according to title (*título*) No.

for each share

Santiago,

WITNESSES

Name :

Signature :

Address :

SIGNATURE VENDOR OR REPRESENTATIVE

Name :

Signature :

Address :

R.U.T. No. :

Address :

Commune :

City :

PO Box :

Nationality :

Docket No.

Telephone

Marital Status

Court

I hereby accept the aforementioned transfer and also the bylaws of

the:

WITNESSES

Name :

Signature :

Address :

Name :

Signature :

Address :

SIGNATURE OF THE PURCHASER

R.U.T. No. :

Address :

Commune :

City :

PO Box :

Nationality :

Telephone

Marital Status

Santiago,

ACQUIRER OR PURCHASER REQUESTS

1.- That the company have available to him/her/It the certificate corresponding to the shares acquired or purchased, with a period of 6 business days from the date the transfer is received.

2.- That the company not issue the certificate within the period established in no. 1 above, without prejudice to the corresponding transfer, and the right to request the certificate when deemed appropriate.

This note is transcribed in virtue of the provisions of Superintendency of Securities and Insurance Circular No. 1816 dated October 26, 2006.

FOR INTERNAL USE BY THE COMPANY

PAID

ISSUED

Certificate No _____ for _____ Shares Certificate No _____ for _____

shares

TRANSFER OF SHARES

General Manager of:

Please transfer

Shares of _____, according to title (*título*) No. _____
owned by _____
which I have transferred to _____
at the price of \$ _____ for each share
Santiago,

WITNESSES

Name : _____
Signature : _____
Address : _____

SIGNATURE VENDOR OR REPRESENTATIVE

Name : _____
Signature : _____
Address : _____

R.U.T. No. : _____
Address : _____
Commune : _____
City : _____
PO Box : _____ Telephone _____
Nationality : _____ Marital Status _____
Docket No. _____ Court _____
I hereby accept the aforementioned transfer and also the bylaws of

the:

WITNESSES

Name : _____
Signature : _____
Address : _____
Name : _____
Signature : _____
Address : _____

SIGNATURE OF THE PURCHASER

R.U.T. No. : _____
Address : _____
Commune : _____
City : _____
PO Box : _____ Telephone _____
Nationality : _____ Marital Status _____

Santiago,

ACQUIRER OR PURCHASER REQUESTS

- 1.- That the company have available to him/her/it the certificate corresponding to the shares acquired or purchased, with a period of 6 business days from the date the transfer is received.
- 2.- That the company not issue the certificate within the period established in no. 1 above, without prejudice to the corresponding transfer, and the right to request the certificate when deemed appropriate.

This note is transcribed in virtue of the provisions of Superintendency of Securities and Insurance Circular No. 1816 dated October 26, 2006.

FOR INTERNAL USE BY THE COMPANY

PAID

ISSUED

Certificate No _____ for _____ Shares Certificate No _____ for _____
shares

Exhibit (a)(4)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about what action to take, you should consult your stockbroker, bank manager, lawyer, accountant or other professional or investment advisor.

If you have sold or transferred all of your American Depositary Shares ("ADSs") in Compañía de Telecomunicaciones de Chile S.A., please send this ADS Notice of Guaranteed Delivery together with the accompanying documents as soon as possible to the stockbroker, bank or other agent through whom the sale was effected for transmission to the purchaser.

This document should be read in conjunction with the Offer to Purchase dated December 2, 2008 (the "Offer to Purchase"). The definitions used in the Offer to Purchase apply in this ADS Notice of Guaranteed Delivery. All terms and conditions contained in the Offer to Purchase applicable to the U.S. Offer (as defined in the Offer to Purchase) for ADSs are deemed to be incorporated in and form part of this ADS Notice of Guaranteed Delivery.

ADS NOTICE OF GUARANTEED DELIVERY

to Tender American Depositary Shares
(evidenced by American Depositary Receipts)
of

Compañía de Telecomunicaciones de Chile S.A.

Pursuant to the Offer to Purchase
dated December 2, 2008

by

INVERSIONES TELEFÓNICA INTERNACIONAL HOLDING LIMITADA

a limited liability company (*sociedad de responsabilidad limitada*) owned by

TELEFÓNICA, S.A.

THE U.S. OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 3:30 P.M., NEW YORK
CITY TIME, ON DECEMBER 31, 2008, UNLESS THE U.S. OFFER IS EXTENDED.

The Depositary for the ADSs in the U.S. Offer is:

Citibank, N.A.

By Mail:
Citibank, N.A.
Corporate Actions
P.O. Box 43035
Providence, RI 02940-3035

By Hand/Overnight Courier:
Citibank, N.A.
Corporate Actions
250 Royall Street
Canton, MA 02021

By Facsimile Transmission:

(Eligible Institutions Only)
Facsimile Number: (202) 222-4593
To Confirm Facsimile Transmissions:
(201) 222-4133 or (201) 324-3455

As set forth under "The U.S. Offer — Section 4 — Procedures for Accepting the U.S. Offer — Holders of ADSs" in the Offer to Purchase, this ADS Notice of Guaranteed Delivery (or a copy) (this "Form") must be used to tender ADSs pursuant to the U.S. Offer if the ADRs evidencing such ADSs are not immediately available or time will not permit all required documents to reach the U.S. Depositary prior to the termination of the U.S. Offer. This Form, properly completed and duly executed (including the guarantee by an Eligible Institution in the form set forth hereinafter), may be delivered by hand or mail or by facsimile, if sent by an Eligible Institution, to the U.S. Depositary. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Offer to Purchase.

DELIVERY OF THIS FORM TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE DOES NOT CONSTITUTE A VALID DELIVERY.

This Form is not to be used to guarantee signatures other than for the purposes described in this Form. If a signature on an ADS Letter of Transmittal is required to be guaranteed by an Eligible Institution under the instructions thereto, such signature guarantee must appear in the applicable space provided in the signature box on such ADS Letter of Transmittal.

In the case of ADSs held through the Book-Entry Transfer Facility, the ADS Notice of Guaranteed Delivery must be delivered to the U.S. Depositary by a participant in the Book-Entry Transfer Facility via Agent's Message in the book-entry confirmation system.

Shares of Compañía de Telecomunicaciones de Chile S.A. may not be tendered by means of this Form.

Ladies and Gentlemen:

The undersigned hereby tenders to Inversiones Telefónica Internacional Holding Limitada ("Purchaser"), a limited liability company (*sociedad de responsabilidad limitada*) organized and existing under the laws of the Republic of Chile and an indirect wholly owned subsidiary of Telefónica, S.A. ("Telefónica"), a publicly held stock corporation organized and existing under the laws of the Kingdom of Spain, the ADSs indicated below upon the terms and subject to the conditions set forth below and pursuant to the Guaranteed Delivery Procedures described in the Offer to Purchase under "The U.S. Offer — Section 4 Procedures for Accepting the U.S. Offer — Holders of ADSs" in the Offer to Purchase.

Name of Record Holder(s): _____

Address(es) (including Zip Code): _____

Area Code(s) and Tel. No(s).: _____

Signature(s): _____

Date: _____

Number of ADSs: _____

ADR Number(s) if available: _____

If ADSs will be tendered by book-entry transfer check box:

☐ The Depository Trust Company

Account Number: _____

GUARANTEE

The undersigned, a financial institution which is a participant in the Security Transfer Agents Medallion Program, the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program (each an "Eligible Institution"), hereby guarantees that the undersigned will deliver to the U.S. Depositary the ADRs representing the ADSs tendered hereby, in proper form for transfer, together with a properly completed and duly executed ADS Letter of Transmittal with any required signature guarantees and any other required documents, all within three NYSE trading days after the date hereof.

<div>Name of Firm:</div> <div></div> <div></div> <div></div> <div>Address: (Zip Code)</div> <div>Area Code and Tel No.:</div> <div>Email:</div>	<div>Authorized Signature:</div> <div></div> <div>Name: (Please Print)</div> <div>Title:</div> <div>Date:</div>
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NOTE: DO NOT SEND SECURITIES WITH THIS FORM; SECURITIES SHOULD BE SENT WITH YOUR ADS LETTER OF TRANSMITTAL.

Exhibit (a)(5)

Offer to Purchase for Cash
Any and All of the Outstanding Shares of Common Stock
and
Any and All of the Outstanding American Depositary Shares
(evidenced by American Depositary Receipts)
of

Compañía de Telecomunicaciones de Chile S.A.

at
1,100 Chilean Pesos Net Per Series A Share of Common Stock,
990 Chilean Pesos Net Per Series B Share of Common Stock and
4,400 Chilean Pesos Net Per American Depositary Share
(each representing 4 Series A Shares of Common Stock)
by

Inversiones Telefónica Internacional Holding Limitada

a limited liability company (*sociedad de responsabilidad limitada*) owned by

Telefónica, S.A.

THE U.S. OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 3:30 P.M., NEW YORK CITY TIME, ON
DECEMBER 31, 2008, UNLESS THE U.S. OFFER IS EXTENDED.

December 2, 2008

To Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees of Clients for whose accounts you hold
Shares (as defined below):

Enclosed for your consideration are the Offer to Purchase, dated December 2, 2008 (the “Offer to Purchase”), and the related Form of Acceptance, ADS Letter of Transmittal and ADS Notice of Guaranteed Delivery (which together with amendments or supplements thereto constitute the “U.S. Offer”) relating to the offer by Inversiones Telefónica Internacional Holding Limitada (“Purchaser”), a limited liability company (*sociedad de responsabilidad limitada*) organized and existing under the laws of the Republic of Chile and an indirect wholly owned subsidiary of Telefónica, S.A. (“Telefónica”), a publicly held stock corporation organized and existing under the laws of the Kingdom of Spain, to purchase (1) any and all of the outstanding series A and series B shares of common stock (the “Shares”) of Compañía de Telecomunicaciones de Chile S.A. (the “Company”), a publicly traded stock corporation organized under the laws of the Republic of Chile, other than Shares currently owned directly or indirectly by Telefónica, from holders of Shares resident in the United States (the “U.S. Holders”), for 1,100 Chilean pesos per series A share and 990 Chilean pesos per series B share (2) any and all of the outstanding American Depositary Shares (“ADSs”) of the Company, each representing 4 series A Shares, other than ADSs currently owned directly or indirectly by Telefónica, for 4,400 Chilean pesos per ADS, in each case payable in United States dollars as provided below, net to the seller in cash and without interest thereon and subject to any required withholding of taxes, upon the terms and subject to the conditions of the U.S. Offer. The purchase price for Shares and the purchase price for ADSs accepted for payment pursuant to the U.S. Offer will, in each case, be paid in United States dollars, with the dollar amount thereof being determined by reference to the daily average dollar-to-peso exchange rate at which commercial banks conduct authorized transactions in Chile as determined by the Central Bank of Chile and published in the Official Gazette of Chile (the “Observed Exchange Rate”) on the Expiration Date (as defined below) or, if the Observed Exchange Rate is not published on the Expiration Date of the U.S. Offer, the Observed Exchange Rate published on the first day immediately preceding the Expiration Date of the U.S. Offer on which day the Observed Exchange Rate is published in the Official Gazette of Chile. Please furnish copies of the enclosed materials to those of your clients for whose account you hold Shares in your name or in the name of your nominee. All terms not otherwise defined herein have the meanings set forth in the Offer to Purchase.

For your information and for forwarding to those of your clients for whom you hold Shares registered in your name or in the name of your nominee, we are enclosing the following documents:

1. The Offer to Purchase, dated December 2, 2008;
2. A printed form of letter that may be sent to your clients for whose account you hold Shares registered in your name or in the name of a nominee, with space provided for obtaining such clients' instructions with regard to the U.S. Offer;
3. The Form of Acceptance to be used by U.S. Holders of Shares in accepting the U.S. Offer;
4. The ADS Letter of Transmittal to be used by holders of ADSs in accepting the U.S. Offer (which constitutes part of the U.S. Offer and is provided for informational purposes only);
5. The ADS Notice of Guaranteed Delivery (which constitutes part of the U.S. Offer and is provided for informational purposes only); and
6. The return envelope addressed to Citibank, N.A. (the "U.S. Depositary") (for tendering ADSs).

ADSs cannot be tendered by means of the enclosed Form of Acceptance (which is exclusively for use in respect of Shares). If you hold ADSs, you should use the enclosed ADS Letter of Transmittal for tendering such ADSs into the U.S. Offer by following the instructions set forth in such form. Additional information can be obtained from the Information Agent, D.F. King & Co., Inc. at (800) 859-8511.

We urge you to contact your clients as promptly as possible.

Please note the following:

1. The U.S. Offer is open to all holders of ADSs and to all holders of Shares resident in the United States. See "The U.S. Offer — Section 1 — Terms of the Offer" in the Offer to Purchase.
2. The tender price is the United States dollar equivalent of 1,100 Chilean pesos per series A share and 990 Chilean pesos per series B share, net to the seller in cash and without any interest thereon, as set forth in the Offer to Purchase. Consideration for Shares validly tendered and not withdrawn will be paid in United States dollars, with the dollar amount thereof being determined based upon the Observed Exchange Rate published on the Expiration Date (or if the Observed Exchange Rate is not published on the Expiration Date of the U.S. Offer, the Observed Exchange Rate published on the first day immediately preceding the Expiration Date of the U.S. Offer on which day the Observed Exchange Rate is published in the Official Gazette of Chile).
3. Tendering holders of Shares registered in their own name and who tender directly to the U.S. Depositary will not be obligated to pay brokerage fees or commissions pursuant to the U.S. Offer. However, U.S. federal income tax backup withholding at a rate of 28% may be required, unless the required taxpayer identification information is provided. See Instruction 6 of the Form of Acceptance.
4. The U.S. Offer and withdrawal rights will expire at 3:30 p.m., New York City time, on December 31, 2008, unless the U.S. Offer is extended (the "Expiration Date").
5. Notwithstanding any other provision of the U.S. Offer, payment for Shares accepted for purchase pursuant to the U.S. Offer will in all cases be made only after timely receipt by Santander S.A. Corredores de Bolsa, (the "Share Depositary") of the completed Form of Acceptance, together with the following documents:
 - (a) *título(s)* evidencing ownership of Shares, if Shares are held in certificated form;
 - (b) a certificate from the Share department of the Company or the *Deposito Central Valores* ("DCV") evidencing the number of Shares, if any, held on deposit at the DCV, the number of Shares and original issue Shares, if any, held by the holder, and indicating the liens or encumbrances that effect the Shares;
 - (c) duly signed *traspaso(s)* (deed of transfer) indicating the number of Shares and the number of original issue Shares, if any, to be tendered, with the date of such *traspaso(s)* in blank;

(d) in the case of Shares held on deposit at the DCV, a letter to the DCV instructing the DCV to perform a book-entry transfer in favor of Purchaser;

(e) in the case the U.S. Holder is an individual, a copy of the U.S. Holder's passport or photo identification card;

(f) in the case the U.S. Holder is an entity, (1) a secretary's certificate certifying the name, title and specimen signature of an officer authorized to execute the transfer documents and a copy of the entity's organizational documents, and (2) a copy of the passport or photo identification card of the authorized officer; and

(g) other documents required by the Form of Acceptance.

