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GLASSWORKS OF CHILE  
Form 6-K  
October 06, 2004

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16 OF  
THE SECURITIES EXCHANGE ACT OF 1934

October 6, 2004

Commission File Number 1-12752

Glassworks of Chile  
(Translation of registrant's name into English)

Hendaya 60  
Las Condes  
Santiago, Chile  
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): \_\_\_\_\_

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

Cristalchile  
NYSE: CGW  
Santiago: CRISTALES  
www.cristalchile.com

CONTACT IN SANTIAGO:  
Ricardo Dunner  
Head of Investor Relations  
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FECU (Standardized Quarterly Financial Report)

### 1. IDENTIFICATION

|            |                              |                            |
|------------|------------------------------|----------------------------|
| 1.01.05.00 | Firm Name                    | CRISTALERIAS DE CHILE S.A. |
| 1.01.04.00 | Company RUT                  | 90331000-6                 |
| 1.00.01.10 | Starting date                | 1/1/2004                   |
| 1.00.01.20 | Closing date                 | 03/31/2004                 |
| 1.00.01.30 | Type of Currency             | Chilean Pesos              |
| 1.00.01.40 | Type of Financial Statements | Individual                 |

### ASSETS

#### 2.0 FINANCIAL STATEMENTS 2.01 BALANCE SHEET

1.00.01.30 Type of Currency: Thousands of Chilean Pesos  
 1.00.01.40 Type of Balance : Individual

| ASSETS   | NOTE No. | 03-31-04     |
|--|----------|--------------|
| 5.11.00.00 TOTAL CURRENT ASSETS  |          | 100,541,571  |
| 5.11.10.10 Cash  |          | 1,370,222    |
| 5.11.10.20 Time deposits   | 41       | 4,630,507    |
| 5.11.10.30 Marketable securities (net)                                     | 4        | 53,866,117   |
| 5.11.10.40 Debtors from sales (net)  | 5        | 16,457,533   |
| 5.11.10.50 Documents receivable (net)                                      | 5        | 886,438      |
| 5.11.10.60 Sundry debtors (net)  | 5        | 645,858      |
| 5.11.10.70 Doc. & accts receivable related Co.                             | 6        | 1,998,353    |
| 5.11.10.80 Inventories (net)   | 7        | 5,994,512    |
| 5.11.10.90 Recoverable taxes   | 8        | 1,876,287    |
| 5.11.20.10 Prepaid expenses  |          | 356,831      |
| 5.11.20.20 Deferred taxes  | 8        | 447,736      |
| 5.11.20.30 Other current assets  | 10-11    | 12,011,177   |
| 5.11.20.40 Leasing contracts (net)   |          | 0            |
| 5.11.20.50 Leasing assets (net)  |          | 0            |
| 5.12.00.00 TOTAL FIXED ASSETS  |          | 75,150,640   |
| 5.12.10.00 Land  | 12       | 1,495,201    |
| 5.12.20.00 High rises & infrastructure                                     | 12       | 22,551,878   |
| 5.12.30.00 Machinery & equipment   | 12       | 103,814,809  |
| 5.12.40.00 Other fixed assets  | 12       | 7,682,161    |
| 5.12.50.00 Positive goodwill from technical<br>revaluation of fixed assets | 12       | 6,573,793    |
| 5.12.60.00 Depreciation (minus)  | 12       | (66,967,202) |
| 5.13.00.00 TOTAL OTHER ASSETS  |          | 177,904,452  |
| 5.13.10.10 Investment in related companies                                 | 14       | 143,881,104  |

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|            |                                     |    |             |
|------------|-------------------------------------|----|-------------|
| 5.13.10.20 | Investment in other companies       |    | 0           |
| 5.13.10.30 | Negative goodwill                   | 16 | 1,840,523   |
| 5.13.10.40 | Positive goodwill (minus)           |    | 0           |
| 5.13.10.50 | Long-term debtors                   | 5  | 122,386     |
| 5.13.10.60 | Doc. & accts receivable related Co. | 6  | 20,666,868  |
| 5.13.10.65 | Long-term deferred taxes            |    | 0           |
| 5.13.10.70 | Intangibles                         |    | 0           |
| 5.13.10.80 | Amortization (minus)                |    | 0           |
| 5.13.10.90 | Other                               | 18 | 11,393,571  |
| 5.13.20.10 | Long-term leasing contracts (net)   |    | 0           |
| 5.10.00    | TOTAL ASSETS                        |    | 353,596,663 |

LIABILITIES

1.00.01.30 Type of Currency: Thousands of Chilean Pesos  
 1.00.01.40 Type of Balance : Individual

| LIABILITIES |   | NOTE No. | 03-31-04    |
|-------------|---|----------|-------------|
| -----       |   | -----    | -----       |
| 5.21.00.00  | TOTAL CURRENT LIABILITIES   |          | 14,867,540  |
| 5.21.10.10  | Short-term oblig. Banks & Fin. Inst.                                    |          | 0           |
| 5.21.10.20  | Short-term portion - Long-term oblig.<br>Banks & Financial Institutions | 19       | 129,318     |
| 5.21.10.30  | Obligations with the public (notes)                                     |          | 0           |
| 5.21.10.40  | Short-term portion oblig with public                                    |          | 759,861     |
| 5.21.10.50  | Long-term oblig. due within 1 year                                      |          | 0           |
| 5.21.10.60  | Dividends payable   |          | 40,453      |
| 5.21.10.70  | Accounts payable  |          | 1,858,882   |
| 5.21.10.80  | Notes payable   |          | 1,504,799   |
| 5.21.10.90  | Sundry creditors  |          | 859,954     |
| 5.21.20.10  | Notes & accts payable related Co.                                       | 6        | 180,281     |
| 5.21.20.20  | Provisions  | 23       | 6,872,724   |
| 5.21.20.30  | Withholdings  |          | 895,484     |
| 5.21.20.40  | Income tax  |          | 0           |
| 5.21.20.50  | Earned income   |          | 0           |
| 5.21.20.60  | Deferred taxes  |          | 0           |
| 5.21.20.70  | Other current liabilities   | 34       | 1,765,784   |
| 5.22.00.00  | TOTAL LONG-TERM LIABILITIES   |          | 108,287,797 |
| 5.22.10.00  | Oblig with Banks & Financial Inst.                                      | 21       | 30,820,500  |
| 5.22.20.00  | Long-term oblig with public (bonds)                                     |          | 68,965,362  |
| 5.22.30.00  | Long-term notes payable   |          | 0           |
| 5.22.40.00  | Long-term sundry debtors  |          | 152,863     |
| 5.22.50.00  | Long-term notes & accts. payable<br>related companies                   | 6        | 0           |
| 5.22.60.00  | Long-term provisions  | 23       | 6,001,842   |
| 5.22.70.00  | Long-term deferred taxes  | 8        | 2,347,230   |
| 5.22.80.00  | Other long-term liabilities   |          | 0           |
| 5.23.00.00  | MINORITY INTEREST   |          | 0           |
| 5.24.00.00  | TOTAL EQUITY  |          | 230,441,326 |
| 5.24.10.00  | Paid-in capital   | 27       | 65,396,749  |
| 5.24.20.00  | Reserve capital revaluation   | 27       | (326,984)   |
| 5.24.30.00  | Premium in sale of own shares   | 27       | 27,735,005  |
| 5.24.40.00  | Other reserves  | 27       | 7,084,586   |

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|            |   |    |             |
|------------|---|----|-------------|
| 5.24.50.00 | Retained earnings (addition of codes<br>5.24.51.00 to 5.24.56.00) | 27 | 130,551,970 |
|            | 5.24.51.00 Reserve future dividends                               | 27 | 122,544,319 |
|            | 5.24.52.00 Accrued profits  | 27 | 5,441,098   |
|            | 5.24.53.00 Accrued losses (minus)                                 |    | 0           |
|            | 5.24.54.00 Profit (loss) for the year                             | 27 | 2,566,553   |
|            | 5.24.55.00 Prov. dividends (minus)                                |    | 0           |
|            | 5.24.56.00 Accr. deficit dev. period                              | 27 | 0           |
| 5.20.00.00 | TOTAL LIABILITIES   |    | 353,596,663 |

### INCOME STATEMENT

#### 2.02 INCOME STATEMENT

1.00.01.30 Type of Currency: Thousands of Chilean Pesos

1.00.01.40 Type of Balance : Individual

| INCOME STATEMENT  | NOTE No. | 03-31-04    |
|---|----------|-------------|
| 5.31.11.00 OPERATING RESULTS                                    |          | 4,289,249   |
| 5.31.11.10 Gross Margin   |          | 5,596,365   |
| 5.31.11.11 Sales  |          | 15,386,996  |
| 5.31.11.12 Costs (minus)  |          | (9,790,631) |
| 5.31.11.20 Adm. & sales expenses (minus)                        |          | (1,307,116) |
| 5.31.12.00 NON-OPERATING RESULTS                                |          | (1,239,126) |
| 5.31.12.10 Interest income                                      |          | 522,448     |
| 5.31.12.20 Income from invmnts Rel. Co.                         | 14       | 1,121,653   |
| 5.31.12.30 Other non-operating income                           | 28       | 131,864     |
| 5.31.12.40 Loss invmnts Rel. Co. (-)                            |          | (2,446,551) |
| 5.31.12.50 Amortization neg. goodwill (-)                       | 16       | (42,639)    |
| 5.31.12.60 Interest expenses (minus)                            |          | (1,157,853) |
| 5.31.12.70 Other non-operat expenses (-)                        | 28       | (251,990)   |
| 5.31.12.80 Price level restatement                              | 29       | 153,682     |
| 5.31.12.90 Exchange differences                                 | 30       | 730,260     |
| 5.31.10.00 RESULTS BEFORE INCOME TAX<br>AND EXTRAORDINARY ITEMS |          | 3,050,123   |
| 5.31.20.00 INCOME TAX   | 8        | (483,570)   |
| 5.31.30.00 EXTRAORDINARY ITEMS                                  |          | 0           |
| 5.31.40.00 PROFIT (LOSS) BEFORE<br>MINORITY INTEREST            |          | 2,566,553   |
| 5.31.50.00 MINORITY INTEREST                                    |          | 0           |
| 5.31.00.00 NET INCOME (LOSS)                                    |          | 2,566,553   |
| 5.32.00.00 Amortization of positive goodwill                    |          | 0           |
| 5.30.00.00 INCOME (LOSS) FOR THE YEAR                           | 6        | 2,566,553   |

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## DIRECT CASH FLOW STATEMENT

### 2.03 CASH FLOW STATEMENT

1.00.01.30 Type of Currency: Thousands of Chilean Pesos

1.00.01.40 Type of Balance : Individual

### DIRECT CASH FLOW STATEMENT

| DIRECT CASH FLOW STATEMENT                                 | NOTE No. | 03-31-04     |
|--|----------|--------------|
| 5.41.11.00 NET FLOW FROM OP. ACT.                          |          | 9,978,872    |
| 5.41.11.10 Collection from sales debtors                   |          | 22,658,674   |
| 5.41.11.20 Interests received                              |          | 2,080,278    |
| 5.41.11.30 Dividends & other distributions funds received  |          | 1,031,758    |
| 5.41.11.40 Other income                                    |          | 182,680      |
| 5.41.11.50 Payments to suppliers & personnel (-)           |          | (11,941,128) |
| 5.41.11.60 Interest paid (minus)                           |          | (1,999,006)  |
| 5.41.11.70 Income tax paid (minus)                         |          | (577,728)    |
| 5.41.11.80 Other expenses                                  | 33       | (52,481)     |
| 5.41.11.90 V.A.T. & other taxes                            |          | (1,403,815)  |
| 5.41.12.00 CASH FLOW FINANCING ACTIVITIES                  |          | (952,972)    |
| 5.41.12.05 Proceeds from share issue                       |          | 0            |
| 5.41.12.10 Loans received                                  |          | 0            |
| 5.41.12.15 Obligations with the public                     |          | 0            |
| 5.41.12.20 Secured loans from related companies            |          | 0            |
| 5.41.12.25 Other loans from related companies              |          | 0            |
| 5.41.12.30 Other financing resources                       |          | 0            |
| 5.41.12.35 Dividends paid (minus)                          |          | (947,653)    |
| 5.41.12.40 Capital distributions (minus)                   |          | 0            |
| 5.41.12.45 Repayment of loans (minus)                      |          | 0            |
| 5.41.12.50 Payment of obligations with the public (-)      |          | 0            |
| 5.41.12.55 Repayment of secured loans from rel Co. (-)     |          | 0            |
| 5.41.12.60 Repayment other loans from related Co. (-)      |          | (5,319)      |
| 5.41.12.65 Share issue payment (minus)                     |          | 0            |
| 5.41.12.70 Payment of issue publ oblig (minus)             |          | 0            |
| 5.41.12.75 Other financing payments (minus)                | 33       | 0            |
| 5.41.13.00 CASH FLOW FROM INVESTING ACTIVITIES             |          | (1,605,749)  |
| 5.41.13.05 Sale of fixed assets                            |          | 1,012        |
| 5.41.13.10 Sale of permanent investments                   |          | 0            |
| 5.41.13.15 Sale of other investments                       | 33       | 0            |
| 5.41.13.20 Proceeds secured loans to related Comp.         |          | 0            |
| 5.41.13.25 Proceeds other loans to related companies       |          | 0            |
| 5.41.13.30 Other investment income                         | 33       | 0            |
| 5.41.13.35 Incorporation of fixed assets (minus)           |          | (1,605,021)  |
| 5.41.13.40 Capitalized interests payment (minus)           |          | 0            |
| 5.41.13.45 Permanent Investments (minus)                   |          | 0            |
| 5.41.13.50 Investments in financial instruments (minus)    |          | 0            |
| 5.41.13.55 Other loans to related companies (minus)        |          | (1,345)      |
| 5.41.13.60 Other loans to related companies (minus)        |          | (395)        |
| 5.41.13.65 Other distrib of funds on invest activities (-) | 33       | 0            |
| 5.41.00.00 TOTAL NET CASH FLOW FOR THE PERIOD              |          | 7,420,151    |
| 5.42.20.00 EFFECT OF INFLATION ON CASH & CASH EQUIV.       |          | 300,368      |
| 5.41.00.00 NET CHANGE IN & CASH EQUIVALENT                 |          | 7,720,519    |
| 5.42.00.00 CASH & CASH EQUI AT BEGINNING OF PERIOD         |          | 59,699,915   |
| 5.43.00.00 CASH & CASH EQUIV BALANCE AT END OF PERIOD      |          | 67,420,434   |

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INCOME STATEMENT RECONCILIATION

CONCILIATION BETWEEN CASH FLOW GENERATED BY THE OPERATION'S  
ACTIVITIES AND THE INCOME STATEMENT FOR THE YEAR

1.00.01.30 Type of Currency: Thousands of Chilean Pesos  
1.00.01.40 Type of Balance : Individual

| CASH FLOW - INCOME STATEMENT RECONCILIATION                                  | NOTE No. | 03-31-04    |
|--|----------|-------------|
| -----  | -----    | -----       |
| 5.50.10.00 Profit (Loss) for the year  |          | 2,566,553   |
| 5.50.20.00 Profit in sale of assets  |          | 0           |
| 5.50.20.10 (Profit) Loss in sale of fixed assets                             |          | 0           |
| 5.50.20.20 Profit in sale of investments (minus)                             |          | 0           |
| 5.50.20.30 Loss in sale of investments                                       |          | 0           |
| 5.50.20.40 (Profit) Loss in sale of other assets                             |          | 0           |
| 5.50.30.00 Non-cash losses (gains)   |          | 5,493,462   |
| 5.50.30.05 Depreciation for the year   | 12       | 2,589,390   |
| 5.50.30.10 Amortization of intangibles                                       |          | 202,815     |
| 5.50.30.15 Write-offs and provisions   |          | 2,200,346   |
| 5.50.30.20 Accrued earnings from investments in related<br>companies (minus) | 14       | (1,121,653) |
| 5.50.30.25 Accrued losses from investments in related Co.                    | 14       | 2,446,551   |
| 5.50.30.30 Negative goodwill amortization                                    | 16       | 42,639      |
| 5.50.30.35 Positive goodwill amortization (minus)                            |          | 0           |
| 5.50.30.40 Price level restatement   | 29       | (153,681)   |
| 5.50.30.45 Net exchange difference   | 30       | (730,259)   |
| 5.50.30.50 Other non-cash credits to results (minus)                         |          | (8,188)     |
| 5.50.30.55 Other non-cash debits to results                                  |          | 25,502      |
| 5.50.40.00 Changes in Assets affecting cash flow (incr) decreases            |          | 2,429,973   |
| 5.50.40.10 Debtors from sales  |          | 3,279,156   |
| 5.50.40.20 Inventory   |          | (1,255,165) |
| 5.50.40.30 Other assets  |          | 405,982     |
| 5.50.50.00 Changes in liabilities affecting cash flow<br>increases (decr)    |          | (511,116)   |
| 5.50.50.10 Accounts payable related to results for the year                  |          | (321,433)   |
| 5.50.50.20 Interests payable   |          | (927,559)   |
| 5.50.50.30 Income tax payable (net)  |          | 234,310     |
| 5.50.50.40 Other accounts payable related to non-oper results                |          | 485,139     |
| 5.50.50.50 VAT and other taxes payable (net)                                 |          | 18,427      |
| 5.50.60.00 Profit (Loss) of minority interest                                |          | 0           |
| 5.50.00.00 NET OPERATING CASH FLOW   |          | 9,978,872   |

01. Registration In The Securities Register

1. IDENTIFICATION OF THE COMPANY AND REGISTRATION IN THE SECURITIES REGISTER

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The company is registered in the Securities Register under N 061 and is supervised by the Securities and Insurance Commission.

### 02. Applied Accounting Criteria

#### a) Accounting Period

These financial statements correspond to the period between January 1 and March 31 of 2004 and 2003.

#### b) Preparation basis of financial statements:

These individual financial statements as of March 31, 2004 and 2003 have been prepared on the basis of generally accepted accounting principles and specific norms issued by the S.V.S., with the former prevailing in case of discrepancies.

Investments in subsidiaries are recorded on one line in the general balance sheet at their net worth and, therefore, they have not been consolidated line by line. This treatment does not modify the net income of the fiscal year nor the net worth.

These financial statements have been issued only for purposes of making an individual analysis of the Company and, in consideration thereof, shall be read together with the consolidated statements, which are required by generally accepted accounting principles.

#### c) Presentation Basis

For comparison purposes, the financial statements and figures included in the disclosures for the 2003 fiscal year are presented at its nominal value, since the variation in the C.P.I. for the period was zero (0%).

#### d) Adjustment for Currency Devaluation (Price Level Restatement)

Financial statements have been corrected monetarily on the basis of considering the variation in the purchasing power of the currency which occurred in the 2004 fiscal year, which was -0.5% (0.5% in 2003).

For financial purposes, effective variations occurred on each month of 2003 and 2004 with respect to March 2003 and 2004 have been considered. For tax purposes negative variations occurred in some months of 2003 and 2004 with respect to March 2003 and 2004 have been equaled to zero, according to instructions of the Chilean IRS, not significantly affecting financial statements.

#### e) Conversion Basis

Balances in foreign currency and indexed currency units have been converted to pesos at the indicated parities:

2004

2003

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|                   | Ch\$<br>----- | Ch\$<br>----- |
|-------------------|---------------|---------------|
| U.S. Dollar       | 616.41        | 731.56        |
| Pound Sterling    | 1,136.24      | 1,156.25      |
| Swiss Franc       | 486.59        | 540.65        |
| EURO              | 758.38        | 797.34        |
| Unidad de Fomento | 16,820.82     | 16,783.60     |

f) Marketable Securities and Time Deposits

Transactions in fixed income instruments are shown at the return value of the investment, which does not exceed the market value as of March 31, 2004.

Investments in stock are shown at the lowest value between the corrected cost and market value.

Time deposits are shown at the value of the investment, plus adjustments and interest accrued as of the date of the fiscal year.

Investments in Mutual Funds are valued at the liquidation value at the close of the fiscal year.

g) Inventory

Inventory of finished products has been valued as of March 31, 2004 and 2003 at the direct production cost, duly updated, and raw materials and materials at the cost of the last purchase or its corrected cost. Those valuations do not exceed the net liquidation value.

h) Bad Debts (Uncollectables)

The parent company and subsidiaries have made provision for bad debts that is deducted from debtors for sales. The criterion adopted to estimate them is the age of the balances.

i) Fixed Assets

Fixed assets are shown at purchase cost plus legal and regulatory revaluations accumulated until March 31, 2004 and 2003.

j) Depreciation of Fixed Assets

Depreciation of this property is calculated on updated values, according to the straight-line depreciation system, considering the estimated useful life of the property.

k) Assets in Leasing

None.

l) Sales Transactions with Leaseback

None.



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### m) Intangibles

As of March 2003 and 2004 there is no balance under this item.

### n) Investments in Related Companies

Investments in stock and rights in related companies have been valued according to the percentage of the holding that corresponds to the Company in the equity of its affiliates (VPP), according to procedures established for these purposes by circular 368 of the Securities and Insurance Commission.

### o) Negative and Positive Investment Goodwill:

Negative and positive investment goodwill have arisen when comparing the price paid for the investment made and the proportional value that corresponds to that investment in the net worth of the company.

Negative goodwill amortizations are carried out over a twenty-year period.

As of March 31, 2004 and 2003 there was no positive investment goodwill.

### p) Operations with buyback and sellback agreement

Financial instruments acquired with a sellback agreement are shown at their purchase value plus interest and adjustments accrued at the closing of the fiscal year, and they are classified in Other Current Assets, in the terms established in Circular No. 768 of the Securities and Insurance Commission.

### q) Deferred Taxes and Income Tax

The company has complied with deferred taxes, in accounting terms, as established in Technical Bulletin No. 60 and the norms indicated in Circular 1466 of the S.V.S.

Income tax is recorded in the accounting on the basis of the calculation of net taxable income determined according to norms established in the Income Tax Law.

### r) Severance payment

The parent company has established a reserve for all of the personnel's severance payment, according to the union contracts signed with their workers. This reserve is shown at the present value of the obligation.

### s) Sales

The company recognizes the income from its operations on an accrued basis according to generally accepted accounting principles.

### t) Derivative Contracts

The company maintains Future contracts in foreign currency, which have been

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recorded as established in Technical Bulletin 57 of the Accountants Association of Chile.

### u) Computer Software

The company develops computer software with its own resources, and it also acquires computer packages from third parties. Disbursements for its own development are charged to results as they are generated. Computer packages are recorded in Fixed Assets and amortized in 36 months.

### v) Research and Development Expenses

The company records expenses for this concept directly in results as they are generated.

### w) Cash Flow Statement:

According to current regulations of the Securities and Insurance Commission and the Accountants Association of Chile, in preparing the cash flow statement, the Company has considered time deposits, fixed rate mutual fund investments and deposits with maturities under 90 days as cash.

Such cash flows related to the Company's line of business, interest paid, interest income received, dividends received, and all such that is not defined as investment or Financing is included under the heading "Flow Originating in Activities of the Operation."

Income by time deposits and agreements with maturity more than 90 days has been clasified in the item "Investments in Financial Instruments".

## 03. Accounting Changes

As of March 31, 2004 and 2003, there have not been any changes in the accounting criteria that affect the individual financial statements.

## 04. Marketable Securities

As of March 31, 2004, this item is composed by the following investments:

- a) Investments in bonds and Fixed Rate Instruments in the amount of Th Ch\$ 49,982,182 and 24,917,945 Euros, mainly corresponding to investments in State Bonds and bonds of financial institutions in USA, Germany, Holland, Collateralized Bonds of Private Companies in USA (guaranteed by accounts receivable) and USA Mortgage Bonds with state guarantee.
- b) Th Ch\$ 4,133,777 in shares.
- c) Th Ch\$ 25,552 in investment funds.

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As of March 31, 2003, this item is composed by the following investments:

- a) Investments in bonds and Fixed Rate Instruments in the amount of Th Ch\$ 55,361,469 mainly corresponding to investments in State Bonds and bonds of financial institutions in USA, Germany, Holland, Collateralized Bonds of Private Companies in USA (guaranteed by accounts receivable) and USA Mortgage Bonds with state guarantee.
- b) Th Ch\$ 3,830,015 in shares.
- c) Th Ch\$ 26,535 in investment funds.

CRISTALERIAS DE CHILE S.A.

### NOTE 4 -MARKETABLE SECURITIES- BALANCE COMPOSITION

| Type of Security                | Book Value |            |
|---------------------------------|------------|------------|
|                                 | 03-31-2004 | 03-31-2003 |
| -----                           | -----      | -----      |
| Stock                           | 4,133,777  | 3,830,015  |
| Bonds                           | 49,706,788 | 55,361,469 |
| Mutual fund shares              | 0          | 0          |
| Investment fund shares          | 25,552     | 26,535     |
| Public tender promissory notes  | 0          | 0          |
| Mortgage bonds                  | 0          | 0          |
| Interests bonds Celulosa Arauco | 0          | 0          |
| Total Marketable Securities     | 53,866,117 | 59,218,019 |

CRISTALERIAS DE CHILE S.A.

### NOTE 4 - MARKETABLE SECURITIES - SHARES

| R.U.T.       | Company Name                          | Number of<br>Shares | Share<br>Percentage | Unit<br>Market<br>Value |
|--------------|---------------------------------------|---------------------|---------------------|-------------------------|
| -----        | -----                                 | -----               | -----               | -----                   |
| 96.512.200-1 | Bodegas y Vinedos Santa Emiliana S.A. | 63,642,856          | 9.9980              | 90                      |

Value Investment Portfolio  
 Adjustment Reserve  
 Book value, Investment Portfolio

CRISTALERIAS DE CHILE S.A.

### NOTE 4 - MARKETABLE SECURITIES - FIXED RATE INSTRUMENTS

|     |                     |
|-----|---------------------|
| Par | Book Value<br>----- |
|-----|---------------------|

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| Type of Security  | Value      | Amount     | Rate % |
|---|------------|------------|--------|
| Financial Institutions bonds (USA, Germany and Holland) | 21,676,997 | 21,676,997 | 0.56   |
| US treasury bonds                                       | 16,721,713 | 16,721,713 | 1.44   |
| Mortgage bonds USA, with state guarantee                | 6,115,179  | 6,115,179  | 1.44   |
| Call Deposit  | 5,218,451  | 5,218,451  | 0.56   |
| TOTAL   | 49,732,340 | 49,732,340 |        |

Note:

- (1) The investements were made in U.S. Dollars (62%) and EUROS (38%) with custody abroad.
- (2) These investments can be rescued within 48 hours warning.
- (3) Rate for period from 01-01-2004 to 03-31-2004.

05. Short-Term and Long-Term Debtors

At March 31, 2004 and 2003 there are balances of short-term debtors of Th Ch\$ 17,989,829 and Th Ch\$ 18,394,386, respectively.

In addition there is a balance of Th Ch\$ 122,386 for Long-Term debtors in 2004 (Th Ch\$ 161,203 in 2003).

As of March 31, 2004 and 2003 the company has established a reserve for bad debts of Th Ch\$ 143,127 in 2004 (Th Ch\$ 143,127 in 2003), which is deducted from Debtors for Sales.

The balance of Short-term Debtors is shown net of the reserve for bad debtors and customer advances.

CRISTALERIAS DE CHILE S.A.  
NOTE 5 -SHORT AND LONG TERM DEBTORS

| Item                                 | Current Assets |            |                              |            |            |           |
|--------------------------------------|----------------|------------|------------------------------|------------|------------|-----------|
|                                      | Up to 90 days  |            | Over 90 days<br>up to 1 year |            | Subtotal   | Total Cur |
|                                      | 03-31-2004     | 03-31-2003 | 03-31-2004                   | 03-31-2003 |            |           |
| Debts from Sales                     | 15,752,978     | 15,029,889 | 847,682                      | 743,595    | 16,600,660 | 16,457,53 |
| Estimate of non-<br>collectable debt | -              | -          | -                            | -          | 143,127    | -         |
| Documents receivable                 | 762,934        | 1,712,512  | 123,504                      | 73,013     | 886,438    | 886,43    |
| Estimate of bad debtors              | -              | -          | -                            | -          | -          | -         |
| Misc. debtors                        | 613,565        | 929,579    | 32,293                       | 48,925     | 645,858    | 645,85    |
| Estimate of bad debtors              | -              | -          | -                            | -          | -          | -         |

Total Long

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06. Balances and Transactions with related entities

- I. Balances receivable in the Short-Term as of March 31, 2004 and 2003 amount Th Ch\$ 1,998,353 and Th Ch\$ 2,461,660, respectively. In addition, in the Long-Term a balance of Th Ch\$ 20,666,868 and Th Ch\$ 22,598,303 is recorded, respectively, which correspond to Th Ch\$ 19,809,006 in 2004 (Th Ch\$ 20,601,055 in 2003) for the sale of Rayen Cura S.A.I.C. shares to the subsidiary Cristalchile Inversiones S.A., equivalent to UF 1,177,648, without interests and Th Ch\$ 857,862 in 2004 (Th Ch\$ 1,997,248), which correspond to loans granted to Red Televisiva Megavisión S.A.

Detail of outstanding credits from related companies:

- 1) Loan to Red Televisiva Megavisión S.A.  
Annual Rate 6.26%, UF adjustability

|            |           |         |         |
|------------|-----------|---------|---------|
| 07.05.2006 | 17,000 UF | Th Ch\$ | 285,954 |
| 01.05.2007 | 17,000 UF | Th Ch\$ | 285,954 |
| 07.05.2007 | 17,000 UF | Th Ch\$ | 285,954 |

- 3) There are balances for invoicing of Sales with the following related companies with expiration under 90 days:

|                                       | 2004      | 2003      |
|---------------------------------------|-----------|-----------|
|                                       | Th Ch\$   | Th Ch\$   |
|                                       | -----     | -----     |
| S.A. Vina Santa Rita                  | 1,789,039 | 1,761,674 |
| Vina Carmen S.A.                      | 18,795    | 0         |
| Vina Los Vascos S.A.                  | 169,953   | 78,594    |
| Servicios y Consultorias Hendaya S.A. | 210       | 253       |
| Rayen Cura S.A.I.C.                   | 5,435     | 0         |
|                                       | -----     | -----     |
| Total                                 | 1,983,432 | 1,840,521 |

As of March, 2003, there was a receivable balance correspond to a loan granted to CristalChile Comunicaciones S.A. for Th Ch\$ 14,225.

- II. Balances Payable in the Short-Term amount Th Ch\$ 180,281 in 2004 and Th Ch\$ 146,591 in 2003, which correspond to invoicing with maturity under 90 days:

|                               | 2004    | 2003    |
|-------------------------------|---------|---------|
|                               | Th Ch\$ | Th Ch\$ |
|                               | -----   | -----   |
| S.A. Vina Santa Rita          | 151,237 | 124,165 |
| Ediciones Financieras S.A.    | 2,954   | 2,830   |
| Vina Los Vascos S.A.          | 13,204  | 1,109   |
| Cia. Electro Metalurgica S.A. | 3,185   | 2,124   |
|                               | -----   | -----   |
| TOTAL                         | 170,580 | 130,228 |

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CRISTALERIAS DE CHILE S.A.  
 NOTE 6 - BALANCE AND TRANSACTIONS WITH RELATED COMPANIES  
 DOCUMENTS AND ACCOUNTS RECEIVABLE

| R.U.T.     | Company                           | Short Term |            | Long       |
|------------|-----------------------------------|------------|------------|------------|
|            |                                   | 03-31-2004 | 03-31-2003 | 03-31-2004 |
| 86547900-K | S.A. VINA SANTA RITA              | 1,789,039  | 1,761,674  | 0          |
| 79952350-7 | RED TEL. MEGAVISION S.A.          | 13,575     | 606,914    | 857,862    |
| 89150900-6 | VINA LOS VASCOS S.A.              | 169,953    | 78,594     | 0          |
| 96721580-5 | CRISTACHILE COMUNICACIONES S.A.   | 1,346      | 14,225     | 0          |
| 96972440-5 | CRISTALCHILE INVERSIONES S.A.     | 0          | 0          | 19,809,006 |
| 83032100-4 | SERV. Y CONSULTORIAS HENDAYA S.A. | 210        | 253        | 0          |
| 96566900-0 | NAVARINO S.A.                     | 0          | 0          | 0          |
| 96640360-8 | QUEMCHI S.A.                      | 0          | 0          | 0          |
| 87941700-7 | VINA DEL CARMEN S.A.              | 18,795     | 0          | 0          |
| 86881400-4 | ENVASES CMF S.A.                  | 0          | 0          | 0          |
| 0-E        | RAYEN CURA S.A.I.C.               | 5,435      | 0          | 0          |
|            | TOTAL                             | 1,998,353  | 2,461,660  | 20,666,868 |

CRISTALERIAS DE CHILE S.A.  
 NOTE 6 - BALANCES AND TRANSACTIONS WITH RELATED COMPANIES  
 DOCUMENTS AND ACCOUNTS PAYABLE

| R.U.T.     | Company                           | Short Term |            | Long T     |
|------------|-----------------------------------|------------|------------|------------|
|            |                                   | 03-31-2004 | 03-31-2003 | 03-31-2004 |
| 86547900-K | S.A. VINA SANTA RITA              | 151,237    | 124,165    | 0          |
| 89150900-6 | VINA LOS VASCOS S.A.              | 13,204     | 1,109      | 0          |
| 96972440-5 | CRISTALCHILE INVERSIONES S.A.     | 7,947      | 9,917      | 0          |
| 96721580-5 | CRISTALCHILE COMUNICACIONES S.A.  | 937        | 0          | 0          |
| 96539380-3 | EDICIONES FINANCIERAS S.A.        | 2,954      | 2,830      | 0          |
| 86755600-1 | BAYONA S.A.                       | 0          | 0          | 0          |
| 96608270-4 | CIECSA S.A.                       | 817        | 6,446      | 0          |
| 79753810-8 | CLARO Y CIA.                      | 0          | 0          | 0          |
| 90320000-6 | CIA. ELECTROMETALURGICA S.A.      | 3,185      | 2,124      | 0          |
| 83032100-4 | SERV. Y CONSULTORIAS HENDAYA S.A. | 0          | 0          | 0          |
|            | TOTAL                             | 180,281    | 146,591    | 0          |

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CRISTALERIAS DE CHILE S.A.

NOTE 6 - BALANCES AND TRANSACTIONS WITH RELATED COMPANIES  
TRANSACTIONS

| Company   | R.U.T.     | Relationship            | Description of Transaction | 03-31-2004 |                                  |
|---|------------|-------------------------|----------------------------|------------|----------------------------------|
|   |            |                         |                            | Amount     | Effect on Results (Debit/Credit) |
| CRISTALCHILE COMUNICACIONES CRISTALCHILE INVERSIONES S.A. | 96721580-5 | Subsidiary              | Adjustments                | 0          |                                  |
|   | 96972440-5 | Subsidiary              | Credit return              | 0          |                                  |
|   |            | Subsidiary              | Adjustments                | 116,799    | -116,799                         |
|   |            |                         | Account Payments           | 0          |                                  |
| S.A. VINA SANTA RITA                                      | 86547900-K | Subsidiary              | Container                  | 1,372,476  | 328,920                          |
|   |            | Subsidiary              | Sales                      |            |                                  |
|   |            | Subsidiary              | Packaging sales            | 130,671    |                                  |
|   |            | Subsidiary              | Materials purchased        | 127,117    | 127,117                          |
|   |            | Subsidiary              | Leasings several           | 177        | 177                              |
| SERV. Y CONS. HENDAYA S.A.                                | 83032100-4 | Controlling stockholder | Dividends paid             | 85,190     |                                  |
|   |            | Controlling stockholder | Received services          | 259,192    | -259,192                         |
|   |            | Controlling stockholder | Given services             | 4,615      | 4,615                            |
| CIA. ELECTROMETALURGICA S.A.                              | 90320000-6 | Controlling stockholder | Dividends paid             | 326,700    |                                  |
|   |            | Controlling stockholder | Materials purchased        | 2,676      |                                  |
| CLARO Y CIA.  | 79753810-8 | With the Chairman       | Legal assesment            | 5,914      | -5,914                           |
| NAVARINO S.A.   | 96566900-0 | Indirect subsidiary     | Given services             | 2,531      | 2,531                            |
| RED TELEVISIVA MEGAVISION S.A.                            | 79952350-7 | Related with Subsidiary | Interests                  | 13,575     | 13,575                           |
|   |            | Related with Subsidiary | Adjustments                | 5,058      | -5,058                           |
| QUEMCHI S.A.  | 96640360-8 | Indirect affiliate      | Loaned services            | 2,545      | 2,545                            |
| CIA. SUDAMERICANA DE VAPORES S.A.                         | 90160000-7 | Indirect affiliate      | Carrier services           | 2,774      |                                  |
| BAYONA S.A.   | 86755600-1 | Controlling stockholder | Dividends paid             | 88,688     |                                  |
| VINA LOS VASCOS S.A.                                      | 89150900-6 | Indirect affiliate      | Direct sales               | 204,434    | 48,990                           |
|   |            | Indirect affiliate      | Materials purchased        | 18,179     |                                  |
| VINA CARMEN S.A.  | 87941700-7 | Subsidiary              | Offices and establishments | 18,795     | 18,795                           |

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|                            |            |                    |                          |        |        |
|----------------------------|------------|--------------------|--------------------------|--------|--------|
| EDICIONES FINANCIERAS S.A. | 96793770-3 | Indirect affiliate | rented Received services | 2,603  | -2,603 |
| RAYEN CURA S.A.I.C.        | 0-E        | Indirect affiliate | Direct Sales             | 32,003 | 9,24   |

07. Inventory

The balance of the inventory item as of March 2004 and 2003 corresponds to finished products and materials that are valued as described in Note 2 g). A detail of its composition is shown below:

|   | 2004<br>Th Ch\$ | 2003<br>Th Ch\$ |
|---|-----------------|-----------------|
|   | -----           | -----           |
| Finished Products                           | 3,578,344       | 2,350,612       |
| Raw Materials and Fuel                      | 1,018,554       | 1,611,679       |
| Materials and spare parts<br>to be consumed | 952,789         | 1,049,208       |
| Materials in transit                        | 444,825         | 932,991         |
|   | -----           | -----           |
| TOTAL                                       | 5,994,512       | 5,944,490       |

08. Deferred taxes and income taxes

A) DEFERRED TAXES.

