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MN PUBLIC UTILITIES COMMISSION

January 22, 2001

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VIA FAX AND FEDERAL EXPRESS

Bruce L. Linscheid
Financial Analyst
Minnesota Public Utilities Commission
350 Metro Square
121 7th Place East
St. Paul, Minnesota 55101

RECEIVED
JAN 23 2001
MN
COMMERCE

Re: Americatel Corporation d/b/a 10 10 123 Americatel

Dear Mr. Linscheid:

In accordance with the directions contained in your letter of January 19, 2001 to Connie Shivers of our office, and based on my conversation with you this morning, this letter supplements our letter of January 17, 2001 to the Minnesota Public Utilities Commission regarding the indirect change in control of Americatel Corporation d/b/a 10 10 123 Americatel ("Americatel") that will result from the acquisition of majority organization control of Entel Chile S.A. by Stet International Netherlands N.V. As we have discussed, 80% of Americatel is owned by Entel International B.V.I. Corporation, which is a wholly-owned subsidiary of Entel Chile S.A. Stet International Netherlands N.V. currently owns 26.16% of Entel Chile S.A. After the proposed transaction, Stet International Netherlands N.V. will own 54.76% of Entel Chile S.A., and therefore, will have majority organizational control of Entel Chile S.A. Stet International Netherlands N.V. is a subsidiary of Telecom Italia and is responsible for acquiring and administering equity interest in international telecommunications companies. Information about Stet International Netherlands N.V. from Telecom Italia's web page is attached as Exhibit "A."

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Bruce L. Linscheid
January 22, 2001
Page 2

Financial information for Stet International Netherlands N.V. is attached as Exhibit "B." Selected financial and statistical information for Telecom Italia for the year ending December 31, 1998 is attached as Exhibit "C." Financial information for Entel Chile S.A. is attached as Exhibit "D."

Stet International Netherlands N.V. has substantial experience in the international telecommunications market. Thus, this experience will indirectly benefit Americatel and its customers. However, as a practical matter, Americatel does not anticipate any change in its financial, managerial or technical capabilities and the transaction will be transparent to Americatel's customers in Minnesota.

The transaction by which Stet International Netherlands N.V. will acquire majority organizational control of Entel Chile S.A. has not yet closed. It is currently expected that this transaction will close in mid to late February, 2001. Thus, expedited consideration of this transaction by the Minnesota Public Utilities Commission would be appreciated.

Thank you for your assistance. Please let us know if you need additional information.

Very truly yours,

HOLLAND & KNIGHT LLP



Karen D. Walker

Enclosure
KDW/

cc: D. Bruce May
Connie Shivers, CLA



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Stet International

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Stet International

Through the acquisition and management of stakes in foreign operators, Group company STET International's mission is to expand activities in international markets. Two holding companies perform this function: STET International Netherlands for fixed telecommunications, and STET Mobile Holding for mobile telecommunications. In South America STET International Netherlands owns 29.29% of Cuban telecom Etec S.A., 50% of Entel Bolivia and 20% of Entel Chile. It also has a 25% shareholding in Impsat Corporation, a pan-regional business services provider. In Brazil STET International is a major shareholder in Maxitel S.A. (formerly the Vicunha Telecomunicagves consortium), winner of the cellular telephony franchise for the of states Bahia and Sergipe. STET International also holds a 33.33% share in the Argentine holding company Norcable S.a., through which it has acquired 51% of the cable television concern Cablevision de Comahue - C.V.C. STET International's European holdings include a 54.14% stake in STET Hellas Telecommunications, which runs the GSM mobile service in Greece, and 70% of Intelcom San Marino. In France STET is allied with the Bouygues Group, which has a controlling stake in the third DCS 1800 wireless communications company. In the Czech Republic a consortium of STET International, DeTeMobil of Germany and local partners

acquired 49% of joint venture Ceske Radiocomunikace, the country's second GSM franchise holder. STET International recently put in the winning bid to purchase 25% of the capital of Mobilkom Austria, the mobile telephony arm of Austria's national telco. In Spain STET International is part of the Union de Empresas, a company that has made successful privatization bids. As a result, STET International has a 21.66% stake in Retevision, the country's second fixed phone company. In the Mediterranean basin STET International has interests in Israel, where it holds 26.4% of the Golden Lines company, the nation's international services franchise holder. In India STET International owns 12.2% of Cellular, a company which provides GSM mobile services in New Delhi. Under a working agreement with the Bharti Group, STET International has also won the franchise for supplying fixed telephony services in Madhya Pradesh. Lastly, in China, where foreign companies are not yet allowed to directly provide services, STET International has entered into two joint ventures with China Unicom, the nation's second largest telecom company, for construction of a fixed network in Teda (Tjanjin Economic Development Area) and a mobile services network in the Province in Jilin.