The Share Depositary has established an account with respect to the Shares at DCV for purposes of the U.S. Offer. Shares held in book-entry form may be tendered by sending or submitting by hand to the Share Depositary at its address set forth on the front cover of this Form of Acceptance a properly completed and duly executed Form of Acceptance, together with items (b) through (g) above, as applicable, and effecting book-entry delivery of the Shares to the above-mentioned account of the Share Depositary.

Purchaser will not pay any fees or commissions to any broker, dealer or other person for soliciting tenders of Shares and/or ADSs pursuant to the U.S. Offer (other than to the Share Depositary and the U.S. Depositary as described in the Offer to Purchase). Purchaser will, however, upon request, reimburse you for customary mailing and handling expenses incurred by you in forwarding offering material to your clients.

Any inquiries you may have with respect to the U.S. Offer should be addressed to the Information Agent in the U.S. Offer at the address and telephone numbers set forth on the back page of the Offer to Purchase.

Requests for copies of the enclosed materials should be directed to the U.S. Depositary.

Very truly yours,

Inversiones Telefónica Internacional Holding Limitada

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON AS THE AGENT OF PURCHASER, THE COMPANY, THE SHARE DEPOSITARY, THE U.S. DEPOSITARY OR ANY AFFILIATE OF ANY OF THEM, OR AUTHORIZE YOU OR ANY OTHER PERSON TO MAKE ANY STATEMENT OR USE ANY DOCUMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE U.S. OFFER OTHER THAN THE ENCLOSED DOCUMENTS AND THE STATEMENTS CONTAINED THEREIN.

Exhibit (a)(6)

Offer to Purchase for Cash
Any and All of the Outstanding Shares of Common Stock
and
Any and All of the Outstanding American Depositary Shares
(evidenced by American Depositary Receipts)
of

Compañía de Telecomunicaciones de Chile S.A.

at
1,100 Chilean Pesos Net Per Series A Share of Common Stock
990 Chilean Pesos Net Per Series B Share of Common Stock and
4,400 Chilean Pesos Net Per American Depositary Share
(each representing 4 Series A Shares of Common Stock)
by

Inversiones Telefónica Internacional Holding Limitada

a limited liability company (*sociedad de responsabilidad limitada*) owned by

Telefónica, S.A.

THE U.S. OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 3:30 P.M., NEW YORK CITY TIME, ON
DECEMBER 31, 2008, UNLESS THE U.S. OFFER IS EXTENDED.

December 2, 2008

To Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees of Clients for whose accounts you hold
ADSs (as defined below):

Enclosed for your consideration and for forwarding to your clients are the Offer to Purchase, dated December 2, 2008 (the "Offer to Purchase"), ADS Letter of Transmittal and ADS Notice of Guaranteed Delivery (which together with amendments or supplements thereto constitute the "U.S. Offer") and a printed form of letter which may be sent to your client relating to the offer by Inversiones Telefónica Internacional Holding Limitada ("Purchaser"), a limited liability company (*sociedad de responsabilidad limitada*) organized and existing under the laws of the Republic of Chile and an indirect wholly owned subsidiary of Telefónica, S.A. ("Telefónica"), a publicly held stock corporation organized and existing under the laws of the Kingdom of Spain, to purchase (1) any and all of the outstanding shares of series A and series B common stock (the "Shares") of Compañía de Telecomunicaciones de Chile S.A. (the "Company"), a publicly traded stock corporation organized under the laws of the Republic of Chile, other than Shares currently owned directly or indirectly by Telefónica, from holders of Shares resident in the United States (the "U.S. Holders"), for 1,100 Chilean pesos per series A share and 990 Chilean pesos per series B share and (2) any and all of the outstanding American Depositary Shares ("ADSs") of the Company, each representing 4 series A Shares, other than ADSs currently owned directly or indirectly by Telefónica, for 4,400 Chilean pesos per ADS, in each case payable in United States dollars as provided below, net to the seller in cash and without interest thereon and subject to any required withholding of taxes, upon the terms and subject to the conditions of the U.S. Offer. The purchase price for Shares and the purchase price for ADSs accepted for payment pursuant to the U.S. Offer will, in each case, be paid in United States dollars, with the dollar amount thereof being determined by reference to the daily average dollar-to-peso exchange rate at which commercial banks conduct authorized transactions in Chile as determined by the Central Bank of Chile and published in the Official Gazette of Chile (the "Observed Exchange Rate") on the Expiration Date (as defined below) or, if the Observed Exchange Rate is not published on the Expiration Date of the U.S. Offer, the Observed Exchange Rate published on the first day immediately preceding the Expiration Date of the U.S. Offer on which day the Observed Exchange Rate is published in the Official Gazette of Chile. Please furnish copies of the enclosed materials to those of your clients for whose account you hold ADSs in your name or in the name of your nominee. All terms not otherwise defined herein have the meanings set forth in the Offer to Purchase.

For your information and for forwarding to those of your clients for whom you hold Shares registered in your name or in the name of your nominee, we are enclosing the following documents:

1. The Offer to Purchase, dated December 2, 2008;
2. A printed form of letter that may be sent to your clients for whose account you hold ADSs registered in your name or in the name of a nominee, with space provided for obtaining such clients' instructions with regard to the U.S. Offer;
3. The ADS Letter of Transmittal to be used by holders of ADSs in accepting the U.S. Offer;
4. The ADS Notice of Guaranteed Delivery to be used to accept the U.S. Offer if ADRs evidencing ADSs and all other required documents are not immediately available or cannot be delivered to the U.S. Depositary by the Expiration Date or if, in the case of book-entry delivery of ADSs, the procedures for book-entry transfer set forth in "The U.S. Offer — Section 4 — Procedure for Accepting the U.S. Offer — Holders of ADSs" in the Offer to Purchase cannot be completed by the Expiration Date.

Shares cannot be tendered by means of the enclosed ADS Letter of Transmittal (which is exclusively for use in respect of ADSs). If you hold Shares, you should contact the Information Agent at (800) 859-8511.

We urge you to contact your clients as promptly as possible.

Please note the following:

1. The U.S. Offer is open to all holders of ADSs and to all holders of Shares resident in the United States. See "The U.S. Offer — Section — Terms of the Offer" in the Offer to Purchase.
2. The tender price is the United States dollar equivalent of 4,400 Chilean pesos per ADS, net to the seller in cash and without any interest thereon, and subject to applicable fees, taxes, expenses and charges, as set forth in the Offer to Purchase. Consideration for ADSs validly tendered and not withdrawn will be paid in United States dollars, with the dollar amount thereof being determined based upon the Observed Exchange Rate published on the Expiration Date (or if the Observed Exchange Rate is not published on the Expiration Date of the U.S. Offer, the Observed Exchange Rate published on the first day immediately preceding the Expiration Date of the U.S. Offer on which day the Observed Exchange Rate is published in the Official Gazette of Chile).
3. Tendering holders of ADSs registered in their own name and who tender directly to the U.S. Depositary will not be obligated to pay brokerage fees or commissions or, except as set forth in Instruction 6 of the ADS Letter of Transmittal, transfer taxes on the purchase of ADSs by Purchaser pursuant to the U.S. Offer. However, U.S. federal income tax backup withholding at a rate of 28% may be required, unless the required taxpayer identification information is provided. See Instruction 11 of the ADS Letter of Transmittal.
4. The U.S. Offer and withdrawal rights will expire at 3:30 p.m., New York city time, on December 31, 2008, unless the U.S. Offer is extended (the "Expiration Date").
5. Notwithstanding any other provision of the U.S. Offer, payment for ADSs accepted for purchase pursuant to the U.S. Offer will in all cases be made only after timely receipt by the U.S. Depositary of ADRs evidencing such tendered ADSs or book-entry transfer of such ADSs, together with a properly completed and duly executed ADS Letter of Transmittal or an Agent's Message (as defined in "The U.S. Offer — Section 4 — Procedures for Accepting the U.S. Offer — Holders of ADSs" in the Offer to Purchase) confirming transfer of such tendered ADSs into the U.S. Depositary's account at the Book-Entry Transfer Facility (as defined in "The U.S. Offer — Section 4 — Procedures for Accepting the U.S. Offer — Holders of ADSs" in the Offer to Purchase), and all other required documents.

If holders of ADSs wish to tender, but it is impracticable for them to forward their ADRs or other required documents or complete the procedures for book-entry transfer of ADSs prior to the Expiration Date, a tender may be effected by following the guaranteed delivery procedures specified in "The U.S. Offer — Section 4 — Procedures for Accepting the U.S. Offer — Holders of ADSs" of the Offer to Purchase.

Purchaser will not pay any fees or commissions to any broker, dealer or other person for soliciting tenders of ADSs pursuant to the U.S. Offer (other than the U.S. Depositary as described in the Offer to Purchase). Purchaser will, however, upon request, reimburse you for customary mailing and handling expenses incurred by you in forwarding any offering

material to your clients. Purchaser will pay or cause to be paid any transfer taxes payable on the transfer of ADSs to it, except as otherwise provided in Instruction 6 of the ADS Letter of Transmittal.

Any inquiries you may have with respect to the U.S. Offer should be addressed to the Information Agent for the U.S. Offer at the address and telephone numbers set forth on the back page of the Offer to Purchase.

Requests for copies of the enclosed materials should be directed to the U.S. Depositary.

Very truly yours,

Inversiones Telefónica Internacional Holding Limitada

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON AS THE AGENT OF PURCHASER, THE COMPANY, THE U.S. DEPOSITARY OR ANY AFFILIATE OF ANY OF THEM, OR AUTHORIZE YOU OR ANY OTHER PERSON TO MAKE ANY STATEMENT OR USE ANY DOCUMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE U.S. OFFER OTHER THAN THE ENCLOSED DOCUMENTS AND THE STATEMENTS CONTAINED THEREIN.

Exhibit (a)(7)

Offer to Purchase for Cash
Any and All of the Outstanding Shares of Common Stock
and
Any and All of the Outstanding American Depositary Shares
(evidenced by American Depositary Receipts)
of
Compañía de Telecomunicaciones de Chile S.A.
at
1,100 Chilean Pesos Net Per Series A Share of Common Stock,
990 Chilean Pesos Net Per Series B Share of Common Stock and
4,400 Chilean Pesos Net Per American Depositary Share
(each representing 4 Series A Shares of Common Stock)
by
Inversiones Telefónica Internacional Holding Limitada
a limited liability company (*sociedad de responsabilidad limitada*) owned by
Telefónica, S.A.

**THE U.S. OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 3:30 P.M., NEW YORK CITY
TIME, ON DECEMBER 31, 2008, UNLESS THE U.S. OFFER IS EXTENDED.**

December 2, 2008

To our Clients:

Enclosed for your consideration are the Offer to Purchase, dated December 2, 2008 (the "Offer to Purchase"), and the related Form of Acceptance, ADS Letter of Transmittal and ADS Notice of Guaranteed Delivery (which together with amendments or supplements thereto constitute the "U.S. Offer") relating to the offer by Inversiones Telefónica Internacional Holding Limitada ("Purchaser"), a limited liability company (*sociedad de responsabilidad limitada*) organized and existing under the laws of the Republic of Chile and an indirect wholly owned subsidiary of Telefónica, S.A. ("Telefónica"), a publicly held stock corporation organized and existing under the laws of the Kingdom of Spain, to purchase (1) any and all of the outstanding shares of series A and series B common stock (the "Shares") of Compañía de Telecomunicaciones de Chile S.A. (the "Company"), a publicly traded stock corporation organized under the laws of the Republic of Chile, other than Shares currently owned directly or indirectly by Telefónica, from holders of Shares resident in the United States (the "U.S. Holders"), for 1,100 Chilean pesos per series A share and 990 Chilean pesos per series B share and (2) any and all of the outstanding American Depositary Shares ("ADSs") of the Company, each representing 4 series A Shares, other than ADSs currently owned directly or indirectly by Telefónica, for 4,400 Chilean pesos per ADS, in each case payable in United States dollars as provided below, net to the seller in cash and without interest thereon and subject to any required withholding of taxes, upon the terms and subject to the conditions of the U.S. Offer. The purchase price for Shares and the purchase price for ADSs accepted for payment pursuant to the U.S. Offer will, in each case, be paid in United States dollars, with the dollar amount thereof being determined by reference to the daily average dollar-to-peso exchange rate at which commercial banks conduct authorized transactions in Chile as determined by the Central Bank of Chile and published in the Official Gazette of Chile (the "Observed Exchange Rate") on the Expiration Date (as defined below) or, if the Observed Exchange Rate is not published on the Expiration Date of the U.S. Offer, the Observed Exchange Rate published on the first day immediately preceding the Expiration Date of the U.S. Offer on which day the Observed Exchange Rate is published in the Official Gazette of Chile. All terms not otherwise defined herein have the meanings set forth in the Offer to Purchase.