Accumulated balances of deferred taxes for temporary differences, and their composition in the income tax account for effects of fiscal year results and recognition of deferred taxes, are presented on the attached charts.

Estimated amortization periods of deferred taxes have been estimated on the average at 1 years for Short-Term Assets, 4 for Long-Term Assets, and 14 for Long-Term Liabilities.

B) INCOME TAX

The Company established tax provisions of 17% of First Category Income Tax in 2004 and 16.5% in 2003, and 35% as single tax under Art. 21, for the 2004 and 2003 fiscal years.

Credits against taxes are shown deducting the payable obligation.

The itemized list is the following:

|                                | 2004<br>Th Ch\$ | 2003<br>Th Ch\$ |
|--------------------------------|-----------------|-----------------|
|                                | -----           | -----           |
| Fiscal year income tax reserve | (784,680)       | (912,701)       |



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|                                     |           |           |
|-------------------------------------|-----------|-----------|
| Single tax reserve                  | (3,023)   | (2,646)   |
|                                     | -----     | -----     |
| SUBTOTAL                            | (787,703) | (915,347) |
| Credits:                            |           |           |
| Monthly reserve payments            | 565,805   | 771,723   |
| Training expenditure                | 59        | 60        |
| Credit from donations               | 0         | 0         |
| Recoverable VAT                     | 0         | 0         |
|                                     | -----     | -----     |
| CREDIT SUBTOTAL                     | 565,864   | 771,783   |
| INCOME TAX TOTAL                    | 0         | 0         |
| VAT Tax Credit previous fiscal year | 2,098,126 | 996,609   |
| TOTAL TAXES TO BE RECOVERED         | -----     | -----     |
|                                     | 1,876,287 | 853,045   |

C) TAXABLE PROFIT FUND

The company showed the following taxable profits to be distributed:

|                                  | 2004        | 2003        |
|----------------------------------|-------------|-------------|
|                                  | Thou Ch\$   | Thou Ch\$   |
|                                  | -----       | -----       |
| Generated to 31.12.1983:         |             |             |
| Profit Adjustment                | 1,909,034   | 1,909,034   |
| Generated since 01.01.1984:      |             |             |
| Without Credit                   | 1,927,678   | 1,072,115   |
| With 10% First Category Credit   | 22,604      | 22,694      |
| With 15% First Category Credit   | 85,494,024  | 92,502,240  |
| With 16% First Category Credit   | 14,420,569  | 16,906,651  |
| With 15% Additional Rate Credit  | 722         | 722         |
| With 16.5% First Category Credit | 7,535,097   | 5,950,023   |
| With 17% First Category Credit   | 4,612,724   | 0           |
|                                  | -----       | -----       |
| SUBTOTAL TAX PROFITS             | 114,013,418 | 116,454,445 |
| Non-income revenues              | 6,798,030   | 6,825,087   |
|                                  | -----       | -----       |
| Total earnings to distribute     | 120,811,448 | 123,279,532 |

CRISTALERIAS DE CHILE S.A.  
 NOTE 8 - DEFERRED TAXES AND INCOME TAX  
 DEFERRED TAXES

|      | 03-31-2004 |           | 03-31-2003 |           |
|------|------------|-----------|------------|-----------|
| Item | Asset      | Liability | Asset      | Liability |
|      | Deferred   | Deferred  | Deferred   | Deferred  |
|      | Tax        | Tax       | Tax        | Tax       |
|      | -----      | -----     | -----      | -----     |

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|  | Short<br>term | Long<br>Term | Short<br>Term | Long<br>Term | Short<br>Term | Long<br>Term | Short<br>Term |
|--|---------------|--------------|---------------|--------------|---------------|--------------|---------------|
| Temporary Differences                      |               |              |               |              |               |              |               |
| Reserve non-                               |               |              |               |              |               |              |               |
| collectable accounts                       | 24,331        | 0            | 0             | 0            | 23,616        | 0            |               |
| Expected revenue                           | 0             | 0            | 0             | 0            | 0             | 0            |               |
| Vacation reserve                           | 45,326        | 0            | 0             | 0            | 29,949        | 0            |               |
| Amortization intangibles                   | 0             | 0            | 0             | 0            | 0             | 0            |               |
| Leased assets                              | 0             | 0            | 0             | 0            | 0             | 0            |               |
| Manufacturing expenses                     | 0             | 0            | 0             | 0            | 0             | 0            |               |
| Fixed asset depreciation                   | 0             | 0            | 0             | 4,599,989    | 0             | 14,781       |               |
| Severance                                  | 1,510         | 143,689      | 0             | 0            | 2,131         | 148,063      |               |
| Other events                               | 0             | 0            | 0             | 0            | 0             | 0            | 53,35         |
| Packaging reserve                          | 174,115       | 0            | 0             | 0            | 172,496       | 0            |               |
| Machinery repair reserve                   | 0             | 0            | 0             | 0            | 0             | 0            |               |
| Furnace repair reserve                     | 0             | 646,311      | 0             | 0            | 193,105       | 354,571      |               |
| Refractories obsolescence<br>reserve       | 6,967         | 0            | 0             | 0            | 6,762         | 0            |               |
| Spare parts obsolescence<br>reserve        | 100,106       | 0            | 0             | 0            | 97,163        | 0            |               |
| Deferred customs duties                    | 116,369       | 20,334       | 0             | 75,915       | 2,305         | 592          |               |
| Accumulated depreciation<br>automoviles    | 0             | 18,596       | 0             | 0            | 0             | 0            |               |
| Unrealized profit                          | 32,440        | 7,993        | 0             | 0            | 0             | 61,912       |               |
| Fixed asset, molds                         | 0             | 0            | 0             | 248,990      | 0             | 0            |               |
| Lower valued bonds                         | 0             | 0            | 53,428        | 522,707      | 0             | 0            |               |
| OTHERS                                     |               |              |               |              |               |              |               |
| Complementary accounts-net<br>amortization | 0             | 7,820        | 0             | 2,271,268    | 0             | 19,783       |               |
| Valuation reserve                          | 0             | 0            | 0             | 0            | -             | -            |               |
| Total                                      | 501,164       | 829,103      | 53,428        | 3,176,333    | 527,527       | 560,136      | 53,35         |

CRISTALERIAS DE CHILE S.A.  
NOTE 8 - DEFERRED TAXES AND INCOME TAX  
INCOME TAX

| ITEM  | 03-31-2004 | 03-31-2003 |
|---|------------|------------|
| Current tax costs (tax reserve)   | -787,703   | -915,347   |
| Adjustment tax cost (previous year)   | 0          | 0          |
| Effect on assets or liabilities<br>from deferred tax of fiscal year                       | 360,760    | -87,429    |
| Tax benefit from tax losses   | 0          | 0          |
| Effect of amortization of complementary<br>accounts of deferred assets and<br>liabilities | -56,627    | -26,668    |
| Effect on assets or liabilities of<br>deferred tax for changes in                         | 0          | 0          |

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|  |          |            |
|--|----------|------------|
| evaluation reserve                     |          |            |
| Other debits or credits in the account | 0        | 0          |
|  | -----    | -----      |
| Total                                  | -483,570 | -1,029,444 |

09. Short-term and long-term leasing contracts and leasing assets (note required only for leasing companies defined in circular No. 939 of 1990).

As of March 31, 2004 and 2003, there are no transactions for this concept.

### 10. Other current assets

As of March 31, 2004, investments in financial instruments for Th Ch\$ 11,687,366, with resale agreements, valued as stated in note 2 p) for Th Ch\$ 8,905,923 corresponding to agreements in pesos, and agreements in US\$ under 90 days for Th\$ 2,781,443.

On March, 2004 Th Ch\$ 323,811 are included corresponding to issuance expenses and rate placement difference of bonds series C and D.

As of March 31, 2003, there was a balance of investments in financial instruments, with resale agreements, valued as stated in note 2 p) for Th Ch\$ 5,754,702 corresponding to agreements in pesos for Th Ch\$ 3,220,677, and agreements in US\$ under 90 days for Th\$ 2,534,025.

There was a balance for Th Ch\$ 323,377 which correspond of expenses for the issue of bond series C and D.

11. Information on operations involving purchase agreements, sales agreements, sale with buyback agreement, and purchase with sellback agreement of commercial paper or bearer securities

Information about these transactions is presented on attached charts.

CRISTALERIAS DE CHILE S.A.

NOTE 11 - Information on operations involving purchase agreements, sales agreements, sale with buyback agreement, and purchase with sellback agreement

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of commercial paper or bearer securities Sale Operations with buyback agreement (VRC) and Purchase with resale agreement (CRV)

| Code | Dates      |            | Counterpart                         | Original<br>Currency | Price<br>Set | Rate | Final Val |
|------|------------|------------|-------------------------------------|----------------------|--------------|------|-----------|
|      | Start      | End        |                                     |                      |              |      |           |
| CRV  | 03.31.2004 | 04.07.2004 | BANCO SANTANDER                     | DOLLAR               | 2,781,443    | 1.65 | 2,725,913 |
| CRV  | 03.26.2004 | 04.01.2004 | SANTANDER INVESTMENT                | Pesos                | 3,500,000    | 0.11 | 3,500,770 |
| CRV  | 03.29.2004 | 04.02.2004 | BANCO DE CHILE                      | Pesos                | 1,460,000    | 0.18 | 1,460,350 |
| CRV  | 03.30.2004 | 04.05.2004 | SANTANDER INVESTMENT                | Pesos                | 2,120,000    | 0.15 | 2,120,636 |
| CRV  | 03.31.2004 | 04.06.2004 | BCO. CRED. INV.<br>CORREDORES BOLSA | Pesos                | 1,825,000    | 0.16 | 1,825,584 |

### 12. Fixed Assets

#### Fixed Assets:

The Fixed Assets are shown at purchase cost plus the legal and regulatory revaluations accumulated as of March 31, 2004 and 2003.

The items that make up the Company's fixed assets as of March 31, 2004 and 2003 include mainly Land, Industrial Constructions, Infrastructure Works, Machinery and Equipment distributed in the Padre Hurtado Plant.

#### Technical Reappraisal and Adjustment of Accounting Values

The company carried out a technical reappraisal of its fixed assets in 1979. Likewise, in June 1986 it adjusted those assets. Both operations were carried out according to the provisions established in Circular Letters No. 1529 and No. 550 respectively of the Securities and Insurance Commission.

The effects of these operations, including write-offs of property, are shown on the attached chart.

#### Depreciations:

The charge against results for this item is Th Ch\$ 2,589,390 in 2004 and Th Ch\$ 2,301,569 in 2003.

The detail is shown on an attached chart.

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|   | FIXED ASSETS |              |
|---|--------------|--------------|
|   | 2004         | 2003         |
|   | Th Ch\$      | Th Ch\$      |
| LAND                                    |              |              |
| Land & mining claims                    | 1,495,201    | 1,497,493    |
| Subtotal land                           | 1,495,201    | 1,497,493    |
| Subtotal land                           | 1,495,201    | 1,497,493    |
| CONSTRUCTIONS & INFRASTRUCTURE          |              |              |
| High rises and industrial const.        | 13,312,757   | 13,301,928   |
| Facilities                              | 9,213,040    | 8,748,126    |
| Housing developments                    | 26,081       | 26,083       |
| Subtotal constructions & infrastructure | 22,551,878   | 22,076,137   |
| Accumulated depreciation                | (10,142,152) | (8,859,417)  |
| Depreciation for the fiscal year        | (324,059)    | (318,503)    |
| Subtotal depreciation                   | (10,466,211) | (9,177,920)  |
| SUBTOTAL CONSTRUCTIONS & INFRASTRUCTURE | 12,085,667   | 12,898,217   |
| MACHINERY & EQUIPMENT                   |              |              |
| Machinery                               | 55,817,770   | 47,730,021   |
| Furnaces                                | 46,032,554   | 35,912,456   |
| Furniture and Materials                 | 1,345,809    | 1,224,294    |
| Tools                                   | 408,311      | 349,151      |
| Vehicles                                | 210,365      | 219,467      |
| Subtotal Machinery & equipment          | 103,814,809  | 85,435,389   |
| Accumulated depreciation                | (49,200,324) | (40,775,943) |
| Depreciation for the fiscal year        | (2,213,446)  | (1,931,177)  |
| Subtotal depreciation                   | (51,413,770) | (42,707,120) |
| Subtotal machinery & equip              | 52,401,039   | 42,728,269   |
| OTHER FIXED ASSETS                      |              |              |
| Spare parts                             | 5,608,473    | 5,394,574    |
| Imports in transit                      | 146,511      | 773,449      |
| Works underway                          | 945,553      | 7,079,643    |
| Lots in Pirque and Leyda                | 447,233      | 472,652      |
| Other                                   | 534,391      | 357,248      |
| Subtotal other assets                   | 7,682,161    | 14,077,566   |
| TOTAL FIXED ASSETS                      | 135,544,049  | 123,086,585  |
| TOTAL ACCUMUL. DEPREC.                  | (59,342,476) | (49,635,360) |
| TOTAL DEPREC FOR F. YEAR                | (2,537,505)  | (2,249,680)  |
| TOTAL NET FIXED ASSETS                  | 73,664,068   | 71,201,545   |

TECHNICAL REVALUATION AND ADJUSTMENT OF ACCOUNTING VALUES

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|   | 2004        | 2003        |
|---|-------------|-------------|
|   | Th Ch\$     | Th Ch\$     |
|   | -----       | -----       |
| LAND                                      |             |             |
| Land and mining claims                    | 311,360     | 311,374     |
| Subtotal land and mining claims net       | 311,360     | 311,374     |
| CONSTRUCTIONS & INFRASTRUCTURE            |             |             |
| High rises and industrial constructions   | 6,221,315   | 6,221,626   |
| Facilities                                | 41,118      | 41,120      |
| Subtotal Constructions                    | 6,262,433   | 6,262,746   |
| Accumulated depreciation                  | (5,035,336) | (4,828,036) |
| Depreciation for the fiscal year          | (51,885)    | (51,889)    |
| Subtotal depreciations                    | (5,087,221) | (4,879,925) |
| Subtotal Constuctions & Infrastucture net | 1,175,212   | 1,382,821   |
| MACHINERY & EQUIPMENT                     |             |             |
| Furnaces                                  | 0           | 526,694     |
| Machinery                                 | 0           | 574,817     |
| Tools                                     | 0           | 0           |
| Furniture and Materials                   | 0           | 0           |
| Subtotal Machinery & equipment            | 0           | 1,101,511   |
| Accumulated depreciation                  | 0           | (1,101,511) |
| Depreciation for the fiscal year          | 0           | 0           |
| Subtotal depreciation                     | 0           | (1,101,511) |
| Subtotal machinery & equip                | 0           | 0           |
| Total Net Technical Revaluation           | 1,486,572   | 1,694,195   |
| TOTAL REVALUATED ASSET                    | 6,573,793   | 7,675,631   |
| TOTAL ACCUMULATED DEPRECIATION            | (5,035,336) | (5,929,547) |
| TOTAL DEPRECIATION FOR YEAR               | (51,885)    | (51,889)    |
| TOTAL NET                                 | 1,486,572   | 1,694,195   |

13. Sales transactions with leaseback

These type of transactions were not carried out as of March 31, 2004 and 2003.

14. Investments in related companies

The Company has valued its investments in related companies according to the norms indicated in note 2 n).

CIECSA S.A.

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On April 20, 2000 the Shareholders of Ciecsa S.A. agreed to increase its equity by the equivalent to UF 359,921 through the issue of 343,750,000 shares that were fully subscribed by Cristalchile S.A. On April 18, 2003 the subscription was paid. On August 26, 2003 it was agreed to increase CIECSA's capital by Th Ch\$ 910,000, through the issue of 36,400,000 shares totally subscribed and paid by Cristalchile, with which the participation in the subsidiary increased to 98.45%.

### CRISTALCHILE INVERSIONES S.A.

This company was formed at the end of 2001 in which Cristalerias de Chile S.A. has a 99.99% share of the equity. Cristalchile Inversiones S.A., in turn, registers a 40% investment in Rayen Cura S.A.I.C., a company constituted in the city of Mendoza, Republic of Argentina.

On January 31, April 25 and June 30 of 2003 Rayen Cura S.A.I.C. made capital reimbursements of part of a capital increase paid on April 29, 2002. Reimbursed amounts totaled Th US\$ 2,600.

As of March 31 the financial statements of Rayen Cura S.A.I.C. have recognized an exchange rate of \$ 2.84 Argentine pesos per US Dollar. CristalChile Inversiones S.A., in turn, has adjusted the financial statements of Rayen Cura S.A.I.C. in order to acknowledge the variation occurred from \$2.91 Argentine pesos (exchange rate used as of December 31, 2003) and \$2.84 Argentine pesos per US dollar as of March 31, 2004.

As an effect of the result of this affiliate and the conversion of the financial statements of Rayen Cura S.A.I.C., according to chilean normative, CristalChile Inversiones S.A., has recognized a Th Ch\$ 237,283 income as of March 31, 2004, and a Th Ch\$ 167,109 income as of March 31, 2003.

On the other hand, the dollar exchange rate variation during the 2004 and 2003 fiscal years originated a Th Ch\$ 697,051 credit in 2004 and a Th Ch\$ 278,770 credit in 2003 in the item Other Equity Reserves, for the investment in Rayen Cura S.A.I.C. and from the negative goodwill produced by the purchase of shares of that company.

### CRISTALCHILE COMUNICACIONES S.A.

On September 29, 2004 the Shareholders agreed to increase the company's equity by issuing 3,861,538 shares, without nominal value, at a value of Ch\$ 650 each, which represents Th Ch\$ 2,510,000.

Such increase was subscribed and paid by Cristalerias de Chile S.A., with which its participation in the company's equity reaches 99.998%.

### S.A. VINA SANTA RITA

As of March 31, 2004, the company has registered an unrealized income of Th Ch\$ 101,619 (Th Ch\$ 52,896 in 2003), corresponding to container sales to the subsidiary S.A. Vina Santa Rita.

As of March 31, 2004, the accumulated balance for this item totaled Th Ch\$ 298,224 (Th Ch\$ 358,116 in 2003).

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CRISTALERIAS DE CHILE S.A.

NOTE 14 - INVESTMENTS IN RELATED COMPANIES  
DETAIL OF INVESTMENTS

| R.U.T.     | Company                          | Country of Origin | Investment Control Currency | Number of Shares | Shareholder (Percentage) |            |            | Comp Equ |
|------------|----------------------------------|-------------------|-----------------------------|------------------|--------------------------|------------|------------|----------|
|            |                                  |                   |                             |                  | 03-31-2004               | 30-31-2003 | 03-31-2004 |          |
| 96721580-5 | Cristalchile Comunicaciones S.A. | Chile             | Peso                        | 105,074,698      | 99.99820                 | 99.99820   | 68,554,402 |          |
| 86547900-K | S.A. Vina Santa Rita S.A.        | Chile             | Peso                        | 493,959,797      | 54.09700                 | 54.09700   | 80,970,562 |          |
| 86881400-4 | Envases CMF S.A.                 | Chile             | Peso                        | 28,000           | 50.00000                 | 50.00000   | 32,865,650 |          |
| 96608270-4 | Ciecsa S.A.                      | Chile             | Peso                        | 689,301,305      | 98.44580                 | 98.27370   | 18,042,622 |          |
| 96767580-6 | Constructora Apoger S.A.         | Chile             | Peso                        | 800,000          | 80.00000                 | 80.00000   | 4,690      |          |
| 96826870-8 | Inmobiliaria Don Alberto S.A.    | Chile             | Peso                        | 3,817            | 38.17000                 | 38.17000   | -118       |          |
| 96972440-5 | Cristalchile Inversiones S.A.    | Chile             | Peso                        | 9,999            | 99.99000                 | 99.99000   | -3,059,590 |          |
|            | TOTAL                            |                   |                             |                  |                          |            |            |          |

| R.U.T.     | Company                          | Country of Origin | Investment Control Currency | Result of Accrual |            | VPP        |            | Income Real |
|------------|----------------------------------|-------------------|-----------------------------|-------------------|------------|------------|------------|-------------|
|            |                                  |                   |                             | 03-31-2004        | 03-31-2003 | 30-31-2004 | 03-31-2003 |             |
| 96721580-5 | Cristalchile Comunicaciones S.A. | Chile             | Peso                        | -2,150,828        | -1,504,804 | 66,402,318 | 71,340,811 |             |
| 86547900-K | S.A. Vina Santa Rita S.A.        | Chile             | Peso                        | 747,948           | 651,830    | 44,550,601 | 43,837,790 | 298,22      |
| 86881400-4 | Envases CMF S.A.                 | Chile             | Peso                        | 186,212           | 273,067    | 15,969,037 | 16,348,427 |             |
| 96608270-4 | Ciecsa S.A.                      | Chile             | Peso                        | -295,711          | -437,172   | 17,466,559 | 13,297,519 | 212,88      |
| 96767580-6 | Constructora Apoger S.A.         | Chile             | Peso                        | -12               | -245       | 3,740      | 4,658      |             |
| 96826870-8 | Inmobiliaria Don Alberto         | Chile             | Peso                        | 0                 | 0          | -45        | 13         |             |



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|            |              |       |      |         |         |             |             |        |
|------------|--------------|-------|------|---------|---------|-------------|-------------|--------|
|            | S.A.         |       |      |         |         |             |             |        |
| 96972440-5 | Cristalchile | Chile | Peso | 187,493 | 129,620 |             | 1           | 0      |
|            | Inversiones  |       |      |         |         |             |             |        |
|            | S.A.         |       |      |         |         |             |             |        |
|            | TOTAL        |       |      |         |         | 144,392,211 | 144,829,218 | 511,10 |

15. Investments in other companies

As of March 31, 2004 and 2003 there are no investments in other companies.

16. Goodwill Amortization

NEGATIVE GOODWILL

Stock purchases made on years 1993 and 1999 of S.A. Vina Santa Rita and Ciecsa S.A., have produced negative goodwill whose net balance to be amortized as of March 31, 2004 totaled Th Ch\$ 1,840,523 (Th Ch\$ 2,011,178 in 2003).

POSITIVE GOODWILL

As of March 31, 2004 and 2003 there are no transactions for this concept.

CRISTALERIAS DE CHILE S.A.  
NOTE 16 - GOODWILL ON INVESTMENTS  
Negative Goodwill

| R.U.T.     | Company Name            | 03-31-2004                        |                                       | 03-31-2003                        |                                       |
|------------|-------------------------|-----------------------------------|---------------------------------------|-----------------------------------|---------------------------------------|
|            |                         | Amount<br>Amortiz.<br>this period | Balance<br>of<br>Negative<br>Goodwill | Amount<br>Amortiz.<br>this period | Balance<br>of<br>Negative<br>Goodwill |
| 86547900-K | S.A. Vina<br>Santa Rita | 12,482                            | 543,761                               | 12,482                            | 593,717                               |
| 96608270-4 | Ciecsa S.A.             | 30,157                            | 1,296,762                             | 30,159                            | 1,417,461                             |
|            | TOTAL                   | 42,639                            | 1,840,523                             | 42,641                            | 2,011,178                             |

17. Intangibles

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As of March 31, 2004 and 2003 there are no values for these concepts.

### 18. Other (Assets)

As of March 31, 2004, the sum of Th Ch\$ 8,272,222 (Th Ch\$ 9,817,535 in 2003) for investments in Bonds of Celulosa Arauco y Constitucion S.A., equivalent to US\$ 13,420,000 at an annual rate of 6.95%, with maturity on March 15, 2005, is included in Other Long-term Assets and Th Ch\$ 46,601 (Th Ch\$ 170,716 in 2003) for overprice paid in the acquisition of these bonds, which are amortized in the same term of their maturity.

Considering that there is the intention of maintaining the Celulosa Arauco y Constitucion S.A. bonds until their maturity on September 15, 2005, the valuation and registration of the bonds fulfills the provisions in Circular Letter No. 368 of the S.V.S., as Long-term Fixed Rate Instruments according to the investment value, plus interests and adjustments accrued at the end of the fiscal year.

As of March 31, 2004 there is a balance for issuance expenses of bond series C and D of Cristalerias for Th Ch\$ 854,826 (Th Ch\$ 982,322 in 2003), and the negative goodwill produced as a result of their placement of Th Ch\$ 2,219,922 (Th Ch\$ 2,414,627 in 2003).

### 19. Short-term obligations with banks and financial institutions

a) Short-term obligations with Banks and Financial Institutions (5.21.10.10).

As of March 31, 2004 and 2003, there are not short-term bank obligations.

b) Long-term obligations with Banks and Financial Institutions (5.21.10.20).

A list of operations is shown on the attached chart.

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NOTE 19 - OBLIGATIONS WITH BANKS AND FINANCIAL INSTITUTIONS, SHORT TERM  
Type of Currency and Readjustment Index

| R.U.T. Bank or Financial Institution      | Dollars        |                | Euros          |                | Yens           |                | F<br>Cu |
|---|----------------|----------------|----------------|----------------|----------------|----------------|---------|
|   | 03-31-<br>2004 | 03-31-<br>2003 | 03-31-<br>2004 | 03-31-<br>2003 | 03-31-<br>2004 | 03-31-<br>2003 |         |
| -----                                     |                |                |                |                |                |                |         |
| Short term (code: 5.21.10.10)             |                |                |                |                |                |                |         |
| Long Term - Short Term (code: 5.21.10.20) |                |                |                |                |                |                |         |
| 0-E J.P Morgan Chase Bank                 | 129,318        | 445,744        | 0              | 0              | 0              | 0              |         |
| Others                                    | 0              | 0              | 0              | 0              | 0              | 0              |         |
| TOTAL                                     | 129,318        | 445,744        | 0              | 0              | 0              | 0              |         |
| Capital amount due                        | 0              | 0              | 0              | 0              | 0              | 0              |         |
| Average annual interest rate              | 1.9875         | 2.675          | 0              | 0              | 0              | 0              |         |
| Percentage oblig. foreign curr. (%)       |                | 100.0000       |                |                |                |                |         |
| Percentage oblig. foreign curr. (%)       |                | 0.0000         |                |                |                |                |         |

| R.U.T. Bank or Financial Institution      | Non adjustable \$ |                | Total          |                |
|---|-------------------|----------------|----------------|----------------|
|   | 03-31-<br>2004    | 03-31-<br>2003 | 03-31-<br>2004 | 03-31-<br>2003 |
| -----                                     |                   |                |                |                |
| Short term (code: 5.21.10.10)             |                   |                |                |                |
| Short term (code: 5.21.10.10)             |                   |                |                |                |
| Long Term - Short Term (code: 5.21.10.20) |                   |                |                |                |
| 0-E J.P Morgan Chase Bank                 | 0                 | 0              | 129,318        | 445,744        |
| Others                                    | 0                 | 0              | 0              | 0              |
| TOTAL                                     | 0                 | 0              | 129,318        | 445,774        |
| Capital amount due                        | 0                 | 0              | 0              | 0              |
| Average annual interest rate              | 0                 | 0              | 0              | 0              |
| Percentage oblig. foreign curr. (%)       |                   |                |                |                |
| Percentage oblig. foreign curr. (%)       |                   |                |                |                |

20. Other Current Liabilities

As of March 31, 2004, a positive balance of Th Ch\$ 1,765,784 (Th Ch\$ 897,794 in 2003) in favor of financial institutions was produced, as a consequence of Future Contracts subscribed by the Company, more detail of these is shown in note 34 Derivative Contracts.

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21. Long term liabilities with banks and financial institutions

The obligations with banks and financial institutions are presented on the charts attached.

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NOTE 21: LONG-TERM OBLIGATIONS WITH BANKS AND FINANCIAL INSTITUTIONS

Long-term Obligations With Banks and Financial Institution

| R.U.T. | Bank or Financial Institution                   | Adjustment index currency | Maturity        |                 |                 |                  |
|--------|---|---------------------------|-----------------|-----------------|-----------------|------------------|
|        |   |                           | From 1 to 2 M\$ | From 2 to 3 M\$ | From 3 to 5 M\$ | From 5 to 10 M\$ |
| 0-E    | J.P. Morgan Chase Bank                          | Dollars                   | -               | 15,410,250      | 15,410,250      | -                |
|        |   | Euros                     | -               | -               | -               | -                |
|        |   | Yen                       | -               | -               | -               | -                |
|        |   | UF                        | -               | -               | -               | -                |
|        |   | Non-adj.Ch\$              | -               | -               | -               | -                |
|        |   | Others                    | -               | -               | -               | -                |
|        | Total   |                           | -               | 15,410,250      | 15,410,250      | -                |
|        | Porcentaje de obligaciones en moneda extranjera |                           | 100.00%         |                 |                 |                  |
|        | Porcentaje de obligaciones en moneda nacional   |                           | 0.00%           |                 |                 |                  |

| Maturity        | Closing date Current period | Closing date Previous period |
|-----------------|-----------------------------|------------------------------|
| Total Long-Term | Average                     | Total Long-Term              |

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| R.U.T. | Bank or Financial Institution                   | Adjustment index currency | at closing of Financial Statements | annual interest rate | at closing of Financial Statements |
|--------|---|---------------------------|------------------------------------|----------------------|------------------------------------|
| 0-E    | J.P. Morgan Chase Bank                          | Dollars                   | 30.820.500                         | 1.9875               | 36.578.0                           |
|        |   | Euros                     | -                                  | -                    |                                    |
|        |   | Yen                       | -                                  | -                    |                                    |
|        |   | UF                        | -                                  | -                    |                                    |
|        |   | Non-adj.Ch\$              | -                                  | -                    |                                    |
|        |   | Others                    | -                                  | -                    |                                    |
|        | Total   |                           | 30.820.500                         |                      | 36.578.0                           |
|        | Porcentaje de obligaciones en moneda extranjera |                           |                                    |                      |                                    |
|        | Porcentaje de obligaciones en moneda nacional   |                           |                                    |                      |                                    |

22. Short-term and long-term obligations with the public  
(promissory notes and bonds)

As of March 31, 2004, there are obligations with the public for bonds issued of UF 4,100,000, equivalent to Th Ch\$ 68,965,362 (Th Ch\$ 68,812,760 in 2003) divided in series C1, C2, D1 and D2, with a 4.75% annual interest in series C and 5.80% in series D, presented in the long term.

In the short term there is a balance of Th Ch\$ 759,861 (Th Ch\$ 748,203 in 2003) corresponding to accrued interests for UF 45,173.81.

Bond series C has a maturity of 6 years with amortizations beginning 2 years from the date of issuance. Bond series D up to 21 years with amortizations after 6 years.

Cristalerias de Chile S.A.

NOTE 22: SHORT-TERM AND LONG-TERM OBLIGATIONS WITH PUBLIC (PROMISSORY NOTES AND BONDS)

BONDS

| REGISTRATION OR IDENTIFICATION No. OF INSTRUMENT | SERIES       | CURRENT FACE VALUE | INDEXING UNIT OF BOND | INTEREST RATE | F   |
|--|--------------|--------------------|-----------------------|---------------|-----|
| LONG-TERM BONDS-CURRENT PORTION                  |              |                    |                       |               |     |
| 296-09.07.02                                     | C1 Interests | 0                  | UF                    | 4.75          | 07- |
| 296-09.07.02                                     | C2 Interests | 0                  | UF                    | 4.75          | 07- |
| 296-09.07.02                                     | D1 Interests | 0                  | UF                    | 5.80          | 07- |
| 296-09.07.02                                     | D2 Interests | 0                  | UF                    | 5.80          | 07- |

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TOTAL CURRENT PORTION

LONG-TERM BONDS

|              |    |           |    |      |     |
|--------------|----|-----------|----|------|-----|
| 296-09.07.02 | C1 | 1,500,000 | UF | 4.75 | 07- |
| 296-09.07.02 | C2 | 500,000   | UF | 4.75 | 07- |
| 296-09.07.02 | D1 | 1,900,000 | UF | 5.80 | 07- |
| 296-09.07.02 | D2 | 200,000   | UF | 5.80 | 07- |

LONG-TERM TOTAL

| REGISTRATION OR IDENTIFICATION No. OF INSTRUMENT | SERIES       | INSTALLMENTS     |                      | PAR VALUE  |     |
|--|--------------|------------------|----------------------|------------|-----|
|  |              | INTEREST PAYMENT | AMORTIZATION PAYMENT | 09-30-2004 | 09- |
| LONG-TERM BONDS-CURRENT PORTION                  |              |                  |                      |            |     |
| 296-09.07.02                                     | C1 Interests | SEMI-ANNUAL      | SEMI-ANNUAL          | 250,078    |     |
| 296-09.07.02                                     | C2 Interests | SEMI-ANNUAL      | SEMI-ANNUAL          | 83,359     |     |
| 296-09.07.02                                     | D1 Interests | SEMI-ANNUAL      | SEMI-ANNUAL          | 385,812    |     |
| 296-09.07.02                                     | D2 Interests | SEMI-ANNUAL      | SEMI-ANNUAL          | 40,612     |     |
| TOTAL CURRENT PORTION                            |              |                  |                      | 759,861    |     |
| LONG-TERM BONDS                                  |              |                  |                      |            |     |
| 296-09.07.02                                     | C1           | SEMI-ANNUAL      | SEMI-ANNUAL          | 25,231,230 | 25, |
| 296-09.07.02                                     | C2           | SEMI-ANNUAL      | SEMI-ANNUAL          | 8,410,410  | 8,  |
| 296-09.07.02                                     | D1           | SEMI-ANNUAL      | SEMI-ANNUAL          | 31,959,558 | 31, |
| 296-09.07.02                                     | D2           | SEMI-ANNUAL      | SEMI-ANNUAL          | 3,364,164  | 3,  |
| LONG-TERM TOTAL                                  |              |                  |                      | 68,965,362 | 68, |

23. Provisions and Write-offs

Provisions:

As of March 31, 2004, the Company has short-term provisions of Th Ch\$ 6,872,724 and Th Ch\$ 4,653,280 in 2003.

In the Long-term, provisions are recorded of Th Ch\$ 6,001,842 as of March 31, 2004 and Th Ch\$ 6,063,280 as of March 31, 2003.

In the annexed chart a detail of provisioned amounts is presented.

a) Bad Debt Reserves:

The Company has established a reserve for bad debts of Th Ch\$ 143,127, and Th Ch\$ 143,127, respectively, as of March 31, 2004 and 2003.

This provision is deducted from the balance of debtors from sales, as stated

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in note 5.

### b) Vacation Provision:

The company has established a provision for the total cost of vacations pending as of March 31, 2004 and 2003, as established in Technical Bulletin No. 47 of the Accountants Association of Chile.

The net balance for this item amounts Th Ch\$ 266,627 as of March 31, 2004 (Th Ch\$ 181,508 in 2003).

### c) Provision for Furnace Reconstruction:

This provision is established throughout the useful life of the refractories of each smelting furnace so their repair will not distort the result of the fiscal year when the repairs are made.

The Company has established a provision for this item in the amount of Th Ch\$ 3,801,830 and Th Ch\$ 3,268,385 as of March 31, 2004 and 2003, respectively.

An itemized list of the amounts provisioned is shown in the attached chart.

| Cristalerias de Chile S.A.<br>Note Provisions and Write-offs<br>----- | 03/31/2004<br>----- | 03/31/2003<br>----- |
|---|---------------------|---------------------|
| Short term  |                     |                     |
| Packing for Client Return   | 965,535             | 1,024,731           |
| Furnace Reconstruction  | 1,935,527           | 1,170,334           |
| Board Share   | 359,723             | 879,269             |
| Reserve Spare Parts   | 438,189             | 463,350             |
| Legal Holiday   | 266,627             | 181,508             |
| Severance Pay   | 182,055             | 171,373             |
| Provision Subsidiary Losses   | 2,177,064           | 464,977             |
| Provision Indirect Expenses   | 230,043             | 252,961             |
| Other Provisions  | 317,961             | 45,255              |
|   | -----               | -----               |
| Total Short Term  | 6,872,724           | 4,653,758           |
| Long term   |                     |                     |
| Severance Pay   | 4,135,539           | 3,965,229           |
| Furnace Reconstruction  | 1,866,303           | 2,098,051           |
|   | -----               | -----               |
| Total Long-Term   | 6,001,842           | 6,063,280           |
|   | -----               | -----               |

### 24. Severance Payments

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The reserve for severance payments to personnel is included at its current value, as expressed in note 2 r). As of March 31, 2004 it totals Th Ch\$ 4,317,594 (Th Ch\$ 4,136,602 in 2003).

As of March 31, 2004 and 2003 the parent company has paid severance payments of Th Ch\$ 70,729 and Th Ch\$ 802 respectively, chargeable against the reserve.

### 25. Other long-term liabilities

As of March 31, 2004 and 2003 there are no values for this concept.

### 26. Minority interest

Not applicable to individual financial statements.

### 27. Changes in Equity

Activity in 2004 and 2003

The activity of the capital and reserve accounts in the fiscal years ended on March 31, 2004 and 2003, are shown in the attached charts.

The detail of the item Other Reserves is the following:

|  | 2004      | 2003       |
|--|-----------|------------|
|  | -----     | -----      |
|  | Th Ch\$   | Th Ch\$    |
| Future capital increases   | 4,671,348 | 4,464,029  |
| Reserve for adjustment of value<br>of fixed assets                           | 1,486,571 | 1,694,196  |
| Adjustment for conversion difference<br>in investment in Rayen Cura S.A.I.C. | 1,143,830 | 4,099,356  |
| Difference VPP Sodex   | (217,163) | (217,173)  |
|  | -----     | -----      |
| TOTAL OTHER RESERVES   | 7,084,586 | 10,040,408 |

CRISTALERIAS DE CHILE S.A.