EXHIBIT

"A"

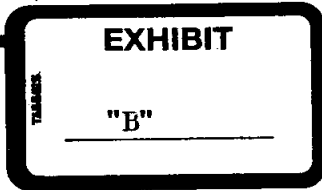
Gruppo Telecom Italia
STATO PATRIMONIALE CONSOLIDATO

ATTIVO (milioni di lire)

	31.12.1999	31.12.1998
Crediti verso soci per versamenti ancora dovuti		
Parte richiamata	-	2
Parte non richiamata	3	3
IMMOBILIZZAZIONI		
IMMOBILIZZAZIONI IMMATERIALI		
Costi di impianto e di ampliamento	127	139
Diritti di brevetto industriale e diritti di utilizzazione delle opere dell'ingegno	1.507	1.405
Concessioni, licenze, marchi e diritti simili	490	269
Avviamento	6	17
Differenze da consolidamento	1.307	643
Immobilizzazioni in corso e acconti	756	697
Altre	639	697
	4.232	3.268
IMMOBILIZZAZIONI MATERIALI		
Terreni e fabbricati	9.923	9.895
Impianti e macchinario	31.881	28.262
Attrezzature industriali e commerciali	240	270
Altri beni	1.087	1.120
Immobilizzazioni in corso e acconti	2.387	2.180
	45.518	43.698
IMMOBILIZZAZIONI FINANZIARIE		
Partecipazioni in		
imprese controllate non consolidate	430	137
imprese collegate	11.510	11.704
altre imprese	678	668
	12.618	12.509
Versamenti in futuro aumento di partecipazioni		
Crediti	[*]	[*]
verso imprese collegate	250	111
verso altri	189	739
	439	850
Altri titoli	5	156
	444	1.006
Totale immobilizzazioni	81.091	82.027
Attivo circolante		
RIMANENZE		
Materie prime, sussidiarie e di consumo	189	346
Prodotti in corso di lavorazione e semilavorati	134	448
Lavori in corso su ordinazione	1.217	891
Prodotti finiti	23	69
merci	492	301
Acconti	29	14
	1.984	1.988
CREDITI		
Verso clienti	67	14.306
Verso imprese controllate non consolidate	-	382
Verso imprese collegate	-	707
Verso contraenti	-	-
Verso altri	582	2.836
	649	18.231
ATTIVITA FINANZIARIE CHE NON COSTITUISCONO IMMOBILIZZAZIONI		
Partecipazioni in imprese controllate	102	108
Altre partecipazioni	11	-
Azioni proprie (per un valore nominale complessivo di 91.12.1998 di L. 876 milioni)	-	5
Altri titoli	2.492	2.435
	2.605	2.548
Disponibilità liquide		
Depositi bancari e postali	1.294	1.128
Cassa e valori in cassa	18	5
	1.312	1.133
Totale attivo circolante	24.964	23.861
Rischi e risconti		
Rischi di emissione ed altri oneri similari su prestiti	3	6
Rischi e altri risconti	177	182
	180	188
TOTALE ATTIVO	106.151	105.888

[*] Importi esigibili nel anno precedente [**] Importi esigibili circa l'anno precedente

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Gruppo Telecom Italia
CONTI D'ORDINE

	01.12.1999	01.12.2000
Garanzie personali prestate		
Fidejussioni		151
a favore di imprese controllate non consolidate	67	2.153
a favore di imprese collegate	1.528	578
a favore di altri	527	
	2.642	2.824
Avanzi		
a favore di altri	28	48
Altre diverse ex avalli:		
a favore di imprese collegate	54	28
a favore di altri	23	
	87	88
	2.187	2.900
Garanzie reali prestate		
Per obbligazioni altrui di altri	14	11
Per obbligazioni proprie, diverse dai debiti	3	143
	17	154
Impegni di acquisto e di vendite		
	1.050	5.545
Altri		
	7.920	6.584
TOTALE CONTI D'ORDINE	12.080	14.189