We are (or our nominee is) the holder of record of Shares held by us for your account. A tender of such Shares can be made only by us as the holder of record and pursuant to your instructions. The Form of Acceptance is furnished to you for your information only and cannot be used by you to tender Shares held by us for your account.

Accordingly, we request instruction as to whether you wish to have us tender on your behalf any or all Shares held by us for your account pursuant to the terms and conditions set forth in the U.S. Offer.

ADSs cannot be tendered by means of the enclosed Form of Acceptance (which is exclusively for use in respect of Shares). If you hold ADSs, you should use the enclosed ADS Letter of Transmittal for tendering such ADSs into the U.S. Offer by following the instructions set forth in such form. Additional information can be obtained from the Information Agent, D.F. King & Co., Inc., at (800) 859-8511.

Please note the following:

1. The U.S. Offer is open to all holders of ADSs and to all holders of Shares resident in the United States. See "The U.S. Offer — Section 1 — Terms of the U.S. Offer" in the Offer to Purchase.
2. The tender price for Shares is the United States dollar equivalent of 1,100 Chilean pesos per series A share and 990 Chilean pesos per series B share, net to the seller in cash and without any interest thereon, as set forth in the Offer to Purchase. Consideration for Shares validly tendered and not withdrawn will be paid in United States dollars, with the dollar amount thereof being determined based upon the Observed Exchange Rate published on the Expiration Date (or if the Observed Exchange Rate is not published on the Expiration Date of the U.S. Offer, the Observed Exchange Rate published on the first day immediately preceding the Expiration Date of the U.S. Offer on which day the Observed Exchange Rate is published in the Official Gazette of Chile).
3. Tendering holders of Shares registered in their own name and who tender directly to the Share Depositary will not be obligated to pay brokerage fees or commissions.
4. The U.S. Offer and withdrawal rights will expire at 3:30 p.m., New York City time, on December 31, 2008, unless the U.S. Offer is extended (the "Expiration Date").
5. Notwithstanding any other provision of the U.S. Offer, payment for Shares accepted for purchase pursuant to the U.S. Offer will in all cases be made only after timely receipt by the Share Depositary of the completed Form of Acceptance, together with the following documents:
 - (a) *título(s)* evidencing ownership of Shares, if Shares are held in certificated form;
 - (b) a certificate from the Share department of the Company or the Deposito Central de Valores (the "DCV") evidencing the number of Shares, if any, held on deposit at the DCV, the number of Shares and original issue Shares, if any, held by the holder, and indicating the liens or encumbrances that effect the Shares;
 - (c) duly signed *traspaso(s)* (deed of transfer) indicating the number of Shares and the number of original issue Shares, if any, to be tendered, with the date of such *traspaso(s)* in blank;
 - (d) in the case of Shares held on deposit at the DCV, a letter to the DCV instructing the DCV to perform a book-entry transfer in favor of Purchaser;
 - (e) in the case the U.S. Holder is an individual, a copy of the U.S. Holder's passport or photo identification card;
 - (f) in the case the U.S. Holder is an entity, (1) a secretary's certificate certifying the name, title and specimen signature of an officer authorized to execute the transfer documents and a copy of the entity's organizational documents, and (2) a copy of the passport or photo identification card of the authorized officer; and
 - (g) other documents required by the Form of Acceptance.

If you wish to have us tender any or all of the Shares held by us for your account, please so instruct us by completing, executing, detaching and returning to us the instruction form set forth herein. If you authorize the tender of your Shares, all such Shares will be tendered unless otherwise specified below. An envelope to return your instructions to us is enclosed. Your instructions should be forwarded to us in ample time to permit us to submit a tender on your behalf prior to the Expiration Date.

The U.S. Offer is made solely by the Offer to Purchase and the related Form of Acceptance and ADS Letter of Transmittal. Purchaser is not aware of any jurisdiction where the making of the U.S. Offer is prohibited by administrative or judicial action pursuant to any valid state statute. If Purchaser becomes aware of any valid state statute prohibiting the making of the U.S. Offer or the acceptance of Shares pursuant thereto, Purchaser will make a good faith effort to comply with such state statute. If, after such good faith effort, Purchaser cannot comply with such state statute, the U.S. Offer will not be made to, and tenders will not be accepted from or on behalf, of the holders of Shares in such state. In any jurisdiction where the securities, blue sky or other laws require the U.S. Offer to be made by a licensed broker or dealer, the U.S. Offer will be deemed to be made on behalf of Purchaser by one or more registered brokers or dealers licensed under the laws of such jurisdiction.

Instruction Form for Shares of Compañía de Telecomunicaciones de Chile S.A.

The undersigned acknowledge(s) receipt of your letter and the Offer to Purchase dated December 2, 2008, and the related Form of Acceptance and ADS Letter of Transmittal in connection with the U.S. Offer by Purchaser, a wholly owned subsidiary of Telefónica, S.A., to purchase any and all of outstanding shares of Series A and Series B common stock (the "Shares") and any and all outstanding American Depositary Shares ("ADSs") of Compañía de Telecomunicaciones de Chile S.A., other than those Shares and ADSs currently owned directly or indirectly by Telefónica, S.A., pursuant to the terms set forth in the Offer to Purchase.

This will instruct you to tender the number of Shares indicated below (or if no number is indicated below, all Shares) held by you for the account of the undersigned, upon the terms and subject to the conditions set forth in the Offer to Purchase and the related Form of Acceptance.

Number of Shares to be Tendered*: _____

*Unless otherwise indicated, it will be assumed that all of your Shares are to be tendered.

Date: _____

SIGN HERE

Signature(s): _____

Print Name(s): _____

Print Address(es): _____

Area Code and Telephone Number(s): _____

Taxpayer Identification or Social Security Number(s): _____

Exhibit (a)(8)

Offer to Purchase for Cash
Any and All of the Outstanding Shares of Common Stock
and
Any and All of the Outstanding American Depositary Shares
(evidenced by American Depositary Receipts)
of
Compañía de Telecomunicaciones de Chile S.A.
at
1,100 Chilean Pesos Net Per Series A Share of Common Stock,
990 Chilean Pesos Net Per Series B Share of Common Stock and
4,400 Chilean Pesos Net Per American Depositary Share
(each representing 4 Series A Shares of Common Stock)
by
Inversiones Telefónica Internacional Holding Limitada
a limited liability company (*sociedad de responsabilidad limitada*) owned by
Telefónica, S.A.

THE U.S. OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 3:30 P.M., NEW YORK CITY
TIME, ON DECEMBER 31, 2008, UNLESS THE U.S. OFFER IS EXTENDED.

December 2, 2008

To our Clients:

Enclosed for your consideration are the Offer to Purchase, dated December 2, 2008 (the "Offer to Purchase"), and the related ADS Letter of Transmittal and ADS Notice of Guaranteed Delivery (which together with amendments or supplements thereto constitute the "U.S. Offer") relating to the offer by Inversiones Telefónica Internacional Holding Limitada ("Purchaser"), a limited liability company (*sociedad de responsabilidad limitada*) organized and existing under the laws of the Republic of Chile and an indirect wholly owned subsidiary of Telefónica, S.A. ("Telefónica"), a publicly held stock corporation organized and existing under the laws of the Kingdom of Spain, to purchase (1) any and all of the outstanding shares of series A and series B common stock (the "Shares") of Compañía de Telecomunicaciones de Chile S.A. (the "Company"), a publicly traded stock corporation organized under the laws of the Republic of Chile, other than Shares currently owned directly or indirectly by Telefónica, from holders of Shares resident in the United States (the "U.S. Holders"), for 1,100 Chilean pesos per series A share and 990 Chilean pesos per series B share and (2) any and all of the outstanding American Depositary Shares ("ADSs") of the Company, each representing 4 series A Shares, other than ADSs currently owned directly or indirectly by Telefónica, for 4,400 Chilean pesos per ADS, in each case payable in United States dollars as provided below, net to the seller in cash and without interest thereon and subject to any required withholding of taxes, upon the terms and subject to the conditions of the U.S. Offer. The purchase price for Shares and the purchase price for ADSs accepted for payment pursuant to the U.S. Offer will, in each case, be paid in United States dollars, with the dollar amount thereof being determined by reference to the daily average dollar-to-peso exchange rate at which commercial banks conduct authorized transactions in Chile as determined by the Central Bank of Chile and published in the Official Gazette of Chile (the "Observed Exchange Rate") on the Expiration Date (as defined below) or, if the Observed Exchange Rate is not published on the Expiration Date of the U.S. Offer, the Observed Exchange Rate published on the first day immediately preceding the Expiration Date of the U.S. Offer on which day the Observed Exchange Rate is published in the Official Gazette of Chile. All terms not otherwise defined herein have the meanings set forth in the Offer to Purchase.

We are (or our nominee is) the holder of record of ADSs held by us for your account. A tender of such ADSs can be made only by us as the holder of record and pursuant to your instructions. The ADS Letter of Transmittal is furnished to you for your information only and cannot be used by you to tender ADSs held by us for your account.

Accordingly, we request instruction as to whether you wish to have us tender on your behalf any or all ADSs held by us for your account pursuant to the terms and conditions set forth in the U.S. Offer.

Shares cannot be tendered by means of the enclosed ADS Letter of Transmittal (which is exclusively for use in respect of ADSs). If you hold Shares, you should contact the Information Agent, D.F. King & Co., Inc., at (800) 859-8511.

Please note the following:

1. The U.S. Offer is open to all holders of ADSs and to all holders of Shares resident in the United States. See "The U.S. Offer — Section 1 — Terms of the U.S. Offer" in the U.S. Offer to Purchase.
2. The tender price for ADSs is the United States dollar equivalent of 4,400 Chilean pesos per ADS, net to the seller in cash and without any interest thereon, and subject to the applicable fees, taxes, expenses and charges, as set forth in the Offer to Purchase. Consideration for ADSs validly tendered and not withdrawn will be paid in United States dollars, with the dollar amount thereof being determined based upon the Observed Exchange Rate published on the Expiration Date (or if the Observed Exchange Rate is not published on the Expiration Date of the U.S. Offer, the Observed Exchange Rate published on the first day immediately preceding the Expiration Date of the U.S. Offer on which day the Observed Exchange Rate is published in the Official Gazette of Chile).
3. Tendering holders of ADSs registered in their own name and who tender directly to the U.S. Depositary will not be obligated to pay brokerage fees or commissions or, except as set forth in Instruction 6 of the ADS Letter of Transmittal, transfer taxes on the purchase of ADSs by Purchaser pursuant to the U.S. Offer. However, U.S. federal income tax backup withholding at a rate of 28% may be required, unless the required taxpayer identification information is provided. See Instruction 11 of the ADS Letter of Transmittal.
4. The U.S. Offer and withdrawal rights will expire at 3:30 p.m., New York City time, on December 31, 2008, unless the U.S. Offer is extended (the "Expiration Date").
5. Notwithstanding any other provision of the U.S. Offer, payment for ADSs accepted for purchase pursuant to the U.S. Offer will in all cases be made only after timely receipt by the U.S. Depositary of ADRs evidencing such tendered ADSs or book-entry transfer of such ADSs, together with a properly completed and duly executed ADS Letter of Transmittal or an Agent's Message (as defined in "The U.S. Offer — Section 4 — Procedures for Accepting the U.S. Offer — Holders of ADSs" in the Offer to Purchase) confirming transfer of such tendered ADSs into the U.S. Depositary's account at the Book-Entry Transfer Facility (as defined in "The U.S. Offer — Section 4 — Procedures for Accepting the U.S. Offer — Holders of ADSs" in the Offer to Purchase), and all other required documents.

If you wish to have us tender any or all of the ADSs held by us for your account, please so instruct us by completing, executing, detaching and returning to us the instruction form set forth herein. If you authorize the tender of your ADSs, all such ADSs will be tendered unless otherwise specified below. An envelope to return your instructions to us is enclosed. Your instructions should be forwarded to us in ample time to permit us to submit a tender on your behalf prior to the Expiration Date.

The U.S. Offer is made solely by the Offer to Purchase and the related Form of Acceptance and ADS Letter of Transmittal. Purchaser is not aware of any jurisdiction where the making of the U.S. Offer is prohibited by administrative or judicial action pursuant to any valid state statute. If Purchaser becomes aware of any valid state statute prohibiting the making of the U.S. Offer or the acceptance of ADSs pursuant thereto, Purchaser will make a good faith effort to comply with such state statute. If, after such good faith effort, Purchaser cannot comply with such state statute, the U.S. Offer will not be made to, and tenders will not be accepted from or on behalf of, the holders of ADSs in such state. In any jurisdiction where the securities, blue sky or other laws require the U.S. Offer to be made by a licensed broker or dealer, the U.S. Offer will be deemed to be made on behalf of Purchaser by one or more registered brokers or dealers licensed under the laws of such jurisdiction.

**Instruction Form for Tendering ADSs
of Compañía de Telecomunicaciones de Chile S.A.**

The undersigned acknowledge(s) receipt of your letter and the Offer to Purchase dated December 2, 2008, and the related ADS Letter of Transmittal in connection with the U.S. Offer by Purchaser, a wholly owned subsidiary of Telefónica, S.A., to purchase any and all of outstanding shares of series A and series B common stock (the "Shares") and any and all outstanding American Depositary Shares ("ADSs") of Compañía de Telecomunicaciones de Chile S.A., other than Shares and ADSs currently owned directly or indirectly by Telefónica, S.A., pursuant to the terms set forth in the Offer to Purchase.

This will instruct you to tender the number of ADSs indicated below (or if no number is indicated below, all ADSs) held by you for the account of the undersigned, upon the terms and subject to the conditions set forth in the Offer to Purchase and the related ADS Letter of Transmittal.

Number of ADSs to be Tendered*: _____

*Unless otherwise indicated, it will be assumed that all of your ADSs are to be tendered.