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NOTE 27: CHANGES IN NET WORTH

| Items  | Paid-in<br>Capital | Reserve<br>capital<br>revaluation | Premium in<br>sale of shares |
|--|--------------------|-----------------------------------|------------------------------|
| -----  | -----              | -----                             | -----                        |
| Balances as of 03-31-2004                    |                    |                                   |                              |
| Initial balance                              | 65,396,749         | 0                                 | 27,874,377                   |
| Distribution result previous fiscal year     | 0                  | 0                                 | 0                            |
| Final dividend previous fiscal year          | 0                  | 0                                 | 0                            |
| Capital increases with cash stock issue      | 0                  | 0                                 | 0                            |
| Reserves and/or Profits Capitalization       | 0                  | 0                                 | 0                            |
| Development period Accumulated deficit       | 0                  | 0                                 | 0                            |
| Accumulated conversion difference adjustment | 0                  | 0                                 | 0                            |
| Eventual Dividend                            | 0                  | 0                                 | 0                            |
| Owner's equity Revaluation                   | 0                  | -326,984                          | -139,372                     |
| Fiscal Year Result                           | 0                  | 0                                 | 0                            |
| Provisional Dividends                        | 0                  | 0                                 | 0                            |
| Final balances                               | 65,396,749         | -326,984                          | 27,735,005                   |
| Balances as of 03-31-2003                    |                    |                                   |                              |
| Initial balance                              | 64,749,257         | 0                                 | 27,598,393                   |
| Distribution result previous fiscal year     | 0                  | 0                                 | 0                            |
| Final dividend previous fiscal year          | 0                  | 0                                 | 0                            |
| Capital increases with cash stock issue      | 0                  | 0                                 | 0                            |
| Reserves and/or profit Capitalization        | 0                  | 0                                 | 0                            |
| Development period accumulated deficit       | 0                  | 0                                 | 0                            |
| Accumulated conversion difference adjustment | 0                  | 0                                 | 0                            |
| Owner's equity revaluation                   | 0                  | 323,746                           | 137,992                      |
| Fiscal Year Result                           | 0                  | 0                                 | 0                            |
| Provisional Dividends                        | 0                  | 0                                 | 0                            |
| Final balances                               | 64,749,247         | 323,746                           | 27,736,385                   |
| Updated balances                             | 64,749,257         | 323,746                           | 27,736,385                   |

| Items  | Accumulated<br>Results | Provisional<br>Dividends | Devel.<br>Period Deficit |
|--|------------------------|--------------------------|--------------------------|
| -----  | -----                  | -----                    | -----                    |
| Balances as of 03-31-2004                    |                        |                          |                          |
| Initial balance                              | 0                      | 0                        | 0                        |
| Distribution result previous fiscal year     | 6,426,520              | 0                        | 0                        |
| Final dividend previous fiscal year          | -958,080               | 0                        | 0                        |
| Capital increases with cash stock issue      | 0                      | 0                        | 0                        |
| Reserves and/or Profits Capitalization       | 0                      | 0                        | 0                        |
| Development period Accumulated deficit       | 0                      | 0                        | 0                        |
| Accumulated conversion difference adjustment | 0                      | 0                        | 0                        |
| Eventual Dividend                            | 0                      | 0                        | 0                        |
| Owner's equity Revaluation                   | -27,342                | 0                        | 0                        |
| Fiscal Year Result                           | 0                      | 0                        | 0                        |
| Provisional Dividends                        | 0                      | 0                        | 0                        |

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|  |            |   |   |
|--|------------|---|---|
| Final balances                               | 5,441,098  | 0 | 0 |
| Balances as of 03-31-2003                    |            |   |   |
| Initial balance                              | 0          | 0 | 0 |
| Distribution result previous fiscal year     | 17,660,662 | 0 | 0 |
| Final dividend previous fiscal year          | -3,303,936 | 0 | 0 |
| Capital increases with cash stock issue      | 0          | 0 | 0 |
| Reserves and/or profit Capitalization        | 0          | 0 | 0 |
| Development period accumulated deficit       | 0          | 0 | 0 |
| Accumulated conversion difference adjustment | 0          | 0 | 0 |
| Owner's equity revaluation                   | 71,784     | 0 | 0 |
| Fiscal Year Result                           | 0          | 0 | 0 |
| Provisional Dividends                        | 0          | 0 | 0 |
| Final balances                               | 14,428,510 | 0 | 0 |
| Updated balances                             | 14,428,510 | 0 | 0 |

CRISTALERIAS DE CHILE S.A.

NOTE 27: CHANGES IN EQUITY - NUMBER OF SHARES

| SERIES | No.<br>SHARES<br>SUBSCRIBED | No.<br>SHARES<br>PAID | No.<br>SHARES<br>WITH VOTING |
|--------|-----------------------------|-----------------------|------------------------------|
| -----  | -----                       | -----                 | -----                        |
| SINGLE | 64,000,000                  | 64,000,000            | 64,000,000                   |

CRISTALERIAS DE CHILE S.A.

NOTE 27: CHANGES IN NETWORTH - CAPITAL (AMOUNT - TH CH\$)

| SERIES | SUBSCRIBED<br>CAPITAL | PAID-IN<br>CAPITAL |
|--------|-----------------------|--------------------|
| -----  | -----                 | -----              |
| SINGLE | 65,396,749            | 65,396,749         |

28. Other Non-operating Income and Expenses

As of March 31, 2004 non-operating income amounted Th Ch\$ 131,864 and Th Ch\$ 89,874 in 2003.

Non-operating expenses amounted to Th Ch\$ 251,990 as of March 31, 2004 and Th Ch\$ 231,038 in fiscal year 2003.

More detail is shown in annexed chart.

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Non-operating Income and Expenses

CRISTALERIAS DE CHILE S.A.

NOTE 28: OTHER NON-OPERATING INCOME AND EXPENSES

|                                      | 2004    | 2003    |
|--------------------------------------|---------|---------|
|                                      | Th Ch\$ | Th Ch\$ |
|                                      | -----   | -----   |
| INCOME                               |         |         |
| Offices and establishments rental    | 38,699  | 31,081  |
| Sale of materials                    | 4,591   | 4,753   |
| Agricultural Division                | 0       | 20,846  |
| Amortization of non-realized profits | 8,188   | 8,188   |
| Others Income                        | 80,386  | 25,006  |
| <br>                                 |         |         |
| TOTAL NON-OPERATING INCOME           | 131,864 | 89,874  |
| EXPENSES                             |         |         |
| Professional advice                  | 154,309 | 156,592 |
| Other expenses                       | 85,140  | 63,755  |
| Insurances                           | 12,541  | 10,691  |
| <br>                                 |         |         |
| TOTAL NON-OPERATING EXPENSES         | 251,990 | 231,038 |

29. Price-level Restatement

As a result of the application of price-level restatement as described in Note 2 d), a net credit to results was generated in the 2004 and 2003 fiscal year of Th Ch\$ 153,682 and Th Ch\$ 37,729 respectively.

Additional Balance-itemized information is shown in the annexed chart.

Cristalerias de Chile S.A.

NOTE 29: ADJUSTMENT FOR PRICE LEVEL RESTATEMENTS

| ASSETS (CHARGES)/CREDITS         | ADJUSTABILITY INDEX  | 03-31-2004 | 03-31-2003 |
|----------------------------------|----------------------|------------|------------|
| -----                            | -----                | -----      | -----      |
|                                  | Consumer Price Index |            |            |
| INVENTORY                        | Index                | -9,907     | 50,850     |
| FIXED ASSET                      | CPI                  | -382,974   | 372,056    |
| INVESTMENTS IN RELATED COMPANIES | CPI                  | -742,591   | 732,936    |

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|                                       |     |            |           |
|---------------------------------------|-----|------------|-----------|
| MARKETABLE SECURITIES                 | CPI | -20,773    | 18,997    |
| SHORT TERM DEBTORS                    | CPI | -808       | 800       |
| ACCOUNTS RECEIVABLE RELATED COMPANIES | UFI | -121,857   | 51,766    |
| LONG-TERM DEBTORS                     | UF  | -983       | 725       |
| LONG TERM DEPOSIT                     | CPI | 0          | 0         |
| SHORT TERM DEBTORS                    | UF  | 867        | 809       |
| OTHER NON-MONETARY ASSETS             | CPI | -25,154    | 15,280    |
| EXPENSE AND COST ACCOUNTS             | CPI | -280,253   | 190,942   |
| TOTAL (CHARGES)/CREDITS               | -   | -1,584,433 | 1,435,161 |

LIABILITIES (CHARGES)/ CREDITS

|                                       |     |           |            |
|---------------------------------------|-----|-----------|------------|
| NET WORTH                             | CPI | 1,141,608 | -1,156,651 |
| ACCOUNTS RECEIVABLE RELATED COMPANIES | UF  | 33        | -5         |
| SHORT-TERM RESERVES                   | CPI | -364      | -5,234     |
| SHORT -TERM CREDITORS                 | CPI | 0         | 0          |
| LONG-TERM RESERVES                    | CPI | -3,554    | -20,061    |
| PUBLIC OBLIGATION                     | UF  | 406,638   | -161,868   |
| LONG-TERM CREDITORS                   | CPI | 196       | -109       |
| NON-MONETARY LIABILITIES              | CPI | 12,547    | 373        |
| INCOME ACCOUNTS                       | CPI | 181,011   | -53,877    |
| TOTAL (CHARGES)/ CREDITS              | -   | 1,738,115 | -1,397,432 |

(LOSS) PROFIT FROM ADJUSTMENT FOR PRICE LEVEL RESTATEMENT 153,682 37,729

30. Exchange Differences

A net credit to results was produced due to exchange differences of Th Ch\$ 730,260 in 2004 and a net credit of Th Ch\$ 1,335,641 in 2003.

According to the provisions in Circular Letter 1560 of the SVS of 09/20/2001, the net effect of the adjustment of adjustable assets and liabilities in foreign currency on results deducting the effect of inflation is presented in this item.

Further information is shown on the table attached.

Cristaleras de Chile S.A.

NOTE 30: EXCHANGE DIFFERENCES

| ITEM                               | CURRENCY | AMOUNT     |            |
|------------------------------------|----------|------------|------------|
|                                    |          | 03-31-2004 | 03-31-2003 |
| FIXED (CHARGES) /CREDITS AVAILABLE | DOLLARS  | 2,200      | -144       |

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|  |                |            |           |
|--|----------------|------------|-----------|
| MARKETABLE SECURITIES                  | DOLLARS        | 1,118,588  | 974,083   |
| MARKETABLE SECURITIES                  | EUROS          | 334,861    | 0         |
| TIME DEPOSITS                          | DOLLARS        | 43,797     | -102,492  |
| INVENTORY                              | DOLLARS        | 2,862      | 49,811    |
| BONDS INSTALLMENT                      | DOLLARS        | 305,398    | 231,941   |
| SUNDRY DEBTORS                         | DOLLARS        | 2,385      | 0         |
| OTHER ASSETS                           | DOLLARS        | 81,368     | 6,482     |
| EFFECT OF FUTURE CONTRACT              | DOLLARS        | -16,757    | 1,142,534 |
| EFFECT OF INFLATION                    | DOLLARS        | 135,607    | -170,436  |
| TOTAL (CHARGES) /CREDITS               |                | 2,010,309  | 2,131,779 |
| LIABILITIES (CHARGES) /CREDITS         |                |            |           |
| SHORT- TERM BANK LOANS                 | DOLLARS        | 0          | 0         |
| NOTES PAYABLE                          | DOLLARS        | -58,933    | -2,528    |
| NOTES PAYABLE                          | OTHER CURRENCY | 0          | 0         |
| SUNDRY CREDITORS - SHORT TERM          | DOLLARS        | -25,108    | -13,638   |
| LONG- TERM BANK LOANS                  | DOLLARS        | -1,130,500 | -647,500  |
| SHORT-TERM RESERVES                    | DOLLARS        | 0          | -58,133   |
| LONG-TERM RESERVES                     | DOLLARS        | -136,718   | -28,590   |
| SUNDRY CREDITORS - LONG TERM           | DOLLARS        | -4,387     | -3,505    |
| OTHER LIABILITIES                      | DOLLARS        | 75,597     | -42,244   |
| ADJUSTMENT FUTURE CONTRACTS            | DOLLARS        | 0          | 0         |
| INFLATIONARY EFFECT                    | DOLLARS        | 0          | 0         |
| TOTAL (CHARGES)/ CREDITS               |                | -1,280,049 | -796,138  |
| (LOSS) PROFIT FROM EXCHANGE DIFFERENCE |                | 730,260    | 1,335,641 |

31. Extraordinary Items

As of March 31, 2004, there are no transactions for this item.

32. Expenses incurred in the sale of shares and debt instruments

On August, 2002 the company placed bond series C1, C2, D1 and D2 for UF 4,100,000, which resulted in expenses and rate placement difference which balance as of March 31, 2004 amounts Th Ch\$ 3,398,559 (Th Ch\$ 3,720,326 in 2003). Amortization is being done according to the maturity of each series.

Classified under current assets there are Th Ch\$ 323,811 (Th Ch\$ 323,377 in 2003) and Th Ch\$ 3,074,748 (Th Ch\$ 3,396,949 in 2003) under other long-term fixed assets.

As of March 31, 2004 and 2003, the charge to results for their amortization amounts Th Ch\$ 81,679 and Th Ch\$ 80,986, respectively.

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33. Cash Flow Statement

An itemized list is included in the attached chart.

CRISTALERIAS DE CHILE S.A.

CASH FLOW STATEMENT

1. The following is the detail of the item OTHERS:

|           |                                | 2004  |         | 2003  |         |
|-----------|--------------------------------|-------|---------|-------|---------|
|           |                                | ----- |         | ----- |         |
|           |                                | Th    | Ch\$    | Th    | Ch\$    |
| 541.11.40 | Other income received          |       |         |       |         |
|           | Insurance severance            |       | 0       |       | 0       |
|           | Discount for Custom Duties     |       | 7,376   |       | 0       |
|           | Accountent Return              |       | 0       |       | 133,416 |
|           | Adjustment Received            |       | 128,298 |       | 0       |
|           | Other income                   |       | 47,006  |       | 1,201   |
|           | Total                          |       | 182,680 |       | 134,617 |
| 541.11.80 | Other expenses paid            |       |         |       |         |
|           | Exchange differences           |       | 26,047  |       | 168,532 |
|           | Donations                      |       | 26,794  |       | 7,770   |
|           | Other expenses                 |       | 0       |       | 1,528   |
|           | Total                          |       | 52,841  |       | 177,830 |
| 541.13.30 | Other investment income        |       |         |       |         |
|           | Maturity of future contracts   |       | 0       |       | 967,805 |
|           |                                |       | 0       |       | 967,805 |
| 541.13.65 | Other investment disbursements |       |         |       |         |
|           | Purchase of shares             |       | 0       |       | 11,680  |
|           | Total                          |       | 0       |       | 11,680  |

Following are financing and investment activities that did not generate cash flow during the fiscal year, but that commit future cash flows:

| ITEM                       | Amount      | Th    | Ch\$  | Maturity             |
|----------------------------|-------------|-------|-------|----------------------|
| -----                      | -----       | ----- | ----- | -----                |
| Dividend No.157            | (1,612,800) |       |       | April-2004           |
| Payable investment imports | (113,317)   |       |       | Second Semester 2004 |
| TOTAL                      | (1,726,117) |       |       |                      |

34. Derivative Contracts

As of March 31 2004 and 2003 the parent company has signed future purchase and sell contracts in foreign currency of Th US\$ 37,600 in 2004 (purchases of Th US\$ 109,600 in 2003) subject to the regulations of Chapter VII of the

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Compendium of International Exchange Regulations of the Central Bank of Chile and Chapter 13-2 of the compilation of Regulations of Banks and Financial Institutions.

As of March 31, 2004 there was a difference in favor of financial institutions of Th Ch\$ 1,765,784, classified under Other Current Liabilities.

As of March 31, 2003 there was a difference in favor of financial institutions of Th Ch\$ 897,794 classified under Other Current Assets.

CRISTALERIAS DE CHILE S.A.

NOTE 34: DERIVATIVE CONTRACTS

| TYPE OF DERIVATIVE | TYPE OF CONTRACT | VALUE OF CONTRACT | MATURITY OR EXPIRATION DATE | DESCRIPTION OF CONTRACTS |                        |                        |
|--------------------|------------------|-------------------|-----------------------------|--------------------------|------------------------|------------------------|
|                    |                  |                   |                             | SPECIFIC ITEM            | PURCHASE/SALE POSITION | PROTECTED OR TRAN NAME |
| FR                 | CI               | 23,177,016        | THIRD 2004                  | EXCHANGE RATE            | P                      | -                      |
| FR                 | CI               | 21,327,786        | THIRD 2004                  | EXCHANGE RATE            | S                      | -                      |

| TYPE OF DERIVATIVE | TYPE OF CONTRACT | VALUE OF CONTRACT | VALUE OF PROTECTED ITEM | ACCOUNTS AFFECTED     |           |              |
|--------------------|------------------|-------------------|-------------------------|-----------------------|-----------|--------------|
|                    |                  |                   |                         | ASSETS/LIABILITY NAME | AMOUNT    | EFF REALIZED |
| FR                 | CI               | 23,177,016        | 0                       | LIABILITIES           | 2,729,917 | -2,729,917   |
| FR                 | CI               | 21,327,786        | 0                       | ASSETS                | 964,133   | 964,133      |

Analysis of Forward Contracts in foreign currency as of 03.31.2004

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| INSTITUTION                | DATE       |          | FUTURE<br>VALUE<br>US\$ | PRO<br>(Lo<br>Th |
|----------------------------|------------|----------|-------------------------|------------------|
|                            | Investment | Maturity |                         |                  |
| Purchases:                 |            |          |                         |                  |
| Citibank N.A.              | 09-08-03   | 09-02-04 | 2,000,000               | (145             |
| Deutsche Bank (Chile) S.A. | 09-04-03   | 09-03-04 | 15,000,000              | (1,180           |
| Bank Boston                | 09-10-03   | 09-06-04 | 2,000,000               | (146             |
| Deutsche Bank (Chile) S.A. | 09-08-03   | 09-07-04 | 2,000,000               | (146             |
| Deutsche Bank (Chile) S.A. | 09-08-03   | 09-07-04 | 1,800,000               | (130             |
| Deutsche Bank (Chile) S.A. | 09-10-03   | 09-09-04 | 2,800,000               | (204             |
| Deutsche Bank (Chile) S.A. | 09-10-03   | 09-09-04 | 2,000,000               | (147             |
| Banco Chile                | 09-11-03   | 09-06-04 | 3,000,000               | (201             |
| Banco Chile                | 09-15-03   | 09-09-04 | 3,500,000               | (214             |
| Banco Santander            | 09-15-03   | 18-08-04 | 3,500,000               | (213             |
| Total                      |            |          | 37,600,000              | (2,729           |
| Sales:                     |            |          |                         |                  |
| Bank Boston                | 10-14-03   | 09-09-04 | 4,800,000               | 14               |
| Banco Santander            | 10-21-03   | 09-07-04 | 2,000,000               | 6                |
| Deutsche Bank (Chile) S.A. | 10-22-03   | 09-09-04 | 2,000,000               | 6                |
| Banco Santander            | 10-22-03   | 09-09-04 | 1,500,000               | 4                |
| Citibank N.A.              | 10-22-03   | 09-07-04 | 1,800,000               | 5                |
| Deutsche Bank (Chile) S.A. | 10-23-03   | 09-02-04 | 2,000,000               | 5                |
| Banco Santander            | 10-23-03   | 09-03-04 | 6,000,000               | 15               |
| Deutsche Bank (Chile) S.A. | 10-24-03   | 09-03-04 | 2,000,000               | 4                |
| Deutsche Bank (Chile) S.A. | 10-24-03   | 09-03-04 | 2,000,000               | 4                |
| Deutsche Bank (Chile) S.A. | 10-24-03   | 09-03-04 | 1,000,000               | 2                |
| Deutsche Bank (Chile) S.A. | 10-24-03   | 09-03-04 | 1,000,000               | 2                |
| Banco Santander            | 10-27-03   | 09-03-04 | 2,000,000               | 4                |
| Deutsche Bank (Chile) S.A. | 10-27-03   | 09-03-04 | 1,000,000               | 2                |
| Deutsche Bank (Chile) S.A. | 10-28-03   | 08-16-04 | 1,000,000               | 2                |
| Banco Santander            | 10-28-03   | 08-16-04 | 2,500,000               | 5                |
| Banco Santander            | 10-28-03   | 09-06-04 | 2,000,000               | 4                |
| Deutsche Bank (Chile) S.A. | 11-06-03   | 09-06-04 | 1,000,000               | 1                |
| Banco Santander            | 11-12-03   | 09-06-04 | 1,000,000               | 1                |
| Deutsche Bank (Chile) S.A. | 11-18-03   | 09-06-04 | 1,000,000               | 1                |
| Total                      |            |          | 37,600,000              | 96               |
| TOTAL                      |            |          | 0                       | (1,765           |

As of March 2003 there were dollar purchase contracts of US\$ 109,600,000.

35. Contingencies and Restrictions

CONTINGENCIES AND COMMITMENTS

As of March 31, 2004, there is a guarantee delivered in the amount of Th Ch\$ 7,885 (Th Ch\$ 7,868 in 2003), according to the detail in the attached chart.



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### LAWSUITS OR OTHER LEGAL ACTIONS THE COMPANY IS INVOLVED IN

As of March 31, 2004 and 2003 there are no lawsuits and other legal actions pending.

### RESTRICTIONS

#### I. SYNDICATED LOAN

In relation to the syndicated loan subscribed with JP Morgan Chase Bank and other 8 creditor banks for US\$ 50 million, there are certain financial obligations mentioned as follows:

##### a) TOTAL CONSOLIDATED DEBT TO CAPITALIZATION RATIO

Cristalerias de Chile S.A will not allow the Total Consolidated Debt to Capitalization Ratio exceed the 0.45 to 1.0 ratio at any time.

Capitalization is defined as the sum of Net Worth plus Minority Interest plus total consolidated debt.

##### b) TOTAL CONSOLIDATED DEBT TO EBITDA RATIO

Cristalerias de Chile S.A will not allow the Net Consolidated Debt to EBITDA ratio to exceed the 2.5 to 1.0 ratio at any time.

Consolidated EBITDA is defined as the following: operating income plus depreciation and amortization, plus non-cash charges (as long as they have been deducted when determining operating income) and cash income from interests minus non-cash credits (as long as they have been added when determining operating income), in each case for each period.

##### c) INTEREST COVERAGE RATIO

Cristalerias de Chile S.A. will not allow the Interest Coverage Ratio to be lower than the following ratios during the following periods: 3.5 from January 01 2001 to December 31, 2003; 4.0 from January 01, 2004 onwards.

Interest coverage at the day of determination is defined as the ratio between unconsolidated EBITDA for the period of four consecutive fiscal quarters that end on or most recently ended before, that date; and interest expenses for that period.

##### d) NET EQUITY

Cristalerias de Chile S.A. should maintain a minimum amount of UF 10,000,000 at any time.

As of March 2004 and 2003 Cristalerias de Chile S.A. complies with 100% of the restrictions agreed with the creditor banks.

### II. BOND ISSUE

The bond issue contract signed on May 29, 2002 with Banco de Chile as the bonds owners' representative, establishes among others the following

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obligations:

- a) Financial Indicators  
 Individual Balance: Indebtedness not higher than 1.2 times.  
 Consolidate Balance: Indebtedness not higher than 1.4 times.
- b) Insurances for the Company and its subsidiaries' fixed assets.
- c) The operations refered to by art. 44 and 89 of law 18,046 must be carried out according to the conditions that these establish.
- d) Other minor restrictions related with the bond issue contract.

Cristalerias de Chile S.A. complies with 100% of restrictions agreed with the bonds' creditors.

OTHER CONTINGENCIES

As of March 31, 2004 and 2003, management is not aware of any other contingencies that could affect the company.

CRISTALERIAS DE CHILE S.A.

NOTE 35: CONTINGENCIES AND RESTRICTIONS - DIRECT GUARANTEES

| CREDITOR OF<br>GUARANTEE   | DEBTOR                        |              | TYPE OF<br>GUARANTEE | ASSETS COMMITTED |               | 03/31/<br>03/31/2007 |
|----------------------------|-------------------------------|--------------|----------------------|------------------|---------------|----------------------|
|                            | NAME                          | RELATIONSHIP |                      | TYPE             | BOOK<br>VALUE |                      |
| EDIFICIO<br>METROPOLIS AGF | CRISTALERIAS DE<br>CHILE S.A. | COMMERCIAL   | DEPOSIT              | FLOOR            | 7.885         | 7                    |

| CREDITOR OF<br>GUARANTEE   | DEBTOR<br>NAME                | 03/31/2005 | RELEASE OF GUARANTEES |            |        | 03/31/2007 |
|----------------------------|-------------------------------|------------|-----------------------|------------|--------|------------|
|                            |                               |            | ASSETS                | 03/31/2006 | ASSETS |            |
| EDIFICIO<br>METROPOLIS AGF | CRISTALERIAS DE<br>CHILE S.A. | -          | -                     | -          | -      | 7,885      |

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CRISTALERIAS DE CHILE S.A.

NOTE 35: CONTINGENCIES AND RESTRICTIONS - INDIRECT GUARANTEES

| CREDITOR OF<br>GUARANTEE                               | DEBTOR                    |              | TYPE OF<br>GUARANTEE | ASSETS COMMITTED |               | 03/31/<br>BA<br>P<br>C<br>OF FIN |
|--|---------------------------|--------------|----------------------|------------------|---------------|----------------------------------|
|  | NAME                      | RELATIONSHIP |                      | TYPE             | BOOK<br>VALUE |                                  |
| Societe de Participations Financieres et Industrielles | Rayen Cura S.A.           | Affiliate    | Solidary             | -                | -             | 2,130                            |
| Envases CMF  | Cristaleras de Chile S.A. | Affiliate    | Solidary             | -                | -             | 224                              |

| CREDITOR OF<br>GUARANTEE                               | DEBTOR<br>NAME            | RELEASE OF GUARANTEES |                      |                      |            |         |
|--|---------------------------|-----------------------|----------------------|----------------------|------------|---------|
|  |                           | 03/31/2005<br>ASSETS  | 03/31/2006<br>ASSETS | 03/31/2007<br>ASSETS | 03/31/2007 |         |
| Societe de Participations Financieres et Industrielles | Rayen Cura S.A.           | 710,104               | -                    | 710,104              | -          | 710,104 |
| Envases CMF  | Cristaleras de Chile S.A. | -                     | -                    | -                    | -          | 224,261 |

36. Guarantees obtained from third parties

As of March 31, 2004 and 2003 the company has received guarantees from third parties, which are shown below:

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| ITEM   | 2004   |      | 2003   |       |
|--|--------|------|--------|-------|
|  | Th     | Ch\$ | Th     | Ch\$  |
| Real Estate Lease Security Bank (UF 304)   | 5,114  |      | 5,102  |       |
| Real Estate Lease to Telecomunicaciones<br>and Servicios Cono Sur Ltda. (UF 130) |        | 0    |        | 2,182 |
| Real Estate Lease AGF Building (UF 365.9)  | 6,155  |      | 6,141  |       |
| Real Estate Lease Metropolis Building (UF 189.2)                                 | 3,182  |      | 3,175  |       |
| Suppliers Sight Drafts   | 1,674  |      | 1,675  |       |
| TOTAL  | 16,125 |      | 18,275 |       |

37. Local and Foreign Currency

Charts are attached showing the foreign currency balance as of March 31, 2004 and 2003.

Cristalerias de Chile S.A.

NOTE 37: LOCAL AND FOREIGN CURRENCY - ASSETS

| ITEMS                      | Currency         | Amount      |             |
|----------------------------|------------------|-------------|-------------|
|                            |                  | 03-31-2004  | 03-31-2003  |
| <b>Current Assets</b>      |                  |             |             |
| CASH                       | Non-adjust Ch\$  | 1,214,370   | 848,275     |
| CASH                       | Dollars          | 155,852     | 127,519     |
| TIME DEPOSITS              | Dollars          | 1,178,299   | 7,495,778   |
| TIME DEPOSITS              | Non-adjust. Ch\$ | 3,452,208   | 8,934,092   |
| MARKETABLE SECURITIES      | Adjustable Ch\$  | 4,133,777   | 3,830,015   |
| MARKETABLE SECURITIES      | Dollars          | 30,809,517  | 55,361,469  |
| DEBTORS FROM SALES         | Non-adjust. Ch\$ | 16,457,533  | 15,630,357  |
| DOCUMENTS RECEIVABLE       | Non-adjust. Ch\$ | 886,438     | 1,785,525   |
| MISCELLANEOUS DEBTORS      | Adjustable Ch\$  | 264,838     | 809,645     |
| MISCELLANEOUS DEBTORS      | Non-adjust. Ch\$ | 254,285     | 156,541     |
| MISCELLANEOUS DEBTORS      | Dollars          | 126,735     | 12,318      |
| DOC.&ACTS. REC. REL. CO'S. | Non-adjust. Ch\$ | 1,984,778   | 1,840,521   |
| DOC.&ACTS. REC. REL. CO'S. | Adjustable Ch\$  | 13,575      | 621,139     |
| STOCK                      | Adjustable Ch\$  | 4,402,696   | 3,295,288   |
| STOCK                      | Dollars          | 1,591,816   | 2,649,202   |
| TAXES TO BE RECOVERED      | Adjustable Ch\$  | 1,876,287   | 853,045     |
| EXPENSES PAID IN ADVANCE   | Dollars          | 356,831     | 398,419     |
| DEFERRED TAXES             | Non-adjust Ch\$  | 447,736     | 474,170     |
| OTHER CURRENT ASSETS       | Non-adjust Ch\$  | 9,033,071   | 3,347,825   |
| OTHER CURRENT ASSETS       | Dollars          | 2,781,443   | 2,534,025   |
| OTHER CURRENT ASSETS       | Adjustable Ch\$  | 196,663     | 196,229     |
| MARKETABLE SECURITIES      | Non-adjust Ch\$  | 25,552      | 26,535      |
| MARKETABLE SECURITIES      | Euros            | 18,897,271  | 0           |
| <b>Fixed Assets</b>        |                  |             |             |
| FIXED ASSETS               | Adjustable Ch\$  | 75,150,640  | 72,895,740  |
| <b>Other Assets</b>        |                  |             |             |
| INVESTMENT REL. CO'S.      | Adjustable Ch\$  | 143,881,104 | 144,225,456 |
| NEG. INVESTMENT GOODWILL   | Adjustable Ch\$  | 1,840,523   | 2,011,178   |

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|                          |                 |             |             |
|--------------------------|-----------------|-------------|-------------|
| LONG-TERM DEBTORS        | Adjustable Ch\$ | 122,386     | 161,203     |
| L-T DOC. REC. REL. CO'S. | Adjustable Ch\$ | 20,666,868  | 22,598,303  |
| OTHERS                   | Dollars         | 8,318,823   | 9,988,251   |
| OTHERS                   | Adjustable Ch\$ | 2,219,922   | 2,414,627   |
| OTHERS                   | Non-adjust Ch\$ | 854,826     | 982,322     |
| Total Assets             |                 |             |             |
|                          | Non-adjust Ch\$ | 34,610,797  | 34,026,163  |
|                          | Dollars         | 45,319,316  | 78,566,981  |
|                          | Adjustable Ch\$ | 254,769,279 | 253,911,868 |
|                          | Euros           | 18,897,271  | 0           |

Cristalerias de Chile S.A.

NOTE 37: LOCAL AND FOREIGN CURRENCY - CURRENT LIABILITIES

| ITEM                              | Currency         | Up to 9             |                          |
|-----------------------------------|------------------|---------------------|--------------------------|
|                                   |                  | 03-31-2004          |                          |
|                                   |                  | Amount<br>Thou Ch\$ | Avg. Annual<br>Int. Rate |
| Long-Term Obligations             | Dollars          | 129,318             | 1.9875                   |
| 1-year maturity                   |                  |                     |                          |
| Long-Term Obligations with public | Adjustable Ch\$  | 333,437             | 4.75                     |
|                                   | Adjustable Ch\$  | 426,424             | 5.80                     |
| Dividend Payable                  | Non-adjust. Ch\$ | 40,453              | -                        |
| Accounts Payable                  | Non-adjust. Ch\$ | 1,858,882           | -                        |
| Documents Payable                 | Dollars          | 1,504,799           | -                        |
| Miscellaneous Creditors           | Dollars          | 684,524             | 11.06                    |
| Miscellaneous Creditors           | Non-adjust. Ch\$ | 175,430             | -                        |
| Doc. and Accts. Payable rel Co    | Adjustable Ch\$  | 1,754               | -                        |
| Doc. and Accts. Payable rel Co    | Non-adjust. Ch\$ | 178,527             | -                        |
| Reserves                          | Adjustable Ch\$  | 0                   | -                        |
| Reserves                          | Dollars          | 0                   | -                        |
| Reserves                          | Non-adjust. Ch\$ | 4,755,142           | -                        |
| Withholding                       | Non-adjust. Ch\$ | 895,484             | -                        |
| Other Current Liabilities         | Adjustable Ch\$  | 1,765,784           | -                        |
| Deferred taxes                    | Non-adjust. Ch\$ | 0                   | -                        |
| Total Current Liabilities         | Dollars          | 4,084,425           | -                        |
|                                   | Adjustable Ch\$  | 761,615             | -                        |
|                                   | Non-adjust. Ch\$ | 7,903,918           | -                        |

| ITEM | Currency | 90 Days t  |             |
|------|----------|------------|-------------|
|      |          | 03-31-2004 |             |
|      |          | Amount     | Avg. Annual |

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|                                   |                  | Thou Ch\$ | Int. Rate |
|-----------------------------------|------------------|-----------|-----------|
|                                   |                  | -----     | -----     |
| Long-Term Obligations             | Dollars          | -         | -         |
| 1-year maturity                   |                  |           |           |
| Long-Term Obligations with public | Adjustable Ch\$  | -         | -         |
|                                   | Adjustable Ch\$  | -         | -         |
| Dividend Payable                  | Non-adjust. Ch\$ | -         | -         |
| Accounts Payable                  | Non-adjust. Ch\$ | -         | -         |
| Documents Payable                 | Dollars          | -         | -         |
| Miscellaneous Creditors           | Dollars          | -         | -         |
| Miscellaneous Creditors           | Non-adjust. Ch\$ | -         | -         |
| Doc. and Accts. Payable rel Co    | Adjustable Ch\$  | -         | -         |
| Doc. and Accts. Payable rel Co    | Non-adjust. Ch\$ | -         | -         |
| Reserves                          | Adjustable Ch\$  | 182,055   | -         |
| Reserves                          | Dollars          | 1,935,527 | -         |
| Reserves                          | Non-adjust. Ch\$ | -         | -         |
| Withholding                       | Non-adjust. Ch\$ | -         | -         |
| Other Current Liabilities         | Adjustable Ch\$  | -         | -         |
| Deferred taxes                    | Non-adjust. Ch\$ | -         | -         |
| <br>                              |                  |           |           |
| Total Current Liabilities         | Dollars          | 1,935,527 | -         |
|                                   | Adjustable Ch\$  | 182,055   | -         |
|                                   | Non-adjust. Ch\$ | 0         | -         |

Cristalerias de Chile S.A.

NOTE 37: LOCAL AND FOREIGN CURRENCY - LONG-TERM LIABILITIES CURRENT  
PERIOD 03-31-2004

| ITEM   | Currency         | 1-3 Years           |                          | A<br>Th |
|--|------------------|---------------------|--------------------------|---------|
|  |                  | Amount<br>Thou Ch\$ | Average<br>Interest Rate |         |
| -----  | -----            | -----               | -----                    | -----   |
| Obligations with Banks and<br>Financial Institutions | Dollars          | 15,410              | 1.9875                   | 15      |
| Obligations with public bond<br>Serie C              | Adjust. Ch\$     | 21,026              | 4.75                     | 12      |
| Obligations with public bond<br>Serie D              | Adjust. Ch\$     | 0                   | -                        |         |
| Deferred Custom duties                               | Dollars          | 119,614             | 11.6                     |         |
| Long-term Creditors                                  | Adjust. Ch\$     | 33,249              | -                        |         |
| Long-term Reserves                                   | Dollars          | 1,866,303           | -                        |         |
| Long-term Reserves                                   | Adjust. Ch\$     | 4,135,539           | -                        |         |
| Deferred Taxes                                       | Non-adjust. Ch\$ | 2,347,230           | -                        |         |
| Total Long-term Liabilities                          |                  |                     |                          |         |
|  | Dollars          | 17,396,167          | -                        | 15      |
|  | Adjust. Ch\$     | 25,194,813          | -                        | 12      |
|  | Non-adjust. Ch\$ | 2,347,230           | -                        |         |

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| ITEM   | Currency         | 5-10 Years          |                          | A  |
|--|------------------|---------------------|--------------------------|----|
|  |                  | Amount<br>Thou Ch\$ | Average<br>Interest Rate |    |
| Obligations with Banks and<br>Financial Institutions | Dollars          | 0                   | -                        |    |
| Obligations with public bond<br>Serie C              | Adjust. Ch\$     | 0                   | -                        |    |
| Obligations with public bond<br>Serie D              | Adjust. Ch\$     | 4,937,743           | 5.8                      | 30 |
| Deferred Custom duties                               | Dollars          | 0                   | -                        |    |
| Long-term Creditors                                  | Adjust. Ch\$     | 0                   | -                        |    |
| Long-term Reserves                                   | Dollars          | 0                   | -                        |    |
| Long-term Reserves                                   | Adjust. Ch\$     | 0                   | -                        |    |
| Deferred Taxes                                       | Non-adjust. Ch\$ | 0                   | -                        |    |
| Total Long-term Liabilities                          | Dollars          | 0                   | -                        |    |
|  | Adjust. Ch\$     | 4,937,743           | -                        | 30 |
|  | Non-adjust. Ch\$ | 0                   | -                        |    |

Cristalerias de Chile S.A.