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Gruppo Telecom Italia
CONTO ECONOMICO CONSOLIDATO

(miliardi di lire)

	Esercizio 1999	Esercizio 1998
Valore della produzione		
Ricavi della vendita o delle prestazioni	52.481	48.807
Variazioni delle rimanenze di prodotti in corso di lavorazione, semilavorati e finiti	(127)	(34)
Variazioni dei lavori in corso su ordinazione	341	(171)
Incrementi di immobilizzazioni per lavori interni	2.056	2.280
Altri ricavi e proventi		
contributi in conto esercizio	29	30
plusvalenze da alienazioni	35	36
altri	224	1.011
	55.980	52.659
Costi della produzione		
Per materie prime, ausiliarie, di consumo e merci	(4.354)	(4.480)
Per semilavorati e prodotti finiti	(841)	(100)
Per servizi	(4.285)	(4.020)
Per valutazione di beni di terzi	(1.363)	(1.285)
Per il personale		
salari e stipendi	(2.773)	(2.756)
oneri sociali	(2.192)	(2.020)
contributo di fine rapporto	(457)	(475)
altri costi	(221)	(186)
	(9.630)	(9.367)
Ammortamenti e svalutazioni:		
ammortamento delle immobilizzazioni immateriali	(1.013)	(1.300)
ammortamento delle immobilizzazioni materiali	(8.428)	(8.887)
altre svalutazioni delle immobilizzazioni	(142)	(1.060)
svalutazioni dei crediti commerciali nell'attivo circolante e delle disponibilità liquide	(702)	(729)
	(10.285)	(11.976)
Variazioni delle rimanenze di materie prime, ausiliarie, di consumo e merci		
Accantonamenti per rischi	37	(57)
Altri accantonamenti	(185)	(245)
Oneri diversi di gestione	(40)	(17)
	(188)	(329)
Differenza tra valore e costi della produzione	12.498	9.189
Proventi ed oneri finanziari		
Proventi da partecipazioni		
dividendi da imprese controllate non consolidate	3	8
dividendi da altre imprese	112	100
altri proventi da partecipazioni	157	838
	272	946
Altri proventi finanziari		
da crediti iscritti nelle immobilizzazioni:		
imprese collegate	9	2
altri	25	21
da titoli iscritti nelle immobilizzazioni che non costituiscono partecipazioni		
da titoli iscritti nell'attivo circolante che non costituiscono partecipazioni	3	6
proventi diversi dai precedenti	164	186
interessi e commissioni da imprese controllate non consolidate	3	2
interessi e commissioni da imprese collegate	25	31
interessi e commissioni da altri e proventi vari	367	300
	578	625
Interessi e altri oneri finanziari		
interessi e commissioni a imprese controllate non consolidate	(1)	(4)
interessi e commissioni a imprese collegate	(1)	(1)
interessi e commissioni ad altri e oneri vari	(1.704)	(1.321)
	(1.706)	(1.326)
Totale proventi (oneri) finanziari	162	265

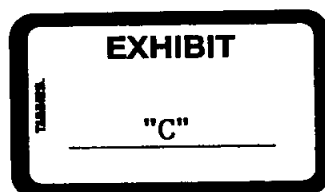
Gruppo Telecom Italia
CONTO ECONOMICO CONSOLIDATO