Date: _____

SIGN HERE

Signature(s): _____

Print Name(s): _____

Print Address(es): _____

Area Code and Telephone Number(s): _____

Taxpayer Identification or Social Security Number(s): _____

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares and/or ADSs. The U.S. Offer is made solely by the Offer to Purchase dated December 2, 2008 and the related Form of Acceptance, ADS Letter of Transmittal and ADS Notice of Guaranteed Delivery and any amendments or supplements thereto. The U.S. Offer is not being made to, and tenders will not be accepted from or on behalf of, holders of Shares or ADSs in any jurisdiction in which the making of the U.S. Offer or the acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. However, the Purchaser may, in its discretion, take such action as it may deem necessary to make the U.S. Offer in any jurisdiction and extend the U.S. Offer to holders in such jurisdiction. In those jurisdictions where it is required that the U.S. Offer be made by a licensed broker or dealer, the U.S. Offer shall be deemed to be made on behalf of the Purchaser by one or more registered brokers or dealers which are licensed under the laws of such jurisdiction.

**Notice of Offer to Purchase for Cash
Any and All Outstanding Shares of Common Stock
and American Depositary Shares**

of

Compañía de Telecomunicaciones de Chile S.A.

at

1,100 Chilean pesos Net Per Share of Series A Common Stock

990 Chilean pesos Net Per Share of Series B Common Stock

and

4,400 Chilean pesos Net Per American Depositary Share

(each representing 4 Shares of Series A Common Stock)

by

Inversiones Telefónica Internacional Holding Limitada

a limited liability company indirectly owned by

Telefónica, S.A.

Inversiones Telefónica Internacional Holding Limitada (the "Purchaser"), a limited liability company organized and existing under the laws of the Republic of Chile and a wholly owned subsidiary of Telefónica, S.A. ("Telefónica"), a publicly held stock corporation organized under the laws of the Kingdom of Spain, hereby offers to purchase (1) any and all of the outstanding shares of Series A Common Stock, no par value (the "Series A Shares") and Series B Common stock, no par value (the "Series B Shares" and, together with the Series A Shares, the "Shares"), of Compañía de Telecomunicaciones de Chile S.A. (the "Company"), a publicly traded stock corporation organized under the laws of the Republic of Chile, other than Shares currently owned directly or indirectly by Telefónica, from all holders of Shares resident in the United States (the "U.S. Holders"), for 1,100 Chilean pesos per Series A Share and 990 Chilean pesos per Series B Share and (2) any and all of the outstanding American Depositary Shares ("ADSs") of the Company, other than ADSs currently owned directly or indirectly by Telefónica, each representing 4 shares of Series A Common Stock, for 4,400 Chilean pesos per ADS, in each case payable in United States dollars as provided below, net to the seller in cash and without interest thereon and subject to any required withholding of taxes (the "U.S. Offer Price"), upon the terms and subject to the conditions set forth in the Offer to Purchase dated December 2, 2008 (the "Offer to Purchase") and in the related Form of Acceptance, ADS Letter of Transmittal and ADS Notice of Guaranteed Delivery (which, as the same may be amended and supplemented from time to time, constitute the "U.S. Offer"). The purchase price for Shares and the purchase price for ADSs accepted for payment pursuant to the U.S. Offer will, in each case, be paid in United States dollars, with the dollar amount thereof being determined by reference to the average exchange rate at which commercial banks conduct authorized transactions in Chile as determined by the Central Bank of Chile and published in the Official Gazette of Chile (the "Observed Exchange Rate") on the Expiration Date (as defined below) or, if the Observed Exchange Rate is not published on the Expiration Date, the Observed Exchange Rate published on the first day immediately preceding the Expiration Date on which day the Observed Exchange Rate is published in the Official Gazette of Chile.

**THE U.S. OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 3:30 P.M., NEW YORK CITY TIME,
ON WEDNESDAY, DECEMBER 31, 2008, UNLESS THE U.S. OFFER IS EXTENDED.**

Concurrent with the U.S. Offer, the Purchaser is offering to purchase (the "Chilean Offer" and, together with the U.S. Offer, the "Offers") from all holders of Shares (including Shares held by U.S. Holders) any and all of the outstanding Shares, other than Shares currently owned directly or indirectly by Telefónica, for 1,100 Chilean pesos per Series A Share and 990 Chilean pesos per Series B Share, net to the seller in cash and without interest (the "Chilean Offer Price" and, together with the U.S. Offer Price, the "Offer Price"). The Chilean Offer will be made on substantially the same terms as the U.S. Offer. The U.S. Offer is open to U.S. Holders of Shares and all holders of ADSs. Non-U.S. Holders of Shares must tender their Shares into the Chilean Offer. U.S. Holders of Shares may tender their Shares into either the U.S. Offer or the Chilean Offer. Holders of ADSs must tender their Shares into the U.S. Offer. In the event that the price per Share to be paid in the Chilean Offer is increased, the Purchaser will make a corresponding increase to the price paid per Share and ADS in the U.S. Offer. Except as otherwise required by applicable law and regulations, Telefónica intends to cause the U.S. Offer to be consummated concurrently with the Chilean Offer. The U.S. Offer and the Chilean Offer are not subject to any conditions.

As of the date hereof, the Company has not taken, and is not expected to take, a position with respect to the Offers.

Tendering holders of Shares who have Shares registered in their own name and who tender directly to the Share Depositary will not be obligated to pay brokerage fees, commissions or stock transfer taxes on the sale of their Shares pursuant to the U.S. Offer. Tendering holders of ADSs who have ADSs registered in their own name and who tender directly to the U.S. Depositary will not be obligated to pay brokerage fees, commissions or, except as set forth in Instruction 6 of the ADS Letter of Transmittal, transfer taxes on the sale of their ADSs pursuant to the U.S. Offer. Tendering holders of Shares and tendering holders of ADSs who own Shares and/or ADSs through a broker or other nominee, and such broker or nominee tenders their Shares and/or ADSs on their behalf, may have to pay a fee to such broker or nominee.

As of November 26, 2008, there were 957,157,085 Shares issued and outstanding, including approximately 162,846,960 Series A Shares evidenced by ADSs. Telefónica, directly or indirectly, owns 926,028,064 Shares, including Shares represented by ADSs, representing approximately 96.75% of the outstanding Shares. Five of the seven members of the Company's Board of Directors are affiliates of Telefónica.

For purposes of the U.S. Offer, the Purchaser shall be deemed to have accepted for payment tendered Shares and ADSs when and if the Purchaser gives oral or written notice to the U.S. Depositary or the Share Depositary, as applicable, of its acceptance of the tenders of such Shares and ADSs. Payment for Shares and ADSs accepted for payment pursuant to the U.S. Offer will be made by deposit of the purchase price with the Share Depositary, which will act as agent for the tendering holders of Shares, or the U.S. Depositary, which will act as agent for the tendering holders of ADSs, respectively, for the purpose of receiving payments from the Purchaser and transmitting such payments to tendering holders of Shares and holders of ADSs, as the case may be. In all cases, payment for Shares accepted for payment pursuant to the U.S. Offer will be made only after timely receipt by the Share Depositary of (a) either (1) *titulo(s)* (certificates of title) and a certificate from the share department of the Company or the *Deposito Centrol de Valores* ("DCV"), as the case may be, evidencing such Shares or (2) a confirmation of book-entry transfer of such Shares and (b) a properly completed and duly executed Form of Acceptance (or a copy thereof) and all other required documents. Payment for ADSs accepted for payment pursuant to the U.S. Offer will be made only after timely receipt by the U.S. Depositary of American Depositary Receipts ("ADRs") evidencing such tendered ADSs or a book-entry transfer of such ADSs, together with a properly completed and duly executed ADS Letter of Transmittal or an Agent's Message (as defined in the Offer to Purchase) confirming transfer of such tendered ADSs into the U.S. Depositary's account at the Book-Entry Transfer Facility (as defined in the Offer to Purchase), and all other required documents. Payment may be made to tendering holders at different times if delivery of the Shares and ADSs and required documents occur at different times.

Under no circumstances will interest be paid by the Purchaser on the purchase price paid for Shares and ADSs pursuant to the U.S. Offer regardless of any delay in making such payments or extension of the expiration date.

The U.S. Offer is currently scheduled to expire at 3:30 p.m., New York City time, on Wednesday, December 31, 2008 (the "Expiration Date"), unless and until the Purchaser, in its sole discretion (but subject to the applicable rules and regulations of the Securities and Exchange Commission (the "Commission")), shall have extended the period of time during which the U.S. Offer will remain open, in which event the term "Expiration Date" will mean the latest time and date at which the U.S. Offer, as so extended by the Purchaser, shall expire.

Subject to the applicable rules and regulations of the Commission, the Purchaser reserves the right, at any time or from time to time, in its sole discretion, to extend for any reason the period of time during which the U.S. Offer remains open by giving oral or written notice of such extension to the Share Depositary and the U.S. Depositary and making a public announcement thereof.

Tenders of Shares and ADSs made pursuant to the U.S. Offer may be withdrawn at any time prior to the Expiration Date. Thereafter, such tenders are irrevocable, except that they may be withdrawn after January 30, 2009, unless theretofore accepted for payment as provided in the Offer to Purchase, or at such later time as may apply if the U.S. Offer is extended beyond that date. For a withdrawal to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the Share Depositary for withdrawal of Shares or by the U.S. Depositary for withdrawal of ADSs, as applicable, at the appropriate address as set forth on the back cover of the Offer to Purchase. Any such notice of withdrawal must specify the name of the person who tendered the Shares or ADSs to be withdrawn and the number of Shares or ADSs to be withdrawn and the name of the registered holder, if different from that of the person who tendered such Shares or ADS. If the Shares or ADSs to be withdrawn have been delivered to the Share Depositary or the U.S. Depositary, as applicable, a signed notice of withdrawal (with such signature guaranteed by an Eligible Institution (as defined in the Offer to Purchase) in the case of ADSs except for ADSs tendered by an Eligible Institution) must be submitted prior to the release of such Shares or ADSs. Such notice must also specify, in the case of Shares or ADSs tendered by delivery of certificates, the serial numbers shown on the particular *titulos* or ADRs evidencing the Shares or ADSs to be withdrawn or, in the case of Shares or ADSs tendered by book-entry transfer, the name and number of the account to be credited with the withdrawn Shares or ADSs. In addition, Shares tendered by book-entry transfer may be withdrawn only by means of the withdrawal procedures made available by the DCV and must comply with the DCV's procedures. ADSs tendered by the book-entry transfer may be withdrawn only by means of the withdrawal procedures made available by the Book-Entry Transfer Facility and such withdrawals must comply with the Book-Entry Transfer Facility's procedures. None of the Purchaser, Telefónica, the Share Depositary or the U.S. Depositary or any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal or incur any liability for failure to give any such notification.

The receipt of cash for Shares and/or ADSs pursuant to the U.S. Offer by a U.S. Holder (as that term is defined for United States federal income tax purposes, see "The U.S. Offer—Section 6—Certain Tax Considerations" in the Offer to Purchase) will be a taxable transaction for United States federal income tax purposes and may also be a taxable transaction under applicable state, local or foreign tax laws. Holders of Shares and/or ADSs are encouraged to consult their tax advisors with respect to the particular tax consequences of the U.S. Offer to them, including the application and effect of the alternative minimum tax and state, local and foreign tax laws. For a more complete description of certain United States federal income tax consequences of the U.S. Offer, see "The U.S. Offer—Section 6—Certain Tax Considerations" in the Offer to Purchase. The information required to be disclosed by paragraph (d)(1) of Rule 14d-6 and Rule 13e-3(e)(1) under the Securities

Exchange Act of 1934, as amended, is contained in the Offer to Purchase and is incorporated herein by reference.

The Offer to Purchase and the related Form of Acceptance, ADS Letter of Transmittal, ADS Notice of Guaranteed Delivery and other relevant documents will be mailed to record U.S. Holders of Shares and holders of ADSs and will be furnished to brokers, banks and similar persons whose names, or the names of whose nominees, appear on such list of holders of Shares and holders of ADSs or, if applicable, who are listed as participants in a clearing agency’s security position listing, for subsequent transmittal to beneficial owners of Shares and/or ADSs.

The Offer to Purchase and the related Form of Acceptance, ADS Letter of Transmittal and ADS Notice of Guaranteed Delivery contain important information and should be read in their entirety before any decision is made with respect to the U.S. Offer.



Questions and requests for assistance may be directed to the Information Agent at its telephone number set forth below. Additional copies of the Offer to Purchase, the related Form of Acceptance, ADS Letter of Transmittal, ADS Notice of Guaranteed Delivery and other tender offer documents may be obtained free of charge from the Information Agent or from brokers, dealers, commercial banks or trust companies.

The Information Agent for the U.S. Offer is:

D.F. King & Co., Inc.

48 Wall Street
New York, NY 10005

Bankers and Brokers Call: (212) 269-5550

All Others Call Toll Free: (800) 859-8511

December 2, 2008



Exhibit (a)(10)

**PUBLIC TENDER OFFER
SHARES OF
COMPAÑÍA DE TELECOMUNICACIONES DE CHILE S.A.
ACCORDING TO ARTICLE 198 (FIFTH PARAGRAPH) OF CHILEAN SECURITIES ACT
(N° 18.045)
AND
ARTICLE 69 THIRD OF CHILEAN CORPORATIONS ACT (N° 18.046)
BY
INVERSIONES TELEFÓNICA INTERNACIONAL HOLDING LIMITADA**

1. Identification of the Bidder and its participation in the Company

Inversiones Telefónica Internacional Holding Limitada (hereinafter also "*Inversiones Telefónica*" or the "*Bidder*"), tax payer identification number 77.363.730-K, domiciled at Vitacura Avenue number 2736, 3rd floor, borough of Las Condes, Santiago, offers to buy 28.057.873 serie "A" shares and 3.071.148 serie "B" shares of Compañía de Telecomunicaciones de Chile S.A. (hereinafter also "*CTC*" or the "*Company*"), equivalent to 100% of the shares issued by CTC not owned by the Bidder or its controlling company Telefónica Internacional Chile S.A., (hereinafter also "*TICSA*") through a public tender offer of shares according to article 198 (fifth paragraph) of the Chilean Securities Act (N° 18.045), fulfilling in this way the requirement stated in article 69 third of Chilean Corporation Act (18.046), in the terms and conditions contained herein (hereinafter also the "*Commencement Announcement*" and all hereinafter the "*Offer*").