NOTE 37: LOCAL AND FOREIGN CURRENCY - LONG-TERM LIABILITIES PREVIOUS  
PERIOD 03-31-2003

| ITEM   | Currency         | 1-3 Years |                          | A  |
|--|------------------|-----------|--------------------------|----|
|  |                  | Amount    | Average<br>Interest Rate |    |
| Obligations with banks and<br>financial institutions | Dollars          | 0         | 0                        | 36 |
| Obligations with public                              | Adjustable Ch\$  | 0         | 0                        |    |
| Obligations with public                              | Adjustable Ch\$  | 0         | 0                        |    |
| Deferred Custom duties                               | Dollars          | 198,004   | 11.6                     |    |
| Long-term Creditors                                  | Adjust. Ch\$     | 44,377    |                          |    |
| Long-term Reserves                                   | Dollars          | 2,098,052 | -                        |    |
| Long-term Reserves                                   | Adjustable Ch\$  | 3,965,228 | -                        |    |
| Deferred Taxes                                       | Non-adjust. Ch\$ | 2,379,810 | -                        |    |
| Total Long-term Liabilities                          | Dollars          | 2,296,056 | -                        | 36 |
|  | Adjust. Ch\$     | 4,009,605 | -                        |    |
|  | Non-adjust. Ch\$ | 2,379,810 | -                        |    |

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| ITEM  | Currency         | 5-10 Years |                       | A  |
|---|------------------|------------|-----------------------|----|
|   |                  | Amount     | Average Interest Rate |    |
| Obligations with banks and financial institutions | Dollars          | -          | -                     |    |
| Obligations with public                           | Adjustable Ch\$  | 33,567,200 | 4.75                  |    |
| Obligations with public                           | Adjustable Ch\$  | -          | -                     | 35 |
| Deferred Custom duties                            | Dollars          | -          | -                     |    |
| Long-term Creditors                               | Adjust. Ch\$     | -          | -                     |    |
| Long-term Reserves                                | Dollars          | -          | -                     |    |
| Long-term Reserves                                | Adjustable Ch\$  | -          | -                     |    |
| Deferred Taxes                                    | Non-adjust. Ch\$ | -          | -                     |    |
| Total Long-term Liabilities                       |                  |            |                       |    |
| -   | Dollars          | 0          | -                     |    |
| -   | Adjust. Ch\$     | 33,567,200 | -                     | 35 |
| -   | Non-adjust. Ch\$ | 0          | -                     |    |

38. Penalties

As of March 31, 2004 and 2003 no penalties have been applied to the company, the members of the Board or Company Managers by the SVS or other administrative authorities.

39. Subsequent Events

Cristaleras de Chile S.A.

On April 28, 2004 the company paid eventual dividend N(degree) 157 of Ch\$ 25.20 per share over 64,000,000 shares. (Th Ch\$1,612,800)

Between the closing date of the financial statements and the issue date of the present report there have not been other subsequent events that could alter significantly the Company's financial and economic situation.

40. Environment

On its permanent concern for preserving the environment, during the fiscal year 2003 the Company has made investments of Th Ch\$ 205,409 corresponding to



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the purchase of NOX treatment equipment installed in new furnace B.

### 41. TIME DEPOSITS

As of March 31, 2004 and 2003 the Company presents the following information:

| INSTITUTION                    | Currency | 2004             |      | 2003              |      |
|--------------------------------|----------|------------------|------|-------------------|------|
|                                |          | Th               | Ch\$ | Th                | Ch\$ |
| Banco de A. Edwards (Chile)    | US\$     | 0                |      | 2,606,863         |      |
| Banco Santander                | US\$     | 1,178,299        |      | 2,483,315         |      |
| Banco Deutsche Bank Chile S.A. | US\$     | 0                |      | 2,064,301         |      |
| Banco J.P. Morgan Chase Bank   | US\$     | 0                |      | 341,299           |      |
| Banco de A. Edwards (Chile)    | Ch\$     | 0                |      | 3,000,000         |      |
| Banco Santander                | Ch\$     | 3,452,208        |      | 924,992           |      |
| Banco Scotiabank               | Ch\$     | 0                |      | 5,009,100         |      |
|                                |          | -----            |      | -----             |      |
| <b>TOTAL</b>                   |          | <b>4,630,507</b> |      | <b>16,429,870</b> |      |

### 42. STOCK TRANSACTIONS

During 2004 and 2003 fiscal years members of the board, controlling stockholders, related individuals and entities did not carry out stock transactions.

### 43. DISTRIBUTION OF SHAREHOLDERS

The distribution of stockholders as of March 31, 2004 and 2003 is the following:

| TYPE OF SHAREHOLDER        | % of Shareholding |       | No. of Shareholders |      |
|----------------------------|-------------------|-------|---------------------|------|
|                            | 2004              | 2003  | 2004                | 2003 |
| 10% or more shareholding   | 34.03             | 34.03 | 1                   | 1    |
| Less than 10% shareholding |                   |       |                     |      |

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|  |        |        |       |       |
|--|--------|--------|-------|-------|
| with investment equal to or higher than 200 UF               | 65.84  | 65.83  | 265   | 270   |
| Less than 10% shareholding with investment lower than 200 UF | 0.13   | 0.14   | 762   | 787   |
| TOTAL  | 100.00 | 100.00 | 1,028 | 1,058 |
| CONTROLLER OF THE COMPANY                                    | 52.14  | 52.14  | 3     | 3     |

44. BOARD COMPENSATION

As of March 31, 2004 and 2003, there are provisions for Th Ch\$ 359,723 and Th Ch\$ 879,269 respectively, for diverse concepts according to the following detail:

|   | 2004<br>Th Ch\$ | 2003<br>Th Ch\$ |
|---|-----------------|-----------------|
| Participation in previous fiscal year profits | 257,061         | 706,426         |
| Board Committee Honoraries                    | 102,662         | 172,843         |
|   | -----           | -----           |
| TOTAL   | 359,723         | 879,269         |

RELEVANT EVENTS

None.

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CRISTALERIAS DE CHILE S.A.  
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RATIO ANALYSIS TO INDIVIDUAL FINANCIAL STATEMENTS AS OF MARCH 31, 2004  
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1.- FINANCIAL INDICATORS

03-31-2004 03-31-2003 12-31-2003  
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|                             |  |         |         |          |
|-----------------------------|--|---------|---------|----------|
| LIQUIDITY                   |  |         |         |          |
| Current liquidity           | times  | 6.76    | 7.25    | 5.98     |
| Acid ratio                  | times  | 6.18    | 6.75    | 5.50     |
| INDEBTEDNESS                |  |         |         |          |
| Leverage ratio              | times  | 0.53    | 0.55    | 0.55     |
| Short-term debt             | %  | 12.07   | 11.85   | 12.79    |
| Long-term debt              | %  | 87.93   | 88.15   | 87.21    |
| Interest Expenses Coverage  | times  | 3.18    | 4.98    | 2.14     |
| ACTIVITY                    |  |         |         |          |
| Total assets                | MM Ch\$  | 353,597 | 366,505 | 351,798  |
| Investments                 | MM Ch\$  | 1,527   | 4,924   | 22,510   |
| Disposal of property        | MM Ch\$  | 1       | 57      | 135      |
| Inventory turnover          | times  | 7.4     | 10.5    | 12.6     |
| Inventory permanence        | days   | 49.0    | 34.4    | 28.6     |
| RESULTS                     |  |         |         |          |
| Sales                       | MM Ch\$  | 15,387  | 17,448  | 74,146   |
| Costs of sales              | MM Ch\$  | 9,791   | 10,363  | 44,413   |
| Operating result            | MM Ch\$  | 4,289   | 5,850   | 24,225   |
| Interest expenses           | MM Ch\$  | 1,158   | 1,235   | 4,817    |
| Non-operating result        | MM Ch\$  | (1,239) | (499)   | (16,374) |
| E.B.I.T.D.A.                | MM Ch\$  | 6,318   | 8,496   | 20,794   |
| After-tax profit            | MM Ch\$  | 2,567   | 4,321   | 6,394    |
| PROFITABILITY               |  |         |         |          |
| Return on equity            | %  | 1.1     | 1.9     | 2.8      |
| Return on assets            | %  | 0.7     | 1.3     | 1.8      |
| Return on operating assets  | %  | 8.4     | 11.9    | 22.9     |
| Profit per share            | \$   | 40.1    | 67.5    | 99.9     |
| Return on dividends         | %  | 2.6     | 2.6     | 2.4      |
| Current liquidity           | Ratio of current assets to current liabilities.  |         |         |          |
| Acid ratio:                 | Ratio of uncommitted funds to current liabilities.   |         |         |          |
| Leverage ratio:             | Ratio of total current liabilities to net worth.   |         |         |          |
| Interest Expenses Coverage: | Earnings before taxes and interest divided by interest expenses.                                       |         |         |          |
| Inventory turnover:         | Ratio between sales cost of the period and average inventory.  |         |         |          |
| Inventory permanence:       | Ratio between average inventory and sales cost of the period, multiplied by 360 days                   |         |         |          |
| E.B.I.T.D.A.:               | Earnings before interest, taxes, depreciation, amortization and extraordinary items.                   |         |         |          |
| Return on dividends:        | Sum of dividends paid in the last twelve months divided by market price of stock at closing of period. |         |         |          |
| ---                         |  |         |         |          |

The main trends observed as of March 2004 in indicators are:

LIQUIDITY INDICES

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With respect to December 2003, an increase in the index can be observed due to a increase in current assets, due to the devaluation of the Argentine peso with respect to the dollar, which influences positively in financial placements in foreign currency. On the other hand a decrease in current liabilities is due to the payment of dividends and accounts .

### INDEBTEDNESS INDICES

The leverage ratio has kept almost constant for the analyzed period.

Bank indebtedness that corresponds to a US\$ 50 million loan shows an increase in Ch\$ terms, due to the variation of rate of exchange, that increased from Ch\$ 593,80 as of December 2003 to Ch \$ 616.41 as of March 31, 2004 .

Interest expenses coverage ratio decreased with respect to the previous year due to a lower net income during the present fiscal year.

### ACTIVITY INDICES

Inventory turnover and permanence indeces deteriorated slightly due to a increase of finished goods inventories, as a result of lower stationary sales of glass containers.

### PROFITABILITY INDICES

Equity and asset profitability indices show a decrease with respect to March and December 2003, due to a lower net income during the present fiscal year.

Likewise, non-operating result decreased due to a negative exchange difference and a higher loss in related companies.

On the other hand, in spite of the higher dividends distributed during last 12 months, the return of dividends indexes shows a stability with respect to the previous year due to an increase in the market price of the company's shares in the stock exchange, which passed from Ch\$ 4,620 as of March, 2003 to Ch \$ 5,000 in March, 2004.

### 2. DIFFERENCE BETWEEN BOOK VALUE AND MARKET VALUE OF MAIN ASSETS.

The financial statements of the company have been prepared according to generally accepted accounting principles and general and specific norms of the Securities and Insurance Commission, which is the agency that regulates the Company. The valuation of the assets includes adjustment for currency devaluation, reserves, and technical revaluations. We believe the foregoing is a reasonable way to value the company's permanent investments.

As of March 31, 2004, there were financial investments in stocks recorded in the accounting according to their purchase price of Th Ch\$ 4,134 million whose market value on the same date was Th Ch\$ 5,728 million.

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### 3. RESULTS AS OF MARCH 2004

#### 3a. Individual Result

The Company had non-consolidated sales of Ch\$ 15,387 million as of March 2004, compared to Ch\$ 17,448 million in the previous year. Volumes sold decreased by 2.4% reaching 56,856 tons, mainly due to lower sales of bottles of non-returnable beer and liquor, partially compensated by higher sales of bottles for wine, and analcoholic one way formats.

Operating income reached of Ch\$ 4,289 million in 2004 (Ch\$ 5,850 million income in 2003), due to lower volumes sold and an average prices decrease of 9.6%, mainly explained by a decrease in the exchange rate, which passed from US\$ 736.99 per dollar on average during first quarter of 2003 to US\$ 587,29 per dollar on average during the first quarter of 2004.

The non-operating result was a loss of Ch\$ 1,239 million (Ch\$ 499 million loss in 2003). During 2004 a higher loss in Cristalchile Comunicaciones (owner of 50% of Metropolis-Intercom) and lower net income in Envases CMF was registered. The former was partially compensated by higher net income from Vina Santa Rita and Cristalchile Inversiones (owner of 40% of Rayen Cura) and a lower loss at CIECSA.

#### 3b. Results in Subsidiaries

During 2004, Santa Rita's net income amounted Ch\$ 1,383 million, 14,7% higher than in 2003. In the local market, prices increased by 8.2% in real terms and volumes dropped by 3.4%. During the period, exports increased by 5.2% reaching US\$ 12.9 million (US\$ 11.0 million in 2003) and represented 52.2% of total revenues. Operating income reached Ch\$ 1,059 million, compared to Ch\$ 1,650 million in 2003, mainly due to higher costs of musts and higher marketing support expenses. The average price in dollars per case for the export market for Santa Rita was US\$ 34.9 (US\$ 31.4 in 2003) whereas the average price for the industry was US\$ 24.4 per case (US\$ 23.5 in 2003). Santa Rita recorded a Ch\$ 582 million non-operating profit, compared to a Ch\$ 24 million non-operating income in 2003, mainly due a profit from exchange differences and sale of assets.

Red Televisiva Megavision, CIECSA's main subsidiary, registered a Ch\$ 65 million operating loss, compared with an operating loss of Ch\$ 90 million in 2003. MEGA reached the first place audience share with an average viewership share of 25.3% during the period (22.9% in 2003)<sup>1</sup>. Net sales increased by 11.7% reaching Ch\$ 4,837 million, as a higher audience share has resulted in higher sales. MEGA had a net loss of Ch\$ 238 million (Ch\$ 248 million loss in 2003). CIECSA had a Ch\$ 300 million net loss, compared to a Ch\$ 445 million net loss the previous year.

Envases CMF S.A. registered a Ch\$ 372 million net income in 2004 compared with a Ch\$ 546 million net income in 2003. Net sales reached Ch\$ 7,839 million during the period (Ch\$ 8,857 million in 2003). Sales volume dropped by 3.9%, reaching 5,844 tons, due to a decrease of pre forms exports and lower sales of one way formats; while average prices

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1 Measured between 7:30AM and 1:30AM; i.e: 18 hours daily, Monday through Sunday.

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decreased by 7.9% influenced by a decrease of the exchange rate. Due to the aforementioned, operating income reached Ch\$ 740 million, compared to Ch\$ 1,174 million in 2003.

In the cable TV business, Cristalchile Comunicaciones S.A. (99.99% owned by Cristalerias), is the owner of 50% of Cordillera Comunicaciones Ltda., which in turn is the owner of Metropolis-Intercom S.A.

During 2004, Metropolis-Intercom S.A. registered sales of Ch\$ 10,782 million, practically equal to the previous year. Metropolis-Intercom had a net loss of Ch\$ 3,103 million compared with a net loss of Ch\$ 1,973 million in 2003. The lower result is due to a \$775 million one-time expense that affected the company's non-operating result. EBITDA reached Ch\$ 1,641 million in the period (\$1,614 million in 2003). This result includes a depreciation charge of Ch\$ 3,587 million (Ch\$ 3,204 million in 2003) mainly corresponding to the HFC network acquired in July 2000. The company ended the period with 223,957 subscribers of the basic service (240,119 in 2003), 35,514 premium subscribers (5.2% over 2003), 36,883 subscribers of broadband internet services (42.3% over 2003) and 6,376 subscribers of IP telephony.

As a result of the abovementioned and the negative goodwill amortization charge through Cordillera Comunicaciones of Ch\$ 1,040 million in the period (Ch\$ 1,034 million in 2003), Cristalchile Comunicaciones recorded a net loss of Ch\$ 2,151 million (net loss of Ch\$ 1,505 in 2003).

#### 4. CASH FLOW STATEMENT

As of March 31, 2004 a total net positive flow of Ch\$ 7,710 million was generated, which is explained by a positive flow generated by operating activities of Ch\$ 9,969 million, which was decreased by a negative financing flow of Ch\$ 953 million and a negative flow of investment activities for Ch\$ 1,606 million.

The operating flow corresponds basically to the collection of sales and interests income that were reduced by payment to suppliers, personnel and tax and interests payments.

The negative financing flow can be explained by the payment of dividends.

The investment flow is mainly explained by the incorporation of fixed assets for Ch\$ 1,605 million.

The foregoing results in an increase in the final balance of cash and cash equivalent, which passed from Ch\$ 59,700 million as of December 31, 2003 to Ch\$ 67,411 million as of March 31, 2004.

According to the current regulations of the SVS and the Association of Accountants of Chile, time deposits and agreements with due date under 90 days have been considered cash and cash equivalent.

#### 5. RISKS ANALYSIS

##### o Interest rates

The Company is exposed to the risk of fluctuations in interest rates on its long-term debt, corresponding to a credit of US\$ 50 million, which is subject

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to a variable annual rate of

Libor plus 0.8% percentage points. In addition, the Company issued bonds in two series, for a total of UF 4.1 million, for a period of 6 and 21 years, and which pay a fixed rate of 4.75% and 5.8% respectively (the actual placement rate was 5.3% and 6.5% respectively).

As of March 31, 2004, the Company had available funds in the amount of Ch\$ 66,050 million, invested at different terms in financial instruments such as time deposits, bonds, fixed rate mutual funds and agreements with resale commitment. This figure does not consider Ch\$ 8,272 million in bonds with maturity on September 15, 2005 and investments in shares for Ch\$ 4,134 million.

Currently the Company does not use secondary financial instruments to reduce risk in the event of fluctuations in interest rates. This policy will be studied permanently to evaluate the alternatives offered by the market.

### o Exchange rate

The Company maintains liabilities in dollars of US\$ 66.1 million, which represent 11.5% of its assets, and which include a balance of a long-term syndicated loan of US\$ 50 million.

As of March 31, the Company has investments in dollars of US\$ 69.8 million in time deposits, bonds and fixed rate mutual funds. In addition, it also has investments in Euros of (euro) 24.9 million in fixed rate instruments. It also has Dollar purchase future contracts of US\$ 37.6 million that they are compensated by sale future contracts for the same amount.

On the other hand, approximately 34% of the company's revenues are adjusted by the exchange rate variation. Costs in foreign currency represent approximately 23.9% of total costs.

FECU (Standardized Quarterly Financial Report)

### 1. IDENTIFICATION

|            |                  |                            |
|------------|------------------|----------------------------|
| 1.01.05.00 | Firm Name        |                            |
|            |                  | CRISTALERIAS DE CHILE S.A. |
| 1.01.04.00 | Company RUT      | 90331000-6                 |
| 1.00.01.10 | Starting date    | 1/1/2004                   |
| 1.00.01.20 | Closing date     | 3/31/2004                  |
| 1.00.01.30 | Type of Currency | Chilean Pesos              |

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1.00.01.40 Type of Financial Statements Consolidated

ASSETS

2.0 FINANCIAL STATEMENTS

2.01 BALANCE SHEET

1.00.01.30 Type of Currency: Thousands of Chilean Pesos

1.00.01.40 Type of Balance : Consolidated

| ASSETS     |                                     | NOTE No. | 03-31-04    | 03-31-03    |
|------------|-------------------------------------|----------|-------------|-------------|
| 5.11.00.00 | TOTAL CURRENT ASSETS                |          | 173,361,246 | 189,995,600 |
| 5.11.10.10 | Cash                                |          | 2,858,397   | 1,690,000   |
| 5.11.10.20 | Time deposits                       | 45       | 7,210,791   | 19,415,100  |
| 5.11.10.30 | Marketable securities (net)         | 4        | 61,782,216  | 68,519,200  |
| 5.11.10.40 | Debtors from sales (net)            | 5        | 32,129,243  | 33,071,400  |
| 5.11.10.50 | Documents receivable (net)          |          | 2,452,089   | 3,829,100   |
| 5.11.10.60 | Sundry debtors (net)                |          | 1,742,278   | 1,304,100   |
| 5.11.10.70 | Doc. & accts receivable related Co. | 6        | 446,450     | 341,300     |
| 5.11.10.80 | Inventories (net)                   |          | 38,987,888  | 41,119,400  |
| 5.11.10.90 | Recoverable taxes                   |          | 4,451,767   | 1,129,300   |
| 5.11.20.10 | Prepaid expenses                    |          | 1,714,309   | 1,714,000   |
| 5.11.20.20 | Deferred taxes                      | 8        | 1,164,859   | 937,800     |
| 5.11.20.30 | Other current assets                | 10       | 18,420,959  | 16,924,300  |
| 5.11.20.40 | Leasing contracts (net)             |          | 0           |             |
| 5.11.20.50 | Leasing assets (net)                |          | 0           |             |
| 5.12.00.00 | TOTAL FIXED ASSETS                  |          | 134,558,564 | 131,656,500 |
| 5.12.10.00 | Land                                | 12       | 13,267,675  | 12,995,400  |
| 5.12.20.00 | High rises & infrastructure         | 12       | 61,837,949  | 60,645,600  |



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|            |  |    |               |           |
|------------|--|----|---------------|-----------|
| 5.12.30.00 | Machinery & equipment  | 12 | 144,684,218   | 123,793,4 |
| 5.12.40.00 | Other fixed assets   | 12 | 12,168,156    | 17,455,5  |
| 5.12.50.00 | Positive goodwill from technical revaluation of fixed assets | 12 | 6,573,793     | 7,675,6   |
| 5.12.60.00 | Depreciation (minus)   | 12 | (103,973,227) | (90,909,1 |
| 5.13.00.00 | TOTAL OTHER ASSETS   |    | 135,051,292   | 146,130,6 |
| 5.13.10.10 | Investment in related companies                              | 14 | 101,012,909   | 108,429,7 |
| 5.13.10.20 | Investment in other companies                                | 15 | 804,671       | 821,5     |
| 5.13.10.30 | Negative goodwill  | 16 | 8,956,092     | 9,682,1   |
| 5.13.10.40 | Positive goodwill (minus)                                    |    | 0             |           |
| 5.13.10.50 | Long-term debtors  |    | 206,230       | 184,6     |
| 5.13.10.60 | Doc. & accts receivable related Co.                          |    | 4,257         | 1,5       |
| 5.13.10.65 | Long-term deferred taxes                                     |    | 0             |           |
| 5.13.10.70 | Intangibles  | 17 | 11,757,528    | 11,723,0  |
| 5.13.10.80 | Amortization (minus)   | 17 | (1,258,183)   | (1,047,5  |
| 5.13.10.90 | Other  | 18 | 13,567,788    | 16,335,4  |
| 5.13.20.10 | Long-term leasing contracts (net)                            |    | 0             |           |
| 5.10.00.00 | TOTAL ASSETS   |    | 442,971,102   | 467,782,7 |

LIABILITIES

1.00.01.30 Type of Currency: Thousands of Chilean Pesos  
 1.00.01.40 Type of Balance : Consolidated

| LIABILITIES | NOTE No.   | 03-31-04   | 03-31-0   |
|-------------|--|------------|-----------|
| 5.21.00.00  | TOTAL CURRENT LIABILITIES  | 41,189,837 | 48,205,0  |
| 5.21.10.10  | Short-term oblig. Banks & Fin. Inst.                                 | 15,223     | 9,8       |
| 5.21.10.20  | Short-term portion - Long-term oblig. Banks & Financial Institutions | 19         | 4,016,775 |
|             |  |            | 4,376,7   |

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|            |  |    |             |           |
|------------|--|----|-------------|-----------|
| 5.21.10.30 | Obligations with the public (notes)                |    | 0           |           |
| 5.21.20.40 | Short-term portion oblig with public               | 22 | 1,123,089   | 1,323,5   |
| 5.21.10.50 | Long-term oblig. due within 1 year                 |    | 134,969     | 262,5     |
| 5.21.10.60 | Dividends payable                                  |    | 41,296      | 78,5      |
| 5.21.10.70 | Accounts payable                                   |    | 14,366,058  | 19,127,6  |
| 5.21.10.80 | Notes payable                                      |    | 2,085,253   | 4,794,5   |
| 5.21.10.90 | Sundry creditors                                   |    | 950,881     | 2,950,1   |
| 5.21.20.10 | Notes & accts payable related Co.                  |    | 265,586     | 210,9     |
| 5.21.20.20 | Provisions   | 23 | 11,649,530  | 9,657,7   |
| 5.21.20.30 | Withholdings                                       |    | 1,674,611   | 1,766,5   |
| 5.21.20.40 | Income tax   |    | 0           |           |
| 5.21.20.50 | Earned income                                      |    | 2,738,293   | 2,534,1   |
| 5.21.20.60 | Deferred taxes                                     |    | 0           |           |
| 5.21.20.70 | Other current liabilities                          | 20 | 2,128,273   | 1,112,1   |
| 5.22.00.00 | TOTAL LONG-TERM LIABILITIES                        |    | 133,220,361 | 145,022,5 |
| 5.22.10.00 | Oblig with Banks & Financial Inst.                 | 21 | 33,924,299  | 44,457,0  |
| 5.22.20.00 | Long-term oblig with public (bonds)                | 22 | 89,150,346  | 88,953,0  |
| 5.22.30.00 | Long-term notes payable                            |    | 0           | 127,4     |
| 5.22.40.00 | Long-term sundry debtors                           |    | 208,028     | 1,087,9   |
| 5.22.50.00 | Long-term notes & accts. payable related companies |    | 0           |           |
| 5.22.60.00 | Long-term provisions                               | 23 | 6,001,842   | 6,063,2   |
| 5.22.70.00 | Long-term deferred taxes                           | 8  | 3,935,846   | 4,333,7   |
| 5.22.80.00 | Other long-term liabilities                        |    | 0           |           |
| 5.23.00.00 | MINORITY INTEREST                                  | 26 | 38,119,578  | 37,468,5  |
| 5.24.00.00 | TOTAL EQUITY                                       |    | 230,441,326 | 237,086,5 |
| 5.24.10.00 | Paid-in capital                                    | 27 | 65,396,749  | 64,749,2  |
| 5.24.20.00 | Reserve capital revaluation                        | 27 | (326,984)   | 323,7     |
| 5.24.30.00 | Premium in sale of own shares                      | 27 | 27,735,005  | 27,736,3  |

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|            |   |    |             |           |
|------------|---|----|-------------|-----------|
| 5.24.40.00 | Other reserves  | 27 | 7,084,586   | 10,040,4  |
| 5.24.50.00 | Retained earnings (addition<br>of codes 5.24.51.00 to 5.24.56.00) |    | 130,551,970 | 134,236,7 |
| 5.24.51.00 | Reserve<br>future dividends                                       |    | 122,544,319 | 115,487,2 |
| 5.24.52.00 | Accrued profits   |    | 5,441,098   | 14,428,5  |
| 5.24.53.00 | Accrued losses<br>(minus)   |    | 0           |           |
| 5.24.54.00 | Profit (loss) for<br>the year                                     | 27 | 2,566,553   | 4,321,0   |
| 5.24.55.00 | Prov. dividends<br>(minus)  | 27 | 0           |           |
| 5.24.56.00 | Accr. deficit dev.<br>period                                      |    | 0           |           |
| 5.20.00.00 | TOTAL LIABILITIES   |    | 442,971,102 | 467,782,7 |

INCOME STATEMENT

2.02 INCOME STATEMENT

1.00.01.30 Type of Currency: Thousands of Chilean Pesos  
1.00.01.40 Type of Balance: Consolidated

| INCOME STATEMENT | NOTE No.                         | 03-31-04     | 03-31-0   |
|------------------|----------------------------------|--------------|-----------|
| 5.31.11.00       | OPERATING INCOME                 | 5,325,255    | 7,435,1   |
| 5.31.11.10       | Gross Margin                     | 11,221,090   | 12,818,8  |
| 5.31.11.11       | Sales                            | 33,605,832   | 35,372,0  |
| 5.31.11.12       | Costs (minus)                    | (22,384,742) | (22,553,2 |
| 5.31.11.20       | Adm. & sales expenses<br>(minus) | (5,895,835)  | (5,383,7  |
| 5.31.12.00       | NON-OPERATING RESULTS            | (1,317,130)  | (1,051,7  |
| 5.31.12.10       | Interest income                  | 567,421      | 504,3     |
| 5.31.12.20       | Income investments Rel. Co.      | 14 523,548   | 549,1     |

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|            |  |    |             |          |
|------------|--|----|-------------|----------|
| 5.31.12.30 | Other non-operating income                           | 28 | 419,032     | 137,5    |
| 5.31.12.40 | Loss investments Rel.<br>Co. (-)                     |    | (2,234,036) | (1,649,8 |
| 5.31.12.50 | Amortization<br>neg.goodwill (-)                     |    | (159,224)   | (162,0   |
| 5.31.12.60 | Interest expenses (minus)                            |    | (1,641,425) | (1,713,0 |
| 5.31.12.70 | Other non-operat<br>expenses (-)                     | 28 | (501,109)   | (536,1   |
| 5.31.12.80 | Price level restatement                              | 29 | 344,520     | 156,2    |
| 5.31.12.90 | Exchange differences                                 | 30 | 1,364,143   | 1,661,9  |
| 5.31.10.00 | RESULTS BEFORE INCOME TAX<br>AND EXTRAORDINARY ITEMS |    | 4,008,125   | 6,383,3  |
| 5.31.20.00 | INCOME TAX   | 8  | (815,387)   | (1,521,3 |
| 5.31.30.00 | EXTRAORDINARY ITEMS                                  |    | 0           |          |
| 5.31.40.00 | PROFIT (LOSS) BEFORE<br>MINORITY INTEREST            |    | 3,192,738   | 4,861,9  |
| 5.31.50.00 | MINORITY INTEREST                                    | 26 | (626,185)   | (540,9   |
| 5.31.00.00 | NET INCOME (LOSS)                                    |    | 2,566,553   | 4,321,0  |
| 5.32.00.00 | Amortization of positive goodwill                    |    | 0           |          |
| 5.30.00.00 | INCOME (LOSS) FOR THE YEAR                           |    | 2,566,553   | 4,321,0  |

DIRECT CASH FLOW STATEMENT

2.03 CASH FLOW STATEMENT

1.00.01.30 Type of Currency: Thousands of Chilean Pesos

1.00.01.40 Type of Balance : Consolidated

| DIRECT CASH FLOW STATEMENT | NOTE No.  | 03-31-04   | 03-31-0  |
|----------------------------|---|------------|----------|
| 5.41.11.00                 | NET FLOW FROM OP. ACT.                            | 14,861,608 | 14,616,3 |
| 5.41.11.10                 | Collection from sales debtors                     | 49,140,874 | 50,076,0 |
| 5.31.11.20                 | Interests received                                | 2,138,550  | 1,568,5  |
| 5.31.11.30                 | Dividends & other distributions<br>funds received | 1,031,758  | 54,7     |

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|            |   |    |              |           |
|------------|---|----|--------------|-----------|
| 5.31.11.40 | Other income                                | 33 | 424,490      | 388,9     |
| 5.31.11.50 | Payments to suppliers & personnel (-)       |    | (30,828,771) | (31,004,0 |
| 5.31.11.60 | Interest paid (minus)                       |    | (2,101,184)  | (1,929,5  |
| 5.31.11.70 | Income tax paid (minus)                     |    | (969,987)    | (1,006,3  |
| 5.31.11.80 | Other expenses (minus)                      | 33 | (236,122)    | (467,1    |
| 5.31.11.90 | V.A.T. & other taxes (minus)                |    | (3,738,000)  | (3,064,9  |
| 5.41.12.00 | CASH FLOW FINANCING ACTIVITIES              |    | (1,579,657)  | (2,155,7  |
| 5.41.12.05 | Proceeds from share issue                   |    | 0            |           |
| 5.41.12.10 | Loans received                              |    | 0            |           |
| 5.41.12.15 | Obligations with the public                 |    | 0            |           |
| 5.41.12.20 | Secured loans from related companies        |    | 15,537       | 35,6      |
| 5.41.12.25 | Other loans from related companies          |    | 0            |           |
| 5.41.12.30 | Other financing resources                   |    | 0            |           |
| 5.41.12.35 | Dividends paid (minus)                      |    | (947,653)    | (1,346,5  |
| 5.41.12.40 | Capital distributions (minus)               |    | 0            |           |
| 5.41.12.45 | Repayment of loans (minus)                  |    | (632,004)    | (815,8    |
| 5.41.12.50 | Payment of obligations with the public (-)  |    | 0            |           |
| 5.41.12.55 | Repayment of secured loans from rel Co. (-) |    | (15,537)     | (29,1     |
| 5.41.12.60 | Repayment other loans from related Co. (-)  |    | 0            |           |
| 5.41.12.65 | Share issue payment (minus)                 |    | 0            |           |
| 5.41.12.70 | Payment of issue publ oblig (minus)         |    | 0            |           |
| 5.41.12.75 | Other financing payments (minus)            | 33 | 0            |           |
| 5.41.13.00 | CASH FLOW FROM INVESTING ACTIVITIES         |    | (3,783,342)  | (4,190,7  |
| 5.41.13.05 | Sale of fixed assets                        |    | 8,111        | 176,1     |
| 5.41.13.10 | Sale of permanent investments               |    | 0            |           |
| 5.41.13.15 | Sale of other investments                   | 33 | 0            |           |
| 5.41.13.20 | Proceeds secured loans to related Comp.     |    | 0            |           |

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|            |   |    |             |           |
|------------|---|----|-------------|-----------|
| 5.41.13.25 | Proceeds other loans to related companies       |    | 28,448      | 969,2     |
| 5.41.13.30 | Other investment income                         | 33 | 0           | 1,762,1   |
| 5.41.13.35 | Incorporation of fixed assets (minus)           |    | (3,587,573) | (7,064,5  |
| 5.41.13.40 | Capitalized interests payment (minus)           |    | 0           |           |
| 5.41.13.45 | Permanent Investments (minus)                   |    | (240)       |           |
| 5.41.13.50 | Investments in financial instruments (minus)    |    | 0           | (15,29    |
| 5.41.13.55 | Other loans to related companies (minus)        |    | 0           |           |
| 5.41.13.60 | Other loans to related companies (minus)        |    | (1,737)     | (6,6      |
| 5.41.13.65 | Other distrib of funds on invest activities (-) | 33 | (230,351)   | (11,6     |
| 5.41.00.00 | TOTAL NET CASH FLOW FOR THE PERIOD              |    | 9,498,609   | 8,269,8   |
| 5.42.20.00 | EFFECT OF INFLATION ON CASH & CASH EQUIV.       |    | 771,498     | (385,70   |
| 5.41.00.00 | NET CHANGE IN & CASH EQUIVALENT                 |    | 10,270,107  | 7,884,1   |
| 5.42.00.00 | CASH & CASH EQUI AT BEGINNING OF PERIOD         |    | 75.292.336  | 93.762.7  |
| 5.43.00.00 | CASH & CASH EQUIV BALANCE AT END OF PERIOD      |    | 85,562,443  | 101,646,8 |

INCOME STATEMENT RECONCILIATION

CONCILIATION BETWEEN CASH FLOW GENERATED BY THE OPERATION'S ACTIVITIES AND THE INCOME STATEMENT FOR THE YEAR

1.00.01.30 Type of Currency: Thousands of Chilean Pesos  
 1.00.01.40 Type of Balance: Consolidated

| CASH FLOW - INCOME STATEMENT RECONCILIATION |                                       | NOTE No. | 03-31-04  | 03-31-0 |
|---|---------------------------------------|----------|-----------|---------|
| 5.50.10.00                                  | Profit (Loss) for the year            |          | 2,566,553 | 4,321,0 |
| 5.50.20.00                                  | Profit (Loss) in sale of assets       |          | 49,459    | 5,6     |
| 5.50.20.10                                  | (Profit) Loss in sale of fixed assets |          | 49,459    | 5,6     |

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|            |  |    |             |          |
|------------|--|----|-------------|----------|
| 5.50.20.20 | Profit in sale of investments (minus)                          |    | 0           |          |
| 5.50.20.30 | Loss in sale of investments                                    |    | 0           |          |
| 5.50.20.40 | (Profit) Loss in sale of other assets                          |    | 0           |          |
| 5.50.30.00 | Non-cash losses (gains)  |    | 6,343,048   | 6,013,8  |
| 5.50.30.05 | Depreciation for the year                                      | 12 | 3,804,993   | 3,450,6  |
| 5.50.30.10 | Amortization of intangibles                                    |    | 256,812     | 296,8    |
| 5.50.30.15 | Write-offs and provisions                                      |    | 2,200,345   | 1,857,7  |
| 5.50.30.20 | Accrued earnings from investments in related companies (minus) |    | (523,548)   | (549,1   |
| 5.50.30.25 | Accrued losses from investments in related Co.                 |    | 2,234,036   | 1,649,8  |
| 5.50.30.30 | Negative goodwill amortization                                 |    | 159,224     | 162,0    |
| 5.50.30.35 | Positive goodwill amortization (minus)                         |    | 0           |          |
| 5.50.30.40 | Price level restatement  | 29 | (344,519)   | (156,2   |
| 5.50.30.45 | Net exchange difference  | 30 | (1,364,142) | (1,661,9 |
| 5.50.30.50 | Other non-cash credits to results (minus)                      |    | (230,595)   | (8,4     |
| 5.50.30.55 | Other non-cash debits to results                               |    | 150,442     | 972,5    |
| 5.50.40.00 | Changes in Assets affecting cash flow (incr) decreases         |    | (4,935,059) | (9,206,9 |
| 5.50.40.10 | Debtors from sales   |    | 2,491,768   | 1,789,2  |
| 5.50.40.20 | Inventory  |    | (7,249,279) | (9,041,6 |
| 5.50.40.30 | Other assets   |    | (177,548)   | (1,954,5 |
| 5.50.50.00 | Changes in liabilities affecting cash flow increases (decr)    |    | 10,211,422  | 12,941,8 |
| 5.50.50.10 | Accounts payable related to results for the year               |    | 11,239,505  | 13,270,3 |
| 5.50.50.20 | Interests payable  |    | (570,488)   | (336,1   |
| 5.50.50.30 | Income tax payable (net)                                       |    | 99,559      | 572,8    |
| 5.50.50.40 | Other accounts payable related to non-oper results             |    | 535,688     | 16,8     |
| 5.50.50.50 | VAT and other taxes payable (net)                              |    | (1,092,842) | (582,0   |
| 5.50.60.00 | Profit (Loss) of minority interest                             | 26 | 626,185     | 540,9    |
| 5.50.00.00 | NET OPERATING CASH FLOW  |    | 14,861,608  | 14,616,3 |

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### 01. Registration in the Securities Register

#### IDENTIFICATION OF THE COMPANY AND REGISTRATION IN THE SECURITIES REGISTER

The company is registered in the Securities Register under No. 061 and it is supervised by the Securities and Insurance Commission.

