

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

GLASSWORKS OF CHILE
Form 6-K
January 19, 2005

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

January 19, 2005

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

FECU (Standardized Quarterly Financial Report)

1. IDENTIFICATION

1.01.05.00 Firm Name

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

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 | 9/30/2004 |
| 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. | 09-30-04 |
|--|----------|--------------|
| 5.11.00.00 TOTAL CURRENT ASSETS | | 118,942,309 |
| 5.11.10.10 Cash | | 878,177 |
| 5.11.10.20 Time deposits | 41 | 5,000,900 |
| 5.11.10.30 Marketable securities (net) | 4 | 61,712,215 |
| 5.11.10.40 Debtors from sales (net) | 5 | 22,571,956 |
| 5.11.10.50 Documents receivable (net) | 5 | 988,515 |
| 5.11.10.60 Sundry debtors (net) | 5 | 832,056 |
| 5.11.10.70 Doc. & accts receivable related Co. | 6 | 5,022,190 |
| 5.11.10.80 Inventories (net) | 7 | 7,307,287 |
| 5.11.10.90 Recoverable taxes | 8 | 0 |
| 5.11.20.10 Prepaid expenses | | 168,151 |
| 5.11.20.20 Deferred taxes | 8 | 702,681 |
| 5.11.20.30 Other current assets | 10-11 | 13,758,181 |
| 5.11.20.40 Leasing contracts (net) | | 0 |
| 5.11.20.50 Leasing assets (net) | | 0 |
| 5.12.00.00 TOTAL FIXED ASSETS | | 77,683,404 |
| 5.12.10.00 Land | 12 | 1,531,255 |
| 5.12.20.00 High rises & infrastructure | 12 | 23,540,105 |
| 5.12.30.00 Machinery & equipment | 12 | 107,665,497 |
| 5.12.40.00 Other fixed assets | 12 | 11,953,761 |
| 5.12.50.00 Positive goodwill from technical revaluation of fixed assets | 12 | 6,732,617 |
| 5.12.60.00 Depreciation (minus) | 12 | (73,739,831) |
| 5.13.00.00 TOTAL OTHER ASSETS | | 174,289,049 |
| 5.13.10.10 Investment in related companies | 14 | 148,128,783 |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | |
|------------|-------------------------------------|----|-------------|
| 5.13.10.20 | Investment in other companies | | 0 |
| 5.13.10.30 | Negative goodwill | 16 | 1,797,583 |
| 5.13.10.40 | Positive goodwill (minus) | | 0 |
| 5.13.10.50 | Long-term debtors | 5 | 112,575 |
| 5.13.10.60 | Doc. & accts receivable related Co. | 6 | 21,292,513 |
| 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 | 2,957,595 |
| 5.13.20.10 | Long-term leasing contracts (net) | | 0 |
| 5.10.00 | TOTAL ASSETS | | 370,914,762 |