[SEGUE] (valori in Mio)	Esercizio 1999	Esercizio 1998
Rettifiche di valore di attività finanziarie		
Rivalutazioni di partecipazioni	497	815
Devalutazioni di partecipazioni	(1.562)	(660)
di immobilizzazioni finanziarie che non costituiscono partecipazioni	(34)	(5)
di titoli iscritti nell'attivo circolante che non costituiscono partecipazioni		(4)
	1.698	(849)
	1.131	(354)
Totale rettifiche di valore di attività finanziarie		
Proventi e oneri straordinari		
Proventi	50	70
più/meno da alienazioni	232	911
di cui		
	280	981
Oneri	(21)	(22)
minusvalenze da alienazioni	(7)	(8)
imposte relative ad esercizi precedenti	(1.283)	(318)
di cui		
	(1.290)	(326)
Totale delle partite straordinarie		
	(981)	(354)
Risultato prima delle imposte	8.711	8.217
Imposte sul reddito dell'esercizio		
imposte correnti	(5.689)	(4.401)
imposte differite	539	438
	(5.150)	(3.963)
Utile dell'esercizio di pertinenza della Capogruppo e di Terzi	4.665	6.058
Utile dell'esercizio di pertinenza di Azionisti Terzi	(1.907)	(1.432)
Utile dell'esercizio di pertinenza della Capogruppo	3.554	3.122

SELECTED FINANCIAL AND STATISTICAL INFORMATION

The selected financial data below should be read in conjunction with the Consolidated Financial Statements and notes thereto included elsewhere in this Annual Report. The selected financial data for each of the five years in the period ended December 31, 1998 are extracted or derived from the consolidated financial statements of the Company, which have been audited by Arthur Andersen S.p.A., independent auditors. In accordance with Italian law, the financial statements of the parent company Telecom Italia have been approved by the Telecom Italia Board of Directors and are subject to the approval of the shareholders of Telecom Italia at its Annual Meeting of Shareholders to be held on June 28 or July 8, 1999 on first and second call, respectively. The Group's Consolidated Financial Statements included herein have been approved by the Telecom Italia Board of Directors.

	Year ended December 31,					1998 <small>(in millions of U.S. dollars, except per share and per ADS amounts)(3)</small>
	1994	1995	1996(1)	1997(1)(2)	1998(2)	
	<small>(in billions of lire, except per share and per ADS amounts)</small>					
Statement of Income Data:						
Revenues						
Telecommunications operations	28,775	32,039	34,902	38,156	40,943	22,601
Other operations	4,977	5,334	5,620	4,660	4,522	2,496
Total operating revenues	33,752	37,373	40,522	42,816	45,465	25,097
Other income	743	759	762	891	1,085	599
Total revenues	34,495	38,132	41,284	43,707	46,550	25,696
Cost of materials	3,228	3,798	3,530	4,627	4,535	2,504
Salaries and social security contributions	10,006	9,835	9,902	9,744	9,665	5,335
Depreciation and amortization	10,235	10,349	10,742	11,311	10,480	5,785
Other external charges	8,193	9,002	11,120	11,972	14,491	7,999
Changes in inventories	(491)	(294)	108	(554)	262	145
Capitalized internal construction costs	(2,756)	(1,770)	(1,963)	(1,747)	(2,088)	(1,153)
Total operating expenses	28,415	30,920	33,439	35,353	37,345	20,615
Operating income	6,080	7,212	7,845	8,354	9,205	5,081
Interest income	819	765	1,257	1,002	1,579	872
Interest expense	(2,384)	(2,179)	(1,824)	(1,643)	(1,681)	(928)
Other income and expense, net	(393)	(17)	(398)	(942)	114	63
Income before income taxes	4,122	5,781	6,880	6,771	9,217	5,088
Income taxes	(2,221)	(3,329)	(3,720)	(3,323)	(3,965)	(2,189)
Net income	1,901	2,452	3,160	3,448	5,252	2,899
Minority interest	(736)	(993)	(1,428)	(839)	(1,422)	(785)
Net income, after minority interest	1,165	1,459	1,732	2,609	3,830	2,114
Net income per Share(4)	215	271	322	346	510	0.28
Net income per Ordinary Share ADS(4)	2,150	2,710	3,220	3,460	5,100	2.82
Dividends per Share	110	130	130	190	280(5)	0.15
Dividends per Savings Share	130	150	150	210	300(5)	0.17