The subsidiary S.A. Vina Santa Rita is registered in the Securities Register under number 390 of the S.V.S. (Securities and Insurance Commission).

### 02. Applied Accounting Criteria

#### APPLIED ACCOUNTING CRITERIA

##### a) Accounting Period

These financial statements correspond to the period between January 1 and March 31 of 2004 and 2003.

##### b) Preparation basis of financial statements:

These consolidated financial statements as of March 31, 2004 and 2003 have been prepared on the basis of generally accepted accounting principles and specific norms issued by the S.V.S.; the former prevailing in case of discrepancies.

##### c) Presentation Basis

For comparison purposes, the financial statements and figures included in the disclosures for the 2003 fiscal year are presented at its nominal value since the CPI variation for the period is equal to zero (0%).

##### d) Consolidation Basis

The consolidated financial statements include the balances of the following subsidiaries: Cristalchile Comunicaciones S.A., Cristalchile Inversiones S.A., Ciecsa S.A. consolidated, S.A. Vina Santa Rita consolidated, and Constructora Apoger S.A. consolidated.

The company Ciecsa consolidated includes the balances of its subsidiary Red Televisiva Megavisión S.A. in which it has a 99.99% stake of its net worth and Simetral S.A. which it has a 81.5% stake of its net worth.

S.A. Vina Santa Rita consolidated includes the balances of its subsidiaries Vina Carmen S.A., with a 99.9% stake in its net worth, and Vina Centenaria S.A., with 99.9% stake, Vina Dona Paula S.A. with a 100% stake and Sur Andino S.A., with 100% stake in 2004 and 2003.



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Constructora Apoger S.A. includes the balances of its subsidiary Inmobiliaria Monte Azul S.A., in which it has a 99% stake.

Intercompany balances, transactions, debits, and refunds were eliminated in the consolidation and has being acknowledged the shareholding of the investments minorities shown in the balance as a minority interest.

The subsidiary companies included in the consolidation are presented on an attached chart.

### e) Adjustment for Currency Devaluation (Price Level Restatement)

Consolidated financial statements have been restated considering the variation in the purchasing power of the currency which occurred in the first quarter of 2004, which was -0.5% (0.5% in 2003).

### f) Conversion Basis

Balances in foreign currency and indexed currency units have been converted to pesos at the indicated parities:

|                   | 2004<br>Ch\$ | 2003<br>Ch\$ |
|-------------------|--------------|--------------|
| U.S. Dollar       | 616.41       | 731.56       |
| Pound Sterling    | 1,136.24     | 1,156.25     |
| Swiss Franc       | 486.59       | 540.65       |
| EURO              | 758.38       | 797.34       |
| Unidad de Fomento | 16,820.82    | 16,783.60    |

### g) Marketable Securities and Time Deposits

Transactions in short-term fixed income instruments (PRC) are shown at the return value of the investment, which does not exceed the market value as of March 31, 2004 and 2003.

Investments in stock are shown at the lowest value between the corrected cost and market value.

Time deposits are shown at the value of the investment, plus adjustments and interest accrued as of the date of the fiscal year.

Investments carried out by the parent company in Celulosa Arauco bonds are registered at the par value, without adjusting to the market value because there is the intention of keeping them until their long term due date.

### h) Inventory

Inventory of finished products has been valued as of March 31, 2004 and 2003 at the direct production cost, duly updated, and raw materials and materials at the cost of the last purchase or its corrected cost. Those valuations do not exceed the net liquidation value.

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Inventory of foreign television programs to be exhibited are valued at the purchase cost at the exchange rate in effect at the closing of the fiscal year. Local programs are valued according to the terms of the respective contracts.

Inventory at the closing of each fiscal year represents the value of the films and videos contracted and the proportion of repeats that are pending exhibition. The actual cost of the programs is charged to results as they are shown.

### i) Bad Debts (Non-collectable)

The parent company and subsidiaries have made provision for bad debts that is deducted from debtors for sales and documents receivable. The criterion adopted to estimate them is the age of the balances.

### j) Fixed Assets

The property in fixed assets is shown at the purchase cost plus legal and regulatory revaluations accumulated until March 31, 2004 and 2003.

### k) Depreciation of Fixed Assets

Depreciation of these goods is calculated on updated values, according to the straight-line depreciation system, considering the estimated useful life of the goods.

### l) Assets in Leasing

None.

### m) Sales Transactions with Leaseback

None.

### n) Intangibles

The corrected purchase value of trademarks of the subsidiary Vina Santa Rita, that includes inscription costs is presented as intangibles. The subsidiary CIECSA consolidated includes TV channel 9 frequency, for which the amortization period is 40 years, and the amortization method is that of "Increasing Digits".

### o) Investments in Related Companies

Investments in stocks and rights in related companies have been valued according to the percentage of the holding that corresponds to the Company in the equity of its affiliates and subsidiaries (V.P.P.), according to procedures established for these purposes by circular 368 of the Securities and Insurance Commission. Investments abroad have been valued according to the provisions of Technical Bulletin No. 64 of the Accountants Association.

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### p) Goodwill Amortization

Goodwill amortization resulted from comparing the price paid for the investment with the proportional equity value (VPP) that corresponds to the investment in the company's equity.

Amortizations of these values are carried out in a period of twenty years.

As of March 31, 2004 and 2003 there is no positive goodwill.

### q) Operations with repurchase and resale agreement

Financial instruments acquired with a resale agreement are shown at their purchase value plus interest and adjustments accrued at the closing of the fiscal year, and they are classified in Other Current Assets, in the terms established in Circular No. 768 of the Securities and Insurance Commission.

### r) Obligations with public

Obligations for bonds issued are shown at their face value plus adjustments and interest accrued at the closing of each fiscal year. The negative goodwill obtained compared to par value is amortized proportionally to payment or redemption of the capital installments of those bonds and the expenses for the placement of long-term bonds.

### s) Deferred Taxes and Income Tax

The parent company and its subsidiaries has complied with deferred taxes, in accounting terms, as established in Technical Bulletin No. 60 and 71 of The Accountants Association and the norms indicated in circular 1466 of the S.V.S.

Income tax is recorded in the accounting on the basis of the calculation of net taxable income determined according to norms established in the Income Tax Law.

### t) Severance payment

The parent company has established a reserve for all of the personnel's severance payment, according to the union contracts signed with their workers. This reserve is shown at the present value of the obligation.

### u) Sales

The consolidated companies recognize operating income on an accrued basis according to generally accepted accounting principles in Chile.

### v) Derivative Contracts

The parent company and its subsidiaries Ciecsa S.A. and S.A. Vina Santa Rita maintain Future contracts in foreign currency recorded as established in Technical Bulletin 57 of the Accountants Association of Chile.

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w) Computer Software

The parent company and S.A. Vina Santa Rita develop computer software with their own resources and they also acquire computer packages from third parties. Disbursements due to their own development are charged to results as they are generated. Computer packages are recorded in Fixed Assets and amortized in 36 months by the parent company and in 48 months by the subsidiary S.A. Vina Santa Rita.

x) Research and development expenses

The companies register any expenses for this item directly to results as they generate.

y) Cash flow statement:

According to current regulations of the Securities and Insurance Commission and the Accountants Association of Chile, in preparing the cash flow statement, the Company has considered time deposits and deposits with maturities under 90 days as cash.

Such cash flows related to the Company's line of business, interest paid, interest income received, dividends received, and all such that is not defined as investment or Financing is included under the heading "Flow Originating in Activities of the Operation."

Disbursements originating in time deposits and deposits with maturities over 90 days have been classified in the item "Investments in Financial Instruments."

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CRISTALERIAS DE CHILE S.A.  
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NOTE 2 - ACCOUNTING CRITERIA USED - COMPANIES INCLUDED IN THE CONSOLIDATED REPORT

| R.U.T.       | Company Name                     | Percentage of Shareholding |          |            |         |
|--------------|----------------------------------|----------------------------|----------|------------|---------|
|              |                                  | 03.31.2004                 |          | 03.31.2000 |         |
|              |                                  | Direct                     | Indirect | Total      | Total   |
| 96.721.580-5 | Cristalchile Comunicaciones S.A. | 99.9980                    | 0.0000   | 99.9980    | 99.9980 |
| 96.767.580-6 | Constructora Apoger S.A.         | 80.0000                    | 0.0000   | 80.0000    | 80.0000 |
| 96.608.270-4 | Ciecsa S.A.                      | 98.4458                    | 0.0000   | 98.4458    | 98.2737 |

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|              |                               |         |        |          |          |
|--------------|-------------------------------|---------|--------|----------|----------|
| 86.547.900-K | S.A. Vina Santa Rita          | 54.0970 | 0.0000 | 54.0970  | 54.0970  |
| 96.972.440-5 | Cristalchile Inversiones S.A. | 99.9900 | 0.0100 | 100.0000 | 100.0000 |

03. Accounting Changes

As of March 31, 2004 and 2003, there have not been any changes in the accounting criteria applied that affect the consolidated financial statements.

04. Marketable Securities

As of March 31, 2004, this item includes the following investments:

- a) Investments in bonds and Fixed Fate Instruments are included in the amount of Th Ch\$ 49,706,788 which are equivalent to US\$ 49,982,182 and 24,917,945 euros; which mainly correspond to state bonds and bonds of financial institutions in USA, Germany and Holland, Collateralized Bonds of Private Companies in USA (with accounts receivable guarantee) and USA Mortgage Bonds with state guarantee.
- b) Th Ch\$ 7,941,651 shares in investment funds in U.S dollars.
- c) Th Ch\$ 4,133,177 in shares.

At March 31, 2004, this item is composed by the following investments:

- a) Investments in bonds, Fixed Fate Instruments are included in the amount of Th Ch\$ 55,388,004; which mainly corresponds of Treasury Bills bonds, financial institutions in USA, Germany and Holland, Collateralized Bonds of Private Companies in USA (with receivable accounts guarantee) and USA Mortgage Bonds with state guarantee.
- b) Th Ch\$ 9,301,239 shares in investment funds in U.S dollars.
- c) Th Ch\$ 3,830,015 in shares.

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CRISTALERIAS DE CHILE S.A.  
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NOTE 4 -MARKETABLE SECURITIES- BALANCE COMPOSITION

| Type of Security       | Book Value |            |
|------------------------|------------|------------|
|                        | 03-31-2004 | 03-31-2003 |
| Shares                 | 4,133,777  | 3,830,015  |
| Bonds                  | 49,706,788 | 55,388,004 |
| Shares in mutual funds | 0          | 0          |

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|                             |            |            |
|-----------------------------|------------|------------|
| Shares in investment funds  | 7,941,651  | 9,301,239  |
| Public tender notes         | 0          | 0          |
| Mortgage bonds              | 0          | 0          |
| Total Marketable Securities | 61,782,216 | 68,519,258 |

CRISTALERIAS DE CHILE S.A.

NOTE 4 - MARKETABLE SECURITIES - SHARES

| R.U.T.                           | Company Name                          | Number of Shares | Participation Percentage | Unit Market Value | In |
|----------------------------------|---------------------------------------|------------------|--------------------------|-------------------|----|
| 96.512.200-1                     | Bodegas y Vinedos Santa Emiliana S.A. | 63,642,856       | 9.9980                   | 90                | 5  |
| Value Investment Portfolio       |                                       |                  |                          |                   | 5  |
| Adjustment Provision             |                                       |                  |                          |                   |    |
| Book value, Investment Portfolio |                                       |                  |                          |                   |    |

CRISTALERIAS DE CHILE S.A.

NOTE 4 - MARKETABLE SECURITIES - FIXED RATE INSTRUMENTS

| Type of Security  | Par Value  | Book Value |            |
|---|------------|------------|------------|
|   |            | Amount     | Rate % (3) |
| Financial Institutions bonds (USA, Germany and Holland) | 21,676,997 | 21,676,997 | 0.56       |
| US treasury bonds                                       | 16,721,713 | 16,721,713 | 1.44       |
| Mortgage bonds USA (with state guarantee)               | 6,115,179  | 6,115,179  | 1.44       |

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|                                 |            |            |      |
|---------------------------------|------------|------------|------|
| Call Deposit                    | 5,218,451  | 5,218,451  | 0.56 |
| BBH U.S. Money Market Portfolio | 7,916,099  | 7,916,099  | 0.00 |
| TOTAL                           |            |            | -    |
|                                 | 57,648,439 | 57,648,439 |      |

Note:

- (1) The investments has been made in U.S. Dollar (67.2%) and EUROS (32.8%) these are in custody abroad.
- (2) These investments can be recovered with 48 hrs. previous notice.
- (3) Period from 01-01-2004 to 03-31-2004.

05. Short-Term and Long-Term Debtors

Balances for ST and LT debtors are presented in the annexed chart.

As of March 31, 2004 and 2003, there are balances for short-term debtors in the amount of Th \$36,323,610 (Th \$ 38,204,763 in 2003).

The bad debt reserve of Th \$ 439,117 in 2004 (Th \$ 649,839 in 2003) is shown deducting the balances of Debtors from Sales and Documents receivable.

The balances of Short-term Debtors are shown net of Customer Advance Payments.

Also, there is a balance of Th \$ 206,230 in Long Term Debtors in 2004 (Th \$ 184,616 in 2003).

CRISTALERIAS DE CHILE S.A.

NOTE 5 -SHORT AND LONG TERM DEBTORS

| Item                    | Current Assets<br>Over 90 days |            |              |            | Subtotal   | Total Curre |
|-------------------------|--------------------------------|------------|--------------|------------|------------|-------------|
|                         | Up to 90 days                  |            | up to 1 year |            |            |             |
|                         | 03-31-2004                     | 03-31-2003 | 03-31-2004   | 03-31-2003 |            | 03-31-2004  |
| Debts from Sales        | 30,264,538                     | 31,875,185 | 2,303,822    | 1,644,088  | 32,568,360 | 32,129,243  |
| Estimate of bad debtors | -                              | -          | -            | -          | 439,117    | -           |
| Documents receivable    | 2,572,500                      | 3,958,138  | 123,504      | 73,013     | 2,696,004  | 2,452,089   |
| Estimate of bad debtors | -                              | -          | -            | -          | 243,915    | -           |

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|                         |           |           |        |        |           |              |
|-------------------------|-----------|-----------|--------|--------|-----------|--------------|
| Misc. Debtors           | 1,709,985 | 1,255,253 | 32,293 | 48,925 | 1,742,278 | 1,742,278    |
| Estimate of bad debtors | -         | -         | -      | -      | -         | -            |
|                         |           |           |        |        |           | Total Long T |

06. Balances and Transactions with related entities

Balances receivable in the Short-Term as of March 31, 2004 that total Th Ch\$ 446,450 (Th Ch\$ 341,341 in 2003) correspond mainly to a loan granted by the subsidiary Ciecsa to Editorial Zig Zag for Th Ch\$ 105,098 (Th Ch\$ 161,146 in 2003) including interests, with maturity on 06-30-2004 at an annual interest rate of 1% and advertising sold by Red Televisiva Megavisión S.A. to Metropolis Intercom for Th Ch\$ 76,874 (Th Ch\$ 88,565 in 2003). The balance corresponds to invoicing receivable for Th Ch\$ 369,576 (Th Ch\$ 91,630 in 2003).

Balances payable in the short term totaling Th Ch\$ 265,586 at March 31, 2004 (Th Ch\$ 210,952 in 2003) and mainly corresponds to commercial transactions under 90 days.

In 2004 there is a long-term receivable corresponding to invoices totaling Ch Th\$ 4,257 (Ch Th\$ 1,504 in 2003).

CRISTALERIAS DE CHILE S.A.

NOTE 6 - BALANCE AND TRANSACTIONS WITH RELATED COMPANIES

DOCUMENTS AND ACCOUNTS RECEIVABLE

| R.U.T.       | Company                           | Short Term |            | Long Term  |            |
|--------------|-----------------------------------|------------|------------|------------|------------|
|              |                                   | 03-31-2004 | 03-31-2003 | 03-31-2004 | 03-31-2003 |
| 89.150.900-6 | Vina Los Vascos S.A.              | 169,953    | 78,594     | 0          |            |
| 0-E          | Rayen Cura SAIC                   | 69,860     | 0          | 0          |            |
| 83.032.100-4 | Serv. Y Consultorias Hendaya S.A. | 249        | 253        | 0          |            |
| 90.684.000-6 | Editorial Zig-Zag S.A.            | 105,098    | 161,146    | 0          |            |
| 86.881.400-4 | Envases CMF S.A.                  | 16,047     | 5,085      | 0          |            |
| 90.320.000-6 | Cia. Electro Metalurgica S.A.     | 130        | 108        | 0          |            |



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|              |                              |         |         |       |    |
|--------------|------------------------------|---------|---------|-------|----|
| 96.539.380-3 | Ediciones Financieras S.A.   | 6,654   | 2,751   | 0     |    |
| 79.753.810-8 | Claro y Cia.                 | 129     | 125     | 0     |    |
| 96.787.775-1 | Metropolis Intercom S.A.     | 76,874  | 78,646  | 0     |    |
| 90.160.000-7 | Sudamericana de Vapores S.A. | 1,456   | 591     | 0     |    |
| 96793770-3   | Ediciones Chiloe S.A.        | 0       | 0       | 4,257 | 1, |
| 86963200-7   | Forus S.A.                   | 0       | 14,042  | 0     |    |
|              | Total                        | 446,450 | 341,341 | 4,257 | 1, |

CRISTALERIAS DE CHILE S.A.

NOTE 6 - BALANCES AND TRANSACTIONS WITH RELATED COMPANIES

DOCUMENTS AND ACCOUNTS PAYABLE

| R.U.T.       | Company                              | Short Term |            | Long Term |            |
|--------------|--------------------------------------|------------|------------|-----------|------------|
|              |                                      | 03-31-04   | 03-31-2003 | 03-31-04  | 03-31-2003 |
| 90.320.000-6 | Cia. Electro Metalurgica S.A.        | 3,185      | 11,599     | 0         |            |
| 83.032.100-4 | Serv. Y Consultorias Hendaya S.A.    | 26,386     | 0          | 0         |            |
| 89.150.900-6 | Vina Los Vascos S.A.                 | 13,204     | 1,109      | 0         |            |
| 79.753.810-8 | Claro y Cia.                         | 6,349      | 27,639     | 0         |            |
| 96.539.380-3 | Ediciones Financieras S.A.           | 5,399      | 11,281     | 0         |            |
| 86.881.400-4 | Envases CMF S.A.                     | 175,752    | 134,718    | 0         |            |
| 90.160.000-7 | Cia. Sudamericana de Vapores S.A.    | 21,926     | 12,500     | 0         |            |
| 77.658.870-9 | Marketing Meter Ltda.                | 9,358      | 391        | 0         |            |
| 0-E          | Rayen Cura S.A.I.C.                  | 1,165      | 11,715     | 0         |            |
| 92.048.000-4 | Sudamericana Agencias Maritimas S.A. | 2,862      | 0          | 0         |            |
|              | Total                                | 265,586    | 210,952    | 0         |            |

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CRISTALERIAS DE CHILE S.A. NOTE 6 - BALANCES AND TRANSACTIONS WITH RELATED COMPANIES

TRANSACTIONS

| Company                               | R.U.T.       | Relationship         | Description of Transaction |
|---------------------------------------|--------------|----------------------|----------------------------|
| Serv. Y Consultorias<br>Hendaya S.A.  | 83.032.100-4 | Majority shareholder | Services received          |
|                                       |              | -                    | Dividends paid             |
|                                       |              | -                    | Services supplied          |
|                                       |              | -                    | Products sold              |
| Claro y Cia.                          | 79.753.810-8 | With the Chairman    | Advice received            |
|                                       |              | -                    | Products sold              |
| Quemchi S.A.                          | 96.640.360-8 | Same Parent          | Services rendered          |
| Rayen Cura S.A.I.C.                   | 0-E          | Indirect affiliate   | Direct sales               |
| Navarino S.A.                         | 96.566.900-0 | Same Parent          | Services supplied          |
| Ediciones Financieras S.A.            | 96.793.77-3  | Indirect affiliate   | Products sold              |
|                                       |              | -                    | Services purchased         |
|                                       |              | -                    | Services received          |
| Soc Agric. Cullipeumo Ltda.           | 77489-K      | Indirect             | Raw Material Purchased     |
| Metropolis Intercom S.A.              | 96.787.750-6 | Indirect affiliate   | Product sold               |
|                                       |              |                      | Advertising hired          |
| Envases CMF S.A.                      | 86.881.400-4 | Indirect affiliate   | Materials purchased        |
|                                       |              | -                    | Products sold              |
|                                       |              | -                    | Other sales                |
| Forus S.A.                            | 86.963.200-7 | Affiliate            | Advertising hired          |
| Inversiones Bayona S.A.               | 86.755.600-1 | Majority shareholder | Dividends paid             |
| Vina Los Vascos S.A.                  | 89.150.900-6 | Indirect affiliate   | Direct sales               |
|                                       |              | -                    | Materials purchased        |
| Cia. Sud-Americana<br>de Vapores S.A. | 90.160.000-7 | Same Parent          | Freight services received  |
|                                       |              | -                    | Other sales                |
|                                       |              | -                    | Product sold               |

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Cia. Electro Metalurgica S.A. 90.320.000-6 Majority shareholder Dividends paid

|                                      |              |                    |                           |
|--------------------------------------|--------------|--------------------|---------------------------|
|                                      |              | -                  | Materials purchased       |
|                                      |              | -                  | Other sales               |
| Sudamericana Agencias Maritimas S.A. | 92.048.000-4 | Indirect affiliate | Freight services received |
|                                      |              | -                  | Containers rented         |
| Empresa Editora Zig-Zag              | 90.684.000-6 | Indirect affiliate | Services purchased        |

| TRANSACTIONS<br>Company           | 03-31-2004 |                  | 03-31-2003 |                  |
|-----------------------------------|------------|------------------|------------|------------------|
|                                   | Amount     | Effect on Result | Amount     | Effect on Result |
| Serv. Y Consultorias Hundaya S.A. | 346,258    | -346,258         | 320,898    | -320,898         |
|                                   | 85,190     | 0                | 119,267    | 0                |
|                                   | 4,615      | 4,615            | 5,034      | 5,034            |
|                                   | 67         | 21               | 0          | 0                |
| Claro y Cia.                      | 20,560     | -20,560          | 15,474     | -15,474          |
|                                   | 96         | 30               | 108        | 36               |
| Quemchi S.A.                      | 2,545      | 2,545            | 3,135      | 3,135            |
| Rayen Cura S.A.I.C.               | 32,033     | 9,241            | 37,895     | 0                |
| Navarino S.A.                     | 2,531      | 2,531            | 2,506      | 2,506            |
| Ediciones Financieras S.A.        | 0          | 0                | 2,379      | 788              |
|                                   | 68         | -68              | 64         | -64              |
|                                   | 4,657      | -4,657           | 10,297     | -10,297          |
| Soc Agric. Cullipeumo Ltda.       | 9,728      | 0                | 0          | 0                |
| Metropolis Intercom S.A.          | 0          | 0                | 3,518      | 1,166            |
|                                   | 79,834     | -79,924          | 67,950     | 58,722           |
| Envases CMF S.A.                  | 169,248    | 0                | 115,018    | 0                |
|                                   | 0          | 0                | 92         | 30               |

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|   |         |         |         |         |
|---|---------|---------|---------|---------|
|   | 1,313   | 0       | 146     | 0       |
| Forus S.A.                              | 7,632   | 3,816   | 11,900  | 11,900  |
| Inversiones Bayona S.A.                 | 88,688  | 0       | 124,163 | 0       |
| Vina Los Vascos S.A.                    | 204,434 | 48,994  | 141,924 | 40,130  |
|   | 18,179  | 0       | 7,531   | 0       |
| Cia. Sud-Americana<br>de Vapores S.A.   | 13,458  | -10,684 | 125,723 | -12,223 |
|   | 0       | 0       | 659     | 0       |
|   | 5,879   | 5,523   | 903     | 299     |
| Cia. Electro<br>Metalurgica S.A.        | 326,700 | 0       | 457,380 | 0       |
|   | 2,676   | 0       | 1,800   | 0       |
|   | 812     | 226     | 92      | 0       |
| Sudamericana Agencias<br>Maritimas S.A. | 33,429  | -33,429 | 0       | 0       |
|   | 1,582   | 0       | 0       | 0       |
| Empresa Editora Zig-Zag                 | 107     | -107    | 0       | 0       |

07. Inventory

An itemized list of inventory, valued according to note 2 h), is presented on an attached chart.

CRISTALERIAS DE CHILE S.A.  
NOTE 7 - INVENTORY (Consolidated)

|                              | 2004<br>Th Ch\$ | 2003<br>Th Ch\$ |
|------------------------------|-----------------|-----------------|
| Finished Products            |                 |                 |
| * Cristalerias de Chile S.A. | 3,578,344       | 2,350,612       |
| * S.A. Vina Santa Rita       | 9,081,250       | 7,854,776       |
| Subtotal Finished Products   | 12,659,594      | 10,205,388      |
| Raw Materials and Fuel       |                 |                 |
| * Cristalerias de Chile S.A. | 1,018,554       | 1,611,679       |

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|                                 |            |            |
|---------------------------------|------------|------------|
| * S.A. Vina Santa Rita          | 21,079,905 | 21,876,798 |
| Subtotal Raw Materials and Fuel | 22,098,459 | 23,488,477 |

|                                     |           |           |
|-------------------------------------|-----------|-----------|
| Supply Materials and Parts          |           |           |
| * Cristalerias de Chile S.A.        | 952,789   | 1,049,208 |
| * S.A. Vina Santa Rita              | 1,037,395 | 1,881,918 |
| Subtotal Supply Materials and Parts | 1,990,184 | 2,931,126 |

|                      |         |         |
|----------------------|---------|---------|
| Materials in Transit | 448,866 | 627,189 |
|----------------------|---------|---------|

Red Televisiva Megavision S.A. (CIECSA S.A.)

|   |           |           |
|---|-----------|-----------|
| * Foreign, taped, for broadcast         | 1,232,555 | 3,230,256 |
| * Domestic programming, to be broadcast | 558,230   | 636,964   |

|   |           |           |
|---|-----------|-----------|
| Subtotal Red Televisiva Megavision S.A. | 1,790,785 | 3,867,220 |
|---|-----------|-----------|

|       |            |            |
|-------|------------|------------|
| Total | 38.987.888 | 41.119.400 |
|-------|------------|------------|

08. Deferred taxes and income taxes

A) DEFERRED TAXES.

Accumulated balances of deferred taxes for temporary differences, and their composition in the income tax account for effects of fiscal year results and recognition of deferred taxes, are presented on the attached charts.

Amortization periods of deferred taxes have been estimated on average at 1 year for Short-Term Assets, 4 years for Long-Term Assets, and 14 years for Long-term Liabilities.

B) INCOME TAX

The parent company and its subsidiary S.A. Vina Santa Rita, made tax provisions of 17% of taxable income in 2004 (16.5% in 2003) subject to the First Category and 35% for the Single Income Tax under Art. 21, for the 2004 and 2003 fiscal years.

The other consolidated subsidiaries maintain negative taxable incomes and therefore have not provisioned for this concept.

Credits against taxes are shown deducting the payable obligation.

The itemized list is the following:

|  |         |         |
|--|---------|---------|
|  | 2004    | 2003    |
|  | Th Ch\$ | Th Ch\$ |

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|                                  |             |             |
|----------------------------------|-------------|-------------|
| Fiscal year income tax reserve   | (1,002,751) | (1,115,303) |
| Single tax reserve               | (3,023)     | (2,646)     |
|                                  | -----       | -----       |
| SUB TOTAL                        | (1,005,774) | (1,117,949) |
| Credits:                         |             |             |
| Monthly reserve payments         | 1,029,319   | 967,800     |
| Training expenditures            | 2,255       | 13,191      |
| Fixed Assets credit              | 1,397       | 13,167      |
| Donations                        | 1,113       | 45,940      |
|                                  | -----       | -----       |
| CREDIT SUB TOTAL                 | 1,061,217   | 1,040,098   |
| Income Tax                       | 55,443      | (77,851)    |
| Income Tax to be Recovered       | 0           | 0           |
| Other Taxes to be recovered:     |             |             |
| VAT Fiscal Credit                | 729,854     | 593,618     |
| Income tax credit, previous year | 3,693,603   | 613,563     |
| TOTAL TAXES TO BE RECOVERED      | -----       | -----       |
|                                  | 4,451,767   | 1,129,330   |

C) TAXABLE PROFIT FUND

The parent company registered the following balance of profits to be distributed:

|                                  | 2004 Th Ch\$ | 2003 Th Ch\$ |
|----------------------------------|--------------|--------------|
| Generated as of 12.31.1983:      |              |              |
| Profits adjustment               | 1,909,034    | 1,909,034    |
| Generated since 01.01.1984:      |              |              |
| Without Credit                   | 1,927,678    | 1,072,115    |
| With 10% First Category Credit   | 22,604       | 22,694       |
| With 15% First category Credit   | 85,494,024   | 92,502,240   |
| With 15% Additional rate Credit  | 722          | 722          |
| With 16% First Category Credit   | 14,420,569   | 16,906,651   |
| With 16.5% First Category Credit | 7,535,097    | 0            |
| With 17% First Category Credit   | 4,612,724    | 0            |
|                                  | -----        | -----        |
| SUB-TOTAL TAX PROFITS            | 114,013,418  | 116,454,445  |
| Non-income revenues              | 6,798,030    | 6,825,087    |
|                                  | -----        | -----        |
| TOTAL RETAINED EARNINGS          | 120,811,448  | 128,279,532  |

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CRISTALERIAS DE CHILE S.A.

NOTE 8 - DEFERRED TAXES AND INCOME TAX

| DEFERRED TAXES                      | 03-31-2004 |                    |           |                        |           |
|-------------------------------------|------------|--------------------|-----------|------------------------|-----------|
|                                     | Item       | Asset Deferred Tax |           | Liability Deferred Tax |           |
|                                     |            | Short term         | Long Term | Short Term             | Long Term |
| Temporary Differences               |            |                    |           |                        |           |
| Reserve non-collectable accounts    | 116,115    | 0                  | 0         | 0                      |           |
| Prepaid Income                      | 465,510    | 0                  | 0         | 0                      |           |
| Vacation provision                  | 128,915    | 0                  | 0         | 0                      |           |
| Intangible Amortization             | 0          | 0                  | 0         | 0                      |           |
| Leased assets                       | 0          | 0                  | 0         | 0                      |           |
| Manufacturing expenses              | 0          | 0                  | 0         | 0                      |           |
| Depreciations fixed assets          | 0          | 0                  | 0         | 8,514,349              |           |
| Severance payments                  | 1,510      | 143,689            | 0         | 0                      |           |
| Other events                        | 0          | 0                  | 0         | 0                      |           |
| Packaging reserve                   | 174,115    | 0                  | 0         | 0                      |           |
| Furnace repair provision            | 0          | 646,311            | 0         | 0                      |           |
| Stock obsolescence provision        | 35,900     | 0                  | 0         | 0                      |           |
| Spare parts obsolescence provision  | 100,106    | 0                  | 0         | 0                      |           |
| Lower value sale of bonds           | 91,812     | 0                  | 0         | 0                      |           |
| Non realized profits                | 145,232    | 7,993              | 0         | 0                      |           |
| Other provisions                    | 0          | 0                  | 0         | 0                      |           |
| Direct labor                        | 11,337     | 0                  | 0         | 0                      |           |
| Depreciation accumulated automobile | 0          | 18,596             | 0         | 0                      |           |
| Tax losses                          | 0          | 4,598,484          | 0         | 0                      |           |
| Lower bonds placement               | 0          | 0                  | 53,428    | 749,877                |           |
| Prepaid expenses                    | 0          | 0                  | 51,054    | 0                      |           |
| Banking reserve                     | 0          | 0                  | 0         | 34,869                 |           |
| Fixed assets, molds                 | 0          | 0                  | 0         | 248,990                |           |
| Commercial brands                   | 1,264      | 0                  | 0         | 0                      |           |

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|  |           |           |         |           |
|--|-----------|-----------|---------|-----------|
| Amortization commercial brands                 | 0         | 0         | 0       | 0         |
| Expenses assetted                              | 0         | 0         | 215,807 | 0         |
| Deferred customs duties                        | 116,369   | 20,334    | 0       | 75,915    |
| Valuation provision Machinery repair provision | 6,967     | 0         | 0       | 0         |
| Other expenses provision                       | 95,001    | 0         | 0       | 0         |
| Others   |           |           |         |           |
| Supplementary accounts-net of amort.           | 5,005     | 3,353,293 | 0       | 3,606,040 |
| Valuation provision                            | 0         | 0         | 0       | 0         |
| Total  | 1,485,148 | 2,082,114 | 320,289 | 6,017,960 |

DEFERRED TAXES

03-31-2003

| Item                               | Asset Deferred Tax |           | Liability Deferred Tax |           |
|------------------------------------|--------------------|-----------|------------------------|-----------|
|                                    | Short term         | Long Term | Short Term             | Long Term |
| Temporary Differences              |                    |           |                        |           |
| Reserve non-collectable accounts   | 109,758            | 0         | 0                      | 0         |
| Prepaid Income                     | 430,798            | 0         | 0                      | 0         |
| Vacation provision                 | 116,444            | 0         | 0                      | 0         |
| Intangible Amortization            | 0                  | 0         | 0                      | 0         |
| Leased assets                      | 0                  | 0         | 0                      | 0         |
| Manufacturing expenses             | 0                  | 0         | 0                      | 0         |
| Depreciations fixed assets         | 0                  | 14,781    | 0                      | 8,206,606 |
| Severance payments                 | 2,131              | 148,063   | 0                      | 0         |
| Other events                       | 0                  | 0         | 0                      | 0         |
| Packaging reserve                  | 172,496            | 0         | 0                      | 0         |
| Furnace repair provision           | 193,105            | 354,571   | 0                      | 0         |
| Stock obsolescence provision       | 35,356             | 0         | 0                      | 0         |
| Spare parts obsolescence provision | 97,193             | 0         | 0                      | 0         |
| Lower value sale of bonds          | 0                  | 0         | 0                      | 0         |
| Non realized profits               | 124,257            | 61,912    | 0                      | 0         |
| Other provisions                   | 63,435             | 0         | 14,644                 | 0         |



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|  |           |           |         |           |
|--|-----------|-----------|---------|-----------|
| Direct labor                                   | 21,502    | 0         | 0       | 0         |
| Depreciation accumulated automobile            | 0         | 0         | 0       | 0         |
| Tax losses                                     | 0         | 4,639,753 | 0       | 0         |
| Lower bonds placement                          | 67,740    | 0         | 53,357  | 810,398   |
| Prepaid expenses                               | 0         | 0         | 25,705  | 0         |
| Banking reserve                                | 0         | 0         |         | 0         |
| Fixed assets, molds                            | 0         | 0         | 0       | 0         |
| Commercial brands                              | 33,175    | 0         | 0       |           |
| Amortization commercial brands                 |           | 0         | 0       | 0         |
| Expenses assetted                              |           | 0         | 240,003 | 0         |
| Deferred customs duties                        | 2,305     | 592       | 0       | 83,578    |
| Valuation provision Machinery repair provision | 0         | 0         | 0       | 0         |
| Other expenses provision                       | 0         | 0         | 0       | 0         |
| Others   |           |           |         |           |
| Supplementary accounts-net of amort.           | 198,083   | 3,950,255 | 0       | 3,821,025 |
| Valuation provision                            | 0         | 0         | 0       | 0         |
| Total  | 1,271,582 | 1,269,417 | 333,709 | 5,603,178 |

CRISTALERIAS DE CHILE S.A.

NOTE 8 - DEFERRED TAXES AND INCOME TAX

| INCOME TAX   | 03/31/ |
|--|--------|
|  | Th C   |
| Current tax expense (tax provision)  | -1,0   |
| Adjustment tax expense (previous year)   |        |
| Effects from assets or liabilities, deferred year's tax                                | 3      |
| Tax benefit from tax losses  |        |
| Effect of amortiz. of supplementary accounts for deferred assets and liabilities       | -1     |
| Effect on assets or liabilities from deferred tax from changes in assessment provision |        |
| Other charges or credits to the account  |        |

Total

-8

09. Short and Long-term Leasing Contracts and Assets for Leasing

As of March 31, 2004 balances for this concept are not included.

10. Other current assets

As of March 31, 2004, investments under this item are included in

- A) Financial instruments with resale agreements for Th Ch\$ 18,045,225 valued according to note 2 q),
- B) Deferred expenses for bonds placement for Th Ch\$ 360,720,
- C) Th Ch\$ 15,014 for cash reserve

As of March 31, 2003, there were investments in:

- a) Financial instruments with resale agreements for Th Ch\$ 16,447,554 valued according to note 2 q),
- b) Deferred expenses for bonds placement for Th Ch\$ 362,238,
- c) Th Ch\$ 28,452 for cash reserve and
- d) Balance in favor for Th Ch\$ 86,144 for Future Contracts in foreign currency.

- 11. Information on operations involving purchase agreements, sales agreements, sale with repurchase agreement, and purchase with resale agreement of titles or movable securities

Information about these transactions is presented in attached charts.