1

LIABILITIES

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

| LIABILITIES | NOTE No. | 09-30-04 |
|-------------|--|---------------|
| ----- | ----- | ----- |
| 5.21.00.00 | TOTAL CURRENT LIABILITIES | 26,093,685 |
| 5.21.10.10 | Short-term oblig. Banks & Fin. Inst. | 0 |
| 5.21.10.20 | Short-term portion - Long-term oblig. Banks & Financial Institutions | 19 292,991 |
| 5.21.10.30 | Obligations with the public (notes) | 0 |
| 5.21.20.40 | Short-term portion oblig with public | 9,382,181 |
| 5.21.10.50 | Long-term oblig. due within 1 year | 0 |
| 5.21.10.60 | Dividends payable | 652,273 |
| 5.21.10.70 | Accounts payable | 2,291,268 |
| 5.21.10.80 | Notes payable | 2,613,646 |
| 5.21.10.90 | Sundry creditors | 383,845 |
| 5.21.20.10 | Notes & accts payable related Co. | 6 832,342 |
| 5.21.20.20 | Provisions | 23 7,806,558 |
| 5.21.20.30 | Withholdings | 1,015,459 |
| 5.21.20.40 | Income tax | 823,122 |
| 5.21.20.50 | Earned income | 0 |
| 5.21.20.60 | Deferred taxes | 0 |
| 5.21.20.70 | Other current liabilities | 34 0 |
| 5.22.00.00 | TOTAL LONG-TERM LIABILITIES | 102,008,704 |
| 5.22.10.00 | Oblig with Banks & Financial Inst. | 21 30,445,000 |
| 5.22.20.00 | Long-term oblig with public (bonds) | 61,886,808 |
| 5.22.30.00 | Long-term notes payable | 0 |
| 5.22.40.00 | Long-term sundry debtors | 146,647 |
| 5.22.50.00 | Long-term notes & accts. payable related companies | 6 0 |
| 5.22.60.00 | Long-term provisions | 23 6,604,096 |
| 5.22.70.00 | Long-term deferred taxes | 8 2,926,153 |
| 5.22.80.00 | Other long-term liabilities | 0 |
| 5.23.00.00 | MINORITY INTEREST | 0 |
| 5.24.00.00 | TOTAL EQUITY | 242,812,373 |
| 5.24.10.00 | Paid-in capital | 27 65,396,749 |
| 5.24.20.00 | Reserve capital revaluation | 27 1,242,538 |
| 5.24.30.00 | Premium in sale of own shares | 27 28,403,990 |
| 5.24.40.00 | Other reserves | 27 6,677,095 |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | |
|------------|---------------------------------------|----|-------------|
| 5.24.50.00 | Retained earnings (addition of codes | | |
| | 5.24.51.00 to 5.24.56.00) | 27 | 141,092,001 |
| | 5.24.51.00 Reserve future dividends | 27 | 129,427,446 |
| | 5.24.52.00 Accrued profits | 27 | 0 |
| | 5.24.53.00 Accrued losses (minus) | 27 | 0 |
| | 5.24.54.00 Profit (loss) for the year | 27 | 14,237,355 |
| | 5.24.55.00 Prov. dividends (minus) | 27 | (2,572,800) |
| | 5.24.56.00 Accr. deficit dev. period | 27 | 0 |
| 5.20.00.00 | TOTAL LIABILITIES | | 370,914,762 |

2

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. | 09-30-04 |
|---|----------|--------------|
| 5.31.11.00 OPERATING RESULTS | | 18,250,638 |
| 5.31.11.10 Gross Margin | | 22,969,583 |
| 5.31.11.11 Sales | | 55,125,736 |
| 5.31.11.12 Costs (minus) | | (32,156,153) |
| 5.31.11.20 Adm. & sales expenses (minus) | | (4,718,945) |
| 5.31.12.00 NON-OPERATING RESULTS | | (1,144,215) |
| 5.31.12.10 Interest income | | 1,557,365 |
| 5.31.12.20 Income from invmnts Rel. Co. | 14 | 6,059,364 |
| 5.31.12.30 Other non-operating income | 28 | 425,365 |
| 5.31.12.40 LOSS invmnts Rel. Co. (-) | | (5,565,845) |
| 5.31.12.50 Amortization neg.goodwill (-) | 16 | (131,001) |
| 5.31.12.60 Interest expenses (minus) | | (3,631,937) |
| 5.31.12.70 Other non-operat expenses (-) | 28 | (724,138) |
| 5.31.12.80 Price level restatement | 29 | (398,945) |
| 5.31.12.90 Exchange differences | 30 | 1,265,557 |
| 5.31.10.00 RESULTS BEFORE INCOME TAX AND EXTRAORDINARY ITEMS | | 17,106,423 |
| 5.31.20.00 INCOME TAX | 8 | (2,869,068) |
| 5.31.30.00 EXTRAORDINARY ITEMS | | 0 |
| 5.31.40.00 PROFIT (LOSS) BEFORE MINORITY INTEREST | | 14,237,355 |
| 5.31.50.00 MINORITY INTEREST | | 0 |
| 5.31.00.00 NET INCOME (LOSS) | | 14,237,355 |
| 5.32.00.00 Amortization of positive goodwill | 16 | 0 |
| 5.30.00.00 INCOME (LOSS) FOR THE YEAR | | 14,237,355 |

3

DIRECT CASH FLOW STATEMENT

2.03 CASH FLOW STATEMENT

1.00.01.30 Type of Currency: Thousands of Chilean Pesos

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

1.00.01.40 Type of Balance: Individual

DIRECT CASH FLOW STATEMENT

NOTE No.

