

The offering of unregulated services is performed through a subsidiary of CTC called CTC Negocios S.A. with the exception of cellular telephone services, which is performed through its subsidiary CTC - Celular S.A.

Ownership of the Company, as shown in the information of the Chilean Stock Exchange to March 31<sup>st</sup> of 1991 shows that CTC had a total number of shareholders which added up to 27.256. The twelve main shareholders hold 74.9% of the total shares.

Company shares are divided into two series, A and B, and the capital is composed of 858.187.546 shares of which 91.3% are type A and 8.7% are type B.

At the beginning of year 1991 the total ownership of CTC was distributed as follows:

Name of Shareholders	Millions of Shares Subscribed	Percentage %
Telefónica Internacional Chile S.A. (*)	374.7	43.7
Bank of New York	125.0	14.5
Inversiones Telefónicas y Otras Ltda.	34.3	4.0
Pension Funds	78.4	9.1
Other Shareholders	245.4	28.6
<b>Total</b>	<b>858.2</b>	<b>100.0</b>

(\*) Owned by Telefónica de España

CTC provides 99% of the national telephone service, including the basic urban telephone services, and national and international long distance services for IX Region plus XII Region of the country. It also provides supplementary and complementary services.

Compañía de Teléfonos de Chile S.A. is the largest telecommunication enterprise in Chile, owning approximately 95% of all telephone lines in the country. The Company's principal business is and will continue to be providing local telephone services. CTC provides local telephone service to 77% of the national territory, where 92% of Chile's population resides, and, to a limited extent, provides domestic long distance telephone services.