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NOTE 11 - INFORMATION ON PURCHASE COMMITMENT, SALE COMMITMENT,  
 SALE WITH REPURCHASE AGREEMENTS AND PURCHASE WITH RESALE AGREEMENTS  
 OPERATIONS OF TITLES AND REAL ESTATE SECURITIES  
 PURCHASE (CV) AND SALE (CV) COMMITMENT OPERATIONS

| Code | Dates      |            | Counterpart                        | Original<br>Currency | Price<br>Set | Rate | Final<br>Value | Inst |
|------|------------|------------|------------------------------------|----------------------|--------------|------|----------------|------|
|      | Start      | End        |                                    |                      |              |      |                |      |
| CRV  | 03.28.2004 | 04.06.2004 | B.C.I. C.B.                        | Pesos                | 1,825,000    | 0.16 | 1,825,584      | BCP  |
| CRV  | 03.22.2004 | 04.02.2004 | Banco de Chile                     | Pesos                | 600,000      | 0.16 | 600,352        |      |
| CRV  | 03.28.2004 | 04.08.2004 | Banco de Chile                     | Pesos                | 950,000      | 0.18 | 950,456        |      |
| CRV  | 03.22.2004 | 04.02.2004 | Banco de Chile                     | Pesos                | 80,000       | 0.16 | 80,047         |      |
| CRV  | 03.28.2004 | 04.08.2004 | Banco de Chile                     | Pesos                | 450,000      | 0.18 | 450,216        |      |
| CRV  | 03.28.2004 | 04.08.2004 | Banco de Chile                     | Pesos                | 80,000       | 0.18 | 80,038         |      |
| CRV  | 03.28.2004 | 04.08.2004 | Banco de Chile                     | Pesos                | 45,000       | 0.18 | 45,022         |      |
| CRV  | 03.28.2004 | 04.02.2004 | Banchile                           | Pesos                | 1,460,000    | 0.18 | 1,460,350      |      |
| CRV  | 02.05.2004 | 04.05.2004 | Banco Santander                    | Pesos                | 280,000      | 0.18 | 281,008        |      |
| CRV  | 02.18.2004 | 04.26.2004 | Banco Santander                    | Pesos                | 280,000      | 0.18 | 281,142        |      |
| CRV  | 02.25.2004 | 04.05.2004 | Banco Santander                    | Pesos                | 250,000      | 0.17 | 250,567        |      |
| CRV  | 02.25.2004 | 04.23.2004 | Banco Santander                    | Pesos                | 250,000      | 0.18 | 250,870        |      |
| CRV  | 02.27.2004 | 07.19.2004 | Banco Santander                    | Pesos                | 200,000      | 0.18 | 201,716        |      |
| CRV  | 03.08.2004 | 05.05.2004 | Banco Santander                    | Pesos                | 280,000      | 0.17 | 280,920        |      |
| CRV  | 03.08.2004 | 05.25.2004 | Banco Santander                    | Pesos                | 200,000      | 0.17 | 200,884        |      |
| CRV  | 03.19.2004 | 04.20.2004 | Banco Santander                    | Pesos                | 250,000      | 0.16 | 250,427        |      |
| CRV  | 03.31.2004 | 04.07.2004 | Banco Santander                    | Dollars              | 2,781,443    | 1.65 | 2,725,913      | PR   |
| CRV  | 03.26.2004 | 04.01.2004 | Santander Investment               | Pesos                | 3,500,000    | 0.11 | 3,500,770      | PD   |
| CRV  | 03.30.2004 | 04.05.2004 | Santander Investment               | Pesos                | 2,120,000    | 0.15 | 2,120,636      | PR   |
| CRV  | 03.18.2004 | 04.08.2004 | Santander Agente de<br>Valores     | Pesos                | 800,000      | 0.18 | 801,008        |      |
| CRV  | 03.05.2004 | 04.02.2004 | BankBoston N.A.                    | Pesos                | 366,945      | 0.14 | 367,424        |      |
| CRV  | 03.28.2004 | 04.07.2004 | Banco Bilbao Vizcaya<br>Argentaria | Dollars              | 604,514      | 1.40 | 598,697        |      |

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|     |            |            |            |         |         |      |         |
|-----|------------|------------|------------|---------|---------|------|---------|
| CRV | 03.31.2004 | 04.07.2004 | Banco BBVA | Dollars | 137,106 | 1.40 | 135,647 |
| CRV | 03.31.2004 | 04.07.2004 | Banco BBVA | Dollars | 259,879 | 1.40 | 257,113 |

12. Fixed Assets

Fixed Assets:

CRISTALERIAS DE CHILE S.A.

The Fixed Assets are revalued according to note 2 j) and the main goods under this item as of March 31, 2004 and 2003 are the ones detailed in the annexed chart.

The items that make up the Company's fixed assets as of March 31, 2004 and 2003 include mainly Land, Industrial Constructions, Infrastructure Works, Machinery, and Equipment distributed between the Padre Hurtado and other minor.

S.A.Vina Santa Rita

The increase in lands corresponds to the operation of exchange conducted between Vina Santa Rita S.A. and Empresa ded Transporte y Excavaciones Ltda. (TRANSEX LTDA.)

TRANSEX LTDA. granted Vina Santa Rita two pieces of land that totalize 27,242.67 m2, and Vina Santa Rita S.A. granted TRANSEX LTDA. a piece of land of 30,983.35 m2, both located in Buin. Both parts agreed the price of exchange for the sum of Ch\$ 269,000.

Technical Reappraisal and Adjustment of Accounting Values

The parent company carried out a technical reappraisal of its fixed assets in 1979. In June 1986 it also adjusted the assets. Both operations were carried out according to the provisions established in Circular Letters No. 1529 and No. 550 respectively of the Securities and Insurance Commission.

The effects of these operations, including write-offs of property, are shown on the attached chart.

Depreciations

The charge against results for this item is Th Ch\$ 3,611,972 in 2004 and Th Ch\$ 3,450,711 in 2003.

The detail is shown on an attached chart.

CRISTALERIAS DE CHILE S.A. AND SUBSIDIARIES

NOTE 12 - FIXED ASSETS

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|                                       | 2004<br>Th Ch\$ | 2003<br>Th Ch\$ |
|---------------------------------------|-----------------|-----------------|
| Land                                  |                 |                 |
| Land and Mining Properties            | 13,267,675      | 12,995,463      |
| Subtotal Lands                        | 13,267,675      | 12,995,463      |
| Buildings and Infrastructure Projects |                 |                 |
| Hi rises and industrial buildings     | 30,351,913      | 29,971,138      |
| Installations                         | 31,459,955      | 30,648,388      |
| Residences                            | 26,081          | 26,083          |
| Subtotal                              | 61,837,949      | 60,645,609      |
| Depreciations                         |                 |                 |
| Accumulated                           | (21,703,441)    | (18,736,333)    |
| Fiscal year                           | (751,977)       | (742,349)       |
| Subtotal Depreciations                | (22,455,418)    | (19,478,682)    |
| Subtotal Constructions and Projects   | 39,382,531      | 41,166,927      |
| Machinery and Equipment               |                 |                 |
| Machinery                             | 94,429,339      | 83,977,342      |
| Furnaces                              | 46,032,554      | 35,912,456      |
| Furniture and Furnishings             | 2,632,148       | 2,454,254       |
| Tools                                 | 685,673         | 624,165         |
| Rolling Stock                         | 904,504         | 825,224         |
| Subtotal                              | 144,684,218     | 123,793,441     |
| Depreciations                         |                 |                 |
| Accumulated                           | (73,429,332)    | (62,792,548)    |
| Fiscal year                           | (3,001,256)     | (2,656,474)     |
| Subtotal Depreciations                | (76,430,588)    | (65,449,022)    |
| Subtotal Machinery and Equipment      | 68,253,630      | 58,344,419      |
| Other Fixed Assets                    |                 |                 |
| Spare parts                           | 5,608,473       | 5,394,574       |
| Imports in transit                    | 155,403         | 785,913         |

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|                                     |              |              |
|-------------------------------------|--------------|--------------|
| Work in progress                    | 3,387,817    | 8,205,218    |
| Lots in Pirque and Leyda            | 447,233      | 472,652      |
| Deferred Customs Duties             | 162,282      | 383,750      |
| Packages and Bundling               | 302,092      | 234,545      |
| Other                               | 2,104,856    | 1,978,851    |
| Subtotal Other Fixed Assets         | 12,168,156   | 17,455,503   |
| Subtotal Fixed Assets               | 231,957,998  | 214,890,016  |
| Subtotal Accumulated Depreciation   | (95,132,773) | (81,528,881) |
| Subtotal Depreciation of the Period | (3,753,233)  | (3,398,823)  |
| Net Total                           | 133,071,992  | 129,962,312  |

TECHNICAL REVALUATION AND ADJUSTMENT TO ACCOUNTING VALUES

|   | 2004<br>Th Ch\$ | 2003<br>Th Ch\$ |
|---|-----------------|-----------------|
| Land                                    |                 |                 |
| Land                                    | 311,360         | 311,374         |
| Subtotal net land and mining properties | 311,360         | 311,374         |
| Buildings and Infrastructure Projects   |                 |                 |
| High rises and industrial buildings     | 6,221,315       | 6,221,626       |
| Installations                           | 41,118          | 41,120          |
| Subtotal Buildings                      | 6,262,433       | 2,262,746       |
| Depreciation:                           |                 |                 |
| Accumulated                             | (5,035,336)     | (4,828,036)     |
| Fiscal year                             | (51,885)        | (51,889)        |
| Subtotal depreciation                   | (5,087,221)     | (4,879,925)     |
| Subtotal Net Buildings                  | 1,175,212       | 1,382,821       |
| Machinery and Equipment                 |                 |                 |
| Furnaces                                | 0               | 526,694         |
| Machinery                               | 0               | 574,817         |

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|                                    |             |             |
|------------------------------------|-------------|-------------|
| Subtotal Machinery and Equipment   | 0           | 1,101,511   |
| -----                              | -----       | -----       |
| Depreciation Accumulated           | 0           | (1,101,511) |
| -----                              | -----       | -----       |
| Subtotal depreciation              | 0           | (1,101,511) |
| -----                              | -----       | -----       |
| Subtotal Machinery and Equipment   | 0           | 0           |
| -----                              | -----       | -----       |
| Subtotal Net Technical Revaluation | 1,486,572   | 1,694,195   |
| -----                              | -----       | -----       |
| TOTAL REVALUED ASSETS              | 6,573,793   | 7,675,631   |
| -----                              | -----       | -----       |
| TOTAL ACCUMULATED DEPRECIATION     | (5,035,336) | (5,929,547) |
| -----                              | -----       | -----       |
| TOTAL DEPRECIATION OF THE PERIOD   | (51,885)    | (51,889)    |
| -----                              | -----       | -----       |
| NET TOTAL                          | 1,486,572   | 1,694,195   |
| -----                              | -----       | -----       |

13. Sales transactions with leaseback

These type of transactions were not carried out as of March 31, 2004 and 2003.

14. Investments in related companies

Investments outstanding as of March 31, 2004 and 2003 are detailed as follows:

METROPOLIS INTERCOM S.A.

On April 30, 2003 the shareholders of Metropolis -Intercom S.A. decided to increase the capital of the company by means of the issue of 3,923,834 shares with a price of Ch\$ 1,256.67 each, which represented Th Ch\$ 4,931,000. This increase was subscribed 50% by Cristalchile Comunicaciones S.A., and 50% by Liberty Comunicaciones de Chile Uno Ltda.

The payment of this subscription was made by de subsidiary Cristalchile Comunicaciones S.A. on September 29, 2003, paying 1,961,917 shares for a value of Th Ch\$ 2,462,794.

With this purchase the subsidiary participates indirectly in a 47.795% and directly in 2.205% of the equity of Metropolis -Intercom S.A.

CIECSA S.A.

On August 26, 2003 the shareholders of CIECSA S.A. agreed to increase the capital of the company by means of the issue of 36,400,000 shares, equivalent to Th Ch\$ 9,10,000, which were totally subscribed and paid by Cristalerias de Chile S.A.

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This capital increase allowed CIECSA S.A. to complete financing to pay to the balance of Th US\$ 2,100 that was owed to Televisa S.A., from the purchase of 7,885,472 shares of Megavision S.A. made in August, 2002.

### MEGAVISION S.A.

On August 27, 2002, CIECSA purchased from Televisa S.A. the amount of 7,885,472 shares of Megavision, corresponding to the totality of Televisa S.A.'s participation in Megavision.

The price of the shares of Televisa S.A. in Megavision was US\$ 4,200,000, equivalent to US\$ 0.532625 per share. The companies agreed that the price would be paid as follows: US\$ 2,100,000 in cash, on August 27, 2002 and the balance to be paid on August 27, 2003.

On the other hand CIECSA S.A. sold to the related company Servicios y Consultorias Hundaya S.A. 3,600 shares of Megavision S.A. at a price of US\$ 0.532625 per share.

As a result of these transactions, the participation of CIECSA in the equity of Megavision reached 99.99%.

### EDICIONES CHILOE S.A.

On September 27, 2003, the shareholders of Ediciones Chiloe agreed to increase capital by Th Ch\$ 684,308 through the issue of 1,500,395 shares, which were subscribed both by CIECSA S.A. and Recoletos Chile Ltda.

From the mentioned capital increase there are 135,030 shares outstanding payment, for which the payment due date is September 2004.

### INVESTMENTS ABROAD

#### RAYEN CURA S.A.I.C.

On January 31, April 25 and June 30 of 2003 Rayen Cura S.A.I.C. carried out repayment of capital paid on April 29, 2002. Amounts reimbursed totaled Th US\$ 2,600.

As of March 31, 2004 the financial statements of Rayen Cura S.A.I.C. recognize an exchange rate of \$ 2.84 Argentine pesos per US dollar. CristalChile Inversiones S.A in turn adjusted the financial statements of Rayen Cura S.A.I.C. in order to acknowledge the devaluation from \$2.91 (exchange rate as of December 31, 2003) and \$2.84 Argentine pesos per US dollar as of March 31, 2004.

For the effect of results of this affiliate and the conversion of financial statements of Rayen Cura S.A.I.C. according to the Chilean normative, CristalChile Inversiones S.A. has acknowledged an income of Th Ch\$ 237,283 as of March 31, 2004 and Th Ch\$ 167,109 as of March 31, 2003.

On the other hand, the variations in the exchange rate of the dollar in Chile during 2004 originated adjustments in the investment in Rayen Cura S.A.I.C. for goodwill from the purchase of shares of such subsidiary, a credit of Th



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Ch\$ 697,051 in 2004 (credit of Th Ch\$ 278,770 in March 2003).

As stipulated in Technical Bulletin No. 64 of the Accountants Association of Chile, following is the information related to investments abroad is presented:

|   | 2004<br>Th\$ | 2003<br>Th\$ |
|---|--------------|--------------|
| CristalChile Inversiones's share of Rayen Cura S.A.I.C. | 12,628,259   | 14,694,495   |
| Negative goodwill (net of amortization)                 | 4,305,901    | 5,439,971    |
|   | -----        | -----        |
| TOTAL   | 16,934,160   | 20,134,466   |
|   | =====        | =====        |
| Loss from devaluation                                   | (2,004,292)  | (1,955,840)  |
| Accrued Income (loss)                                   | 237,283      | (167,109)    |

The investment in Rayen Cura S.A.I.C. is controlled in dollars of the United States of America.

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CRISTALERIAS DE CHILE S.A.  
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NOTE 14 - INVESTMENTS IN RELATED COMPANIES  
BREAKDOWN OF INVESTMENTS

| R.U.T.       | COMPANY                           | Investment              |                     |                     | Sharehol<br>(Percenta |
|--------------|-----------------------------------|-------------------------|---------------------|---------------------|-----------------------|
|              |                                   | Country<br>of<br>Origin | Control<br>Currency | Number of<br>Shares |                       |
|              |                                   |                         |                     |                     | 03-31-2004    03      |
| 78.619.410-5 | Cordillera Comunicaciones Holding | Chile                   | Peso                | 0                   | 50.00000              |
| 78.619.370-2 | Cordillera Comunicaciones Ltda.   | Chile                   | Peso                | 0                   | 0.25000               |
| 89.150.900-6 | Vina Los Vascos S.A.              | Chile                   | Peso                | 60,000,000          | 43.00000              |
| 90.684.000-6 | Editorial Zig-Zag S.A.            | Chile                   | Peso                | 114,596,213         | 49.89000              |
| 96.793.770-3 | Ediciones Chiloe S.A.             | Chile                   | Peso                | 1,570,146           | 50.00000              |
| 96.826.870-8 | Inmobiliaria Don Alberto S.A.     | Chile                   | Peso                | 3,817               | 38.17000              |
| 86.881.400-4 | Envases CMF S.A.                  | Chile                   | Peso                | 28,000              | 50.00000              |
| 0-E          | Rayen Cura S.A.I.C                | Argentina               | Dollar              | 1,376,000           | 40.00000              |

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|               |                          |       |      |            |          |
|---------------|--------------------------|-------|------|------------|----------|
| 96.806.690.-0 | Proser S.A.              | Chile | Peso | 0          | 0.50000  |
| 96.787.750-6  | Metropolis Intercom S.A. | Chile | Peso | 88,970,214 | 2.20514  |
| 96,939,140-6  | Simetral S.A.            | Chile | Peso | 1,188,006  | 81.50000 |
|               | TOTAL                    |       |      |            |          |

CRISTALERIAS DE CHILE S.A.

NOTE 14 - INVESTMENTS IN RELATED COMPANIES  
BREAKDOWN OF INVESTMENTS

| R.U.T.        | COMPANY                           | Company Equity |             | Net Income |            |
|---------------|-----------------------------------|----------------|-------------|------------|------------|
|               |                                   | 03-31-2004     | 03-31-2003  | 03-31-2004 | 03-31-2003 |
| 78.619.410-5  | Cordillera Comunicaciones Holding | 127,447,675    | 141,897,532 | -4,115,681 | -2,992,322 |
| 78.619.370-2  | Cordillera Comunicaciones Ltda.   | 128,118,266    | 142,701,308 | -4,136,363 | -3,007,359 |
| 89.150.900-6  | Vina Los Vascos S.A.              | 13,529,814     | 12,073,526  | 115,782    | 253,477    |
| 90.684.000-6  | Editorial Zig-Zag S.A.            | 926,272        | 711,576     | 100,711    | -61,764    |
| 96.793.770-3  | Ediciones Chiloe S.A.             | 1,278,550      | 1,390,352   | -155,329   | -230,614   |
| 96.826.870-8  | Inmobiliaria Don Alberto S.A.     | -118           | 35          | 0          | 0          |
| 86.881.400-4  | Envases CMF S.A.                  | 32,865,650     | 32,696,734  | 372,423    | 546,135    |
| 0-E           | Rayen Cura S.A.I.C                | 31,570,646     | 36,736,238  | 593,207    | 417,772    |
| 96.806.690.-0 | Proser S.A.                       | -12,200        | 0           | -61        | 0          |
| 96.787.750-6  | Metropolis Intercom S.A.          | 72,669,634     | 0           | -3,269,310 | 0          |
| 96,939,140-6  | Simetral S.A.                     | 0              | 0           | 0          | 0          |
|               | TOTAL                             |                |             |            |            |

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CRISTALERIAS DE CHILE S.A.

NOTE 14 - INVESTMENTS IN RELATED COMPANIES  
BREAKDOWN OF INVESTMENTS

| R.U.T.        | COMPANY                           | VPP         |             | Income not Realized |            |
|---------------|-----------------------------------|-------------|-------------|---------------------|------------|
|               |                                   | 03-31-2004  | 03-31-2003  | 03-31-2004          | 03-31-2003 |
| 78.619.410-5  | Cordillera Comunicaciones Holding | 63,738,838  | 70,993,766  | 0                   | 0          |
| 78.619.370-2  | Cordillera Comunicaciones Ltda.   | 320,295     | 356,753     | 0                   | 0          |
| 89.150.900-6  | Vina Los Vascos S.A.              | 5,817,820   | 5,191,616   | 0                   | 0          |
| 90.684.000-6  | Editorial Zig-Zag S.A.            | 462,336     | 355,040     | 0                   | 0          |
| 96.793.770-3  | Ediciones Chiloe S.A.             | 639,275     | 695,176     | 165,313             | 205,441    |
| 96.826.870-8  | Inmobiliaria Don Alberto S.A.     | -45         | 13          | 0                   | 0          |
| 86.881.400-4  | Envases CMF S.A.                  | 15,969,037  | 16,348,367  | 0                   | 0          |
| 0-E           | Rayen Cura S.A.I.C                | 12,628,259  | 14,694,495  | 0                   | 0          |
| 96.806.690.-0 | Proser S.A.                       | -60         | 0           | 0                   | 0          |
| 96.787.750-6  | Metropolis Intercom S.A.          | 1,602,467   | 0           | 0                   | 0          |
| 96,939,140-6  | Simetral S.A.                     | 0           | 0           | 0                   | 0          |
|               | TOTAL                             | 101,178,222 | 108,635,226 | 165,313             | 205,441    |

15. Investments in other companies

Investments in other companies that totaled Th Ch\$ 804,671 in March 31, 2004 (Th Ch\$ 821,513 in 2003) are shown on attached charts.

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CRISTALERIAS DE CHILE S.A.

NOTE 15 - INVESTMENTS IN OTHER CORPORATIONS

| R.U.T.       | Company Name          | Number of<br>Shares | Shareholding<br>(Percentage) | Book Value |     |
|--------------|-----------------------|---------------------|------------------------------|------------|-----|
|              |                       |                     |                              | 03-31-2004 | 03- |
| 96.895.100-9 | Internet Holding S.A. | 57,104              | 7.4200                       | 204,171    |     |
| 0-E          | Bazuca.com Inc.       | 266,500             | 7.8900                       | 600,500    |     |

16. Goodwill Amortization

NEGATIVE GOODWILL

Stock purchases made in different periods of S.A. Vina Santa Rita, Vina Los Vascos S.A., Ciecsa S.A., Ediciones Financieras S.A. and Rayen Cura S.A.I.C. have produced negative goodwill whose net balance to be amortized as of March 31, 2004 totaled Th Ch 8,956,092 (Th Ch\$ 9,682,180 in 2003).

POSITIVE GOODWILL

As of March 31, 2004 and 2003 the parent company and the subsidiaries do not show any balance for this item.

More information is available on attached charts.

CRISTALERIAS DE CHILE S.A.

NOTE 16 - GOODWILL ON INVESTMENTS

NEGATIVE GOODWILL

| R.U.T.       | Company Name         | 03-31-2004                     |                     |                              |
|--------------|----------------------|--------------------------------|---------------------|------------------------------|
|              |                      | Amount Amortiz.<br>this period | Goodwill<br>Balance | Amount Amorti<br>this period |
| 0-E          | Rayen Cura S.A.      | 69,450                         | 4,305,901           | 82,424                       |
| 86.547.900-K | S.A. Vina Santa Rita | 12,482                         | 543,761             | 12,482                       |

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|              |                                |         |           |         |
|--------------|--------------------------------|---------|-----------|---------|
| 96.608.270-4 | Ciecsa S.A.                    | 30,157  | 1,296,762 | 30,159  |
| 89.150.900-6 | Vina Los Vascos S.A.           | 23,268  | 1,139,810 | 22,181  |
| 90.684.000-6 | Editorial Zig-Zag S.A.         | 1,580   | 100,310   | 1,580   |
| 79.952.350-7 | Red Televisiva Megavision S.A. | 13,249  | 864,612   | 13,250  |
| 96.787.750-6 | Metropolis Intercom S.A.       | 9,038   | 704,936   | 0       |
|              | TOTAL                          | 159,224 | 8,956,092 | 162,076 |

17. Intangibles

The following values are included in this item:

|   | Th Ch\$<br>2004     | Th Ch\$<br>2003     |
|---|---------------------|---------------------|
| Concession of Channel 9<br>frequency and regional network | 10,129,357          | 10,129,861          |
| Trademarks  | 1,628,171           | 1,593,224           |
| TOTAL INTANGIBLES   | 11,757,528<br>===== | 11,723,085<br>===== |

ACCUMULATED AMORTIZATIONS

|                          |                      |                      |
|--------------------------|----------------------|----------------------|
| From Channel 9 Frequency | (1,003,671)          | (862,391)            |
| From Trademarks          | (254,512)            | (185,151)            |
| TOTAL AMORTIZATIONS      | (1,258,183)<br>===== | (1,047,542)<br>===== |

18. Others (Assets)

As of March 2004 and 2003 its composition is the following:

|  | 2004<br>Th Ch\$ | 2003<br>Th Ch\$ |
|--|-----------------|-----------------|
| Celulosa Arauco bonds (*)              | 9,068,445       | 10,754,702      |
| Price differential bond acquisition(*) | 46,601          | 170,716         |
| Negative goodwill Bond Sale (Net)      | 2,219,922       | 2,414,627       |
| Expenses of bond sales                 | 1,008,015       | 1,174,189       |
| Cash Reserve                           | 0               | 16,597          |

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|   |            |            |
|---|------------|------------|
| Foreign programs to be exhibited over a year from the present | 629,035    | 1,351,598  |
| Long-Term Tax VAT Vina Dona Paula                             | 567,415    | 355,419    |
| Share of Las Araucarias Golf Club                             | 2,495      | 2,495      |
| Other   | 25,860     | 95,116     |
|   | -----      | -----      |
| Total   | 13,567,788 | 16,335,459 |
|   | =====      | =====      |

(\*) Investment in Celulosa Arauco bonds equivalent to US\$ 13,420,000 at an annual rate of 6.95% and maturity on September 15, 2005, Th Ch\$ 46,601 for Price differential paid in the acquisition of Celulosa Arauco bonds will be amortized in the same term of the due date.

Considering that there is the intention of maintaining the Celulosa Arauco and Constitucion S.A. bonds until their due date on September 15, 2005, the valuation and registration of the bonds fulfills the provisions in Circular Letter No. 368 of the S.V.S., as Long-term Fixed Rate Instruments.

19. Short-term obligations with banks and financial institutions

A detailed list of operations is shown on the attached chart.

CRISTALERIAS DE CHILE S.A.

NOTE 19- OBLIGATIONS WITH BANKS AND FINANCIAL INSTITUTIONS, SHORT TERM

| R.U.T.                        | Bank or Financial Institution | Type of Currency and Readjustm |            |            |            |            |            |
|-------------------------------|-------------------------------|--------------------------------|------------|------------|------------|------------|------------|
|                               |                               | Dollars                        |            | Euros      |            | Yen        |            |
|                               |                               | 03-31-2004                     | 03-31-2003 | 03-31-2004 | 03-31-2003 | 03-31-2004 | 03-31-2003 |
| Short term (code: 5.21.10.10) |                               |                                |            |            |            |            |            |
| 0-E                           | Banco Regional de Cuyo        | 0                              | 0          | 0          | 0          | 0          | 0          |
| 97.036.000-K                  | Banco Santander Santiago      | 0                              | 0          | 0          | 0          | 0          | 0          |
|                               | Other                         | 0                              | 0          | 0          | 0          | 0          | 0          |
|                               | TOTAL                         | 0                              | 0          | 0          | 0          | 0          | 0          |
|                               | Amount capital due            | 0                              | 0          | 0          | 0          | 0          | 0          |

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|   |                                     |           |           |      |      |
|---|-------------------------------------|-----------|-----------|------|------|
| Annual average interest rate              | 0.00                                | 0.00      | 0.00      | 0.00 | 0.00 |
| Long Term - Short Term (code: 5.21.10.20) |                                     |           |           |      |      |
| 0-E                                       | JP Morgan Chase Bank                | 129,318   | 445,743   | 0    | 0    |
| 97.036.000-K                              | Banco Santander Santiago            | 0         | 0         | 0    | 0    |
| 97.008.000-7                              | Citibank NA                         | 1,691,314 | 2,020,655 | 0    | 0    |
| 0-E                                       | Banco Dresner                       | 0         | 0         | 0    | 0    |
| 0-E                                       | Banco Argentaria                    | 225,241   | 267,739   | 0    | 0    |
| 97.018.000-1                              | Scotiabank                          | 0         | 0         | 0    | 0    |
| 97.006.000-6                              | Banco Credito e Inversiones         | 0         | 0         | 0    | 0    |
| 97.004.000-4                              | Banco de Chile                      | 0         | 0         | 0    | 0    |
| 97.030.000-5                              | Banco Estado                        | 0         | 0         | 0    | 0    |
|   | Other                               | 0         | 0         | 0    | 0    |
|   | TOTAL                               | 2,045,873 | 2,734,137 | 0    | 0    |
|   | Amount capital due                  | 1,905,492 | 2,261,452 | 0    | 0    |
|   | Average annual interest rate        | 1.72      | 2.01      | 0.00 | 0.00 |
|   | Percentage oblig. foreign curr. (%) |           | 51.0000   |      |      |
|   | Percentage oblig. foreign curr. (%) |           | 49.0000   |      |      |

| R.U.T.                                    | Bank or Financial Institution | Type of Currency and Readjustment Index |            | Non adjustable \$ |            |
|---|-------------------------------|---|------------|-------------------|------------|
|   |                               | U.F.                                    |            |                   |            |
|   |                               | 03-31-2004                              | 03-31-2003 | 03-31-2004        | 03-31-2003 |
| Short term (code: 5.21.10.10)             |                               |   |            |                   |            |
| 0-E                                       | Banco Regional de Cuyo        | 0                                       | 0          | 0                 | 0          |
| 97.036.000-K                              | Banco Santander Santiago      | 0                                       | 0          | 0                 | 0          |
|   | Other                         | 0                                       | 0          | 0                 | 0          |
|   | TOTAL                         | 0                                       | 0          | 0                 | 0          |
|   | Amount capital due            | 0                                       | 0          | 0                 | 0          |
|   | Annual average interest rate  | 0.00                                    | 0.00       | 0.00              | 0.00       |
| Long Term - Short Term (code: 5.21.10.20) |                               |   |            |                   |            |
| 0-E                                       | JP Morgan Chase Bank          | 0                                       | 0          | 0                 | 0          |
| 97.036.000-K                              | Banco Santander Santiago      | 475,428                                 | 476,661    | 0                 | 0          |
| 97.008.000-7                              | Citibank NA                   | 0                                       | 0          | 0                 | 0          |
| 0-E                                       | Banco Dresner                 | 0                                       | 0          | 0                 | 0          |
| 0-E                                       | Banco Argentaria              | 0                                       | 0          | 0                 | 0          |
| 97.018.000-1                              | Scotiabank                    | 441,121                                 | 421,201    | 0                 | 0          |
| 97.006.000-6                              | Banco Credito e Inversiones   | 168,738                                 | 168,462    | 0                 | 0          |
| 97.004.000-4                              | Banco de Chile                | 616,738                                 | 307,485    | 0                 | 0          |
| 97.030.000-5                              | Banco Estado                  | 0                                       | 0          | 268,877           | 268,804    |
|   | Other                         | 0                                       | 0          | 0                 | 0          |
|   | TOTAL                         | 1,702,025                               | 1,373,809  | 268,877           | 268,804    |
|   | Amount capital due            | 1,634,018                               | 1,310,821  | 264,447           | 264,374    |
|   | Average annual interest rate  | 5.78                                    | 3.79       | 4.94              | 4.94       |

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20. Other Current Liabilities

As of March 31, 2004 and 2003 there are balances of Th Ch\$ 2,128,273 and Th Ch\$ 1,112,135 respectively, corresponding to differentials in favor of financial institutions for future contracts in foreign currency subscribed by the parent company and the subsidiaries S.A. Vina Santa Rita and Ciecsa S.A. (see note 34).

21. Long-term obligations with banks and financial institutions

The obligations with banks and financial institutions are presented on the charts attached.

CRISTALERIAS DE CHILE S.A.

NOTE 21: LONG-TERM OBLIGATIONS WITH BANKS AND FINANCIAL INSTITUTIONS

| R.U.T.       | Institution<br>-----<br>Bank or<br>Financial<br>Institution<br>----- | Currency<br>adjustment<br>index<br>----- | Years of Maturity      |                        |                        |
|--------------|--|--|------------------------|------------------------|------------------------|
|              |  |  | More than 1<br>up to 2 | More than 2<br>up to 3 | More than 3<br>up to 5 |
|              |  |  | Thou Ch\$              | Thou Ch\$              | Thou Ch\$              |
| 0-E          | Banco Regional de Cuyo   | Other<br>currency                        | 10,140                 | 28,493                 | 10,000                 |
| 97.030.000-7 | Banco Estado   | Non-<br>adjustment                       | 273,379                | 264,375                | 0                      |
| 97.036.000-K | Banco Santander Santiago   | UF                                       | 455,283                | 455,283                | 227,643                |
| 97.018.000-1 | Banco Scotiabank   | UF                                       | 403,665                | 403,665                | 403,665                |
| 0-E          | J.P. Morgan Chase Bank   | Dollars                                  | 0                      | 15,410,250             | 15,410,250             |
| 90.008.000-K | Citibank N.A.  | Dollars                                  | 0                      | 0                      | 0                      |
|              |  | Dollars                                  | 0                      | 0                      | 0                      |
| 97.006.000-6 | Banco Credito e<br>Inversiones                                       | UF                                       | 168,208                | 0                      | 0                      |
| 97.004.000-5 | Banco de Chile   | UF                                       | 0                      | 0                      | 0                      |
| 0-E          | Banco Argentaria   | Dollars                                  | 0                      | 0                      | 0                      |
|              | Total  |  | 1,310,675              | 16,562,066             | 16,051,558             |



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Percentage of obligations in foreign currency 91.0000%  
 Percentage of obligations in local currency 9.0000%

| R.U.T.       | Institution                    | Years of Maturity               |        | Closing da<br>Current pe  |            |
|--------------|--------------------------------|---------------------------------|--------|---|------------|
|              |                                | More than 10 years              |        |   |            |
|              |                                | Currency<br>adjustment<br>index | Amount |   | Period     |
|              |                                |                                 |        | Total Long-<br>Term at<br>closing<br>of Financial<br>Statements |            |
|              |                                |                                 |        | Thou Ch\$   |            |
| 0-E          | Banco Regional de Cuyo         | Other<br>currency               | 0      | 0   | 48,633     |
| 97.030.000-7 | Banco Estado                   | Non-<br>adjustment              | 0      | 0   | 537,754    |
| 97.036.000-K | Banco Santander Santiago       | UF                              | 0      | 0   | 1,138,209  |
| 97.018.000-1 | Banco Scotiabank               | UF                              | 0      | 0   | 1,210,995  |
| 0-E          | J.P. Morgan Chase Bank         | Dollars                         | 0      | 0   | 30,820,500 |
| 90.008.000-K | Citibank N.A.                  | Dollars                         | 0      | 0   | 0          |
| 97.006.000-6 | Banco Credito e<br>Inversiones | UF                              | 0      | 0   | 168,208    |
| 97.004.000-5 | Banco de Chile                 | UF                              | 0      | 0   | 0          |
| 0-E          | Banco Argentaria               | Dollars                         | 0      | 0   | 0          |
|              | Total                          |                                 | 0      |   | 33,924,299 |

22. Short-term and long-term obligations with the public  
 (promissory notes and bonds)

The balance for the short-term as of March 31, 2004 was Th Ch\$ 1,123,089, Th Ch\$ 1,323,579 in 2003, corresponding to accrued interests for bonds issued by the Parent Company. In addition there is a balance of Th Ch\$ 214,367 for principal amortization of bonds series A of the subsidiary S.A. Vina Santa Rita.

As of March 31, 2004, there are long-term obligations with the public for Th Ch\$ 89,150,346 (Th Ch\$ 88,953,080 in 2003), of which Th Ch\$ 68,965,362 (Th Ch\$ 68,812,760 in 2003) correspond to bonds issued in UF's by the parent company of series C1, C2, D1, D2 and Th Ch\$ 20,184,984 (Th Ch\$ 20,140,320 in 2003) correspond to bond of series C and D issued by the subsidiary S.A. Vina Santa Rita.

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This liability is shown in detail in the appendix.