	Year ended December 31,					1998 (in millions of U.S. dollars, except per share and per ADS amounts)(3)
	1994	1995	1996(1)	1997(1)(2)	1998(2)	
	(in billions of lire, except per share and per ADS amounts)					
Approximate amounts in accordance with U.S. GAAP						
Total revenues.....	32,937	36,539	39,690	43,707	46,550	25,696
Operating income.....	5,454	7,112	8,240	8,605	9,045	4,993
Income before income taxes.....	3,625	5,648	6,768	6,881	8,557	4,723
Net income from continuing operations, after minority interest.....	850	1,483	1,545	1,202	2,954	1,631
Income from operations of discontinued Demerged Activities.....	200	171	90	—	—	—
Net income after minority interest.....	1,050	1,654	1,635	1,202	2,954	1,631
Net income from continuing operations, after minority interest per Share—Basic(6).....	155	275	287	185	392	0.22
Net income from continuing operations, after minority interest per Ordinary Share ADS— Basic(6).....	1,555	2,753	2,873	1,847	3,922	2.17
Net income per Share—Basic(6).....	193	308	304	185	392	0.22
Net income per Share—Diluted(6).....	193	307	310	185	392	0.22
Net income per Ordinary Share ADS— Basic(6).....	1,933	3,078	3,041	1,847	3,922	2.17
Net income per Ordinary Share ADS— Diluted(6).....	1,935	3,071	3,099	1,847	3,922	2.17

	As of December 31,					1998 (in millions of U.S. dollars)(3)
	1994	1995	1996	1997(2)	1998(2)	
	(in billions of lire)					
Balance Sheet Data:						
Total fixed assets	53,188	49,827	47,663	47,615	45,665	25,207
Total current assets	18,294	21,539	21,965	22,890	23,816	13,147
Total assets	74,938	75,929	75,741	81,583	87,614	48,364
Total short-term debt	4,944	3,518	3,558	7,310	9,341	5,156
Total current liabilities	23,584	22,785	23,417	29,901	33,450	18,465
Total long-term debt	16,406	15,523	12,891	11,993	10,839	5,983
Total liabilities	48,092	47,169	45,519	48,549	51,929	28,665
Total stockholders' equity before minority interest	16,601	17,188	17,478	29,911	31,651	17,472
Total stockholders' equity	26,846	28,760	30,222	33,034	35,685	19,699
Approximate amounts in accordance with U.S. GAAP						
Total fixed assets	50,036	47,370	45,975	46,461	44,867	24,767
Total current assets	19,388	22,174	22,788	23,676	24,514	13,532
Total assets	76,185	76,759	76,425	88,065	93,151	51,420
Total current liabilities	23,584	22,785	23,417	29,901	33,450	18,465
Total long-term debt	16,406	15,523	12,891	11,993	10,839	5,983
Total liabilities	49,173	47,803	45,676	48,994	52,102	28,761
Total stockholders' equity(7)	17,037	17,951	18,267	35,955	37,069	20,462
Statistical Data:						
Subscriber fixed lines (thousands)(8)	24,398	24,845	25,259	25,698	25,986	
ISDN equivalent lines (thousands)(9)	42.2	150.2	341.3	896.8	1,735.3	
Mobile customers (thousands)(10)	2,240.0	3,863.4	5,700.3	9,278.0	14,299.0	
Subscriber fixed lines per full-time equivalent employee(11)	257	280	298	317	332	

- (1) Due to the introduction of a new Italian accounting principle related to the content of the statement of income, certain line items for the years ended December 31, 1996 and 1997 have been reclassified to conform with the 1998 statement of income presentation. This reclassification has had no impact on reported net income for the years ended December 31, 1996 and 1997.
- (2) Statement of income data and balance sheet data for the years ended December 31, 1997 and December 31, 1998 are not comparable to prior years due to the demerger of the Demerged Activities and the Merger. See Item 9. "Management's Discussion and Analysis of Financial Condition and Results of Operations" for a discussion of pro forma results of operations (reflecting the demerger of the Demerged Activities and the Merger) for the year ended December 31, 1996. Approximate amounts in accordance with U.S. GAAP for the years ended December 31, 1997 and December 31, 1998 are not fully comparable with previous years due to the Merger.
- (3) For the convenience of the reader, Italian lire amounts for 1998 have been translated into U.S. dollars using the Lira/Dollar Exchange Rate in effect on April 16, 1999 of Lit. 1,811.57 = U.S.\$1.00.
- (4) Net income per Share figures in 1994, 1995 and 1996 are calculated on the basis of 5,281,212,121 Shares and Savings Shares outstanding. Net income per Share in 1997 and 1998 is calculated on the basis of 7,421,251,726 Shares and Savings Shares outstanding. The increase in Shares and Savings Shares outstanding in 1997 is due to the issuance of new Shares and Savings Shares in connection with the Merger. Net income per Savings Share was Lit. 235, Lit. 291, Lit. 342, Lit. 366 and Lit. 530 in each of 1994, 1995, 1996, 1997 and 1998, respectively, and net income per Savings Share ADS was Lit. 2,350, Lit. 2,910, Lit. 3,420, Lit. 3,660 and Lit. 5,300 in each of 1994, 1995, 1996, 1997 and 1998, respectively.
- (5) Proposed by the Board of Directors at a meeting held on May 10, 1999 for approval at the Annual Meeting of Shareholders to be held on June 28 or July 8, 1999, on first and second call, respectively. Pursuant to

