

CORPORACION NACIONAL DEL COBRE DE CHILE

CONSOLIDATED BALANCE SHEETS

	As of September 30th	
	<u>2.005</u>	<u>2.004</u>
	<u>TH.US\$</u>	<u>TH.US\$</u>
ASSETS		
Current Assets:	2.778.204	1.932.319
Cash	24.625	22.592
Time deposits	582.333	415.916
Marketable securities	1.620	531
Trade receivables, net	839.440	595.527
Notes receivable	8.201	3.885
Other receivable, net	141.526	101.079
Due from related companies	1.636	7.344
Inventories, net	966.304	661.353
Income taxes recoverable	76.937	57.578
Prepaid expenses	14.493	16.718
Deferred taxes	110.605	48.397
Other current assets	10.484	1.399
Property, Plant and Equipment:	6.195.391	5.354.551
Land	55.781	30.986
Buildings and infrastructure	6.810.111	6.166.877
Machinery and equipment	6.406.319	5.817.450
Other plant and equipment	94.244	49.602
Technical appraisal revaluation	369.004	370.926
Accumulated depreciation	(7.540.068)	(7.081.290)
Other Assets:	1.426.037	1.157.751
Investments in related companies	660.037	527.656
Investments in other companies	3.136	4.520
Goodwill	26.967	0
Long-term receivables	156.092	141.358
Due from related companies	45.400	82.330
Intangibles	22.628	17.491
Accumulated amortization	(1.481)	(64)
Other assets	513.258	384.460
Total Assets	10.399.632	8.444.621

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	As of September 30th	
	<u>2.005</u>	<u>2.004</u>
	TH.US\$	TH.US\$
LIABILITIES AND EQUITY		
Current Liabilities:	1.652.509	1.148.496
Banks and financial institutions:		
Current	66.054	31.078
Current portion of long-term debt	9.043	203.354
Current portion of bonds payable	44.322	32.865
Dividends payable	300.000	0
Accounts payable	426.693	301.637
Notes payable	634	755
Miscellaneous payables	85.508	53.421
Due to related companies	64.991	44.814
Accruals	383.100	268.606
Withholdings	82.444	71.331
Income taxes payable	175.974	134.776
Deferred income	10.075	5.441
Deferred taxes	0	0
Other current liabilities	3.671	418
Long-Term Liabilities:	5.829.311	4.299.104
Due to banks and financial institutions	900.000	900.000
Bonds payable	2.696.455	1.432.628
Notes payable	88.441	91.878
Miscellaneous payables	97.647	48.561
Accruals	904.179	756.861
Deferred taxes	1.063.115	1.061.796
Other long-term liabilities	79.474	7.380
Minority interest	3.350	1.792
Equity:	2.914.462	2.995.229
Paid-in capital	1.524.423	1.524.423
Other reserves	1.323.974	1.309.504
Retained earnings	66.065	161.302
Net income for the period	1.188.328	815.562
Profits distribution to the Chilean Treasury	(1.122.263)	(654.260)
Total Liabilities and Equity	10.399.632	8.444.621