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NOTE 22: SHORT-TERM AND LONG-TERM OBLIGATIONS WITH PUBLIC  
(PROMISSORY NOTES AND BONDS)  
BONDS

| REGISTRATION OR IDENTIFICATION No. OF INSTRUMENT | SERIES       | CURRENT DEPOSIT FACE VALUE | INDEXING UNIT OF BOND | INTEREST RATE | FINAL MATURITY | INSTALLMENTS     |              |
|--|--------------|----------------------------|-----------------------|---------------|----------------|------------------|--------------|
|  |              |                            |                       |               |                | INTEREST PAYMENT | AMORTIZ PAYM |
| LONG-TERM BONDS-<br>CURRENT PORTION              |              |                            |                       |               |                |                  |              |
| 296-09.07.02                                     | C1 Interests | 0                          | UF                    | 4.75          | 07-15-2004     | SEMI-ANNUAL      | SEMI-A       |
| 296-09.07.02                                     | C2 Interests | 0                          | UF                    | 4.75          | 07-15-2004     | SEMI-ANNUAL      | SEMI-A       |
| 296-09.07.02                                     | D1 Interests | 0                          | UF                    | 5.80          | 07-15-2004     | SEMI-ANNUAL      | SEMI-A       |
| 296-09.07.02                                     | D2 Interests | 0                          | UF                    | 5.80          | 07-15-2004     | SEMI-ANNUAL      | SEMI-A       |
| 144-12.07.91                                     | A            | 0                          | UF                    | 6.70          | 06-01-2004     | SEMI-ANNUAL      | SEMI-A       |
| 241-15.12.00                                     | C1 Interests | 0                          | UF                    | 6.25          | 06-01-2004     | SEMI-ANNUAL      | SEMI-A       |
| 241-15.12.00                                     | D1 Interests | 0                          | UF                    | 6.25          | 06-01-2004     | SEMI-ANNUAL      | SEMI-A       |
| 241-15.12.00                                     | D2 Interests | 0                          | UF                    | 6.25          | 06-01-2004     | SEMI-ANNUAL      | SEMI-A       |
| TOTAL CURRENT PORTION                            |              |                            |                       |               |                |                  |              |
| LONG-TERM BONDS                                  |              |                            |                       |               |                |                  |              |
| 296-09.07.02                                     | C1           | 1,500,000                  | UF                    | 4.75          | 07-15-2008     | SEMI-ANNUAL      | SEMI-A       |
| 296-09.07.02                                     | C2           | 500,000                    | UF                    | 4.75          | 07-15-2008     | SEMI-ANNUAL      | SEMI-A       |
| 296-09.07.02                                     | D1           | 1,900,000                  | UF                    | 5.80          | 07-15-2023     | SEMI-ANNUAL      | SEMI-A       |
| 296-09.07.02                                     | D2           | 200,000                    | UF                    | 5.80          | 07-15-2023     | SEMI-ANNUAL      | SEMI-A       |
| 241-15.12.00                                     | C1           | 200,000                    | UF                    | 6.25          | 12-15-2005     | SEMI-ANNUAL      | SEMI-A       |
| 241-15.12.00                                     | D1           | 100,000                    | UF                    | 6.25          | 12-15-2021     | SEMI-ANNUAL      | SEMI-A       |
| 241-15.12.00                                     | D2           | 900,000                    | UF                    | 6.25          | 12-15-2021     | SEMI-ANNUAL      | SEMI-A       |
| 144-12/07/91                                     | A            | 0                          | UF                    | 6.70          | 06-01-2003     | SEMI-ANNUAL      | SEMI-A       |
| LONG-TERM TOTAL                                  |              |                            |                       |               |                |                  |              |

| REGISTRATION OR IDENTIFICATION No. OF INSTRUMENT | SERIES | PAR VALUE  |            | ISSUE IN CHILE OR ABROAD |
|--|--------|------------|------------|--------------------------|
|  |        | 03-31-2004 | 03-31-2003 |                          |
| LONG-TERM BONDS-<br>CURRENT PORTION              |        |            |            |                          |

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|                       |              |            |            |       |
|-----------------------|--------------|------------|------------|-------|
| 296-09.07.02          | C1 Interests | 250,078    | 246,241    | LOCAL |
| 296-09.07.02          | C2 Interests | 83,359     | 82,080     | LOCAL |
| 296-09.07.02          | D1 Interests | 385,812    | 379,893    | LOCAL |
| 296-09.07.02          | D2 Interests | 40,612     | 39,989     | LOCAL |
| 144-12.07.91          | A            | 0          | 214,367    | LOCAL |
| 241-15.12.00          | C1 Interests | 60,538     | 60,168     | LOCAL |
| 241-15.12.00          | D1 Interests | 30,269     | 30,084     | LOCAL |
| 241-15.12.00          | D2 Interests | 272,421    | 270,757    | LOCAL |
| TOTAL CURRENT PORTION |              | 1,123,089  | 1,323,579  |       |
| LONG-TERM BONDS       |              |            |            |       |
| 296-09.07.02          | C1           | 25,231,230 | 25,175,400 | LOCAL |
| 296-09.07.02          | C2           | 8,410,410  | 8,391,800  | LOCAL |
| 296-09.07.02          | D1           | 31,959,558 | 31,888,840 | LOCAL |
| 296-09.07.02          | D2           | 3,364,164  | 3,356,720  | LOCAL |
| 241-15.12.00          | C1           | 3,364,164  | 3,356,720  | LOCAL |
| 241-15.12.00          | D1           | 1,682,082  | 1,678,360  | LOCAL |
| 241-15.12.00          | D2           | 15,138,738 | 15,105,240 | LOCAL |
| 144-12/07/91          | A            | 0          | 0          | LOCAL |
| LONG-TERM TOTAL       |              | 89,150,346 | 88,953,080 |       |

### 23. Provisions and Write-Offs

#### Provisions

The Company has short-term provisions of Th Ch\$ 11,649,530 as of March 31, 2004, and Th Ch\$ 9,657,719 in 2003.

Long-term provisions of Th Ch\$ 6,001,842 and Th Ch\$ 6,063,280 are recorded for the years 2004 and 2003 respectively.

In the attached chart a detail for provisioned amounts is shown.

#### Bad Debt Provisions:

The parent company and the subsidiaries S.A. Vina Santa Rita and Ciecsa S.A. have established a bad debt provision of Th Ch\$ 683,032 and Th Ch\$ 649,839 as of March 31, 2004 and 2003, respectively.

This provision is deducted from the balance of Debtors from Sales and Documents Receivable.

#### Vacation Provision:

The parent company and its subsidiaries have established provisions for the total cost of vacations pending as of March 31, 2004 and 2003, as established in Technical Bulletin No. 47 of the Accountants Association of Chile.

The net balance for this item is Th Ch\$ 755,921 as of March 31, 2004 (Th Ch\$ 694,013 in 2003).

#### Provision for Furnace Reconstruction:

This reserve is established throughout the useful life of the refractants of

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each smelting furnace so their repair will not distort the result of the fiscal year when the repairs are made.

The Company has established a reserve in the amount of Th Ch\$ 3,801,830 and Th Ch\$ 3,268,385 as of March 31, 2004 and 2003, respectively.

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NOTE 23: PROVISIONS AND WRITE-OFFS

| CONSOLIDATED                    |                   |                  |
|---------------------------------|-------------------|------------------|
|                                 | 03-31-2004        | 03-31-2003       |
|                                 | Thou Ch\$         | Thou Ch\$        |
| Short Term                      |                   |                  |
| Commissions and Fees            | 2,991,204         | 2,500,931        |
| Furnace reconstruction          | 1,935,527         | 1,170,334        |
| Share of Board of Directors     | 464,570           | 1,086,638        |
| Legal holidays                  | 755,921           | 694,013          |
| Local and foreign suppliers     | 758,044           | 728,114          |
| Packing return to clients       | 965,535           | 1,024,731        |
| Spareparts reserve              | 438,189           | 463,350          |
| Insurance Policies              | 0                 | 464,977          |
| Advertising and marketing       | 861,653           | 154,275          |
| Copyright                       | 38,334            | 29,895           |
| Severance Legal                 | 182,055           | 171,373          |
| Severance payments              | 0                 | 133,484          |
| Reserve (loss) exported product | 84,362            | 109,734          |
| Grape harvest expenses          | 1,108,087         | 370,398          |
| Reserve indirect cost           | 257,556           | 334,781          |
| Other reserves                  | 898,493           | 220,691          |
| <b>TOTAL</b>                    | <b>11,649,530</b> | <b>9,657,719</b> |
| Long Term                       |                   |                  |
| Severance payment               | 4,135,539         | 3,965,229        |
| Furnace reconstruction          | 1,866,303         | 2,098,051        |
| <b>TOTAL</b>                    | <b>6,001,842</b>  | <b>6,063,280</b> |

### 24. Severance Payment

The provision for severance payments to personnel is included at its current value, as expressed in note 2 t).

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As of March 31, 2004 it amounts to Th Ch\$ 4,317,594 (Th Ch\$ 4,136,602 in 2003).

As of March 31, 2004, the parent company has paid severance payments of Th Ch\$ 70,729 (Th Ch\$ 802 in 2003) chargeable against the provision.

### 25. Other long-term liabilities

As of March 31, 2004 and 2003 there are no balances for this item.

### 26. Minority interest

The subsidiaries that generate minority interests as of March 31, 2004 and 2003 are shown on the attached chart.

CRISTALERIAS DE CHILE S.A.

NOTE 26: MINORITY INTEREST

| SUBSIDIARY COMPANY               | NET WORTH         |                   | RESULTS           |                   |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                  | Thou Ch\$<br>2004 | Thou Ch\$<br>2003 | Thou Ch\$<br>2004 | Thou Ch\$<br>2003 |
| S.A.Vina Santa Rita              | 37,814,344        | 37,208,571        | (634,973)         | (553,704)         |
| CIECSA Consolidated              | 303,108           | 257,393           | 8,721             | 12,698            |
| Apoger S.A. and subsidiaries     | 910               | 1,172             | 27                | 60                |
| Cristalchile Comunicaciones S.A. | 1,216             | 1,412             | 40                | 30                |
| TOTAL                            | 38,119,578        | 37,468,548        | (626,185)         | (540,915)         |

### 27. Changes in Equity

#### a. Activity in 2004 and 2003

The activity of the capital and reserve accounts in the fiscal years ended in March 31, 2004 and 2003, are shown in the attached charts.

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b. Other Reserves

The detail of this item is as follows:

|   | 2004      |      | 2003       |      |
|---|-----------|------|------------|------|
|   | Th        | Ch\$ | Th         | Ch\$ |
| Future capital increases  | 4,671,348 |      | 4,464,029  |      |
| Reserve for adjustment of value of fixed assets                           | 1,486,571 |      | 1,694,196  |      |
| Adjustment for conversion difference in investment in Rayen Cura S.A.I.C. | 1,143,830 |      | 4,099,356  |      |
| Difference VPP Sodex  | (217,163) |      | (217,173)  |      |
|   | -----     |      | -----      |      |
| TOTAL OTHER RESERVES  | 7,084,586 |      | 10,040,408 |      |
|   | =====     |      | =====      |      |

CRISTALERIAS DE CHILE S.A.  
NOTE 27: CHANGES IN NET WORTH

| ITEM   | Paid-in Capital | Reserve capital revaluation | Premium in sale of shares |
|--|-----------------|-----------------------------|---------------------------|
| Balances as of 03/31/2004                    |                 |                             |                           |
| -----  | -----           | -----                       | -----                     |
| Initial balance                              | 65,396,749      | 0                           | 27,874,377                |
| Distribution result previous fiscal year     | 0               | 0                           | 0                         |
| Final dividend previous fiscal year          | 0               | 0                           | 0                         |
| Capital increases with cash stock issue      | 0               | 0                           | 0                         |
| Reserves and/or Profits Capitalization       | 0               | 0                           | 0                         |
| Development period Accumulated deficit       | 0               | 0                           | 0                         |
| Accumulated conversion difference adjustment | 0               | 0                           | 0                         |
| Owner's equity Revaluation                   | 0               | -326,984                    | -139,372                  |
| Fiscal Year Result                           | 0               | 0                           | 0                         |
| Provisional Dividends                        | 0               | 0                           | 0                         |
| Final balances as of 03/31/2004              | 65,396,749      | -326,984                    | 27,735,005                |
| Initial balance as of 03/31/2003             | 64,749,257      | 0                           | 27,598,393                |
| Distribution result previous fiscal year     | 0               | 0                           | 0                         |
| Final dividend previous fiscal year          | 0               | 0                           | 0                         |
| Capital increases with cash stock issue      | 0               | 0                           | 0                         |
| Reserves and/or profit Capitalization        | 0               | 0                           | 0                         |
| Development period accumulated deficit       | 0               | 0                           | 0                         |
| Accumulated conversion difference adjustment | 0               | 0                           | 0                         |
| Owner's equity revaluation                   | 0               | 323,746                     | 137,992                   |
| Fiscal Year Result                           | 0               | 0                           | 0                         |
| Provisional Dividends                        | 0               | 0                           | 0                         |
| Final balances                               | 64,749,257      | 323,746                     | 27,736,385                |

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Updated Final Balances as of 03/31/2003 64,749,257 323,746 27,736,385

| ITEM<br>Balances as of 03/31/2004            | Accumulated<br>Results | Provisional<br>Dividends | Devel.<br>Period Deficit |
|--|------------------------|--------------------------|--------------------------|
| Initial balance                              | 0                      | 0                        | 0                        |
| Distribution result previous fiscal year     | 6,426,520              | 0                        | 0                        |
| Final dividend previous fiscal year          | -958,080               | 0                        | 0                        |
| Capital increases with cash stock issue      | 0                      | 0                        | 0                        |
| Reserves and/or Profits Capitalization       | 0                      | 0                        | 0                        |
| Development period Accumulated deficit       | 0                      | 0                        | 0                        |
| Accumulated conversion difference adjustment | 0                      | 0                        | 0                        |
| Owner's equity Revaluation                   | -27,342                | 0                        | 0                        |
| Fiscal Year Result                           | 0                      | 0                        | 0                        |
| Provisional Dividends                        | 0                      | 0                        | 0                        |
| Final balances as of 03/31/2004              | 5,441,098              | 0                        | 0                        |
| Initial balance as of 03/31/2003             | 0                      | 0                        | 0                        |
| Distribution result previous fiscal year     | 17,660,662             | 0                        | 0                        |
| Final dividend previous fiscal year          | -3,303,936             | 0                        | 0                        |
| Capital increases with cash stock issue      | 0                      | 0                        | 0                        |
| Reserves and/or profit Capitalization        | 0                      | 0                        | 0                        |
| Development period accumulated deficit       | 0                      | 0                        | 0                        |
| Accumulated conversion difference adjustment | 0                      | 0                        | 0                        |
| Owner's equity revaluation                   | 71,784                 | 0                        | 0                        |
| Fiscal Year Result                           | 0                      | 0                        | 0                        |
| Provisional Dividends                        | 0                      | 0                        | 0                        |
| Final balances                               | 14,428,510             | 0                        | 0                        |
| Updated Final Balances as of 03/31/2003      | 14,428,510             | 0                        | 0                        |

CRISTALERIAS DE CHILE S.A.

NOTE 27: CHANGES IN NETWORTH - NUMBER OF SHARES

| SERIES | No.<br>SHARES<br>SUBSCRIBED | No.<br>SHARES<br>PAID | No.<br>SHARES<br>WITH VOTING<br>RIGHT |
|--------|-----------------------------|-----------------------|---------------------------------------|
| SINGLE | 64,000,000                  | 64,000,000            | 64,000,000                            |

CRISTALERIAS DE CHILE S.A.

NOTE 27: CHANGES IN NETWORTH - CAPITAL (AMOUNT - TH CH\$)

| SERIES | SUBSCRIBED<br>CAPITAL | PAID-IN<br>CAPITAL |
|--------|-----------------------|--------------------|
| -----  | -----                 | -----              |

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SINGLE

65,396,749

65,396,749

28. Other Non-Operating Income and Disbursements

As of March 31, 2004 and 2003 the non-operating income totals Th Ch\$ 419,032 and Th Ch\$ 137,520 respectively.

Non-operating Expenditures were Th Ch\$ 501,109 in 2004 and Th Ch\$ 536,153 in 2003.

More detail is shown on the attached chart.

CRISTALERIAS DE CHILE S.A.

NOTE 28: OTHER NON-OPERATING INCOME AND EXPENSES

|                                      | 2004           | 2003           |
|--------------------------------------|----------------|----------------|
|                                      | -----          | -----          |
|                                      | Th Ch\$        | Th Ch\$        |
| INCOME                               |                |                |
| Offices and establishments rental    | 52,757         | 43,860         |
| Tax exemptions                       | 45,130         | 4,139          |
| Benefit Fontec proyect               | 0              | 5,443          |
| Amortization of non-realized profits | 18,218         | 18,732         |
| Sale of fixed assets                 | 0              | 4,041          |
| Exchange of lands                    | 230,883        | 0              |
| Agriculture division                 | 0              | 20,846         |
| Sale of materials                    | 4,591          | 4,753          |
| Miscellaneous Income                 | 67,453         | 35,706         |
| <b>TOTAL NON-OPERATING INCOME</b>    | <b>419,032</b> | <b>137,520</b> |
| EXPENSES                             |                |                |
| Charges drama series and others      | 0              | 32,376         |
| Frequency and internet amortization  | 40,147         | 37,060         |
| Professional advice                  | 189,112        | 194,021        |
| Share of Board of Directors          | 27,652         | 23,388         |
| Contracts and eventualities          | 0              | 45,527         |
| Loss in sales of fixed assets        | 49,479         | 2,373          |
| Honorary audits                      | 1,615          | 0              |
| Amortization Fontec proyect          | 0              | 30,727         |
| Trademarks amortization              | 13,850         | 13,074         |
| Insurance                            | 12,541         | 10,691         |
| Personnel Contracts Finished         | 25,665         | 21,311         |
| Other expenses                       | 141,048        | 125,605        |
| <b>TOTAL NON-OPERATING EXPENSES</b>  | <b>501,109</b> | <b>536,153</b> |

29. Adjustment for Price Level Restatements



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As a result of the application of the adjustment for price level restatements as described in Note 2 e), there was a net credit to results in the 2004 fiscal year in the amount of Th Ch\$ 344,520 and of Th Ch\$ 156,293 in 2003.

Additional information organized by item on the Balance Sheet is shown on the attached chart.

Cristalerias de Chile S.A.

### NOTE 29: ADJUSTMENT FOR PRICE LEVEL RESTATEMENTS

| ASSETS (DEBITS)/CREDITS                                    | ADJUSTABILITY<br>INDEX | 03-31-2004     | 03-31-2003     |
|--|------------------------|----------------|----------------|
| -----  | -----                  | -----          | -----          |
| INVENTORY  | CPI                    | -100,070       | 87,714         |
| FIXED ASSETS   | CPI                    | -676,034       | 668,346        |
| INVESTMENTS IN RELATED COMPANIES                           | CPI                    | -614,868       | 1,288,877      |
| MARKETABLE SECURITIES                                      | CPI                    | -20,773        | 18,997         |
| SHORT-TERM DEBTORS   | CPI                    | -16,398        | -22,518        |
| SHORT-TERM DEBTORS   | UF                     | 867            | 809            |
| LONG-TERM DEBTORS  | UF                     | -983           | 725            |
| ACCOUNTS RECEIVABLE RELATED COMPANIES                      | UF                     | -121,857       | 51,766         |
| OTHER NON-MONETARY ASSETS                                  | CPI                    | -3,855         | 233,538        |
| EXPENSE AND COST ACCOUNTS                                  | CPI                    | -292,687       | 238,627        |
| <br>TOTAL (DEBITS)/CREDITS                                 |                        | <br>-1,846,658 | <br>2,566,881  |
| <br>LIABILITIES (DEBITS)/CREDITS                           |                        |                |                |
| NET WORTH  | CPI                    | 1,141,608      | -1,990,017     |
| ACCOUNTS PAYABLE RELATED COMPANIES                         | UF                     | 33             | -5             |
| BANK LOANS   | UF                     | 10,263         | -3,965         |
| SHORT-TERM RESERVES  | CPI                    | -364           | -11,709        |
| LONG-TERM BANK LOANS                                       | UF                     | 15,065         | -10,307        |
| LONG-TERM RESERVES   | CPI                    | -3,554         | -20,061        |
| LONG-TERM CREDITORS  | CPI                    | 196            | -109           |
| OBLIGATIONS WITH THE PUBLIC                                | UF                     | 525,654        | -209,738       |
| MINORITY INTEREST  | CPI                    | 172,819        | -428           |
| NON-MONETARY LIABILITIES                                   | UF                     | 932            | -21,092        |
| NON-MONETARY LIABILITIES                                   | CPI                    | 18,996         | 1,954          |
| INCOME ACCOUNTS  | CPI                    | 309,530        | -145,111       |
| <br>TOTAL (DEBITS)/CREDITS                                 |                        | <br>2,191,178  | <br>-2,410,588 |
| <br>(LOSS) PROFIT FROM ADJUSTMENT FOR CURRENCY DEVALUATION |                        | <br>344,520    | <br>156,293    |

### 30. Rate of Exchange Differential

There is a net credit to results in the 2004 fiscal year of Th Ch\$ 1,364,143

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and of Th Ch\$ 1,661,984 in 2003 because of a rate of exchange differential.

According to circular No. 1560 of the SVS, the net effect of adjustments of assets and liabilities adjustable in foreign currency minus local inflation effect, is presented under this item.

More information is shown on the attached chart.

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### NOTE 30: EXCHANGE DIFFERENCES

| ITEM  | CURRENCY   | AMOUNT            |                   |
|---|------------|-------------------|-------------------|
|   |            | 03-31-2004        | 03-31-2003        |
| CURRENT ASSETS  | DOLLARS    | 414,721           | 150,763           |
| CURRENT ASSETS  | OTHER CUR. | 6,342             | -35,202           |
| LONG-TERM ASSETS                                      | DOLLARS    | 23,073            | 0                 |
| CLIENTS   | DOLLARS    | 73,170            | 234,582           |
| CLIENTS   | OTHER CUR  | 258,623           | 35,503            |
| TIME DEPOSITS   | DOLLARS    | 43,797            | -102,492          |
| INVENTORY   | DOLLARS    | 45,249            | 150,432           |
| BOND INVESTMENT                                       | DOLLARS    | 305,398           | 231,941           |
| FUTURE CONTRACT EFFECT                                | DOLLARS    | -9,609            | 1,304,942         |
| OTHER ASSETS  | DOLLARS    | 104,637           | 2,196             |
| OTHER ASSETS  | OTHER CUR  | -10,343           | 4,190             |
| INFLATIONARY EFFECT                                   | DOLLARS    | 135,607           | -170,436          |
| MARKETABLE SECURITIES                                 | DOLLARS    | 1,118,588         | 974,083           |
| MARKETABLE SECURITIES                                 | EUROS      | 334,861           | 0                 |
| <b>TOTAL (CHARGES) CREDITS</b>                        |            | <b>2,884,114</b>  | <b>2,780,502</b>  |
| SHORT-TERM BANK CREDITS                               | DOLLARS    | -739              | 0                 |
| ACCOUNT PAYABLE                                       | DOLLARS    | -30,939           | 0                 |
| DOCUMENTS PAYABLE                                     | DOLLARS    | -91,103           | -61,673           |
| DOCUMENTS PAYABLE                                     | OTHER CUR. | -8,571            | -15,647           |
| MISCELLANEOUS CREDITORS SHORT TERM                    | DOLLARS    | -25,108           | -40,833           |
| SHORT TERM RESERVES                                   | DOLLARS    | -3,449            | -58,122           |
| LONG-TERM BANK CREDITS                                | DOLLARS    | -1,130,500        | -647,500          |
| LONG TERM RESERVES                                    | DOLLARS    | -136,718          | -28,590           |
| OTHER LONG-TERM LIABILITIES                           | DOLLARS    | 36,686            | -205,311          |
| OTHER LONG-TERM LIABILITIES                           | OTHER CUR. | -84,109           | -29,330           |
| LONG-TERM CREDITORS                                   | DOLLARS    | -5,421            | -31,512           |
| <b>TOTAL (CHARGES) CREDITS</b>                        |            | <b>-1,479,971</b> | <b>-1,118,518</b> |
| <b>(LOSS) PROFIT FROM RATE OF EXCHANGE DIFFERENCE</b> |            | <b>1,364,143</b>  | <b>1,661,984</b>  |

### 31. Extraordinary Items

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As of March 31, 2004 and 2003 there are no transactions in this item.

### 32. Expenses for the issue and placement of stocks and debt instruments

The parent company and the subsidiary S.A. Vina Santa Rita carried out bond placements in August 2002 and March 2001 respectively, incurring in placement expenses that as of March 31, 2004 totaled Th Ch\$ 3,588,657 (Th Ch\$ 3,951,054 in 2003).

The charge against results for the amortization of these expenses is Th Ch\$ 114,044 (Th Ch\$ 90,829 in 2003) during the 2004 fiscal year. It is done according to the maturity of each series.

Detail is as follows:

| DETAILS                               | 2004           |                  | 2003           |                  |
|---------------------------------------|----------------|------------------|----------------|------------------|
|                                       | Th Ch\$        |                  | Th Ch\$        |                  |
|                                       | Short-Term     | Long-Term        | Short-Term     | Long-Term        |
| Difference in placement rate          | 196,663        | 2,219,923        | 196,228        | 2,414,628        |
| Stamps tax                            | 153,559        | 1,008,014        | 154,967        | 1,163,147        |
| Bonds placement Commission and others | 10,498         | 0                | 11,042         | 11,042           |
| <b>Total</b>                          | <b>360,720</b> | <b>3,227,937</b> | <b>362,237</b> | <b>3,588,817</b> |

### 33. Cash Flow Statement

#### CASH FLOW STATEMENT

The values included in MISCELLANEOUS on the Cash Flow Statement are detailed in the attached appendix.

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#### CASH FLOW STATEMENT

1. The following is the detail of the item: OTHERS:

2004

2003

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|  | -----   | -----     |
|--|---------|-----------|
|  | Th Ch\$ | Th Ch\$   |
| 541.11.40 Other Income Received          |         |           |
| VAT exports recovery                     | 161,063 | 114,352   |
| Discount customs duties payment          | 7,376   | 0         |
| Perceived Readjustments                  | 128,298 | 0         |
| Income Tax refund                        | 0       | 133,416   |
| Rentals                                  | 14,058  | 12,779    |
| Tax exemption                            | 45,130  | 4,139     |
| Other income                             | 68,565  | 124,311   |
| Total                                    | 424,490 | 388,997   |
| <br>                                     |         |           |
| 541.11.80 Other expenses paid            |         |           |
| Exchange difference                      | 26,047  | 168,532   |
| Donations                                | 26,794  | 7,770     |
| Municipal Patents                        | 378     | 0         |
| Finished personnel contracts             | 25,665  | 21,311    |
| Advisory services                        | 38,312  | 34,470    |
| Board participation                      | 27,652  | 23,388    |
| Other expenses                           | 91,274  | 211,683   |
| Total                                    | 236,122 | 467,154   |
| <br>                                     |         |           |
| 541.13.30 Other income from investments  |         |           |
| Maturity of future contracts             | 0       | 1,762,160 |
| Total                                    | 0       | 1,762,160 |
| <br>                                     |         |           |
| 541.13.65 Other investment disbursements |         |           |
| Purchase of shares                       | 0       | 11,680    |
| Total                                    | 0       | 11,680    |

Following are financing and investment activities that did not generate cash flow during the fiscal year, but that commit future parent company cash flows:

| ITEM                       | Amount Th Ch\$ | Due Date          |
|----------------------------|----------------|-------------------|
| -----                      | -----          | -----             |
| Dividend 157               | (1,612,800)    | April-2004        |
| Amounts payable investment | (113,317)      | 2nd Semester 2004 |
| <br>                       |                |                   |
| Total                      | (1,726,117)    |                   |

34. Derivative Contracts

FUTURE CONTRACTS IN FOREIGN CURRENCY

The parent company and its subsidiary S.A. Vina Santa Rita have signed future purchases contracts in foreign currency of Th US\$ 42,600 and sales of Th Ch\$ 39,600 in 2004 (Th US\$ 131,200 in 2003) subject to the regulations of

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Chapter VII of the Compendium of International Exchange Regulations of the Central Bank of Chile and Chapter 13-2 of the compilation of Regulations of Banks and Financial Institutions.

Additional information is presented on the attached chart listed in the order of each quarterly expiration period.

The Contracts maintained by the companies as of March 31, 2004 and 2003 have been taken to shelter from the variations of the exchange rate of the American dollar (contracts of existing and expected transactions) as well as investment.

Forward contracts are taken in order to hedge existing parties are related, according to administration, with hedging dollar obligations maintained by the Company. As stated in technical Bulletin No. 57 of the Chilean Accountants Association, results generated by these contracts are recognized in results as long as they recognize the effects of parties subject to hedging.

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### NOTE 34: DERIVATIVE CONTRACTS

| TYPE OF DERIVATIVE | TYPE OF CONTRACT | VALUE OF CONTRACT | MATURITY OR EXPIRATION DATE | SPECIFIC ITEM | PURCHASE/SALE POSITION | DESCRIPTION OF CONTRACTS      |           |
|--------------------|------------------|-------------------|-----------------------------|---------------|------------------------|-------------------------------|-----------|
|                    |                  |                   |                             |               |                        | PROTECTED ITEM OR TRANSACTION | AMOUNT    |
| FR                 | CI               | 23,177,016        | THIRD 2004                  | EXCH RATE     | P                      | INVESTMENT                    | -         |
| FR                 | CI               | 21,327,786        | THIRD 2004                  | EXCH RATE     | S                      | INVESTMENT                    | -         |
| FR                 | CCPE             | 2,769,040         | THIRD 2004                  | EXCH RATE     | P                      | DOLLAR LOAN                   | 2,769,040 |
| FR                 | CI               | 692,260           | THIRD 2004                  | EXCH RATE     | P                      | INVESTMENT                    | -         |
| FR                 | CI               | 621,570           | THIRD 2004                  | EXCH RATE     | S                      | INVESTMENT                    | -         |
| FR                 | CI               | 633,250           | THIRD 2004                  | EXCH RATE     | S                      | INVESTMENT                    | -         |

  

| TYPE OF DERIVATIVE | TYPE OF CONTRACT | VALUE OF CONTRACT | VALUE OF PROTECTED ITEM | ACCOUNTS AFFECTED  |        |                  |              |
|--------------------|------------------|-------------------|-------------------------|--------------------|--------|------------------|--------------|
|                    |                  |                   |                         | ASSETS/LIABILITIES |        | EFFECT ON RESULT |              |
|                    |                  |                   |                         | NAME               | AMOUNT | REALIZED         | NOT REALIZED |
|                    |                  |                   |                         |                    |        |                  |              |

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|    |      |            |           |             |           |            |   |
|----|------|------------|-----------|-------------|-----------|------------|---|
| FR | CI   | 23,177,016 | -         | LIABILITIES | 2,729,917 | -2,729,917 | - |
| FR | CI   | 21,327,786 | -         | ASSETS      | 964,133   | 964,133    | - |
| FR | CCPE | 2,769,040  | 2,465,640 | LIABILITIES | 312,601   | -4,006     | - |
| FR | CI   | 692,260    | -         | LIABILITIES | 78,150    | 21,608     | - |
| FR | CI   | 621,570    | -         | ASSETS      | 11,046    | -18,613    | - |
| FR | CI   | 633,250    | -         | ASSETS      | 17,216    | -19,445    | - |

35. Contingencies and Restrictions

CONTINGENCIES AND COMMITMENTS

As of March 31, 2004, there is a guarantee delivered in the amount of Th Ch\$ 7,885 (Th Ch\$ 7,868 in 2003), according to the detail in the attached chart.

LAWSUITS OR OTHER LEGAL ACTIONS THE COMPANY IS INVOLVED IN

As of March 31, 2004 and 2003 there are no lawsuits and other legal actions pending.

RESTRICTIONS

I. SYNDICATED LOAN

In relation to the syndicated loan subscribed with JP Morgan Chase Bank and other 8 creditor banks for US\$ 50 million, there are certain financial obligations mentioned as follows:

a) TOTAL CONSOLIDATED DEBT TO CAPITALIZATION RATIO

Cristalerias de Chile S.A will not allow the Total Consolidated Debt to Capitalization Ratio exceed the 0.45 to 1.0 ratio at any time.

Capitalization is defined as the sum of Net Worth plus Minority Interest plus total consolidated debt.

b) TOTAL CONSOLIDATED DEBT TO EBITDA RATIO

Cristalerias de Chile S.A will not allow the Net Consolidated Debt to EBITDA ratio to exceed the 2.5 to 1.0 ratio at any time.

Consolidated EBITDA is defined as the following: operating income plus depreciation and amortization, plus non-cash charges (as long as they have been deduced when determining operating income) and cash income from interests minus non-cash credits (as long as they have been added when determining operating income), in each case for each period.

c) INTEREST COVERAGE RATIO

Cristalerias de Chile S.A. will not allow the Interest Coverage Ratio to be

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lower than the following ratios during the following periods: 3.5 from January 01, 2001 to December 31, 2003; 4.0 from January 01, 2004 onwards.

Interest coverage at the day of determination is defined as the ratio between unconsolidated EBITDA for the period of four consecutive fiscal quarters that end on or most recently ended before, that date; and interest expenses for that period.

### d) NET EQUITY

Cristalerias de Chile S.A. should maintain a minimum amount of UF 10,000,000 at any time.

As of March 2004 and 2003 Cristalerias de Chile S.A. complies with 100% of the restrictions agreed with the creditor banks.

## II. BOND ISSUE

The bond issue contract signed on May 29, 2002 with Banco de Chile as the bonds owners' representative, establishes among others the following obligations:

### a) Financial Indicators

Individual Balance: Indebtedness not higher than 1.2 times.

Consolidate Balance: Indebtedness not higher than 1.4 times.

### b) Insurances for the Company and its subsidiaries' fixed assets.

### c) The operations refered to by art. 44 and 89 of law 18,046 must be carried out according to the conditions that these establish.

### d) Other minor restrictions related with the bond issue contract.

Cristalerias de Chile S.A. complies with 100% of restrictions agreed with the bonds' creditors.

## OTHER CONTINGENCIES

As of March 31, 2004 and 2003, management is not aware of any other contingencies that could affect the company.

CRISTALERIAS DE CHILE S.A.

NOTE 35: CONTINGENCIES AND RESTRICTIONS - DIRECT GUARANTEES

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| CREDITOR OF<br>GUARANTEE         | DEBTOR<br>NAME                | RELATIONSHIP | TYPE OF<br>GUARANTEE | ASSETS COMMITTED |               | OF FIN |
|----------------------------------|-------------------------------|--------------|----------------------|------------------|---------------|--------|
|                                  |                               |              |                      | TYPE             | BOOK<br>VALUE | 03/31/ |
| EDIFICIO<br>METROPOLIS AGF       | CRISTALERIAS DE<br>CHILE S.A. | COMMERCIAL   | TIME DEPOSIT         | FLOOR            | 7,885         | 7      |
| BANCO SANTANDER<br>CHILE         | RED TELEVISIVA<br>MEGAVISION  | COMMERCIAL   | MORTGAGE             | LAND             | 3,402,272     | 1,613  |
| SCOTIABANK                       | RED TELEVISIVA<br>MEGAVISION  | COMMERCIAL   | PLEDGE               | TV EQUIP         | 182,174       | 1,652  |
| BANCO CREDITO E<br>INVERSIONES   | RED TELEVISIVA<br>MEGAVISION  | COMMERCIAL   | MORTGAGE             | TV EQUIP         | 34,079        | 336    |
| SUNDRY CLIENTS                   | RED TELEVISIVA<br>MEGAVISION  | COMMERCIAL   | ADVERTISING          | -                | 0             | 12,434 |
| GRUPO TELEVISIA<br>S.A. (MEXICO) | RED TELEVISIVA<br>MEGAVISION  | COMMERCIAL   | PLEDGE               | SHARE            | 0             |        |

| CREDITOR OF<br>GUARANTEE         | DEBTOR<br>NAME                | RELEASE OF GUARANTEES |        |            |        |            |
|----------------------------------|-------------------------------|-----------------------|--------|------------|--------|------------|
|                                  |                               | 03/31/2005            | ASSETS | 03/31/2006 | ASSETS | 03/31/2007 |
| EDIFICIO<br>METROPOLIS AGF       | CRISTALERIAS DE<br>CHILE S.A. | 0                     | 0      | 0          | 0      | 7,885      |
| BANCO SANTANDER<br>CHILE         | RED TELEVISIVA<br>MEGAVISION  | 472,428               | 0      | 455,284    | 0      | 455,284    |
| SCOTIABANK                       | RED TELEVISIVA<br>MEGAVISION  | 441,122               | 0      | 403,665    | 0      | 403,665    |
| BANCO CREDITO E<br>INVERSIONES   | RED TELEVISIVA<br>MEGAVISION  | 168,737               | 0      | 168,209    | 0      | 0          |
| SUNDRY CLIENTS                   | RED TELEVISIVA<br>MEGAVISION  | 0                     | 0      | 0          | 0      | 0          |
| GRUPO TELEVISIA<br>S.A. (MEXICO) | RED TELEVISIVA<br>MEGAVISION  | 0                     | 0      | 0          | 0      | 0          |



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CRISTALERIAS DE CHILE S.A.

NOTE 35: CONTINGENCIES AND RESTRICTIONS - INDIRECT GUARANTEES

| CREDITOR OF<br>GUARANTEE   | DEBTOR                        |              | TYPE OF<br>GUARANTEE | ASSETS COMMITTED |               | OF FIN<br>03/31/ |
|--|-------------------------------|--------------|----------------------|------------------|---------------|------------------|
|  | NAME                          | RELATIONSHIP |                      | TYPE             | BOOK<br>VALUE |                  |
| Societe des<br>Participations<br>Financieres et<br>Industrielles | RAYEN CURA<br>S.A.I.C.        | AFFILIATE    | SOLIDARY             | 0                | 0             | 2,130            |
| Envases CMF<br>guarantee P.I.A.S                                 | CRISTALERIAS DE<br>CHILE S.A. | AFFILIATE    | SOLIDARY             | 0                | 0             | 224              |

| CREDITOR OF<br>GUARANTEE   | DEBTOR<br>NAME                | RELEASE OF GUARANTEES |        |            |        | 03/31/2007 |
|--|-------------------------------|-----------------------|--------|------------|--------|------------|
|  |                               | 03/31/2005            | ASSETS | 03/31/2006 | ASSETS |            |
| Societe des<br>Participations<br>Financieres et<br>Industrielles | RAYEN CURA<br>S.A.I.C.        | 710,104               | 0      | 710,104    | 0      | 710,104    |
| Envases CMF<br>guarantee P.I.A.S                                 | CRISTALERIAS DE<br>CHILE S.A. | 0                     | 0      | 0          | 0      | 224,261    |

CRISTALERIAS DE CHILE S.A.