Borsa Italiana rules, dividends are payable from the first business day after the third Friday of each month, and in any case, at least six days after the Annual Meeting of Shareholders approving the dividends. Telecom Italia's dividend coupons for the year ended December 31, 1998 will be clipped on July 19, 1999, while Telecom Italia's dividends for the year ended December 31, 1998 will be payable from July 26, 1999.

- (6) In accordance with U.S. GAAP, the approximate Net income per Share has been calculated using the two class method since the Company has both Shares and Savings Shares outstanding. Under this method, set forth in Statement of Financial Accounting Standards No. 128, "Earnings per Share", Basic earnings per share is computed by dividing income available to shareholders by the weighted average number of shares outstanding, and diluted earnings per share is increased to include any potential common shares and is adjusted for any changes to income that would result from the assumed conversion of those potential common shares. For the purpose of these calculations, the weighted average number of Shares and Savings Shares was 5,281,212,121 for each of the years ended as of December 31, 1994, 1995 and 1996, 6,351,231,924 for the year ended as of December 31, 1997 and 7,421,251,726 for the year ended December 31, 1998. The calculations take into account the requirement that holders of Savings Shares are entitled to an additional Lit. 20 (based on 2% of the par value of Savings Shares) above dividends paid on Shares. In addition, in accordance with U.S. GAAP, net income per Savings Share—Basic from continuing operations, after minority interest, was Lit. 175, Lit. 295, Lit. 307, Lit. 205 and Lit. 412 in 1994, 1995, 1996, 1997 and 1998, respectively, and net income per Savings Share ADS—Basic from continuing operations, after minority interest, was Lit. 1,755, Lit. 2,953, Lit. 3,073, Lit. 2,047 and Lit. 4,122 in 1994, 1995, 1996, 1997 and 1998, respectively. In accordance with U.S. GAAP, net income per Savings Share—Basic was Lit. 213, Lit. 328, Lit. 324, Lit. 205 and Lit. 412 in 1994, 1995, 1996, 1997 and 1998, respectively, and net income per Savings Share ADS—Basic was Lit. 2,133, Lit. 3,278, Lit. 3,241, Lit. 2,047 and Lit. 4,122 in 1994, 1995, 1996, 1997 and 1998, respectively.
- (7) Total stockholders' equity under U.S. GAAP is calculated after elimination of minority interest. See Note 26 of Notes to Consolidated Financial Statements included elsewhere herein.
- (8) Data includes multiple lines for ISDN and excludes internal lines.
- (9) Data excludes internal lines.
- (10) Includes customers of TACS and GSM services, including holders of Prepaid Cards.
- (11) Includes employees of the fixed telecommunications services segment only. Ratio for 1997 and 1998 is based on employees of Telecom Italia.

