

CORPORACION NACIONAL DEL COBRE DE CHILE AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AT JUNE 30, 2004 AND 2003 (Unaudited)
(In thousands of U.S. Dollars -ThUS\$)

ASSETS	2004 ThUS\$	2003 ThUS\$
CURRENT:		
Cash	19.723	16.006
Time deposits	265.750	40.031
Marketable securities	304	1
Trade receivables (net)	546.767	253.736
Notes receivable	125	2.647
Other receivables (net)	97.470	96.873
Due from related companies	4.902	1.292
Inventories (net)	788.267	596.795
Income taxes recoverable	73.335	269.629
Prepaid expenses	15.609	9.008
Deferred taxes	43.994	32.307
Other current assets	2.065	4.136
	<u>1.858.311</u>	<u>1.322.461</u>
PROPERTY, PLANT AND EQUIPMENT:		
Land	30.425	29.522
Buildings and infrastructure	6.242.055	5.979.460
Machinery and equipment	5.570.842	5.332.972
Other plant and equipment	49.502	356
Technical appraisal revaluation	383.105	383.247
Accumulated depreciation	#####	#####
	<u>5.318.601</u>	<u>4.979.288</u>
OTHER ASSETS:		
Investments in related companies	490.285	284.923
Investments in other companies	3.368	3.250
Long-term receivables	130.814	92.811
Due from related companies	82.013	81.249
Intangibles	11.706	3.318
Accumulated amortization	(62)	(1.100)
Other assets	347.652	257.045
	<u>1.065.776</u>	<u>721.496</u>
TOTAL ASSETS	<u><u>8.242.688</u></u>	<u><u>7.023.245</u></u>

LIABILITIES AND EQUITY	2004 ThUS\$	2003 ThUS\$
CURRENT LIABILITIES:		
Banks and financial institutions:		
Short-term	196.247	590.578
Current portion of long-term debt	203.043	201.244
Current portion of bonds payable	15.343	8.240
Accounts payable	371.903	199.830
Short-term notes payable	975	24
Miscellaneous payables	55.775	13.389
Due to related companies	44.602	19.692
Accruals	208.448	153.134
Withholdings	70.100	46.180
Income taxes payable	253	174
Deferred income	5.320	4.901
Other current liabilities	662	1.798
Total current liabilities	<u>1.172.671</u>	<u>1.239.184</u>
LONG- TERM LIABILITIES:		
Due to banks and financial institutions	900.000	500.000
Bonds payable	1.422.098	904.810
Long-term notes payable	92.375	65.582
Miscellaneous payables	46.211	209
Accruals	684.468	548.908
Deferred taxes	1.043.376	984.179
Other long-term liabilities	5.811	3.098
Total long-term liabilities	<u>4.194.339</u>	<u>3.006.786</u>
MINORITY INTEREST	<u>1.866</u>	<u>769</u>
EQUITY:		
Paid-in capital	1.524.423	1.524.423
Other reserves	1.311.175	1.262.974
Profits distribution to the Chilean Treasury	(483.358)	(44.724)
Net income for the period	521.572	33.833
Total equity - net	<u>2.873.812</u>	<u>2.776.506</u>
TOTAL LIABILITIES AND EQUITY	<u><u>8.242.688</u></u>	<u><u>7.023.245</u></u>

CORPORACION NACIONAL DEL COBRE DE CHILE AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
 FOR THE THREE MONTH PERIODS ENDED JUNE 30, 2004 AND 2003
 (In thousands of U.S. Dollars -ThUS\$)

	2004 ThUS\$	2003 ThUS\$
SALES	3.905.961	1.668.267
COST OF SALES	<u>(2.211.241)</u>	<u>(1.291.865)</u>
GROSS PROFIT	1.694.720	376.402
ADMINISTRATIVE AND SELLING EXPENSES	<u>(90.131)</u>	<u>(92.825)</u>
OPERATING INCOME	<u>1.604.589</u>	<u>283.577</u>
NON-OPERATING INCOME (EXPENSES):		
Interest income	4.521	3.645
Equity in income of related companies	54.406	10.346
Other income	123.357	42.383
Equity in losses of related companies	(10.168)	(9.789)
Interest expense	(69.859)	(49.306)
Other expenses	(462.436)	(185.629)
Price-level restatement	(50)	488
Foreign currency translation	<u>20.019</u>	<u>(7.095)</u>
NON-OPERATING EXPENSES - NET	<u>(340.210)</u>	<u>(194.957)</u>
INCOME BEFORE INCOME TAXES AND MINORITY INTEREST	1.264.379	88.620
INCOME TAXES	<u>(742.861)</u>	<u>(55.093)</u>
INCOME BEFORE MINORITY INTEREST	521.518	33.527
MINORITY INTEREST	<u>54</u>	<u>306</u>
NET INCOME FOR THE PERIOD	<u><u>521.572</u></u>	<u><u>33.833</u></u>

CORPORACION NACIONAL DEL COBRE DE CHILE AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
 FOR THE SIX MONTH PERIODS JUNE 30, 2004 AND 2003
 (In thousands of U.S. Dollars -ThUS\$)

	2004	2003
	ThUS\$	ThUS\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Collections from customers	3.995.276	1.648.202
Financial income received	1.965	1.185
Other income collected	223.248	183.534
Payments to suppliers and employees	(2.174.632)	(1.253.081)
Payment of interest	(54.734)	(42.107)
Payment of income taxes	(460.532)	(98.049)
Other expenses paid	(251.870)	(123.443)
Payment of value added tax and other similar taxes	(222.255)	(140.145)
	<u>1.056.466</u>	<u>176.096</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loans obtained	340.000	480.600
Other financing sources	-	5.182
Dividends paid	(402.782)	-
Payment of loans	(411.100)	(280.000)
	<u>(473.882)</u>	<u>205.782</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of property, plant and equipment	76.936	-
Proceeds from sales of other investments	7.203	3.728
Other investments	34.906	23.840
Purchases of property, plant and equipment	(433.464)	(447.042)
Investments in related companies	(10.242)	(17.495)
Investments in financial instruments	-	(1.764)
Other investment disbursements	(31.990)	(40.686)
	<u>(356.651)</u>	<u>(479.419)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	225.933	(97.541)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	59.844	153.579
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>285.777</u>	<u>56.038</u>

CORPORACION NACIONAL DEL COBRE DE CHILE AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2004 AND 2003

(In thousands of U.S. Dollars - ThUS\$)

	2004	2003
	ThUS\$	ThUS\$
RECONCILIATION OF NET INCOME TO NET		
CASH PROVIDED BY OPERATING ACTIVITIES:		
Net income for the period	521.572	33.833
Gain on sale of assets	(75.825)	(685)
Debits (credits) to income which do not represent cash flows:		
Depreciation	194.883	186.320
Amortization	56.646	41.766
Write-offs and provisions	191.252	171.622
Equity in income of related companies	(54.406)	(10.346)
Equity in losses of related companies	10.168	9.789
Price-level restatement	50	(488)
Foreign currency translation	(20.019)	7.095
Other credits to income which do not represent cash flows	(25.177)	(22.489)
(Increase) decrease in assets which affect operating cash flows:		
Trade receivables	(192.645)	(28.515)
Inventories	90.841	(102.216)
Other assets	320.489	(67.682)
Increase (decrease) in liabilities which affect operating cash flows:		
Accounts payable associated with operating activities	20.001	(2.521)
Interest payable	6.060	(490)
Income tax payable	(100)	(192)
Value added tax and other similar taxes payable, net	12.730	(38.399)
Minority interest	(54)	(306)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1.056.466</u>	<u>176.096</u>