CORPORACION NACIONAL DEL COBRE DE CHILE

CONSOLIDATED STATEMENT OF INCOME

	Nine months ended September 30th	
	<u>2.005</u>	<u>2.004</u>
	<u>TH.US\$</u>	<u>TH.US\$</u>
Operating Income :	3.723.740	2.504.852
Sales of own copper	4.279.714	4.222.519
Sales of copper acquired from third parties	841.827	723.556
Sales of own moly	1.612.556	594.390
Sales of moly acquired from third parties	77.501	51.086
Sales of by-products	<u>551.182</u>	<u>401.741</u>
 Sales	 7.362.780	 5.993.292
Cost of own copper	(2.045.169)	(2.140.504)
Cost of copper acquired from third parties	(813.432)	(730.042)
Cost of own moly	(76.660)	(94.755)
Cost of moly acquired from third parties	(76.920)	(49.511)
Cost of by-products	<u>(428.676)</u>	<u>(326.370)</u>
 Cost of sales	 (3.440.857)	 (3.341.182)
Gross profit	3.921.923	2.652.110
 Administrative and selling expenses	 (198.183)	 (147.258)
Non-Operating Income and expense:	(968.631)	(572.985)
Interest income	14.069	8.866
Equity in income of related companies	69.260	82.491
Other income	99.146	160.720
Equity in losses of related companies	(7.618)	(12.654)
Amortization of goodwill	(574)	0
Interest expenses	(136.574)	(102.808)
Other expenses	(939.039)	(707.002)
Price-level restatement	(99)	(241)
Foreign exchange differences	(67.202)	(2.357)
 Income before income taxes and minority interest	 2.755.109	 1.931.867
 Income taxes	 <u>(1.575.291)</u>	 <u>(1.116.543)</u>
 Income before minority interest	 1.179.818	 815.324
 Minority interest	 8.510	 238
 Net income for the period	 <u>1.188.328</u>	 <u>815.562</u>

CORPORACION NACIONAL DEL COBRE DE CHILE

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine months ended September 30th	
	<u>2.005</u>	<u>2.004</u>
	<u>TH.US\$</u>	<u>TH.US\$</u>
CASH FLOWS FROM OPERATING ACTIVITIES :		
Collections from customers	7.740.901	6.161.515
Financial income received	46.073	3.943
Dividends and other distributions	735	0
Other income received	494.909	344.623
Payments to suppliers and employees	(3.935.731)	(3.180.073)
Payment of Interest	(21.521)	(65.430)
Payment of income taxes	(1.416.821)	(704.186)
Other expenses paid	(692.072)	(401.415)
Payment of value added tax and other similar taxes	(449.253)	(329.964)
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Net cash provided by operating activities	<u>1.767.220</u>	<u>1.829.013</u>
CASH FLOWS FROM FINANCING ACTIVITIES :		
Loans obtained	350.000	340.000
Bonds payable	718.737	0
Other financing obtained	7.870	6.788
Dividends paid	(930.122)	(639.636)
Payment of loans	(340.700)	(577.200)
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Net cash used in financing activities	<u>(194.215)</u>	<u>(870.048)</u>
CASH FLOWS FROM INVESTING ACTIVITIES :		
Proceeds from sales of property, plant and equipment	0	76.941
Proceeds from sales of other investments	0	7.203
Other investments	72.243	64.031
Purchases of property, plant and equipment	(1.263.826)	(656.366)
Investments in related companies	(1.274)	(6.716)
Loans to related companies	(1.550)	(327)
Other investment disbursements	(25.048)	(64.536)
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Net cash used in investing activities	<u>(1.219.455)</u>	<u>(579.770)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>353.550</u>	<u>379.195</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>608.578</u>	<u>439.039</u>

STATEMENTS OF CASH FLOW , CONTINUED

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

	Nine months ended September 30th	
	2.005 TH.US\$	2.004 TH.US\$
Net income for the period	1.188.328	815.562
Gain on sales of assets	(1.929)	(75.951)
Debits (credits) to income which do not represent Cash flows :	414.216	556.761
Depreciation	338.968	303.553
Amortization	122.654	89.108
Write-offs and provisions	7.138	268.460
Equity in income of related companies	(69.260)	(82.491)
Equity in losses of related companies	7.618	12.654
Amortization of goddwill	574	0
Price-level restatement	99	241
Foreign exchange differences	67.202	2.357
Other credits to income which do not represent cash flows	(60.777)	(37.121)
(Increase) decrease in assets which affect operating cash flows :	(386.026)	297.939
Trade receivables	(175.896)	(241.405)
Inventories	(212.673)	217.755
Other assets	2.543	321.589
Increase (decrease) in liabilities which affect operating cash flows :	561.141	234.940
Accounts payable associated whith operating activities	67.988	20.461
Interest payable	21.059	6.060
Income tax payable	175.623	134.423
Value added tax and other similar taxes payable,net	296.471	73.996
Minority interest	(8.510)	(238)
Net cash flows provided by operating activities	1.767.220	1.829.013