BALANCE SHEETS December 31, 1999 and 1998 (in thousands of Chilean pesos - ThCh\$)

ASSETS

CURRENT ASSETS:	1999 ThCh\$	1998 ThCh\$
Cash	3,153,802	7,553,862
Time deposits	22,907,377	7,061,958
Marketable securities	3,586	
Trade receivables (net)	50,351,318	66,328,301
Notes receivables (net)	4,007,607	5,306,803
Other accounts receivable (net)	1,099,367	707,373
Notes and accounts receivable from related companies	114,969,321	29,318,139
Inventory	5,499,359	3,397,304
Recoverable taxes	133,135	3,200,633
Prepaid expenses	5,166,728	6,491,694
Other current assets	6,153,350	4,534,144
Total current assets	213,444,950	133,900,211
PROPERTY, PLANT AND EQUIPMENT:		
Land	2,906,423	2,262,602
Building and infrastructure	121,743,937	103,783,588
Machinery and equipment	433,556,523	428,115,383
Other	130,560,339	106,354,897
Subtotal	688,767,222	640,516,470
Accumulated depreciation	(323,024,257)	(286,498,333)
Net property, plant and equipment	365,742,965	354,018,137
OTHER ASSETS:		
Investments in related companies	109,223,853	90,694,777
Investments in other companies	8,834,575	8,328,424
Goodwill	18,876,595	19,944,168
Long - term receivables	6,339,374	382,281
Accounts receivable from related companies	45,149,575	41,921,007
Intangibles	189,603	177,046
Amortization of intangibles	(108,040)	(88,386)
Others	1,828,359	2,028,547
Total other assets	190,333,894	163,387,864
TOTAL ASSETS	769,521,809	651,306,212

EXHIBIT

"D"

TABLE

LIABILITIES AND STOCKHOLDERS' EQUITY

	1999 ThCh\$	1998 ThCh\$
CURRENT LIABILITIES:		
Long - term due to banks and other financial institutions		
current installments	18,938,253	13,219,630
Bonds - current installments	6,834,288	6,901,375
Long - term notes payable - current installments	14,135,224	16,146,663
Dividends payable	21,169	40,916
Accounts payable	60,395,339	40,023,859
Other accounts payable	5,231,162	6,561,846
Note and accounts payable to related companies	6,386,262	8,186,430
Accrued expenses	2,289,915	1,743,849
Withholdings	1,864,291	2,948,070
Unearned income	-	499,867
Total current liabilities	116,095,903	96,272,505
LONG - TERM LIABILITIES:		
Due to banks and other financial institutions	105,881,483	111,502,002
Bonds payable	3,578,403	10,264,537
Notes payable	114,612,143	132,127,493
Notes and accounts payable to related companies	1,797,942	8,099,140
Accrued expenses	5,683,027	6,146,650
Total long - term liabilities	231,552,998	268,139,822
STOCKHOLDERS' EQUITY:		
Share capital	367,045,650	258,967,164
Accumulated deficit of development stage subsidiaries	-	(545,096)
Other reserves	1,081,765	(245,035)
Retained earnings:		
Accumulated earnings	28,171,755	40,130,687
Net income (loss) for the year	27,938,975	(11,413,835)
Interim dividends	(2,365,237)	-
Total retained earnings	53,745,493	28,716,852
Total stockholders' equity	421,872,908	286,893,885
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	769,521,809	9651,306,212

The accompanying notes are an integral part of these financial statements

STATEMENTS OF INCOME For the years ended December 31, 1999 and 1998 (in thousands of Chilean pesos - ThCh\$)

	1999 ThCh\$	1998 ThCh\$
OPERATING INCOME:		
OPERATING REVENUES	219,988,776	205,437,025
OPERATING COSTS	(125,625,812)	(120,923,575)
OPERATING MARGIN	94,362,964	84,513,450
SELLING AND ADMINISTRATIVE EXPENSES	(60,797,488)	(54,975,440)
Operating income	33,565,476	29,538,010
NON OPERATING INCOME (EXPENSE):		
NON OPERATING REVENUES(EXPENSE)		
Interest income	10,064,871	7,060,822
Equity in income of related companies	20,063,982	2,671,155
Other income	1,599,135	2,610,301
Equity in loss of related companies	(2,236,107)	(21,895,544)
Amortization of goodwill	(882,062)	(1,138,858)
Interest expenses	(20,113,811)	(18,552,509)
Other expenses	(11,064,998)	(7,009,614)
Price-level restatement	(1,315,423)	(3,766,054)
Non operating expense	(3,884,413)	(40,020,301)
NET INCOME (LOSS) BEFORE INCOME TAXES	29,681,063	(10,482,291)
INCOME TAXES	(1,742,088)	(931,544)
NET INCOME (LOSS) FOR THE YEAR	27,938,975	(11,413,835)

