

CORPORACION NACIONAL DEL COBRE DE CHILE

BALANCE SHEETS

	As of September 30 Th	
	<u>2003</u> Th.US\$	<u>2002</u> Th.US\$
ASSETS		
Current Assets:	<u>1.443.427</u>	<u>1.037.308</u>
Cash	11.986	13.606
Time deposits	33.695	53.102
Marketable securities, net	32	1.743
Trade receivables	241.908	194.359
Notes receivable	2.430	1.873
Other receivable	101.349	100.962
Due from related companies	3.284	46.453
Inventories	732.619	480.570
Income taxes recoverable	268.239	108.947
Prepaid expenses	13.028	21.698
Deferred taxes	31.328	11.669
Other current assets	3.529	2.326
Property, Plant and Equipment:	<u>5.101.221</u>	<u>4.750.223</u>
Land	30.895	37.965
Buildings and infrastructure	6.130.727	5.578.826
Machinery and equipment	5.395.032	5.253.743
Other fixed assets	104	1.524
Technical appraisal revaluation	383.246	418.217
Less: Accumulated depreciation	(6.838.783)	(6.540.052)
Other Assets:	<u>781.229</u>	<u>473.570</u>
Investments in related companies	324.091	158.094
Investments in other companies	4.340	3.391
Long-term receivables	102.014	77.564
Due from related companies	81.519	47.971
Intangibles	3.307	3.564
Less: Accumulated amortization	(1.113)	(962)
Other assets	267.071	183.948
Total Assets	<u><u>7.325.877</u></u>	<u><u>6.261.101</u></u>

CORPORACION NACIONAL DEL COBRE DE CHILE

BALANCE SHEETS

	As of September 30 Th	
	<u>2003</u>	<u>2002</u>
	Th.US\$	Th.US\$
LIABILITIES AND EQUITY		
Current Liabilities:	<u>1.117.063</u>	<u>1.117.696</u>
Short-term debt due to bank and financial institutions	361.881	412.567
Current portion of long-term due to banks and financial institutions	205.150	258.468
Current portion of bonds payable	19.051	9.139
Dividends payable	0	0
Accounts payable	243.721	187.134
Notes payable	41	545
Other payables	32.173	17.954
Due to related companies	30.653	22.175
Provisions	162.136	154.128
Withholdings	57.744	47.792
Income taxes payable	221	201
Deferred income	3.850	5.503
Deferred income taxes	0	0
Other current liabilities	442	2.090
Long-Term Liabilities:	<u>3.380.444</u>	<u>2.429.885</u>
Due to banks and financial institutions	800.000	700.000
Bonds payable	913.344	300.000
Long-term notes payable	86.230	0
Other payables	219	0
Provisions	602.626	518.669
Deferred taxes	975.751	905.236
Other long-term liabilities	2.274	5.980
Minority interest	<u>2.047</u>	<u>848</u>
Equity:	<u>2.826.323</u>	<u>2.712.672</u>
Paid-in capital	1.524.423	1.524.423
Other reserves	1.276.259	1.224.046
Retained earnings	<u>25.641</u>	<u>(35.797)</u>
Net income of the period	70.365	41.056
Provisional dividends for fiscal benefit	(44.724)	(76.853)
Total Liabilities and Equity	<u><u>7.325.877</u></u>	<u><u>6.261.101</u></u>