The Bidder is controlled by TICSA, a company organized and existing under the laws of Chile, owner of 99,99999846% of the corporate interests, which in turn is controlled by Telefónica Chile Holding BV, with 99.99% participation in, an existing entity formed under the laws of the Netherlands. For its part, the latter company is controlled by Telefónica International Holding BV, an existing entity formed under the laws of the Netherlands, with 100% participation, the latter of which is controlled by 100% by Telefónica Internacional SA a company organized and existing under the laws of Spain which in turns is controlled by Telefónica, S.A. with 100% participation.

The ultimate controller of the Bidder is Telefónica S.A. a company organized and existing under the laws of Spain, tax payer identification number 59.128.670-6, domiciled at Gran Vía 28, 28013 Madrid, Spain, company under the supervision of the "Comisión Nacional del Mercado de Valores de España", which actually controls CTC through TICSA and Inversiones Telefónica with a stake of approximately 96,8% of CTC.

The ownership of Telefónica S.A. is widely dispersed, and therefore it is not possible to identify any controller of that entity. As of even date herewith, the following shareholders own 5% or more of the shares of Telefónica S.A.:

- a) Banco Bilbao Vizcaya Argentaria, S.A. "BBVA", with 6,258%.
- b) Caja de Ahorros y Pensiones de Barcelona, "la Caixa", with 5,483%.

In addition to these significant, stable shareholdings, the financial institution Chase Manhattan Nominees Ltd., by notice addressed to the National Stock Market Commission served on September 7, 2005, participated in the share capital of Telefónica S.A. with 9.904% thereof, as a depository institution, and such participation is held on behalf of its

clients.

According to information obtained from the "Management Company for Registration Systems, Securities Clearing, and Settlement" (Iberclear), dated April 1, 2008, the number of shareholders of Telefónica SA, according to individual records of both individuals and legal entities, amounted to approximately 1,488,220 shareholders.

Telefónica, S.A. indirectly owns through Inversiones Telefónica, 457.944.050 serie "A" shares, including ADS representing serie "A" shares, and 38.351.003 serie "B" shares, equivalent to approximately 51,9% of the shares issued by CTC; and through TICSА, indirectly owns 387.993.524 serie "A" shares and 41.739.487 serie "B" shares, equivalent to approximately 44,9% of the shares issued by CTC, which sum up to an indirect participation of Telefónica in CTC of approximately 96,8%.

2. Purpose of the Offer

The purposes of the Offer are to fulfill the requirement stated in article 69 third of Chilean Corporation Act (18.046) and to increase Telefónica S.A. stake in CTC.

Due to the fact that the participation of the Bidder (together with its controlling companies) has reached over 2/3 of the shares issued by CTC, the Bidder is obligated to tender a new public offer for CTC's shares, according to article 69 third of Chilean Corporation Act (18.046).

The Bidder within at least 12 month from the expiration of the Offer, plans to keep the Company as an open corporation and registered in the "Registro de Valores" kept by the "Superintendencia de Valores y Seguros", (hereinafter the "SVS").

3. Characteristics of the Offer

a. Amount of the Transaction.

In the event of the 100% acquisition of the Company's shares (not owned by TICSА) by the Bidder, the total amount of the transaction will be \$CLP 33.904.096.820, considering \$CLP 1.100 for each serie "A" share and \$CLP 990 for each serie "B" share.

b. Shares Related to the Offer

This Offer is made for a total of 28.057.873 serie "A" share and 3.071.148 serie "B" share of CTC equivalent to 100% of CTC's shares (not owned by TICSА).

Simultaneous to this Offer, the Bidder is making an offer in the United States of America for the totality of the *American Depositary Shares* ("ADS") representatives of serie "A" shares of CTC shares that are traded on the New York Stock Exchange (NYSE Euronext) and for all the serie "A" shares and serie "B" shares owned by *US Holders* (according to rule 14d-1 of *Securities Exchange Act* of 1934 of the United States) issued by the Company in which neither the Bidder nor TICSА have interest, pursuant to the laws applicable to this kind of offer in the United States of America (hereinafter the "*American Offer*"). Such process will be conducted under the rules state in the *Security and Exchange Act* of 1934, through a tender offer. Each ADS represents four serie "A" shares of CTC.

c. Prorate Mechanism. There is no prorating mechanism considered due to the fact that the Offer covers the total shares of CTC, which are not held by the Bidder nor its controller, TICSА.

d. Term of the Offer. In accordance with the Manual of Stock Shares Operations of the Santiago Stock Exchange, this offer will extend for a term of 30 days commencing at 00:00 a.m. on December 2, 2008, and ending at 17:30 p.m. on December 31, 2008.

If the Bidder deems it convenient, the aforementioned could be extended in accordance with the law. In such event, any relevant extension shall be communicated to interested persons via announcement published no later than the expiration date of the original term in the newspapers "El Mercurio de Santiago" and "La Tercera".

e. Term to declare the success of the Offer. Within three business days from the date of expiry of the term of the Offer or its extension, the Bidder will publish a communication in the newspapers El Mercurio de Santiago and La Tercera, indicating the results of the Offer and will indicate the total number of shares that will acquire and the total percentage of participation in the Company which will reach (the "Notice of Result") and the same day of publication of this notice, will forward a copy to CTC, to the Stock Exchanges and the SVS.

The Offer is not subject to conditions of success.

f. Recipients of the Offer. This offer is addressed to all the shareholders of CTC during the valid term of the Offer or its extension, with the exception of the Bidder or its controller TICSА.

g. Stock System Utilized for the Realization of the Transaction. The Offer will take place on the Santiago Stock Exchange, through the "Firm Offer Block System" ("Sistema de Ofertas a Firme en Bloque"), contained in Chapter 2.2.3 of the Manual of Stock Shares Operations of this Stock Exchange, approved by the SVS according to resolution No. 021, January 2001.

h. Commissions. Neither the Bidder nor the Administrator of the Offer will pay commissions to brokers who participate in the Offer for the orders that they enter.

4. Price and Payment Conditions

a. Share Price. The price per share offered is \$CLP 1,100 pesos for each Series A share and \$CLP 990 pesos for each Series B share. The price shall be paid in pesos, the national currency and shall not accrue interest nor readjustments. It is established that the American Offer is made for the price of \$CLP 4,400 pesos for each ADS that represents four Series A shares of CTC and which results in the same price per Series A share in pesos relevant to this Offer. The price to be paid for the shares that are offered to be bought in the American Offer is also 1,100 pesos for each of the shares of Series "A" and 990 pesos for each of the shares of Series "B". In the case of the American Offer, the price shall be paid in dollars of the United States of America, in the United States of America, in accordance with the observed dollar value published in the Official Journal on the expiration date of the American Offer. If the American Offer expires on a date when the observed dollar value is not published in the Official Journal, will be considered the one published on the day prior to the termination of the American Offer when the observed dollar value was published.

b. Payment Method. The price for the offered and to be acquired shares shall be paid in pesos, the national currency, by non-endorsable bank note or nominative check or, in the event that that it is required by the shareholder, by electronic transfer of funds to the account indicated in the Offer acceptance.

c. Date of Perfection. The date of perfection of the acquisition of shares through the "Firm Offer Block System" ("Sistema de Ofertas a Firme en Bloque") shall be the day when the Notice of Result is published and a copy of that notice is sent to the Santiago Stock Exchange.

d. Term and Place of Payment The price of the offer will not accrue interests and it will be paid under the Exchange method of payment denominated "normal cash" ("contado normal"), this is on the second business day following the perfection of the acquisition of shares indicated in the above literal.

The price of the Offer will be paid by the Bidder, through Santander Investment S.A. Corredores de Bolsa (the "Administrator of the Offer") in their offices located in Bandera 140, 12 Floor, borough and city of Santiago, from Monday to Friday, 9:00 a.m. to 2:00 p.m., excluding holidays.

5. Procedure to Accept the Offer

a. State of the offered shares. The accepted shares shall be registered in the name of the acceptor in the Shareholders Registry of CTC, duly paid and free of encumbrances, prohibitions, seizures, disputes, precautionary measures, conditions precedent, or resolutive conditions, preferential Rights of third parties, real or personal rights in favor of third parties enforceable to the Bidder and, in general, of any other circumstances that impede or limit their free assignment, transfer or domain (the "Encumbrances").

b. Formalities for the Acceptance of the Offer and Necessary Documents. Those shareholders accepting the Offer shall indicate the same only during the valid term or its relevant extension, via a written sale order, subject to the terms and conditions of the Offer, which such shareholder must sign before a representative of the Offer Administrator or a participating broker of the Santiago Stock Exchange, or the corresponding Stock Exchange.

The sale order or acceptance shall be delivered to the Offer Administrator at Street Banderas 140, Floor 12, borough and city of Santiago, or to another broker of the Stock Exchange of Santiago.

In accordance to what is stated in the Manual of Stock Shares Operations of the Santiago Stock Exchange, the orders shall be delivered during the Term of the Offer, from Monday to Friday, 9.30 a.m., to 18:30 p.m. Notwithstanding the above, in the expiration date of the Offer or its extensions, orders will also be delivered until 5:30 pm.

The shareholder who attends to deliver his acceptance to the Offer, shall simultaneously conclude a transfer, for all the shares subject to the Offer he wants to sell, which must comply with all current legislation, in favor of the Administrator of the Offer, or, in favor of



the broker of the Santiago Stock Exchange they turn to, if necessary, and sign a custody agreement with the Administrator of the Offer or the relevant broker, who will carry out the necessary formalities to enter under its custody the shares subject to the acceptance and, in the case of brokers other than the Administrator of the Offer, to deliver them in the terms of this Offer and the applicable securities regulations.

Also, those shareholders or the broker they turn to shall deliver the following documents to the Administrator of the Offer:

- (i) Original share title of the shares willing to sell and are in its power, or a certify issued by CTC's Share Department, accrediting that the titles are deposited in Huerfanos N° 770, 22 Floor, borough and city of Santiago.
- (ii) A certify issue by CTC's Share Department, accrediting the shares have not lien.
- (iii) Copy, of both side, of the shareholder identity card or its legal representative or the representative of the artificial person, and the original must be shown at the time of the subscription of the acceptance. The circumstance of being an exact copy of the original shall be certified by a public notary or verified by the stockbroker.
- (iv) Original or authorized copy of the current power of attorney which enable the representative of the shareholder to act, which must have sufficient faculties to sell shares in the terms set forth in this notice, granted or authorized by a notary public.
- (v) Authorized copy of all legal antecedents of shareholders artificial person, including all constitutive documents, its modifications, as well as its existence authorizations and other pertinent resolutions, as well as authorized copy of all documents evidencing the legal capacity of its representatives, and
- (vi) Authorized copy of all legal antecedents of the shareholders which shares are registered in name of communities or successions, including all documents declaring it, its modifications, as well as resolutions and relevant certifications and authorized copy of all documents evidencing the legal capacity of its representatives.

Additionally, the acceptance shall count with a client file and a custody agreement with the corresponding stockbroker, in accordance with the relevant norms.

Stockbrokers that act in the Offer and are not the Offer Administrator, shall gather the shares enter into its custody and its own share, and, as the case

may be, shall make one or more acceptances to the Administrator of the Offer, in the terms mentioned in this number, which may be given together with the other documents mentioned in this number.

Administrator of Pension Funds and Administrator of Mutual Funds, for the funds administered by them, as well as institutional investors to which require to maintain its investment at its name until the sell, that decide to participate in the Offer, shall be governed by the procedures and mechanism required by the applicable norms for its operations, and shall give its acceptance to this Offer in the Administrator of the Offer's office, during the validity time of the Offer or its extension, not being necessary to give its share transfer or the titles mentioned in number (i). In any case, those documents shall be given to the Administrator of the Offer together with the payment to the institutional investor corresponding to the price of its shares sold in this process.

c. Restitution of Papers. The Bidder will not acquire CTC's shares if they are offered in terms and conditions different from this Offer. In that case, not accepted shares as well as all documents given by the acceptances shall be available to the shareholders, after the conclusion of the registration process of the shares in CTC's Shareholder Registry, without generating any right to indemnification, payment or reimbursement for the shareholders that have accepted the Offer, nor shall imply an obligation or responsibility for the Offer, its mandataries, agents, advisers and representatives.

6. Right to retract.

Shareholders that have accepted the Offer could retract, totally or partially, before the expiration of the validity term of it or its extension, through a written communication delivered by the shareholder or the broker that participate, in the office of the Administrator of the Offer, where its acceptance letter and the documents attached to it shall be restituted to the shareholder or the broker, as the case may be. Finally, in case that any shareholder retracts himself of its acceptance in the form mentioned in this section, the respective shares will be given back as soon as this shareholder communicates his retraction in written.

7. Administrator of the Offer.

The bidder shall act, for all purposes of this offer, through Santander Investment S.A. Corredora de Bolsa, Tax Identification Number 96.683.200-2, domiciled at Bandera 140, 12 floor, borough and city of Santiago.

For these purposes, the Bidder has granted to the Bidder Administrator faculties to act as an agent of the Offer, to receive acceptances from CTC's shareholders, to answer questions related to the mechanism and conditions of

the Offer, to make transfer in custody of CTC, to deny acceptances and, in general, all the necessary activities in order to materialize the Offer.