09-30

| DIRECT CASH FLOW STATEMENT | NOTE No. | 09-30 |
|--|----------|---------|
| 5.41.11.00 NET FLOW FROM OP. ACT. | | 23,68 |
| 5.41.11.10 Collection from sales debtors | | 66,46 |
| 5.41.11.20 Interests received | | 2,67 |
| 5.41.11.30 Dividends & other distributions funds received | | 1,76 |
| 5.41.11.40 Other income | | 1,27 |
| 5.41.11.50 Payments to suppliers & personnel (-) | | (37,76) |
| 5.41.11.60 Interest paid (minus) | | (4,09) |
| 5.41.11.70 Income tax paid (minus) | | (1,44) |
| 5.41.11.80 Other expenses | 33 | (3,30) |
| 5.41.11.90 V.A.T. & other taxes | | (4,89) |
| 5.41.12.00 CASH FLOW FINANCING ACTIVITIES | | (3,89) |
| 5.41.12.05 Proceeds from share issue | | |
| 5.41.12.10 Loans received | | |
| 5.41.12.15 Obligations with the public | | |
| 5.41.12.20 Secured loans from related companies | | |
| 5.41.12.25 Other loans from related companies | | |
| 5.41.12.30 Other financing resources | | |
| 5.41.12.35 Dividends paid (minus) | | (3,89) |
| 5.41.12.40 Capital distributions (minus) | | |
| 5.41.12.45 Repayment of loans (minus) | | |
| 5.41.12.50 Payment of obligations with the public (-) | | |
| 5.41.12.55 Repayment of secured loans from rel Co. (-) | | |
| 5.41.12.60 Repayment other loans from related Co. (-) | | |
| 5.41.12.65 Share issue payment (minus) | | |
| 5.41.12.70 Payment of issue publ oblig (minus) | | |
| 5.41.12.75 Other financing payments (minus) | 33 | |
| 5.41.13.00 CASH FLOW FROM INVESTING ACTIVITIES | | (6,89) |
| 5.41.13.05 Sale of fixed assets | | 4 |
| 5.41.13.10 Sale of permanent investments | | |
| 5.41.13.15 Sale of other investments | 33 | 5,11 |
| 5.41.13.20 Proceeds secured loans to related Comp. | | 1,02 |
| 5.41.13.25 Proceeds other loans to related companies | | |
| 5.41.13.30 Other investment income | 33 | 65 |
| 5.41.13.35 Incorporation of fixed assets (minus) | | (7,53) |
| 5.41.13.40 Capitalized interests payment (minus) | | |
| 5.41.13.45 Permanent Investments (minus) | | |
| 5.41.13.50 Investments in financial instruments (minus) | | |
| 5.41.13.55 Other loans to related companies (minus) | | (3,93) |
| 5.41.13.60 Other loans to related companies (minus) | | (1 |
| 5.41.13.65 Other distrib of funds on invest activities (-) | 33 | (2,26) |
| 5.41.00.00 TOTAL NET CASH FLOW FOR THE PERIOD | | 12,89 |
| 5.42.20.00 EFFECT OF INFLATION ON CASH & CASH EQUIV. | | (1,36) |
| 5.41.00.00 NET CHANGE IN & CASH EQUIVALENT | | 11,52 |
| 5.42.00.00 CASH & CASH EQUI AT BEGINNING OF PERIOD | | 61,13 |
| 5.43.00.00 CASH & CASH EQUIV BALANCE AT END OF PERIOD | | 72,66 |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

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. | 09-30 |
|---|----------|--------|
| 5.50.10.00 Profit (Loss) for the year | | 14,23 |
| 5.50.20.00 Profit in sale of assets | | (|
| 5.50.20.10 (Profit) Loss in sale of fixed assets | | (|
| 5.50.20.20 Profit in sale of investments (minus) | | |
| 5.50.20.30 Loss in sale of investments | | |
| 5.50.20.40 (Profit) Loss in sale of other assets | | |
| 5.50.30.00 Non-cash losses (gains) | | 12,03 |
| 5.50.30.05 Depreciation for the year | 12 | 7,98 |
| 5.50.30.10 Amortization of intangibles | | 63 |
| 5.50.30.15 Write-offs and provisions | | 2,15 |
| 5.50.30.20 Accrued earnings from investments in related companies (minus) | 14 | (6,05) |
| 5.50.30.25 Accrued losses from investments in related Co. | 14 | 5,56 |
| 5.50.30.30 Negative goodwill amortization | 16 | 13 |
| 5.50.30.35 Positive goodwill amortization (minus) | | |
| 5.50.30.40 Price level restatement | 29 | 39 |
| 5.50.30.45 Net exchange difference | 30 | (1,26 |
| 5.50.30.50 Other non-cash credits to results (minus) | | (2 |
| 5.50.30.55 Other non-cash debits to results | | 2,50 |
| 5.50.40.00 Changes in Assets affecting cash flow (incr) decreases | | (5,37 |
| 5.50.40.10 Debtors from sales | | (3,35 |
| 5.50.40.20 Inventory | | (2,46 |
| 5.50.40.30 Other assets | | 45 |
| 5.50.50.00 Changes in liabilities affecting cash flow increases (decr) | | 2,79 |
| 5.50.50.10 Accounts payable related to results for the year | | 8 |
| 5.50.50.20 Interests payable | | (78 |
| 5.50.50.30 Income tax payable (net) | | 2,97 |
| 5.50.50.40 Other accounts payable related to non-oper results | | 35 |
| 5.50.50.50 VAT and other taxes payable (net) | | 16 |
| 5.50.60.00 Profit (Loss) of minority interest | | |
| 5.50.00.00 NET OPERATING CASH FLOW | | 23,68 |