NOTE 35: Trials Pending

| Court | Cause Rol No. | Origin | Stage                           | Comm<br>(approx) |
|-------|---------------|--------|---------------------------------|------------------|
| 12    | 3025-1997     | Civil  | First instance in favor of Mega |                  |

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|                  |           |       |                                |
|------------------|-----------|-------|--------------------------------|
| 16               | 4822-1999 | Civil | First instance against Mega    |
| 1                | 1242-2000 | Labor | First instance pending         |
| 5                | 3468-2001 | Labor | First instance pending         |
| 1                | 4391-2003 | Labor | First instance: dictates prove |
| Court of Appeals | 7643-2000 | CNTV  | Verdict pending                |

36. Guarantees obtained from third parties

As of March 31, 2004 and 2003 the company has received guarantees from third parties that are shown below:

| Item   | 2004      |      | 2003    |         |
|--|-----------|------|---------|---------|
|  | Th        | Ch\$ | Th      | Ch\$    |
| Rental of Property Office Banco Security (UF 304)                | 5,114     |      | 5,102   |         |
| Rental of Property to Telecomunicaciones Cono Sur Ltda. (UF 130) |           | 0    |         | 2,182   |
| Rental of Property Office AGF Building (UF 365.9)                | 6,155     |      | 6,141   |         |
| Rental of Property Office Metropolis (UF 189.2)                  | 3,182     |      | 3,175   |         |
| Sight drafts suppliers   | 1,674     |      | 1,675   |         |
| Installation of Buin Tanks (Tersanoix S.A.)                      |           | 0    |         | 155,111 |
| Grape purchase   | 1,048,057 |      |         | 0       |
| Mortgages  | 138,523   |      |         | 0       |
| C y CPO Constructora   | 162,860   |      |         | 0       |
| Purchase of vine stem cuttings and plants (Intelmaq)             |           | 0    |         | 36,383  |
| Garantia Transportistas  | 42,000    |      |         | 0       |
| Underground materials storehouse Buin Salfa Montajes             |           | 0    |         | 33,044  |
|  | -----     |      | -----   |         |
|  | 1,407,565 |      | 242,813 |         |
|  | =====     |      | =====   |         |

37. Local and Foreign Currency

Charts are attached showing the foreign currency balance as of March 31, 2004 and 2003.

Cristaleras de Chile S.A.

NOTE 37: LOCAL AND FOREIGN CURRENCY - ASSETS

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| Items                            | Currency         | Am<br>03-31-2004 |
|----------------------------------|------------------|------------------|
| Available funds                  | Non-adjust. Ch\$ | 1,761,345        |
|                                  | Other currencies | 443,528          |
|                                  | Dollars          | 607,331          |
|                                  | Euros            | 14,571           |
|                                  | Argentine Peso   | 31,622           |
| Time deposits                    | Dollars          | 3,414,232        |
|                                  | Adjustable Ch\$  | 30,338           |
| Marketable Securities            | Adjustable Ch\$  | 4,133,777        |
|                                  | Dollars          | 38,725,616       |
| Sales receivable                 | Non-adjust Ch\$  | 24,114,505       |
|                                  | Dollars          | 3,518,556        |
|                                  | Euros            | 2,550,939        |
|                                  | Other currencies | 1,916,352        |
|                                  | Argentine Peso   | 28,891           |
| Documents Receivable             | Non-adjust. Ch\$ | 2,446,906        |
|                                  | Argentine Peso   | 5,183            |
| Sundry Debtors                   | Euros            | 20,003           |
|                                  | Non-adjust. Ch\$ | 1,213,511        |
|                                  | Adjustable Ch\$  | 264,881          |
|                                  | Dollars          | 162,351          |
|                                  | Other currencies | 0                |
|                                  | Argentine Peso   | 81,532           |
| Documents and Accts. Receivable  | Dollars          | 0                |
|                                  | Non-adjust. Ch\$ | 326,016          |
|                                  | Adjustable Ch\$  | 120,434          |
| Inventory                        | Adjustable Ch\$  | 34,887,365       |
|                                  | Non-adjust. Ch\$ | 558,230          |
|                                  | Dollars          | 2,828,322        |
|                                  | Argentine Peso   | 713,971          |
| Taxes Receivable                 | Non-adjust. Ch\$ | 130,634          |
|                                  | Adjustable Ch\$  | 4,213,427        |
|                                  | Dollars          | 63,118           |
| Prepaid expenses                 | Adjustable Ch\$  | 796,868          |
|                                  | Non-adjust. Ch\$ | 541,268          |
|                                  | Dollars          | 373,011          |
|                                  | Argentine Peso   | 3,162            |
| Deferred Taxes                   | Non-adjust. Ch\$ | 701,052          |
| Other Current Assets             | Non-adjust. Ch\$ | 14,400,359       |
|                                  | Adjustable Ch\$  | 248,586          |
|                                  | Dollars          | 3,772,014        |
| Marketable Securities            | Non-adjust. Ch\$ | 25,552           |
| Time Deposits                    | Non-adjust. Ch\$ | 3,766,221        |
| Taxes Receivable                 | Argentine Peso   | 44,588           |
| Deferred taxes                   | Adjustable Ch\$  | 463,807          |
| Marketable Securities            | Euros            | 18,897,271       |
| Fixed Assets                     | Adjustable Ch\$  | 134,092,667      |
|                                  | Dollars          | 13,944           |
|                                  | Euros            | 451,953          |
| Investments in related companies | Adjustable Ch\$  | 88,384,650       |
|                                  | Dollars          | 12,628,259       |
| Investments in other companies   | Adjustable Ch\$  | 804,671          |

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|                                       |                  |             |
|---------------------------------------|------------------|-------------|
| Negative Goodwill                     | Adjustable Ch\$  | 4,650,191   |
|                                       | Non-adjust. Ch\$ | 0           |
| Long-term debtors                     | Adjustable Ch\$  | 144,589     |
| Documents receivable in rel.companies | Adjustable Ch\$  | 4,257       |
| Intangibles                           | Adjustable Ch\$  | 11,757,528  |
| Amortization                          | Adjustable Ch\$  | -1,003,671  |
|                                       | Non-adjust. Ch\$ | -254,512    |
| Other                                 | Adjustable Ch\$  | 3,171,829   |
|                                       | Non-adjust. Ch\$ | 879,712     |
|                                       | Dollars          | 8,948,707   |
|                                       | Argentine Peso   | 567,540     |
| Negative Goodwill                     | Dollars          | 4,305,901   |
| Long-term debtors                     | Dollars          | 61,641      |
| Total Assets                          |                  |             |
|                                       | Non-adjust. Ch\$ | 50,610,799  |
|                                       | Other currencies | 2,359,880   |
|                                       | Dollars          | 79,423,003  |
|                                       | Euros            | 21,934,737  |
|                                       | Argentine Peso   | 1,476,489   |
|                                       | Adjustable Ch\$  | 287,166,194 |

Cristalerias de Chile S.A.

NOTE 37: LOCAL AND FOREIGN CURRENCY - CURRENT LIABILITIES

| ITEM   | Currency         | Up to 9    |             |
|--|------------------|------------|-------------|
|  |                  | 03.31.2004 |             |
|  |                  | Amount     | Avg. Annual |
|  |                  | Thou Ch\$  | Int. Rate   |
| Current Liabilities  |                  |            |             |
| Short-term obligations with banks and financial institutions | Argentine Peso   | 0          | -           |
| Long-term obligations with banks and financial institutions  | Adjust. Ch\$     | 110,059    | 5.780       |
|  | Dollars          | 134,438    | 2.470       |
|  | Non-adjust. Ch\$ | 733,148    | 1.720       |
| Obligations with the public                                  | Adjust. Ch\$     | 759,861    | 10.550      |
| Long-term obligations with 1 year maturity                   | Adjust. Ch\$     | 0          | 0           |
|  | Dollars          | 129,318    | 1.9875      |
|  | Dollars          | 70,997     | 10.900      |
| Dividends payable  | Non-adjust. Ch\$ | 41,296     | 0           |
| Accounts payable   | Non-adjust. Ch\$ | 12,521,072 | 0           |
|  | Dollars          | 1,068,829  | 0           |
|  | Euros            | 147,793    | 0           |
|  | Other currencies | 161,898    | 0           |
|  | Argentine Peso   | 290,156    | 0           |
| Documents Payable  | Dollars          | 2,063,346  | 0           |

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|                                    |                  |            |        |
|------------------------------------|------------------|------------|--------|
|                                    | Adjust. Ch\$     | 0          | 0      |
|                                    | Euros            | 20,507     | 0      |
|                                    | Other currencies | 1,400      | 0      |
| Sundry Creditors                   | Non-adjust. Ch\$ | 266,357    | 0      |
|                                    | Dollars          | 684,524    | 11.060 |
| Withholdings                       | Non-adjust. Ch\$ | 1,674,611  | 0      |
|                                    | Dollars          | 0          | 0      |
|                                    | Argentine Peso   | 0          | 0      |
| Prepaid income                     | Non-adjust. Ch\$ | 2,738,293  | 0      |
| Docts and accts payable to rel co. | Non-adjust. Ch\$ | 250,257    | 0      |
| Provisions                         | Adjust. Ch\$     | 19,798     | 0      |
|                                    | Euros            | 657,964    | 0      |
|                                    | Dollars          | 1,350,955  | 0      |
|                                    | Non-adjust. Ch\$ | 6,924,738  | 0      |
|                                    | Argentine Peso   | 11,462     | 0      |
|                                    | Other currencies | 366,545    | 0      |
| Other Current Liabilities          | Dollars          | 1,765,784  | 0      |
| Docts and accts payable to rel co. | Adjust. Ch\$     | 15,329     | 0      |
| Other Current Liabilities          | Adjust. Ch\$     | 362,489    | 0      |
| Total Current Liabilities          |                  |            |        |
| -                                  | Argentine Peso   | 301,618    | -      |
| -                                  | Adjust. Ch\$     | 1,267,536  | -      |
| -                                  | Non-adjust Ch\$  | 24,551,062 | -      |
| -                                  | Dollars          | 7,866,901  | -      |
| -                                  | Euros            | 826,264    | -      |
| -                                  | Other currencies | 529,843    | -      |

| ITEM   | Currency         | 90 Days t  |             |
|--|------------------|------------|-------------|
| -----  | -----            | -----      |             |
|  |                  | 03.31.2004 |             |
|  |                  | Amount     | Avg. Annual |
|  |                  | Thou Ch\$  | Int. Rate   |
|  |                  | -----      | -----       |
| Current Liabilities  |                  |            |             |
| Short-term obligations with banks and financial institutions | Argentine Peso   | 15,223     | 2.480       |
| Long-term obligations with banks and financial institutions  | Adjust. Ch\$     | 1,591,966  | 5.780       |
|  | Dollars          | 134,439    | 2.470       |
|  | Non-adjust. Ch\$ | 1,183,407  | 1.720       |
| Obligations with the public                                  | Adjust. Ch\$     | 363,228    | 6.060       |
| Long-term obligations with 1 year maturity                   | Adjust. Ch\$     | 1,257      | 7.000       |
|  | Dollars          | 0          | 0           |
|  | Dollars          | 62,715     | 11.330      |
| Dividends payable  | Non-adjust. Ch\$ | 0          | 0           |
| Accounts payable   | Non-adjust. Ch\$ | 63,093     | 0           |
|  | Dollars          | 113,217    | 0           |
|  | Euros            | 0          | 0           |
|  | Other currencies | 0          | 0           |
|  | Argentine Peso   | 0          | 0           |
| Documents Payable  | Dollars          | 0          | 0           |
|  | Adjust. Ch\$     | 0          | 0           |
|  | Euros            | 0          | 0           |
|  | Other currencies | 0          | 0           |
| Sundry Creditors   | Non-adjust. Ch\$ | 0          | 0           |

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|                                    |                  |           |   |
|------------------------------------|------------------|-----------|---|
|                                    | Dollars          | 0         | 0 |
| Withholdings                       | Non-adjust. Ch\$ | 0         | 0 |
|                                    | Dollars          | 0         | 0 |
|                                    | Argentine Peso   | 0         | 0 |
| Prepaid income                     | Non-adjust. Ch\$ | 0         | 0 |
| Docts and accts payable to rel co. | Non-adjust. Ch\$ | 0         | 0 |
| Provisions                         | Adjust. Ch\$     | 182,055   | 0 |
|                                    | Euros            | 0         | 0 |
|                                    | Dollars          | 1,935,527 | 0 |
|                                    | Non-adjust. Ch\$ | 200,486   | 0 |
|                                    | Argentine Peso   | 0         | 0 |
|                                    | Other currencies | 0         | 0 |
| Other Current Liabilities          | Dollars          | 0         | 0 |
| Docts and accts payable to rel co. | Adjust. Ch\$     | 0         | 0 |
| Other Current Liabilities          | Adjust. Ch\$     | 0         | 0 |
| Total Current Liabilities          |                  |           |   |
| -                                  | Argentine Peso   | 15,223    | - |
| -                                  | Adjust. Ch\$     | 2,138,506 | - |
| -                                  | Non-adjust Ch\$  | 398,018   | - |
| -                                  | Dollars          | 3,294,866 | - |
| -                                  | Euros            | 0         | - |
| -                                  | Other currencies | 0         | - |

Cristalerias de Chile S.A.

NOTE 37: LOCAL AND FOREIGN CURRENCY - LONG-TERM LIABILITIES CURRENT  
PERIOD 03-31-2004

| ITEM   | Currency         | 1-3 Years           |                          | A  |
|--|------------------|---------------------|--------------------------|----|
|  |                  | Amount<br>Thou Ch\$ | Average<br>Interest Rate |    |
| Obligations with Banks and<br>Financial Institutions | Dollars          | 15,410,250          | 1.9875                   | 15 |
|  | Argentine Peso   | 48,633              | 2.48                     |    |
|  | Non-adjust. Ch\$ | 537,754             | 4.94                     |    |
|  | Adjustable Ch\$  | 2,517,412           | 5.78                     |    |
| Obligations with the public                          | Adjustable Ch\$  | 21,026,025          | 4.75                     | 12 |
|  | Adjustable Ch\$  | 3,364,164           | 6.25                     |    |
| Deferred Custom duties                               | Dollars          | 119,614             | 11.06                    |    |
| Long-term creditors                                  | Adjustable Ch\$  | 33,249              | 0                        |    |
|  | Adjustable Ch\$  | 15,234              | 7.000                    |    |
|  | Dollars          | 15,688              | 11.54                    |    |
|  | Dollars          | 24,243              | 0                        |    |
| Deferred taxes                                       | Non-adjust. Ch\$ | 2,347,230           | 0                        |    |
|  | Adjustable Ch\$  | 1,588,616           | 0                        |    |
| Long-term provisions                                 | Dollars          | 1,866,303           | 0                        |    |
|  | Adjustable Ch\$  | 4,135,539           | 0                        |    |
| Total long-term liabilities                          |                  |                     |                          |    |
| -  | Dollars          | 17,436,098          | -                        | 15 |
| -  | Argentine Peso   | 48,633              | -                        |    |
| -  | Non-adjust. Ch\$ | 2,884,984           | -                        |    |

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- Adjustable Ch\$ 32,680,239 - 12

| ITEM   | Currency         | 5-10 Years          |                          | A<br>Th |
|--|------------------|---------------------|--------------------------|---------|
|  |                  | Amount<br>Thou Ch\$ | Average<br>Interest Rate |         |
| Obligations with Banks and<br>Financial Institutions | Dollars          | 0                   | 0                        |         |
|  | Argentine Peso   | 0                   | 0                        |         |
|  | Non-adjust. Ch\$ | 0                   | 0                        |         |
|  | Adjustable Ch\$  | 0                   | 0                        |         |
| Obligations with the public                          | Adjustable Ch\$  | 0                   | 0                        | 30      |
|  | Adjustable Ch\$  | 4,937,743           | 58000                    | 16      |
| Deferred Custom duties                               | Dollars          | 0                   | 0                        |         |
| Long-term creditors                                  | Adjustable Ch\$  | 0                   | 0                        |         |
|  | Adjustable Ch\$  | 0                   | 0                        |         |
|  | Dollars          | 0                   | 0                        |         |
|  | Dollars          | 0                   | 0                        |         |
| Deferred taxes                                       | Non-adjust. Ch\$ | 0                   | 0                        |         |
|  | Adjustable Ch\$  | 0                   | 0                        |         |
| Long-term provisions                                 | Dollars          | 0                   | 0                        |         |
|  | Adjustable Ch\$  | 0                   | 0                        |         |
| Total long-term liabilities                          |                  |                     |                          |         |
| -  | Dollars          | 0                   | -                        |         |
| -  | Argentine Peso   | 0                   | -                        |         |
| -  | Non-adjust. Ch\$ | 0                   | -                        |         |
| -  | Adjustable Ch\$  | 4,937,743           | -                        | 47      |

Cristalerias de Chile S.A.

NOTE 37: LOCAL AND FOREIGN CURRENCY - LONG-TERM LIABILITIES PERIOD PREVIOUS  
TO 03-31-2003

| ITEM   | Currency         | 1-3 Years           |                          | A<br>Th |
|--|------------------|---------------------|--------------------------|---------|
|  |                  | Amount<br>Thou Ch\$ | Average<br>Interest Rate |         |
| Obligations with banks<br>and financial institutions | Dollars          | 2,801,667           | 282                      | 36      |
|  | Argentine peso   | 48,569              | 0                        |         |
|  | Adjustable Ch\$  | 4,117,845           | 379                      |         |
| Documents payable                                    | Non-adjust. Ch\$ | 14,102              | 0                        |         |
| Obligations with public                              | Adjustable Ch\$  | 3,356,720           | 609                      |         |
|  | Adjustable Ch\$  | 0                   | 0                        |         |

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|                             |                  |            |      |    |
|-----------------------------|------------------|------------|------|----|
| Sundry creditors            | Dollars          | 1,060,574  | 1121 |    |
|                             | Adjustable Ch\$  | 3,525      | 7    |    |
|                             | Argentine peso   | 21,370     | 0    |    |
| Long-term creditors         | Adjustable Ch\$  | 0          | 0    |    |
| Long-Term provisions        | Dollars          | 2,098,052  | 0    |    |
|                             | Adjustable Ch\$  | 3,965,228  | 0    |    |
| Deferred taxes              | Non-adjust. Ch\$ | 4,333,761  | 0    |    |
| Documents payable           | Dollars          | 113,392    | 0    |    |
| Total long-term liabilities |                  |            |      |    |
| -                           | Dollars          | 6,073,685  | -    | 36 |
| -                           | Argentine peso   | 69,939     | -    |    |
| -                           | Adjustable Ch\$  | 11,443,318 | -    |    |
| -                           | Non-adjust. Ch\$ | 4,347,863  | -    |    |

| ITEM   | Currency         | 5-10 Years          |                          | A<br>Th |
|--|------------------|---------------------|--------------------------|---------|
|  |                  | Amount<br>Thou Ch\$ | Average<br>Interest Rate |         |
| Obligations with banks<br>and financial institutions | Dollars          | 0                   | 0                        |         |
|  | Argentine peso   | 0                   | 0                        |         |
|  | Adjustable Ch\$  | 0                   | 0                        |         |
| Documents payable                                    | Non-adjust. Ch\$ | 0                   | 0                        |         |
| Obligations with public                              | Adjustable Ch\$  | 33,567,200          | 475                      | 16      |
|  | Adjustable Ch\$  | 0                   | 0                        | 35      |
| Sundry creditors                                     | Dollars          | 0                   | 0                        |         |
|  | Adjustable Ch\$  | 0                   | 0                        |         |
|  | Argentine peso   | 0                   | 0                        |         |
| Long-term creditors                                  | Adjustable Ch\$  | 0                   | 0                        |         |
| Long-Term provisions                                 | Dollars          | 0                   | 0                        |         |
|  | Adjustable Ch\$  | 0                   | 0                        |         |
| Deferred taxes                                       | Non-adjust. Ch\$ | 0                   | 0                        |         |
| Documents payable                                    | Dollars          | 0                   | 0                        |         |
| Total long-term liabilities                          |                  |                     |                          |         |
| -  | Dollars          | 0                   | -                        |         |
| -  | Argentine peso   | 0                   | -                        |         |
| -  | Adjustable Ch\$  | 33,567,200          | -                        | 52      |
| -  | Non-adjust. Ch\$ | 0                   | -                        |         |

38. Penalties

The SVS and other administrative authorities have not imposed any penalties during the 2004 and 2003 fiscal years.



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### 39. Subsequent Events

On April 28, 2004, the parent company paid dividend N(degree) 157 of Ch\$ 25.2 per share over 64,000,000 shares (Th Ch\$ 1,612,800).

Between the closing date of the financial statements and the date of this report there were no more subsequent events that could significantly affect the Company's economic and financial situation.

### 40. COMPANIES UNDER SPECIAL NORM

The Company is not subject to special norms.

### 41. ENVIRONMENT

#### ENVIRONMENT

The company is permanently committed with environment preservation, during the fiscal year 2003 invested Th Ch\$ 205,409 corresponding to the purchase of processing equipment for nitrous oxide (NOX) installed in the new furnace B.

The subsidiary S.A. Vina Santa Rita has invested Th Ch\$ 13,542 in the January - March 2004 (Th Ch\$ 4,561 in 2003) period to comply with the ordinances and laws related to Industrial Process and Installations.

### 42. STOCK TRANSACTIONS

During 2004 members of the board, controlling stockholders, related individuals and entities did not carry out stock transactions.

### 43. DISTRIBUTION OF SHAREHOLDERS

The distribution of stockholders as of March 31, 2004 and 2003 is the following:

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| TYPE OF SHAREHOLDER   | % of Shareholding |        | No. of Shareholders |       |
|---|-------------------|--------|---------------------|-------|
|   | 2004              | 2003   | 2004                | 2003  |
| 10% or more shareholding  | 34.03             | 34.03  | 1                   | 1     |
| Less than 10% shareholding with investment equal to or higher than 200 UF | 65.84             | 65.83  | 265                 | 270   |
| Less than 10% shareholding with investment lower than 200 UF              | 0.13              | 0.14   | 762                 | 787   |
| TOTAL   | 100.00            | 100.00 | 1,028               | 1,058 |
| CONTROLLER OF THE COMPANY   | 52.14             | 52.14  | 3                   | 3     |

44. REMUNERATIONS OF THE BOARD OF DIRECTORS

As of March 31, 2004 and 2003 the parent company and the subsidiary S.A. Vina Santa Rita paid and provisioned for diverse concepts the sum of Th Ch\$ 464,570 and Th Ch\$ 1,086,756 as follows:

|                                       | 2004    |      | 2003      |      |
|---------------------------------------|---------|------|-----------|------|
|                                       | Th      | Ch\$ | Th        | Ch\$ |
| Share of previous fiscal year profits | 334,256 |      | 890,581   |      |
| Provision fiscal year                 | 130,314 |      | 196,057   |      |
| Fees paid                             |         | 0    |           | 118  |
| TOTAL                                 | 464,570 |      | 1,086,756 |      |

45. TIME DEPOSITS

As of March 31, 2004 and 2003 the company presents the following information:

| INSTITUTION | CURRENCY | 2004  | 2003  |
|-------------|----------|-------|-------|
|             |          | Th\$  | Th\$  |
| -----       | -----    | ----- | ----- |

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|                                |      |           |            |
|--------------------------------|------|-----------|------------|
| Banco de Santander Santiago    | US\$ | 0         | 73,355     |
| Banco Scotiabank               | US\$ | 0         | 0          |
| Banco J.P. Morgan Chase Bank   | US\$ | 0         | 341,299    |
| Banco Deutsche Bank Chile S.A. | US\$ |           | 2,064,301  |
| Banco Santander                | US\$ | 1,178,299 | 2,483,315  |
| Banco Chile                    | US\$ | 2,235,933 | 2,606,863  |
| Banco Santander                | \$   | 3,452,208 | 924,992    |
| Banco de Chile                 | \$   | 344,351   | 3,001,203  |
| Banco Scotiabank               | \$   | 0         | 5,009,100  |
| HSBC Bank Chile                | \$   | 0         | 2,910,728  |
|                                |      | -----     | -----      |
| TOTAL                          |      | 7,210,791 | 19,415,156 |
|                                |      | =====     | =====      |

RELEVANT EVENTS

None.

CRISTALERIAS DE CHILE S.A.

RATIO ANALYSIS TO CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 30, 2004

1.- CONSOLIDATED FINANCIAL INDICATORS

|                               |         | 03-31-2004 | 03-31-2003 | 12-31-2003 |
|-------------------------------|---------|------------|------------|------------|
|                               |         | -----      | -----      | -----      |
| LIQUIDITY                     |         |            |            |            |
| Current liquidity             | times   | 4.2        | 3.9        | 4.4        |
| Acid ratio                    | times   | 3.1        | 3.0        | 3.4        |
| DEBT                          |         |            |            |            |
| Debt ratio                    | times   | 0.8        | 0.8        | 0.8        |
| Short-term debt               | %       | 23.6       | 24.9       | 21.6       |
| Long-term debt                | %       | 76.4       | 75.1       | 78.4       |
| Coverage of interest expenses | times   | 3.1        | 4.4        | 2.0        |
| ACTIVITY                      |         |            |            |            |
| Total assets                  | MM Ch\$ | 442,971    | 467,783    | 435,756    |
| Investments                   | MM Ch\$ | 3,193      | 6,455      | 27,446     |
| Disposal of property          | MM Ch\$ | 8          | 176        | 367        |
| Inventory turnover            | Times   | n.a.       | n.a.       | n.a.       |
| Inventory permanence          | Days    | n.a.       | n.a.       | n.a.       |
| RESULTS                       |         |            |            |            |
| Operating income              | MM Ch\$ | 33,606     | 35,372     | 169,091    |
| Operating costs               | MM Ch\$ | 22,385     | 22,553     | 105,157    |
| Operating results             | MM Ch\$ | 5,325      | 7,435      | 37,454     |
| Financial expenses            | MM Ch\$ | 1,641      | 1,713      | 6,795      |

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|                       |         |         |         |          |
|-----------------------|---------|---------|---------|----------|
| Non-operating results | MM Ch\$ | (1,317) | (1,052) | (27,887) |
| R.A.I.I.D.A.I.E.      | MM Ch\$ | 9,046   | 11,205  | 29,009   |
| After-tax profit      | MM Ch\$ | 2,567   | 4,321   | 6,694    |

### RATE OF RETURN

|                            |    |       |      |       |
|----------------------------|----|-------|------|-------|
| Return on equity           | %  | 1.1   | 1.8  | 2.8   |
| Return on assets           | %  | 0.6   | 0.9  | 1.5   |
| Return on operating assets | %  | 2.3   | 3.4  | 16.3  |
| Profit per share           | \$ | 40.10 | 67.5 | 99.91 |
| Return on dividends        | %  | 2.6   | 2.6  | 2.4   |

|                                |  |
|--------------------------------|--|
| Current liquidity              | Ratio of current assets to current liabilities.  |
| Acid ratio:                    | Ratio of uncommitted funds to current liabilities.   |
| Debt ratio:                    | Ratio of total current liabilities to net worth.   |
| Coverage of Interest Expenses: | Result before taxes and interest divided by financial expenses.  |
| Inventory turnover:            | Ratio between sales cost of the period and average inventory.  |
| Inventory permanence:          | Ratio between average inventory and sales cost of the period, multiplied by 360 days.                  |
| R.A.I.I.D.A.I.E.:              | Result before taxes, interest, depreciation, amortization, and special items.                          |
| Return on dividends:           | Sum of dividends paid in the last twelve months divided by market price of stock at closing of period. |

The main trends observed in the 2004 fiscal year indicators are:

### LIQUIDITY INDICES

A stability in the liquidity index is observed, having the acid ratio decreased slightly as a consequence of the increase of the inventory and taxes to recover.

### INDEBTEDNESS INDICES

Indebtedness ratio is stable in respect to the previous fiscal year.

The interest expenses coverage index has registered slight decrease with respect to the previous year due to lower income during the present fiscal year.

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### PROFITABILITY INDICES

A decrease in the profitability indices of equity and assets is observed with respect to the same period in 2003, due to lower income during the present fiscal year.

Likewise, a decrease in the profitability of operating assets is observed due to lower operating income.

On the other hand, in spite of higher dividends distributed during the last 12 months, the return on dividends indexes shows stable with respect to the previous year due to an increase in the price of the company's shares in the stock exchange, which passed from Ch\$ 4,620 each as of March 31, 2003 to Ch\$ 5,000 as of March 31, 2004.

### 2. DIFFERENCE BETWEEN BOOK VALUE AND MARKET VALUE OF MAIN ASSETS.

The financial statements as of March 31, 2004 have been prepared according to generally accepted accounting principles and general and specific norms of the Securities and Insurance Commission, which is the agency that regulates the Company. The valuation of the assets includes adjustment for currency devaluation, provisions, and technical revaluations. We believe the foregoing is a reasonable way to value the company's permanent investments.

As of March 31, 2004 there were financial investments in stocks recorded in the accounting according to their purchase price at Ch\$ 4,134 million whose market value on the same date was Ch\$ 5,728 million.

### 3. RESULTS FOR THE PERIOD

#### 3a. Consolidated Result

Cristaleras de Chile S.A. consolidates its results with Vina Santa Rita, CIECSA, Cristalchile Comunicaciones S.A., Cristalchile Inversiones S.A. and Apoger.

Cristaleras' consolidated sales reached Ch\$ 33,606 million, compared to Ch\$ 35,372 in 2003. This lower consolidated sales level results fundamentally from lower sales in the glass container business (11.8%) and Santa Rita (2.3%); partially compensated by higher sales at CIECSA (12.6%). Consolidated operating income reached Ch\$ 5,325 million, compared to Ch\$ 7.435 million in 2003, of which the glass container business contributed Ch\$ 4,289 million (Ch\$ 5,850 million in 2003) and Santa Rita Ch\$ 1,059 million (Ch\$ 1,650 million in 2003). CIECSA, in turn, registered an operating loss of Ch\$ 50 million (Ch\$ 116 million operating loss in 2003).

Company's net income was Ch\$ 2,567 million, compared to Ch\$ 4,321 million in 2003. This result is mainly due to lower operating result in the glass container business and Vina Santa Rita, and a higher non-operating loss mainly due to a higher net loss from subsidiaries.

During the present fiscal year, the Company registered a consolidated

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non-operating loss of Ch\$ 1,317 million, that compares to a Ch\$ 1,052 million loss in 2003. The aforementioned is mainly explained by a higher net loss from subsidiaries that do not consolidate, that passed from Ch\$ 1,101 million in 2003 to Ch\$ 1,710 million in 2004, due to lower results at Metropolis-Intercom and Envases CMF. The net loss from subsidiaries includes a Ch\$ 1,040 million charge (Ch\$ 1,034 million charge in 2003) corresponding to goodwill amortization, which does not constitute cash flow.

The following analysis explains Cristalerias' result based on individual financial statements, as well as those of its main subsidiaries.

### 3b. Individual Result

The Company had non-consolidated sales of Ch\$ 15,387 million as of March 2004, compared to Ch\$ 17,448 million in the previous year. Volumes sold decreased by 2.4% reaching 56,856 tons, mainly due to lower sales of bottles of non-returnable beer and liquor, partially compensated by higher sales of bottles for wine, and analcoholic one way formats.

Operating income reached of Ch\$ 4,289 million in 2004 (Ch\$ 5,850 million income in 2003), due to lower volumes sold and an average price decrease of 9.6%, mainly explained by a decrease in the exchange rate, which passed from US\$ 736.99 per dollar on average during first quarter of 2003 to US\$ 587,29 per dollar on average during the first quarter of 2004.

The non-operating result was a loss of Ch\$ 1,239 million (Ch\$ 499 million loss in 2003). During 2004 a higher loss in Cristalchile Comunicaciones (owner of 50% of Metropolis-Intercom) and lower net income in Envases CMF was registered. The former was partially compensated by higher net income from Vina Santa Rita and Cristalchile Inversiones (owner of 40% of Rayen Cura) and a lower loss at CIECSA.

### 3c. Results in Subsidiaries

During 2004, Santa Rita's net income amounted Ch\$ 1,383 million, 14,7% higher than in 2003. In the local market, prices increased by 8.2% in real terms and volumes dropped by 3.4%. During the period, exports increased by 5.2% reaching US\$ 12.9 million (US\$ 11.0 million in 2003) and represented 52.2% of total revenues. Operating income reached Ch\$ 1,059 million, compared to Ch\$ 1,650 million in 2003, mainly due to higher costs of musts and higher marketing support expenses. The average price in dollars per case for the export market for Santa Rita was US \$34.9 (US\$ 31.4 in 2003) whereas the average price

for the industry was US \$24.4 per case (US\$ 23.5 in 2003). Santa Rita recorded a Ch\$ 582 million non-operating profit, compared to a Ch\$ 24 million non-operating income in 2003, mainly due a profit from exchange differences and sale of assets.

Red Televisiva Megavisión, CIECSA's main subsidiary, registered a Ch\$ 65 million operating loss, compared with an operating loss of Ch\$ 90 million in 2003. MEGA reached the first place audience share with an average viewership share of 25.3% during the period (22.9% in 2003). Net sales increased by 11.7% reaching Ch\$ 4,837 million, as a higher audience share has resulted in higher sales. MEGA had a net loss of Ch\$ 238 million (Ch\$ 248 million loss in 2003). CIECSA had a Ch\$ 300 million net loss, compared to a Ch\$ 445 million net loss the previous year.

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Envases CMF S.A. registered a Ch\$ 372 million net income in 2004 compared with a Ch\$ 546 million net income in 2003. Net sales reached Ch\$ 7,839 million during the period (Ch\$ 8,857 million in 2003). Sales volume dropped by 3.9%, reaching 5,844 tons, due to a decrease of pre forms exports and lower sales of one way formats; while average prices decreased by 7.9% influenced by a decrease of the exchange rate. Due to the aforementioned, operating income reached Ch\$ 740 million, compared to Ch\$ 1,174 million in 2003.

In the cable TV business, Cristalchile Comunicaciones S.A. (99.99% owned by Cristalerias), is the owner of 50% of Cordillera Comunicaciones Ltda., which in turn is the owner of Metropolis-Intercom S.A.

During 2004, Metropolis-Intercom S.A. registered sales of Ch\$ 10,782 million, practically equal to the previous year. Metropolis-Intercom had a net loss of Ch\$ 3,103 million compared with a net loss of Ch\$ 1,973 million in 2003. The lower result is due to a \$775 million one-time expense that affected the company's non-operating result. EBITDA reached Ch\$ 1,641 million in the period (\$1,614 million in 2003). This result includes a depreciation charge of Ch\$ 3,587 million (Ch \$3,204 million in 2003) mainly corresponding to the HFC network acquired in July 2000. The company ended the period with 223,957 subscribers of the basic service (240,119 in 2003), 35,514 premium subscribers (5.2% over 2003), 36,883 subscribers of broadband internet services (42.3% over 2003) and 6,376 subscribers of IP telephony.

As a result of the abovementioned and the negative goodwill amortization charge through Cordillera Comunicaciones of Ch\$ 1,040 million in the period (Ch \$1,034 million in 2003), Cristalchile Comunicaciones recorded a net loss of Ch\$ 2,151 million (net loss of Ch\$ 1,505 in 2003).

#### 4. CASH FLOW STATEMENT

As of March 2004 a total net positive flow of Ch\$ 9,499 million was generated, which is explained by a positive flow generated by operating activities of Ch\$ 14,862 million which were partially offset by a negative financing flow of Ch\$ 1,580 million, and a negative flow of investment activities of Ch\$ 3,783 million.

The operating flow corresponds basically to the collection of sales and financial interests and other income received that were reduced in part by payment to suppliers, taxes and interests.

The negative financing flow can be explained mainly by dividends paid of Ch\$ 948 million and payment of obligations with the public and loans for Ch\$ 648 million.

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1 Measured between 7:30AM and 1:30AM; i.e: 18 hours daily, Monday through Sunday.

The negative investment flow is mainly explained by the incorporation of fixed assets of Ch\$ 3,588 million and investment payments for Th Ch\$ 230.

The foregoing results in an increase in the final balance of cash and cash equivalent, which passed from Ch\$ 72,292 million as of December 31, 2003 to Ch\$ 82,562 million as of March 31, 2004.

According to the current regulations of the SVS and the Association of

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Accountants of Chile, term deposits and agreements with due date less than 90 days have been considered cash and cash equivalent.

### 5. RISKS ANALYSIS

#### a. Interest rates

Cristalerias and its Subsidiaries are exposed to the risk of fluctuations in interest rates on its short-term and long-term debts. As of March 31, 2004 Short-Term and Long-Term bank liabilities and obligations with the public totaled Ch\$ 128,230 million, which represents 29% of the Company's consolidated assets.

On the other hand, bank credits totaled Ch\$ 37,956 million of which Ch \$32,930 million correspond to credits in foreign currency agreed at variable rates related to the six-month Libor plus 0.8% percentage points annually, Ch\$ 4,219 million correspond to credits in pesos adjustable in unidades de fomento (indexed currency units) that are exposed to changes in the 90 and 180 days TAB rate, and Ch\$ 807 million correspond to credits in pesos at an annual rate of 4.94%.

Of obligations with the public for Ch\$ 90,274, Ch\$ 70,089 million correspond to bonds issued by Cristalchile and Ch\$ 20,185 million to bonds issued by the subsidiary Vina Santa Rita, both a fixed interest rate.

As of December 31, 2003, the Company had funds available of Ch\$ 72,096 million invested in instruments at different terms like term deposits, bonds, fixed-rate mutual funds and resale agreements. Such amount does not include bonds for Ch \$9,068 million with maturity on September 15, 2005 and share investments for Ch \$4,134 million.

The company and its subsidiaries do not use secondary financial instruments at the present to reduce risk in the event of fluctuations in interest rates. That policy will be studied permanently to evaluate the alternatives offered by the market.

#### b) Exchange rate

The Company and its Subsidiaries maintain liabilities in foreign currency of US\$ 68.9 million, which represent 10.3% of its consolidated assets, and include a long-term syndicated loan of US\$ 50 million in the parent company and Long-Term bank credits in Vina Santa Rita of US\$ 3.1 million.

As of March 31 the Company and its Subsidiaries maintain its investments in Dollars of US\$ 86.1 million; in time deposits, bonds and fixed rate mutual funds. In addition it also has (euro) 24.9 million in fixed rate instruments. Likewise, it has dollar purchase future contracts of US\$ 42.6 million that are compensated by sale future contracts for US \$39.6 million.

On the other hand, approximately 38.2% of consolidated income of the company is adjusted to the exchange rate variation. At the same time, consolidated costs in foreign currency represent approximately 28.4% of total costs.



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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GLASSWORKS OF CHILE  
(Registrant)

By: /s/ Benito Bustamante C.

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Benito Bustamante C.  
Controller

Date: October 6, 2004