8. Place of Information.

The interested can obtain copies of this add and further information in:

- a. At the Bidder's office, located in Av. Vitacura 2736, second floor, borough of Las Condes, city of Santiago, from Monday to Thursday between 9:00 a.m. and 5:30 p.m. and Friday between 9:00 a.m. to 4:00 p.m, excluding holiday day and its web page www.opactc.cl.
- b. At the Administrator's office, located in Bandera 140, 12 floor, borough and city of Santiago, from Monday to Thursday between 9:00 a.m. and 5:30 p.m. and Friday between 9:00 a.m. and 4:00 p.m., excluding holiday days and its web page www.santanderinvestment.cl.
- c. At the Superintendency of Securities and Insurance's office, located in Av. Libertador Bernardo O'Higgins 1449, borough and city of Santiago, and its web page www.svs.cl.
- d. At the Santiago's Stock Exchange Market's office, located in La Bolsa 64, borough and city of Santiago, from Monday to Friday between 9:00 a.m. and 6:00 p.m. and in its web page www.bolsadecomercio.cl.

INVERSIONES TELEFÓNICA INTERNACIONAL HOLDING LIMITADA

OFERTA PÚBLICA
DE
ADQUISICIÓN DE ACCIONES
DE
COMPAÑÍA DE TELECOMUNICACIONES DE CHILE S.A.
CONFORME AL INCISO 5° DEL ARTÍCULO 198 DE LA LEY N° 18.045
Y
ARTÍCULO 69 TER DE LA LEY N° 18.046

POR
INVERSIONES TELEFÓNICA INTERNACIONAL HOLDING LIMITADA

1. Identificación del Oferente y participación en el emisor

Inversiones Telefónica Internacional Holding Limitada (en lo sucesivo también "Inversiones Telefónica" o el "Oferente"), RUT 77.363.730-K, domiciliada en Avenida Vitacura número 2736, segundo piso, comuna de Las Condes, Santiago, ofrece comprar un total de 28.057.873 acciones de la serie "A" y 3.071.148 acciones de la serie "B" de la Compañía de Telecomunicaciones de Chile S.A. (en lo sucesivo también "CTC" o la "Sociedad"), equivalentes al 100% de las acciones emitidas por CTC que no son de propiedad del Oferente o de su controlador Telefónica Internacional Chile S.A., (en lo sucesivo también "TICSA") mediante una oferta pública de adquisición de acciones conforme al inciso 5° del artículo 198 de la Ley N° 18.045, dando así cumplimiento a lo dispuesto en el artículo 69 ter de la ley 18.046, en los términos y condiciones de este aviso de inicio (en lo sucesivo el "Aviso de Inicio" y todo en adelante la "Oferta").

El Oferente es una sociedad controlada por la sociedad TICSA, entidad organizada y existente bajo las leyes de Chile, quien es dueña del 99,99999846% de los derechos sociales del Oferente. A su vez, TICSA es controlada por la sociedad Telefónica Chile Holding BV, entidad existente y organizada bajo las leyes de Holanda, con una participación del 99,99%; esta última sociedad es controlada por Telefónica Internacional Holding BV, entidad existente y organizada bajo las leyes de Holanda, con una participación del 100%; y esta última sociedad es controlada por Telefónica Internacional S.A., sociedad unipersonal, entidad existente y organizada bajo las leyes de España, dueña del 100% de la participación accionaria. Por su parte Telefónica Internacional S.A. es controlada por la sociedad Telefónica, S.A. con una participación del 100%.

El controlador final del Oferente es Telefónica, S.A., entidad existente y organizada bajo las leyes de España, RUT 59.128.670-6, domiciliada en Madrid, España, Calle Gran Vía 28, 28013, sociedad sujeta a la fiscalización de la Comisión Nacional del Mercado de Valores de España, que a su vez controla actualmente a CTC a través de la sociedad TICSA y de Inversiones Telefónica, con una participación de aproximadamente el 96,8% del capital social de CTC.

La propiedad de Telefónica, S.A. se encuentra muy dispersa y por lo tanto no es posible identificar ningún controlador de dicha entidad. A esta fecha, los siguientes accionistas son dueños de un 5% o más de las acciones de Telefónica, S.A.:

a) Banco Bilbao Vizcaya Argentaria, S.A. "BBVA", con un 6,258%.

b) Caja de Ahorros y Pensiones de Barcelona, "la Caixa", con un 5,483%.

Además de estas participaciones significativas, la entidad financiera Chase Manhattan Nominees Ltd., según comunicación remitida a la Comisión Nacional del Mercado de Valores, con fecha 7 de septiembre de 2005, tenía una participación en el capital de Telefónica, S.A. de un 9,904%, como entidad depositaria, por lo que esta participación es poseída en nombre y por cuenta de sus clientes.

De acuerdo con la información obtenida de la "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores" (Iberclear), con fecha 1 de abril de 2008, el número de accionistas de Telefónica, S.A., según registros individualizados a favor tanto de personas naturales como de personas jurídicas, ascendía aproximadamente a 1.488.220 accionistas.

Telefónica, S.A. posee indirectamente, a través de Inversiones Telefónica, 457.944.050 acciones de la serie "A", incluyendo ADS representativos de acciones de la serie "A", y 38.351.003 acciones de la serie "B", equivalentes aproximadamente al 51,9% de las acciones emitidas por CTC; y a través de TICSA, posee indirectamente 387.993.524 acciones de la serie "A" y 41.739.487 acciones de la serie "B", equivalentes aproximadamente al 44,9% de las acciones de CTC, lo que equivale a un total aproximado de participación indirecta de Telefónica en CTC de un 96,8%.

2. Objetivo de la Oferta

Los objetivos de la Oferta son dar cumplimiento a lo dispuesto en el artículo 69 ter de la Ley N° 18.046 sobre sociedades anónimas y aumentar la participación de Telefónica S.A. en CTC.

Atendido a que la participación del Oferente, en conjunto con su controlador, ha superado los dos tercios de las acciones emitidas con derecho a voto de CTC, el Oferente ha quedado obligado a formular una oferta pública de adquisición de acciones, en conformidad con lo establecido en el artículo 69 ter de la Ley N° 18.046 sobre sociedades anónimas.

El Oferente tiene planes de mantener la Sociedad sujeta a las normas aplicables a las sociedades anónimas abiertas e inscrita en el Registro de Valores que lleva la Superintendencia de Valores y Seguros, (en lo sucesivo la "SVS") durante al menos los 12 meses siguientes a la expiración de la Oferta.

3. Características de la Oferta

a. Monto total de la operación. En caso de concretarse la adquisición del 100% de las acciones de la Sociedad que no son de propiedad del Oferente o de su controlador TICSA, el monto total de la operación ascendería a 33.904.096.820 pesos, a razón de 1.100 pesos por cada acción de la serie "A" y 990 pesos por cada acción de la serie "B".

b. Acciones a que se refiere la Oferta. La presente Oferta se hace respecto de un total de 28.057.873 acciones de la serie "A" y 3.071.148 acciones de la serie "B" de CTC, equivalentes al 100% de las acciones de que no es titular el Oferente o su controlador.

Simultáneamente a esta Oferta, el Oferente está haciendo una oferta en Estados Unidos de América por la totalidad de los American Depositary Shares ("ADS") representativos de acciones serie "A" de CTC que se transan en la Bolsa de Nueva York (NYSE Euronext) y las acciones serie "A" y serie "B" de propiedad de los denominados US Holders (según lo define la Regla 14d-1 de la Securities Exchange Act de 1934 de los Estados Unidos de América) emitidas por la Sociedad que no son de propiedad del Oferente o de su controlador TICSA, en conformidad con las leyes aplicables a este tipo de ofertas en Estados Unidos de América, (en lo sucesivo la "Oferta Americana"). Dicho proceso de adquisición se realizará al amparo de las normas de la Security and Exchange Act de 1934 de ese país, mediante un proceso de tender offer. Cada ADS representa cuatro acciones de la serie "A" de CTC.

c. Mecanismo de Prorrato. Dado que la Oferta comprende el total de las acciones de CTC que no son de propiedad del Oferente o de su controlador TICSA, no se consideran mecanismos de prorrato.

d. Plazo de duración de la Oferta. El período de la Oferta tendrá una duración de 30 días corridos, que se inicia a las 00:00 horas del 2 de diciembre de 2008 y en conformidad con lo dispuesto en el Manual de Operaciones Bursátiles en Acciones de la Bolsa de Comercio de Santiago, Bolsa de Valores, expira a las 17:30 horas del 31 de diciembre de 2008.

El Oferente podrá, en caso de estimarlo conveniente, proceder a la prórroga del referido plazo en conformidad con la ley. En caso que el Oferente prorrogue el plazo de duración de la Oferta, lo comunicará a los interesados mediante un aviso que se publicará a más tardar el día del vencimiento del plazo inicial de la Oferta, en los diarios El Mercurio de Santiago y La Tercera.

e. Plazo para declarar exitosa la Oferta. Dentro del plazo de tres días hábiles bursátiles contados desde la fecha de expiración del plazo de vigencia de la Oferta o de su prórroga, el Oferente publicará en los diarios El Mercurio de Santiago y La Tercera una comunicación indicando el resultado de la Oferta en que se indicará el número total de acciones que adquirirá y el porcentaje total de participación en la Sociedad que alcanzará ("el Aviso de Resultado") y el mismo día de la publicación de dicho aviso, remitirá una copia del mismo a CTC, a las Bolsas de Valores y a la SVS.

La Oferta no se encuentra sujeta a condiciones de éxito.

f. Destinatarios de la Oferta. La presente Oferta está dirigida a todos los accionistas de CTC durante la vigencia de la Oferta o de su prórroga, con excepción del Oferente o de su controlador TICSA.

g. Sistema bursátil utilizado para la materialización de la operación. La Oferta se efectuará en la Bolsa de Comercio de Santiago, Bolsa de Valores, mediante el "Sistema de Ofertas a Firme en Bloque", contenido en el capítulo 2.2.3 del Manual de Operaciones Bursátiles en Acciones de esa Bolsa de Valores, aprobado por la SVS según resolución N° 021 de enero de 2001.

h. Comisiones. Ni el Oferente ni el Administrador de la Oferta pagarán comisiones a los corredores de bolsa que participen en la Oferta por las órdenes que éstos ingresen.

4. Precio y condiciones de pago

a. Precio por acción. El precio a pagar por las acciones que se ofrece comprar asciende a 1.100 pesos por cada una de las acciones de la serie "A" y 990 pesos por cada una de las acciones de la serie "B". El precio se pagará en pesos, moneda nacional y no devengará intereses ni reajustes. Se deja constancia que la Oferta Americana se hace al precio de 4.400 pesos por cada ADS que representa cuatro acciones de la serie "A" de CTC y que resulta al mismo precio por acción de la serie "A" en pesos que la presente Oferta. El precio a pagar por las acciones que se ofrecen comprar en la Oferta Americana es, igualmente, de 1.100 pesos por cada una de las acciones de la serie "A" y 990 pesos por cada una de las acciones de la serie "B". En el caso de la Oferta Americana el precio será pagadero en dólares de los Estados Unidos de América, en Estados Unidos de América, según el tipo de cambio dólar observado publicado en el Diario Oficial el día de término de la Oferta Americana. Si la Oferta Americana expirare en un día en que no se publique en el Diario Oficial el tipo de cambio dólar observado, éste será el publicado en el Diario Oficial el día anterior al día de término de la Oferta Americana en el que se haya publicado el tipo de cambio dólar observado.

La Tercera, 10-12-2008

- b. Forma de pago. El precio por las acciones ofrecidas se pagará en pesos moneda nacional, mediante vale vista bancario no endosable o cheque nominativo o, en caso de ser solicitado por un accionista, mediante transferencia electrónica de fondos a la cuenta que indique en la aceptación de la Oferta.
- c. Fecha de Perfeccionamiento. La fecha de perfeccionamiento de la adquisición de las acciones mediante el "Sistema de Ofertas a Firme en Bloque" se efectuará el día en que se publique el Aviso de Resultado y se envíe a la Bolsa de Comercio de Santiago, Bolsa de Valores una copia de dicho aviso.
- d. Plazo y lugar de pago. El precio de la Oferta no devengará intereses y se pagará bajo la modalidad bursátil denominada "contado normal", esto es, al segundo día hábil bursátil siguiente al perfeccionamiento de la adquisición de acciones indicada en el literal anterior.
- El precio de la Oferta se pagará por el Oferente, a través de Santander S.A. Corredores de Bolsa (el "Administrador de la Oferta") en sus oficinas ubicadas en calle Bandera 140, Piso 12, comuna y ciudad de Santiago, de lunes a viernes, de 9:00 a 14:00 horas, salvo que sea día feriado bancario.

5. Procedimiento para aceptar la Oferta

- a. Estado de las acciones ofrecidas. Las acciones objeto de la aceptación deberán encontrarse inscritas a nombre del aceptante en el Registro de Accionistas de CTC, íntegramente pagadas y libres de gravámenes, prohibiciones, embargos, litigios, medidas precautorias, condiciones suspensivas o resolutorias, derechos preferentes de terceros, derechos reales o personales a favor de terceros oponibles al Oferente y, en general, de cualquier otra circunstancia que impida o limite su libre cesión, transferencia o dominio (los "Gravámenes").
- b. Formalidades para la aceptación de la Oferta y documentos necesarios. Los accionistas titulares de acciones que deseen aceptar la Oferta, deberán hacerlo únicamente durante el plazo de vigencia de ésta o de su prórroga, formulando una orden escrita de venta de sus acciones, sujeta a los términos y condiciones de la Oferta, la que deberán firmar ante un representante del Administrador de la Oferta o del corredor de la Bolsa de Comercio de Santiago, Bolsa de Valores que intervenga.

La orden de venta o aceptación deberá ser entregada al Administrador de la Oferta, en su domicilio ubicado en calle Bandera 140, Piso 12, comuna y ciudad de Santiago, o a algún otro corredor de la Bolsa de Comercio de Santiago, Bolsa de Valores.

En conformidad con lo dispuesto en el Manual de Operaciones Bursátiles en Acciones de la Bolsa de Comercio de Santiago, Bolsa de Valores, las órdenes deberán entregarse durante la vigencia de la Oferta, los días lunes a viernes entre las 9:30 y las 18:30 horas. Sin perjuicio de lo anterior, el día de vencimiento de la Oferta o de su prórroga, sólo podrán entregarse órdenes hasta las 17:30 horas.

