

TELECOMMUNICATIONS CO OF CHILE
Form 6-K
December 10, 2004
FORM 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16
OF THE SECURITIES EXCHANGE ACT OF 1934

December 10, 2004

Commission File Number: 001-10579

COMPANIA DE TELECOMUNICACIONES DE CHILE S.A.
(Exact name of registrant as specified in its charter)

TELECOMMUNICATIONS COMPANY OF CHILE
(Translation of registrant's name into English)

Avenida Providencia No. 111, Piso 22
Providencia, Santiago, Chile
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F:

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): Yes No

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

Compañía de Telecomunicaciones de Chile, S.A.

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Item 1

COMPAÑIA DE TELECOMUNICACIONES DE CHILE S.A. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

for the nine-month periods ended
September 30, 2004 and 2003
(CONSOLIDATED)

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COMPAÑIA DE TELECOMUNICACIONES DE CHILE S.A. AND SUBSIDIARIES

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ThCh\$: Thousands of Chilean pesos

UF : The Unidad de Fomento, or UF, is an inflation-indexed peso denominated monetary unit in Chile. The daily UF rate is fixed in advance based on the change in the Chilean Consumer Price Index of the previous month

ThUS\$: Thousands of US dollars

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Chairman and Members of the Board of Directors
of Compañía de Telecomunicaciones de Chile S.A.

We have reviewed the accompanying interim consolidated balance sheets of Compañía de Telecomunicaciones de Chile S.A. and subsidiaries as of September 30, 2004 and 2003 and the related interim consolidated statements of income and cash flows for the nine-month periods then ended. These interim consolidated financial statements (including the related notes) are the responsibility of the management of the Company. The accompanying Management's Discussion and Analysis of the Consolidated Financial Statements is not an integral part of these financial statements, and, therefore, this report does not cover this item.

We conducted our reviews in accordance with generally accepted auditing standards in Chile for a review of interim financial information. A review of interim financial information consists principally of applying analytical procedures to the financial statements and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Chile, the objective of which is the expression of an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review of the interim consolidated financial statements at September 30, 2004 and 2003, we are not aware of any material modifications that are required for them to be in conformity with accounting principles generally accepted in Chile.

The accompanying financial statements have been translated into English for the convenience of readers outside Chile.

/s/ DELOITTE

October 15, 2004

COMPAÑIA DE TELECOMUNICACIONES DE CHILE S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2004 AND 2003

(Restated for general price-level changes and expressed in thousands of constant Chilean pesos as of September 30, 2004)

A S S E T S	Notes	2004 ThCh\$	2003 ThCh\$
CURRENT ASSETS			
Cash		6,559,003	11,253,673
Time deposits	(35)	162,306,466	273,430
Marketable securities, net	(4)	24,347,305	48,290,006
Accounts receivable, net	(5)	171,048,884	216,759,696
Notes receivable, net	(5)	5,256,899	6,061,897
Other receivables	(5)	21,984,549	11,598,711
Due from related companies	(6 a)	25,356,734	19,989,077
Inventories, net		7,106,111	20,038,925
Recoverable taxes		—	21,971,497
Prepaid expenses		4,594,512	8,896,484
Deferred taxes	(7 b)	15,579,256	21,514,392
Other current assets	(8)	211,828,289	36,026,171
TOTAL CURRENT ASSETS		655,968,008	422,673,959
PROPERTY, PLANT AND EQUIPMENT			
	(10)		
Land		26,184,666	28,165,146
Buildings and improvements		188,481,195	189,972,371
Machinery and equipment		3,086,651,531	3,499,145,112
Other property, plant and equipment		251,491,620	387,406,971
Technical revaluation		9,386,693	9,399,467
Less: Accumulated depreciation		2,157,964,021	2,217,152,406
TOTAL PROPERTY, PLANT AND EQUIPMENT, NET		1,404,231,684	1,896,936,661
OTHER LONG-TERM ASSETS			
Investment in related companies	(11)	7,756,394	10,645,697
Investment in other companies		3,928	3,928
Goodwill	(12)	19,618,607	164,060,549
Other receivables	(5)	18,666,057	31,091,715
Intangibles	(13)	34,740,816	36,724,975
Less: Accumulated amortization	(13)	6,181,265	4,098,028
Others	(14)	3,956,892	10,126,546
TOTAL OTHER LONG-TERM ASSETS		78,561,429	248,555,382
TOTAL ASSETS		2,138,761,121	2,568,166,002

The accompanying notes 1 to 35 are an integral part of these consolidated financial statements

COMPAÑIA DE TELECOMUNICACIONES DE CHILE S.A. AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS
 SEPTEMBER 30, 2004 AND 2003

(Restated for general price-level changes and expressed in thousands of constant Chilean pesos as of September 30, 2004)

LIABILITIES	Notes	2004 ThCh\$	2003 ThCh\$
CURRENT LIABILITIES			
Short-term debt with banks and financial institutions	(15)	19,333,609	19,505,494
Current maturities of long-term debt	(15)	139,385,177	57,234,238
Commercial paper	(17 a)	34,509,084	10,119,174
Current maturities of bonds payable	(17)	7,099,458	111,713,626
Current maturities of other long-term obligations		31,979	452,848
Dividends payable		124,521,516	170,523
Trade accounts payable	(34)	63,081,389	133,028,051
Notes payable		—	231,086
Other payables		18,062,135	43,565,051
Notes and accounts payable to related companies	(6 b)	31,833,928	20,459,743