

CORPORACION NACIONAL DEL COBRE DE CHILE

INTERIM CONSOLIDATED BALANCE SHEETS

	As of September 30th	
	<u>2.004</u>	<u>2.003</u>
ASSETS	TH.US\$	TH.US\$
Current Assets:	1.932.319	1.443.427
Cash	22.592	11.986
Time deposits	415.916	33.695
Marketable securities	531	32
Trade receivables (net)	595.527	241.908
Notes receivable	3.885	2.430
Other receivable (net)	101.079	101.349
Due from related companies	7.344	3.284
Inventories (net)	661.353	732.619
Income taxes recoverable	57.578	268.239
Prepaid expenses	16.718	13.028
Deferred taxes	48.397	31.328
Other current assets	1.399	3.529
Property, Plant and Equipment:	5.354.551	5.101.221
Land	30.986	30.895
Buildings and infrastructure	6.166.877	6.130.727
Machinery and equipment	5.817.450	5.395.032
Other plan and equipment	49.602	104
Technical appraisal revaluation	370.926	383.246
Accumulated depreciation	(7.081.290)	(6.838.783)
Other Assets:	1.157.751	781.229
Investments in related companies	527.656	324.091
Investments in other companies	4.520	4.340
Long-term receivables	141.358	102.014
Due from related companies	82.330	81.519
Intangibles	17.491	3.307
Accumulated amortization	(64)	(1.113)
Other assets	384.460	267.071
Total Assets	8.444.621	7.325.877

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	As of September 30th	
	<u>2.004</u>	<u>2.003</u>
	<u>TH.US\$</u>	<u>TH.US\$</u>
LIABILITIES AND EQUITY		
Current Liabilities:	1.148.496	1.117.063
Banks and financial institutions:		
Short-term	31.078	380.881
Current portion of long-term debt	203.354	205.150
Current portion of bonds payable	32.865	19.051
Accounts payable	301.637	243.721
Short-term notes payable	755	41
Miscellaneous payables	53.421	13.173
Due to related companies	44.814	30.653
Accruals	268.606	162.136
Withholdings	71.331	57.744
Income taxes payable	134.776	221
Deferred income	5.441	3.850
Other current liabilities	418	442
Long-Term Liabilities:	4.299.104	3.380.444
Due to banks and financial institutions	900.000	800.000
Bonds payable	1.432.628	913.344
Long-term notes payable	91.878	86.230
Miscellaneous payables	48.561	219
Accruals	756.861	602.626
Deferred taxes	1.061.796	975.751
Other long-term liabilities	7.380	2.274
Minority interest	1.792	2.047
Equity:	2.995.229	2.826.323
Paid-in capital	1.524.423	1.524.423
Other reserves	1.309.504	1.276.259
Retained earnings	161.302	25.641
Net income of the period	815.562	70.365
Provisional dividends for fiscal benefit	(654.260)	(44.724)
Total Liabilities and Equity	8.444.621	7.325.877

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM CONSOLIDATED STATEMENT OF INCOME

	Nine months ended Septiembre 30th	
	<u>2.004</u> TH.US\$	<u>2.003</u> TH.US\$
Operating Income :	2.504.852	484.734
Sales of own copper	4.334.299	1.744.971
Sales of copper acquired from third parties	723.557	445.674
Sales of by-products	<u>935.436</u>	<u>413.026</u>
Sales	5.993.292	2.603.671
Cost of products sold	(2.611.140)	(1.535.708)
Cost of copper acquired from third parties	<u>(730.042)</u>	<u>(443.377)</u>
Cost of sales	(3.341.182)	(1.979.085)
Gross profit	2.652.110	624.586
Administrative and selling expenses	(147.258)	(139.852)
Non-Operating Income and expense:	(572.985)	(306.890)
Interest income	8.866	5.594
Equity in income of related companies	82.491	26.491
Other income	160.720	69.587
Equity in losses of related companies	(12.654)	(11.543)
Interest expenses	(102.808)	(73.969)
Other expenses	(707.002)	(299.432)
Price-level restatement	(241)	380
Foreign currency translation	(2.357)	(23.998)
Income before income taxes and minority interest	1.931.867	177.844
Income taxes	<u>(1.116.543)</u>	<u>(108.073)</u>
Income before minority interest	815.324	69.771
Minority interest	238	594
Net income for the period	<u><u>815.562</u></u>	<u><u>70.365</u></u>

CORPORACION NACIONAL DEL COBRE DE CHILE

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine months ended Septiembre 30th	
	<u>2.004</u>	<u>2.003</u>
	TH.US\$	TH.US\$
CASH FLOWS FROM OPERATING ACTIVITIES :		
Collections from customers	6.161.515	2.603.409
Financial income received	3.943	1.651
Other income received	344.623	285.328
Payments to suppliers and employees	(3.180.073)	(2.007.417)
Payment of Interest	(65.430)	(47.490)
Payment of income taxes	(704.186)	(147.458)
Other expenses paid	(401.415)	(187.289)
Payment of value added tax and other similar taxes	(329.964)	(217.227)
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Net cash provided in operating activities	1.829.013	283.507
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CASH FLOWS FROM FINANCING ACTIVITIES :		
Loans obtained	340.000	820.600
Other financing sources	6.788	0
Dividends paid	(639.636)	0
Payment of loans	(577.200)	(540.600)
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Net cash used in financing activities	(870.048)	280.000
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CASH FLOWS FROM INVESTING ACTIVITIES :		
Proceeds from sales of property, plant and equipment	76.941	0
Proceeds from sales of other investments	7.203	3.728
Other investments	64.031	48.262
Purchases of property, plant and equipment	(656.366)	(660.669)
Investments in related companies	(6.716)	(21.488)
Loans to related companies	(327)	0
Other investment disbursements	(64.536)	(41.206)
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Net cash used in investing activities	(579.770)	(671.373)
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NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	379.195	(107.866)
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CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	59.844	153.579
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CASH AND CASH EQUIVALENTS AT END OF PERIOD	439.039	45.713
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INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS, CONTINUED

RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES NET INCOME

	Nine months ended Septiembre 30th	
	2.004 TH.US\$	2.003 TH.US\$
	<u> </u>	<u> </u>
Net income for the period	815.562	70.365
Gain on sales of assets	(75.951)	(692)
Debits (credits) to income which do not represent		
Cash flows :	<u>556.761</u>	<u>538.019</u>
Depreciation	303.553	278.928
Amortization	89.108	63.615
Write-offs and provisions	268.460	220.541
Equity in income of related companies	(82.491)	(26.491)
Equity in losses of related companies	12.654	11.543
Price-level restatement	241	(380)
Foreign currency translation	2.357	23.998
Other credits to income which do not represent cash flows	(37.121)	(33.735)
Increase (decrease) in assets which affect operating cash flows :	<u>297.939</u>	<u>(329.699)</u>
Trade receivables	(241.405)	(16.687)
Inventories	217.755	(238.040)
Other assets	321.589	(74.972)
Increase (decrease) in liabilities which affect operating cash flows :	<u>234.940</u>	<u>6.108</u>
Accounts payable associated whith operating activities	20.461	12.083
Interest payable	6.060	14.529
Income tax payable	134.423	(145)
Value added tax and other similar taxes payable,net	73.996	(20.359)
Minority interest	(238)	(594)
Net cash flows provided by operating activities	<u><u>1.829.013</u></u>	<u><u>283.507</u></u>