El accionista que concurra a entregar su aceptación a la Oferta, deberá suscribir simultáneamente un traspaso, por la totalidad de las acciones objeto de la Oferta que desee vender, el que deberá cumplir con toda la normativa vigente, a favor del Administrador de la Oferta, o bien, a favor del corredor de la Bolsa de Comercio de Santiago, Bolsa de Valores al que recurra, en su caso; y suscribir un contrato de custodia con el Administrador de la Oferta o el corredor de bolsa correspondiente, quienes efectuarán los trámites necesarios para ingresar a su custodia las acciones objeto de la aceptación y, en el caso de los corredores distintos del Administrador de la Oferta, entregarlos a éste en los términos de esta Oferta y de la normativa bursátil aplicable.

Asimismo, dichos accionistas o el corredor de bolsa al que éstos recurran deberán entregar al Administrador de la Oferta los siguientes documentos:

- (i) Los títulos de acciones originales por las acciones que desee vender y que obtén en su poder, o bien un certificado que al efecto emita el Departamento de Acciones de CTC, acreditando que el o los títulos se encuentran depositados en este ubicado en calle Huérfanos N° 770, piso 22, comuna y ciudad de Santiago;
- (ii) Un certificado que al efecto emita el Departamento de Acciones de CTC, acreditando que ésta no tiene constancia en sus registros que las acciones se encuentran afectadas por Gravámenes;
- (iii) Copia, por ambos lados, de la cédula de identidad del accionista persona natural o de su representante, en su caso, o bien del representante del accionista persona jurídica, cuyo original deberá ser exhibido al momento de suscribirse la aceptación. La circunstancia de ser dicha fotocopia fiel del original deberá ser certificada por un notario público o comprobada por el correspondiente corredor de bolsa interviniente;
- (iv) Original o copia autorizada del mandato vigente con que actúen los representantes de los accionistas, el que deberá contener facultades suficientes de representación para la venta de las acciones en las condiciones establecidas en este aviso, otorgado o autorizado ante notario público;
- (v) Copia autorizada de la totalidad de los antecedentes legales de los accionistas personas jurídicas, con inclusión de la totalidad de los documentos constitutivos de éstas, sus modificaciones, así como sus autorizaciones de existencia y demás resoluciones que sean pertinentes, así como copia autorizada de la totalidad de los documentos que acrediten la personería de sus representantes, y
- (vi) Copia autorizada de la totalidad de los antecedentes legales de los accionistas cuyas acciones se encontraren inscritas a nombre de comunidades o sucesiones, con inclusión de la totalidad de los documentos declarativos de éstas, sus modificaciones, así como las resoluciones y certificados que sean pertinentes y copia autorizada de la totalidad de los documentos que acrediten la personería de sus representantes.

Adicionalmente a lo anterior, el aceptante deberá contar con ficha de cliente y contrato de custodia en la corredora de bolsa correspondiente, en conformidad con las normas respectivas.

Los corredores de bolsa distintos del Administrador de la Oferta que participen en la Oferta, reunirán las acciones ingresadas a su custodia y las acciones propias, y, según corresponda, formularán una o más aceptaciones al Administrador de la Oferta, en los términos indicados en este numeral, las que deberán ser entregadas conjuntamente con los demás documentos singularizados en este número.

Las administradoras de fondos de pensiones y las administradoras de fondos mutuos, para los fondos administrados por ellas, así como los demás inversionistas institucionales a los cuales se les exige mantener sus inversiones a nombre propio hasta la venta de las mismas, que decidan participar en la Oferta a que se refiere este Aviso de Inicio, se registrarán por los procedimientos y mecanismos que les exija la normativa aplicable a sus operaciones, debiendo en todo caso entregar su aceptación a la presente Oferta, en las oficinas del Administrador de la Oferta, dentro del plazo de vigencia de esta Oferta o de su prórroga, sin que sea necesaria la entrega de un traspaso de acciones ni la entrega de los títulos señalados en el numeral (i) precedente. En todo caso, dichos documentos deberán ser entregados al Administrador de la Oferta conjuntamente con el pago al inversionista institucional correspondiente del precio por sus acciones vendidas en este proceso.

c. Devolución de valores. El Oferente no comprará aquellas acciones de CTC que sean ofrecidas en términos y condiciones distintos a los señalados en esta Oferta. En tal evento, las acciones que no hubieran sido aceptadas junto con todos los documentos proporcionados por los aceptantes serán puestos a disposición de los accionistas respectivos, inmediatamente después de concluido el proceso de inscripción de las acciones en el Registro de Accionistas de CTC, sin que se genere ningún derecho a indemnización, pago o reembolso para los accionistas que hayan aceptado la Oferta, ni implicará obligación o responsabilidad alguna para el Oferente, sus mandatarios, agentes, asesores o representantes.

6. Derecho de retractación

Los accionistas que hubieren aceptado la Oferta podrán retractarse, total o parcialmente, hasta antes del vencimiento del plazo de vigencia de la misma o de la prórroga, en su caso, mediante comunicación escrita entregada por el accionista o el corredor que intervenga, en las oficinas del Administrador de la Oferta, donde les serán restituidos al accionista o corredor que intervenga, según corresponda, su carta de aceptación y los documentos que hubieren adjuntado a ella. Finalmente, se hace presente que en el caso que algún accionista se retracte de su aceptación en la forma indicada en la presente sección, las acciones respectivas les serán devueltas tan pronto éste comunique por escrito su retractación.

7. Administrador de la Oferta

El Oferente actuará, para todos los efectos de la presente Oferta, a través de Santander S.A. Corredores de Bolsa, Rol Único Tributario número 96.683.200-2, cuyo domicilio es calle Bandera 140 Piso 12, comuna y ciudad de Santiago.

Para estos efectos, el Oferente ha conferido al Administrador de la Oferta facultades para actuar como su agente en la Oferta, para recibir las aceptaciones que se formulen por los accionistas de CTC, responder las consultas que se planteen en cuanto a los mecanismos y condiciones de la Oferta, realizar traspasos a la custodia de CTC, rechazar las aceptaciones y, en general, todas las actividades que sean necesarias para materializar la Oferta.

8. Lugares de Información

Los interesados pueden obtener copias de este aviso y mayor información en:

- a. las oficinas del Oferente ubicadas en Av. Vitacura 2736 segundo piso, comuna de las Condes, ciudad de Santiago, de lunes a jueves entre las 9:00 y las 17:30 horas y viernes entre las 9:00 y las 16:00 horas, excluyendo feriados y en su página web www.opactc.cl.
- b. las oficinas del Administrador de la Oferta, ubicadas en calle Bandera 140 Piso 12, comuna y ciudad de Santiago, de lunes a jueves entre las 9:00 y las 17:30 horas y viernes entre las 9:00 y las 16:00 horas, excluyendo feriados y en su página web www.santanderinvestment.cl.
- c. la Superintendencia de Valores y Seguros, cuyas oficinas se encuentran ubicadas en Av. Libertador Bernardo O'Higgins 1449, comuna y ciudad de Santiago, y en la página web de esa Superintendencia www.svs.cl.
- d. la Bolsa de Comercio de Santiago, Bolsa de Valores, cuyas oficinas se encuentran ubicadas en calle La Bolsa 64, comuna y ciudad de Santiago, de lunes a viernes entre 9:00 y 18:00 horas y en la página web www.bolsadecomercio.cl.

INVERSIONES TELEFÓNICA INTERNACIONAL HOLDING LIMITADA

OFERTA PÚBLICA
DE
ADQUISICIÓN DE ACCIONES
DE
COMPAÑÍA DE TELECOMUNICACIONES DE CHILE S.A.
CONFORME AL INCISO 5° DEL ARTÍCULO 198 DE LA LEY N° 18.045
Y
ARTÍCULO 69 TER DE LA LEY N° 18.046

POR
INVERSIONES TELEFÓNICA INTERNACIONAL HOLDING LIMITADA

1. Identificación del Oferente y participación en el emisor

Inversiones Telefónica Internacional Holding Limitada (en lo sucesivo también "Inversiones Telefónica" o el "Oferente"), RUT 77.363.730-K, domiciliada en Avenida Vitacura número 2736, segundo piso, comuna de Las Condes, Santiago, ofrece comprar un total de 28.057.873 acciones de la serie "A" y 3.071.148 acciones de la serie "B" de la Compañía de Telecomunicaciones de Chile S.A. (en lo sucesivo también "CTC" o la "Sociedad"), equivalentes al 100% de las acciones emitidas por CTC que no son de propiedad del Oferente o de su controlador Telefónica Internacional Chile S.A., (en lo sucesivo también "TICSA") mediante una oferta pública de adquisición de acciones conforme al inciso 5° del artículo 198 de la Ley N° 18.045, dando así cumplimiento a lo dispuesto en el artículo 69 ter de la ley 18.046, en los términos y condiciones de este aviso de inicio (en lo sucesivo el "Aviso de Inicio" y todo en adelante la "Oferta").

El Oferente es una sociedad controlada por la sociedad TICSA, entidad organizada y existente bajo las leyes de Chile, quien es dueña del 99,999999846% de los derechos sociales del Oferente. A su vez, TICSA es controlada por la sociedad Telefónica Chile Holding BV, entidad existente y organizada bajo las leyes de Holanda, con una participación del 99,99%; esta última sociedad es controlada por Telefónica Internacional Holding BV, entidad existente y organizada bajo las leyes de Holanda, con una participación del 100%; y esta última sociedad es controlada por Telefónica Internacional S.A., sociedad unipersonal, entidad existente y organizada bajo las leyes de España, dueña del 100% de la participación accionaria. Por su parte Telefónica Internacional S.A. es controlada por la sociedad Telefónica, S.A. con una participación del 100%.

El controlador final del Oferente es Telefónica, S.A., entidad existente y organizada bajo las leyes de España, RUT 59.128.670-6, domiciliada en Madrid, España, Calle Gran Vía 28, 28013, sociedad sujeta a la fiscalización de la Comisión Nacional del Mercado de Valores de España, que a su vez controla actualmente a CTC a través de la sociedad TICSA y de Inversiones Telefónica, con una participación de aproximadamente el 96,8% del capital social de CTC.

La propiedad de Telefónica, S.A. se encuentra muy dispersa y por lo tanto no es posible identificar ningún controlador de dicha entidad. A esta fecha, los siguientes accionistas son dueños de un 5% o más de las acciones de Telefónica, S.A.:

a) Banco Bilbao Vizcaya Argentaria, S.A. "BBVA", con un 6,258%.

b) Caja de Ahorros y Pensiones de Barcelona, "la Caixa", con un 5,483%.

Además de estas participaciones significativas, la entidad financiera Chase Manhattan Nominees Ltd., según comunicación remitida a la Comisión Nacional del Mercado de Valores, con fecha 7 de septiembre de 2005, tenía una participación en el capital de Telefónica, S.A. de un 9,904%, como entidad depositaria, por lo que esta participación es poseída en nombre y por cuenta de sus clientes.

De acuerdo con la información obtenida de la "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores" (Iberclear), con fecha 1 de abril de 2008, el número de accionistas de Telefónica, S.A., según registros individualizados a favor tanto de personas naturales como de personas jurídicas, ascendía aproximadamente a 1.488.220 accionistas.

Telefónica, S.A. posee indirectamente, a través de Inversiones Telefónica, 457.944.050 acciones de la serie "A", incluyendo ADS representativos de acciones de la serie "A", y 38.351.003 acciones de la serie "B", equivalentes aproximadamente al 51,9% de las acciones emitidas por CTC; y a través de TICSA, posee indirectamente 387.993.524 acciones de la serie "A" y 41.739.487 acciones de la serie "B", equivalentes aproximadamente al 44,9% de las acciones de CTC, lo que equivale a un total aproximado de participación indirecta de Telefónica en CTC de un 96,8%.

2. Objetivo de la Oferta

Los objetivos de la Oferta son dar cumplimiento a lo dispuesto en el artículo 69 ter de la Ley N° 18.046 sobre sociedades anónimas y aumentar la participación de Telefónica S.A. en CTC.

Atendido a que la participación del Oferente, en conjunto con su controlador, ha superado los dos tercios de las acciones emitidas con derecho a voto de CTC, el Oferente ha quedado obligado a formular una oferta pública de adquisición de acciones, en conformidad con lo establecido en el artículo 69 ter de la Ley N° 18.046 sobre sociedades anónimas.

El Oferente tiene planes de mantener la Sociedad sujeta a las normas aplicables a las sociedades anónimas abiertas e inscrita en el Registro de Valores que lleva la Superintendencia de Valores y Seguros, (en lo sucesivo la "SVS") durante al menos los 12 meses siguientes a la expiración de la Oferta.

3. Características de la Oferta

a. Monto total de la operación. En caso de concretarse la adquisición del 100% de las acciones de la Sociedad que no son de propiedad del Oferente o de su controlador TICSA, el monto total de la operación ascendería a 33.904.096.820 pesos, a razón de 1.100 pesos por cada acción de la serie "A" y 990 pesos por cada acción de la serie "B".

b. Acciones a que se refiere la Oferta. La presente Oferta se hace respecto de un total de 28.057.873 acciones de la serie "A" y 3.071.148 acciones de la serie "B" de CTC, equivalentes al 100% de las acciones de que no es titular el Oferente o su controlador.