The accompanying notes are an integral part of these financial statements

STATEMENTS OF CASH FLOWS For the years ended December 31, 1999 and 1998 (in thousands of Chilean pesos - ThCh\$)

	1999 ThCh\$	1998 ThCh\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	254,581,311	225,400,337
Interest received	1,823,189	6,145,863
Dividends and other distributions received	1,341,175	839,701
Other income received	15,039,236	1,407,666
Cash paid to suppliers and employees	(171,854,184)	(185,857,835)
Interest paid	(20,299,800)	(14,726,343)
Income taxes paid	(2,005,978)	(3,458,498)
Other expenses paid	(2,464,085)	(1,992,565)
VAT and other paid	(14,647,611)	(3,083,734)
Net cash provided by operating activities	61,513,253	24,674,592
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of capital stock	108,078,487	-
Proceeds from loans	85,709,638	156,887,954
Proceeds from loans from related companies	-	8,585,248
Other sources of financing	3,096,797	43,791,968
Dividends paid	(2,384,984)	(2,708,779)
Payments of loans	(119,526,711)	(25,132,131)
Payments of bonds	(6,674,885)	(6,670,933)
Payment of loans from related companies	(6,485,271)	(2,267,335)
Payment of expenses for issuance and placement of stock capital	(286,990)	-
Other disbursements for investments	(3,096,790)	(46,875,859)
Net cash provided by financing activities	58,429,291	125,610,133
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of fixed assets	41,619	7,270,920
Proceeds from other loans to related companies	-	41,558,226
Proceed from other investments	569,611,002	465,475,008
Investment in fixed assets	(59,298,990)	(125,992,664)
Permanent investments	(1,153,693)	(55,872,064)
Investments in marketable securities	(571,516,363)	(469,415,646)
Other loans to related companies	(46,038,199)	-
Net cash used in investing activities	(108,354,624)	(136,976,220)
Total net cash provided for the year	11,587,920	13,308,505
Effect of inflation on cash and cash equivalents	(142,561)	(195,725)
Net increase in cash and cash equivalents	11,445,359	13,112,780
Cash and cash equivalents at beginning of the year	14,615,820	1,503,040
CASH AND EQUIVALENTS AT END OF THE YEAR	26,061,179	14,615,820

(Continued)

STATEMENTS OF CASH FLOWS

For the years ended December 31, 1999 and 1998 (in thousands of Chilean pesos - ThCh\$)

RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO NET INCOME (LOSS):	1999 ThCh\$	1998 ThCh\$
Net income (loss)	27,938,975	(11,413,835)
Results of sales of assets:		
Loss (gain) on sale of property, plant and equipment	32,621	(330,091)
Charges (credits) to income which do not represent cash flows:		
Depreciation of the year	37,060,340	29,115,389
Amortization of intangibles and others	7,096	402,837
Write-offs and accrued expenses	10,977,240	10,236,971
Equity in income of related companies	(20,063,982)	(2,671,155)
Equity in loss of related companies	2,236,107	21,895,544
Amortization of goodwill	882,062	1,138,858
Net price-level restatement	1,315,423	3,766,054
Other credits to income which do not represent cash flows	(9,824,869)	(2,218,565)
Other charges to income which do not represent cash flows	10,289,529	7,361,705
Changes in assets, which affect cash flows:		
Increase in trade receivables	(3,627,976)	(32,818,777)
Decrease (increase) in inventory	946,458	(193,165)
Increase in other assets	(151,274)	(1,839,405)
Changes in liabilities, which affect cash flows:		
Decrease in accounts payable related to operating results	(4,222,159)	(544,915)
(Decrease) increase in interest payable	(818,365)	2,214,268
Increase (decrease) in income taxes payable	2,688,084	(1,749,117)
Increase in other accounts payable related to non operating results	12,677,785	-
(Decrease) increase in value added tax and other payable	(6,829,842)	2,321,989
NET CASH PROVIDED BY OPERATING ACTIVITIES	61,513,253	24,674,592

The accompanying notes are an integral part of these financial statements