CORPORACION NACIONAL DEL COBRE DE CHILE

STATEMENT OF INCOME

Nine months ended September 30 Th

	<u>2003</u> Th.US\$	<u>2002</u> Th.US\$
Operating Income :	504.230	407.592
Sales of own copper	1.744.971	1.814.503
Sales of copper acquired from third parties	445.674	428.310
Sales of by-products	<u>413.026</u>	<u>378.075</u>
Sales	2.603.671	2.620.888
Cost of products sold	(1.535.708)	(1.682.735)
Cost of copper acquired from third parties	<u>(443.377)</u>	<u>(421.644)</u>
Cost of sales	(1.979.085)	(2.104.379)
Gross profit	624.586	516.509
Administrative and selling expenses	(120.356)	(108.917)
Non-Operating Income and expense:	(326.386)	(311.668)
Financial income	5.594	6.392
Equity in income of related companies	26.491	76
Other non-operating income	69.587	60.086
Equity participation in losses of related companies	(11.543)	(52.745)
Financial expenses	(73.969)	(53.760)
Other expenses	(318.928)	(316.734)
Price-level restatement	380	(45)
Foreign currency translation	(23.998)	45.062
Income before income taxes and minority interest	177.844	95.924
Income taxes	<u>(108.073)</u>	<u>(55.133)</u>
Income before minority interest	69.771	40.791
Minority interest	594	265
Net income for the period	<u><u>70.365</u></u>	<u><u>41.056</u></u>

CORPORACION NACIONAL DEL COBRE DE CHILE

CONSOLIDATED STATEMENTS OF CASH FLOWS

Nine months ended September 30 Th

	<u>2003</u> Th.US\$	<u>2002</u> Th.US\$
CASH FLOWS FROM OPERATING ACTIVITIES :		
Collections from customers	2.603.409	2.688.554
Interest received	1.651	1.139
Dividends and other distributions	0	393
Other income received	285.328	273.440
Payments to supplier and personnel	(2.007.417)	(1.913.407)
Payment of Interest	(47.490)	(32.876)
Payment of income taxes	(147.458)	(843)
Other expenses	(187.289)	(224.641)
Payment of value added tax and other similar taxes	<u>(217.227)</u>	<u>(241.100)</u>
Net cash provided by (used in) operating activities	<u>283.507</u>	<u>550.659</u>
CASH FLOWS FROM FINANCING ACTIVITIES :		
Financing obtained	820.600	405.170
Bonds payable	0	0
Dividends paid	0	0
Payment of loans	(540.600)	(235.000)
Other disbursements for financing	<u>0</u>	<u>0</u>
Net cash provided by (used in) financing activities	<u>280.000</u>	<u>170.170</u>
CASH FLOWS FROM INVESTING ACTIVITIES :		
Proceeds from sales of fixed assets	0	0
Proceeds from sales of permanent investments	0	2.552
Proceeds from sales of other investments	3.728	0
Other loans received from related companies	0	0
Other investing income	48.262	17.281
Additions to property, plant and equipment	(660.669)	(656.545)
Long-term investments	(21.488)	(19.851)
Loans granted to related companies	0	0
Other investment disbursements	<u>(41.206)</u>	<u>(32.478)</u>
Net cash provided by (used in) investing activities	<u>(671.373)</u>	<u>(689.041)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(107.866)</u>	<u>31.788</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>153.579</u>	<u>36.663</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>45.713</u>	<u>68.451</u>

STATEMENTS OF CASH FLOW , CONTINUED

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

	Nine months ended September 30 Th	
	<u>2003</u> Th.US\$	<u>2002</u> Th.US\$
Net income for the period	70.365	41.056
Gain (loss) on sales of fixed assets	(692)	8.941
Charges (credits) to income which do not represent cash flows:		
Cash flows :	<u>538.019</u>	<u>456.083</u>
Depreciation	278.928	289.973
Amortization	63.615	70.819
Write-offs and provisions	220.541	114.854
Equity in income of related companies	(26.491)	(76)
Equity in losses of related companies	11.543	52.745
Price-level restatement	(380)	45
Foreign currency translation	23.998	(45.062)
Other credits to income which do not represent cash flows	(33.735)	(27.215)
(Increase) decrease in assets which affect operating cash flows :	<u>(329.699)</u>	<u>68.115</u>
Trade receivables	(16.687)	10.609
Inventories	(238.040)	28.702
Other assets	(74.972)	28.804
Increase (decrease) in liabilities which affect operating cash flows :	<u>6.108</u>	<u>(23.271)</u>
Accounts payable	12.083	(61.780)
Interest payable	14.529	12.247
Income tax payable	(145)	155
Value added tax and other similar taxes payable	(20.359)	26.107
Minority interest income (loss)	(594)	(265)
Net cash flows provided by operating activities	<u><u>283.507</u></u>	<u><u>550.659</u></u>