Simultáneamente a esta Oferta, el Oferente está haciendo una oferta en Estados Unidos de América por la totalidad de los American Depositary Shares ("ADS") representativos de acciones serie "A" de CTC que se transan en la Bolsa de Nueva York (NYSE Euronext) y las acciones serie "A" y serie "B" de propiedad de los denominados US Holders (según lo define la Regla 14d-1 de la Securities Exchange Act de 1934 de los Estados Unidos de América) emitidas por la Sociedad que no son de propiedad del Oferente o de su controlador TICSA, en conformidad con las leyes aplicables a este tipo de ofertas en Estados Unidos de América, (en lo sucesivo la "Oferta Americana"). Dicho proceso de adquisición se realizará al amparo de las normas de la Security and Exchange Act de 1934 de ese país, mediante un proceso de tender offer. Cada ADS representa cuatro acciones de la serie "A" de CTC.

c. Mecanismo de Prorrato. Dado que la Oferta comprende el total de las acciones de CTC que no son de propiedad del Oferente o de su controlador TICSA, no se consideran mecanismos de prorrato.

d. Plazo de duración de la Oferta. El período de la Oferta tendrá una duración de 30 días corridos, que se inicia a las 00:00 horas del 2 de diciembre de 2008 y en conformidad con lo dispuesto en el Manual de Operaciones Bursátiles en Acciones de la Bolsa de Comercio de Santiago, Bolsa de Valores, expira a las 17:30 horas del 31 de diciembre de 2008.

El Oferente podrá, en caso de estimarlo conveniente, proceder a la prórroga del referido plazo en conformidad con la ley. En caso que el Oferente prorrogue el plazo de duración de la Oferta, lo comunicará a los interesados mediante un aviso que se publicará a más tardar el día del vencimiento del plazo inicial de la Oferta, en los diarios El Mercurio de Santiago y La Tercera.

e. Plazo para declarar exitosa la Oferta. Dentro del plazo de tres días hábiles bursátiles contados desde la fecha de expiración del plazo de vigencia de la Oferta o de su prórroga, el Oferente publicará en los diarios El Mercurio de Santiago y La Tercera una comunicación indicando el resultado de la Oferta en que se indicará el número total de acciones que adquirirá y el porcentaje total de participación en la Sociedad que alcanzará ("el Aviso de Resultado") y el mismo día de la publicación de dicho aviso, remitirá una copia del mismo a CTC, a las Bolsas de Valores y a la SVS.

La Oferta no se encuentra sujeta a condiciones de éxito.

f. Destinatarios de la Oferta. La presente Oferta está dirigida a todos los accionistas de CTC durante la vigencia de la Oferta o de su prórroga, con excepción del Oferente o de su controlador TICSA.

g. Sistema bursátil utilizado para la materialización de la operación. La Oferta se efectuará en la Bolsa de Comercio de Santiago, Bolsa de Valores, mediante el "Sistema de Ofertas a Firme en Bloque", contenido en el capítulo 2.2.3 del Manual de Operaciones Bursátiles en Acciones de esa Bolsa de Valores, aprobado por la SVS según resolución N° 021 de enero de 2001.

h. Comisiones. Ni el Oferente ni el Administrador de la Oferta pagarán comisiones a los corredores de bolsa que participen en la Oferta por las órdenes que éstos ingresen.

4. Precio y condiciones de pago

a. Precio por acción. El precio a pagar por las acciones que se ofrece comprar asciende a 1.100 pesos por cada una de las acciones de la serie "A" y 990 pesos por cada una de las acciones de la serie "B". El precio se pagará en pesos, moneda nacional y no devengará intereses ni reajustes. Se deja constancia que la Oferta Americana se hace al precio de 4.400 pesos por cada ADS que representa cuatro acciones de la serie "A" de CTC y que resulta al mismo precio por acción de la serie "A" en pesos que la presente Oferta. El precio a pagar por las acciones que se ofrecen comprar en la Oferta Americana es, igualmente, de 1.100 pesos por cada una de las acciones de la serie "A" y 990 pesos por cada una de las acciones de la serie "B". En el caso de la Oferta Americana el precio será pagadero en dólares de los Estados Unidos de América, en Estados Unidos de América, según el tipo de cambio dólar observado publicado en el Diario Oficial el día de término de la Oferta Americana. Si la Oferta Americana expirare en un día en que no se publique en el Diario Oficial el tipo de cambio dólar observado, éste será el publicado en el Diario Oficial el día anterior al día de término de la Oferta Americana en el que se haya publicado el tipo de cambio dólar observado.

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ma de pago. El precio por las acciones ofrecidas se pagará en pesos moneda nacional, mediante vale vista bancario no endosable o cheque nominativo o, en caso de ser
ado por un accionista, mediante transferencia electrónica de fondos a la cuenta que indique en la aceptación de la Oferta.

na de Perfeccionamiento. La fecha de perfeccionamiento de la adquisición de las acciones mediante el "Sistema de Ofertas a Firme en Bloque" se efectuará el día en que se
ue el Aviso de Resultado y se envíe a la Bolsa de Comercio de Santiago, Bolsa de Valores una copia de dicho aviso.

ro y lugar de pago. El precio de la Oferta no devengará intereses y se pagará bajo la modalidad bursátil denominada "contado normal", esto es, al segundo día hábil bursátil
nte al perfeccionamiento de la adquisición de acciones indicada en el literal anterior.

clo de la Oferta se pagará por el Oferente, a través de Santander S.A. Corredores de Bolsa (el "Administrador de la Oferta") en sus oficinas ubicadas en calle Bandera 140, Piso
nuna y ciudad de Santiago, de lunes a viernes, de 9:00 a 14:00 horas, salvo que sea día feriado bancario.

cedimiento para aceptar la Oferta

ado de las acciones ofrecidas. Las acciones objeto de la aceptación deberán encontrarse inscritas a nombre del aceptante en el Registro de Accionistas de CTC, íntegramente
as y libres de gravámenes, prohibiciones, embargos, litigios, medidas precautorias, condiciones suspensivas o resolutorias, derechos preferentes de terceros, derechos reales
sonales a favor de terceros oponibles al Oferente y, en general, de cualquier otra circunstancia que impida o limite su libre cesión, transferencia o dominio (los "Gravámenes").

ormalidades para la aceptación de la Oferta y documentos necesarios. Los accionistas titulares de acciones que deseen aceptar la Oferta, deberán hacerlo únicamente durante
zo de vigencia de ésta o de su prórroga, formulando una orden escrita de venta de sus acciones, sujeta a los términos y condiciones de la Oferta, la que deberán firmar ante
presentante del Administrador de la Oferta o del corredor de la Bolsa de Comercio de Santiago, Bolsa de Valores que intervenga.

ten de venta o aceptación deberá ser entregada al Administrador de la Oferta, en su domicilio ubicado en calle Bandera 140, Piso 12, comuna y ciudad de Santiago, o a algún
corredor de la Bolsa de Comercio de Santiago, Bolsa de Valores.

nformidad con lo dispuesto en el Manual de Operaciones Bursátiles en Acciones de la Bolsa de Comercio de Santiago, Bolsa de Valores, las órdenes deberán entregarse durante
encia de la Oferta, los días lunes a viernes entre las 9:30 y las 18:30 horas. Sin perjuicio de lo anterior, el día de vencimiento de la Oferta o de su prórroga, sólo podrán entregarse
es hasta las 17:30 horas.

ionista que concurra a entregar su aceptación a la Oferta, deberá suscribir simultáneamente un traspaso, por la totalidad de las acciones objeto de la Oferta que desee vender,
e deberá cumplir con toda la normativa vigente, a favor del Administrador de la Oferta, o bien, a favor del corredor de la Bolsa de Comercio de Santiago, Bolsa de Valores al
ecurra, en su caso; y suscribir un contrato de custodia con el Administrador de la Oferta o el corredor de bolsa correspondiente, quienes efectuarán los trámites necesarios
ngresar a su custodia las acciones objeto de la aceptación y, en el caso de los corredores distintos del Administrador de la Oferta, entregarlos a éste en los términos de esta
a y de la normativa bursátil aplicable.

ismo, dichos accionistas o el corredor de bolsa al que éstos recurran deberán entregar al Administrador de la Oferta los siguientes documentos:

s títulos de acciones originales por las acciones que desee vender y que obren en su poder, o bien un certificado que al efecto emita el Departamento de Acciones de CTC,
litando que el o los títulos se encuentran depositados en este ubicado en calle Huérfanos N° 770, piso 22, comuna y ciudad de Santiago;

n certificado que al efecto emita el Departamento de Acciones de CTC, acreditando que ésta no tiene constancia en sus registros que las acciones se encuentran afectadas
ravámenes;

opia, por ambos lados, de la cédula de identidad del accionista persona natural o de su representante, en su caso, o bien del representante del accionista persona jurídica,
original deberá ser exhibido al momento de suscribirse la aceptación. La circunstancia de ser dicha fotocopia fiel del original deberá ser certificada por un notario público o
robada por el correspondiente corredor de bolsa interviniente;

original o copia autorizada del mandato vigente con que actúen los representantes de los accionistas, el que deberá contener facultades suficientes de representación para
nta de las acciones en las condiciones establecidas en este aviso, otorgado o autorizado ante notario público;

opia autorizada de la totalidad de los antecedentes legales de los accionistas personas jurídicas, con inclusión de la totalidad de los documentos constitutivos de éstas, sus
ificaciones, así como sus autorizaciones de existencia y demás resoluciones que sean pertinentes, así como copia autorizada de la totalidad de los documentos que acrediten
ersonería de sus representantes, y

opia autorizada de la totalidad de los antecedentes legales de los accionistas cuyas acciones se encontraren inscritas a nombre de comunidades o sucesiones, con inclusión
totalidad de los documentos declarativos de éstas, sus modificaciones, así como las resoluciones y certificados que sean pertinentes y copia autorizada de la totalidad de
ocumentos que acrediten la personería de sus representantes.

onalmente a lo anterior, el aceptante deberá contar con ficha de cliente y contrato de custodia en la corredora de bolsa correspondiente, en conformidad con las normas
activas.

corredores de bolsa distintos del Administrador de la Oferta que participen en la Oferta, reunirán las acciones ingresadas a su custodia y las acciones propias, y, según
sponda, formularán una o más aceptaciones al Administrador de la Oferta, en los términos indicados en este numeral, las que deberán ser entregadas conjuntamente con
emás documentos singularizados en este número.

administradoras de fondos de pensiones y las administradoras de fondos mutuos, para los fondos administrados por ellas, así como los demás inversionistas Institucionales
cuales se les exige mantener sus inversiones a nombre propio hasta la venta de las mismas, que decidan participar en la Oferta a que se refiere este Aviso de Inicio, se registrarán
os procedimientos y mecanismos que les exija la normativa aplicable a sus operaciones, debiendo en todo caso entregar su aceptación a la presente Oferta, en las oficinas
dministrador de la Oferta, dentro del plazo de vigencia de esta Oferta o de su prórroga, sin que sea necesaria la entrega de un traspaso de acciones ni la entrega de los títulos
ados en el numeral (i) precedente. En todo caso, dichos documentos deberán ser entregados al Administrador de la Oferta conjuntamente con el pago al inversionista
tucional correspondiente del precio por sus acciones vendidas en este proceso.

volución de valores. El Oferente no comprará aquellas acciones de CTC que sean ofrecidas en términos y condiciones distintos a los señalados en esta Oferta. En tal evento,
cciones que no hubieran sido aceptadas junto con todos los documentos proporcionados por los aceptantes serán puestos a disposición de los accionistas respectivos,
adiatamente después de concluido el proceso de inscripción de las acciones en el Registro de Accionistas de CTC, sin que se genere ningún derecho a indemnización, pago o
ibolso para los accionistas que hayan aceptado la Oferta, ni implicará obligación o responsabilidad alguna para el Oferente, sus mandatarios, agentes, asesores o representantes.

recho de retractación

ccionistas que hubieren aceptado la Oferta podrán retractarse, total o parcialmente, hasta antes del vencimiento del plazo de vigencia de la misma o de la prórroga, en su
, mediante comunicación escrita entregada por el accionista o el corredor que intervenga, en las oficinas del Administrador de la Oferta, donde les serán restituidos al accionista
redor que intervenga, según corresponda, su carta de aceptación y los documentos que hubieren adjuntado a ella. Finalmente, se hace presente que en el caso que algún
nista se retracte de su aceptación en la forma indicada en la presente sección, las acciones respectivas les serán devueltas tan pronto éste comunique por escrito su retractación.

ministrador de la Oferta

erente actuará, para todos los efectos de la presente Oferta, a través de Santander S.A. Corredores de Bolsa, Rol Único Tributario número 96.683.200-2, cuyo domicilio es calle
jera 140 Piso 12, comuna y ciudad de Santiago.

estos efectos, el Oferente ha conferido, al Administrador de la Oferta facultades para actuar como su agente en la Oferta, para recibir las aceptaciones que se formulen por
ccionistas de CTC, responder las consultas que se planteen en cuanto a los mecanismos y condiciones de la Oferta, realizar traspasos a la custodia de CTC, rechazar las
itaciones y, en general, todas las actividades que sean necesarias para materializar la Oferta.

lgares de Información

nteressados pueden obtener copias de este aviso y mayor información en:

s oficinas del Oferente ubicadas en Av. Vitacura 2736 segundo piso, comuna de las Condes, ciudad de Santiago, de lunes a jueves entre las 9:00 y las 17:30 horas y viernes entre
1:00 y las 16:00 horas, excluyendo feriados y en su página web www.opactc.cl.

s oficinas del Administrador de la Oferta, ubicadas en calle Bandera 140 Piso 12, comuna y ciudad de Santiago, de lunes a jueves entre las 9:00 y las 17:30 horas y viernes entre
1:00 y las 16:00 horas, excluyendo feriados y en su página web www.santanderinvestment.cl.

Superintendencia de Valores y Seguros, cuyas oficinas se encuentran ubicadas en Av. Libertador Bernardo O'Higgins 1449, comuna y ciudad de Santiago, y en la página web
sa Superintendencia www.svs.cl.

Bolsa de Comercio de Santiago, Bolsa de Valores, cuyas oficinas se encuentran ubicadas en calle La Bolsa 64, comuna y ciudad de Santiago, de lunes a viernes entre 9:00 y
0 horas y en la página web www.bolsadecomercio.cl.

INVERSIONES TELEFÓNICA INTERNACIONAL HOLDING LIMITADA

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