

CORPORACION NACIONAL DEL COBRE DE CHILE

CONSOLIDATED BALANCE SHEETS

	As of March 31th	
	<u>2.005</u>	<u>2.004</u>
ASSETS	TH.US\$	TH.US\$
Current Assets:	2.202.124	1.885.301
Cash	20.721	12.933
Time deposits	268.462	129.484
Marketable securities	637	1.381
Trade receivables, net	817.196	554.305
Notes receivable, net	5.864	3.575
Other receivable, net	126.210	121.212
Due from related companies	1.667	3.595
Inventories, net	807.598	853.263
Income taxes recoverable	70.220	105.690
Prepaid expenses	19.323	43.012
Deferred taxes	52.504	46.372
Other current assets	11.722	10.479
Property, Plant and Equipment:	5.558.640	5.265.671
Land	31.042	30.450
Buildings and infrastructure	6.356.960	6.176.504
Machinery and equipment	5.994.247	5.460.745
Other plant and equipment	54.724	49.504
Technical appraisal revaluation	370.926	383.112
Accumulated depreciation	(7.249.259)	(6.834.644)
Other Assets:	1.280.690	1.026.474
Investments in related companies	586.912	453.519
Investments in other companies	3.599	3.382
Long-term receivables	151.738	123.599
Due from related companies	85.327	81.865
Intangibles	17.756	11.727
Accumulated amortization	(819)	(1.082)
Other assets	436.177	353.464
Total Assets	9.041.454	8.177.446

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CONSOLIDATED BALANCE SHEETS

	As of March 31th	
	<u>2.005</u>	<u>2.004</u>
	TH.US\$	TH.US\$
LIABILITIES AND EQUITY		
Current Liabilities:	1.139.148	1.315.503
Banks and financial institutions:		
Current	26.074	467.931
Current portion of long-term debt	6.832	204.614
Current portion of bonds payable	42.664	32.836
Accounts payable	366.753	267.593
Notes payable	836	579
Miscellaneous payables	215.451	18.978
Due to related companies	54.120	42.382
Accruals	277.674	209.991
Withholdings	86.103	65.787
Income taxes payable	60.113	327
Deferred income	2.174	4.050
Deferred taxes	8	0
Other current liabilities	346	435
Long-Term Liabilities:	4.909.811	3.972.436
Due to banks and financial institutions	900.000	700.000
Bonds payable	1.940.471	1.423.934
Notes payable	91.015	90.957
Miscellaneous payables	54.741	46.914
Accruals	803.030	719.298
Deferred taxes	1.093.245	986.538
Other long-term liabilities	27.309	4.795
Minority interest	2.529	1.936
Equity:	2.989.966	2.887.571
Paid-in capital	1.524.423	1.524.423
Other reserves	1.320.492	1.311.275
Retained earnings	145.051	51.873
Net income of the period	389.079	208.630
Profits distribution to the Chilean Treasury	(244.028)	(156.757)
Total Liabilities and Equity	9.041.454	8.177.446

CORPORACION NACIONAL DEL COBRE DE CHILE

CONSOLIDATED STATEMENT OF INCOME

	Three months ended March 31th	
	<u>2.005</u> TH.US\$	<u>2.004</u> TH.US\$
Operating Income :	1.149.664	763.739
Sales of own copper	1.254.244	1.420.279
Sales of copper acquired from third parties	281.363	277.044
Sales of by-products	<u>719.832</u>	<u>161.695</u>
Sales	2.255.439	1.859.018
Cost of products sold	(768.636)	(782.073)
Cost of copper acquired from third parties	<u>(282.366)</u>	<u>(263.443)</u>
Cost of sales	(1.051.002)	(1.045.516)
Gross profit	1.204.437	813.502
Administrative and selling expenses	(54.773)	(49.763)
Non-Operating Income and expense:	(243.261)	(266.021)
Interest income	3.367	1.663
Equity in income of related companies	20.908	26.856
Other income	24.336	23.524
Equity in losses of related companies	(7.885)	(5.603)
Interest expenses	(40.937)	(36.142)
Other expenses	(267.649)	(290.446)
Price-level restatement	47	9
Foreign currency translation	24.552	14.118
Income before income taxes and minority interest	906.403	497.718
Income taxes	<u>(517.458)</u>	<u>(289.085)</u>
Income before minority interest	388.945	208.633
Minority interest	134	(3)
Net income for the period	<u><u>389.079</u></u>	<u><u>208.630</u></u>

Mario Allende Gallardo
Manager of Administration and Controller

Luis Oyaneder Riquelme
Chief Accounting Dept.

CORPORACION NACIONAL DEL COBRE DE CHILE

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31th	
	<u>2.005</u>	<u>2.004</u>
	<u>TH.US\$</u>	<u>TH.US\$</u>
CASH FLOWS FROM OPERATING ACTIVITIES :		
Collections from customers	2.191.324	1.769.427
Financial income received	1.289	367
Other income received	148.911	153.149
Payments to suppliers and employees	(1.173.178)	(1.128.005)
Payment of Interest	(8.390)	(7.880)
Payment of income taxes	(281.017)	(121.987)
Other expenses paid	(194.787)	(105.099)
Payment of value added tax and other similar taxes	(120.283)	(110.691)
	<u>563.869</u>	<u>449.281</u>
CASH FLOWS FROM FINANCING ACTIVITIES :		
Loans obtained	0	40.000
Dividends paid	(304.935)	(142.133)
Payment of loans	(22.300)	(39.900)
	<u>(327.235)</u>	<u>(142.033)</u>
CASH FLOWS FROM INVESTING ACTIVITIES :		
Proceeds from sales of property, plant and equipment	0	107
Proceeds from sales of other investments	0	6.234
Other investments	11.185	15.343
Purchases of property, plant and equipment	(205.359)	(230.532)
Investments in related companies	0	(4.180)
Other investment disbursements	(7.668)	(10.277)
	<u>(201.842)</u>	<u>(223.305)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>34.792</u>	<u>83.943</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>255.028</u>	<u>59.844</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>289.820</u>	<u>143.787</u>

STATEMENTS OF CASH FLOW , CONTINUED

**RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES
NET INCOME**

	Three months ended March 31th	
	2.005	2.004
	TH.US\$	TH.US\$
Net income for the period	389.079	208.630
Gain on sales of assets	(94)	(25)
Debits (credits) to income which do not represent Cash flows :	<u>181.247</u>	<u>197.831</u>
Depreciation	104.487	97.070
Amortization	37.869	28.560
Write-offs and provisions	88.625	120.391
Equity in income of related companies	(20.908)	(26.856)
Equity in losses of related companies	7.885	5.603
Price-level restatement	(47)	(9)
Foreign currency translation	(24.552)	(14.118)
Other credits to income which do not represent cash flows	(12.112)	(12.810)
(Increase) decrease in assets which affect operating cash flows :	<u>(128.704)</u>	<u>49.716</u>
Trade receivables	(153.652)	(200.183)
Inventories	(53.967)	25.845
Other assets	78.915	224.054
Increase (decrease) in liabilities which affect operating cash flows :	<u>122.475</u>	<u>(6.874)</u>
Accounts payable associated with operating activities	71.444	(35.771)
Interest payable	21.059	20.460
Income tax payable	59.762	(26)
Value added tax and other similar taxes payable,net	(29.790)	8.463
Minority interest	(134)	3
Net cash flows provided by operating activities	<u><u>563.869</u></u>	<u><u>449.281</u></u>