5

01. Registration In The Securities Register

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

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 September 30 of 2004 and 2003.

b) Preparation basis of financial statements:

These individual financial statements as of September 30, 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 in Chile.

c) Presentation Basis

For comparison purposes, the financial statements and figures included in the disclosures for the 2003 fiscal year are presented updated according to non-accounting terms as of September 30, 2004 by 1.6%.

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 1.9% (1.2% in 2003).

For financial effects, the variations have been considered effective every month of the year 2003 and 2004, with respect to September of 2004 and 2003. For tax purposes, negative variations occurred in some months of 2003 and 2004 with respect to September 2003 and 2004, were equaled to zero, according to the instructions of the of Internal Revenue Service, not significantly affecting the financial statements.

e) Conversion Basis

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

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

| | 2004 | 2003 |
|-------------------|-----------|-----------|
| | ----- | ----- |
| | Ch\$ | Ch\$ |
| U.S. Dollar | 608.90 | 660.97 |
| Pound Sterling | 1,091.41 | 1,099.23 |
| Swiss Franc | 482.14 | 501.76 |
| EURO | 757.34 | 770.81 |
| Unidad de Fomento | 17,190.78 | 16,946.03 |

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 September 30, 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 September 30, 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 (Uncollectibles)

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 September 30, 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.

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

k) Assets in Leasing

None.

l) Sales Transactions with Leaseback

None.

m) Intangibles

None.

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 September 30, 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

9

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.

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

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 in Chile.

t) Derivative Contracts

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

10

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 classified in the item "Investments in Financial Instruments".

11

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

03. Accounting Changes

As of September 30, 2004 and 2003, there have not been any changes in the accounting criteria that affect the individual financial statements.

12

04. Marketable Securities

As of September 30, 2004, this item is composed by the following investments:

- a) Th Ch\$ 53,833,075 of investments in bonds and fixed rate Instruments equivalent to US\$ 41,389,097 and Euros 37,805,020; mainly corresponding to investments in State Bonds and bonds of financial institutions in USA, Germany, and Holland, Collateralized Bonds of Private Companies in USA (guaranteed by accounts receivable) and USA Mortgage Bonds with state guarantee.
- b) Th Ch\$ 4,233,486 in shares.
- c) Th Ch\$ 3,635,133 in investment bonds of Celulosa Arauco equivalent to US\$ 5,970,000, at an annual rate of 6.95% with maturity on September 15, 2005.
- d) Th Ch\$ 10,521 in interest of Celulosa Arauco bonds.

As of September 30, 2003 investments in shares are included as follows:

- a) Th Ch\$ 52,310,976 of investments in bonds and fixed rate Instruments; mainly corresponding to investments in State Bonds and bonds of financial institutions in USA, Germany, and Holland, Collateralized Bonds of Private Companies in USA (guaranteed by accounts receivable) and USA Mortgage Bonds with state guarantee.
- b) Th Ch\$ 4,229,711 in shares.
- c) Th Ch\$ 313,172 in interest of Celulosa Arauco bonds.

CRISTALERIAS DE CHILE S.A.

NOTE 4 -MARKETABLE SECURITIES- BALANCE COMPOSITION

| Type of Security | Book Value | |
|-----------------------------------|------------|------------|
| | 09-30-2004 | 09-30-2003 |
| Stock | 4,233,486 | 4,229,711 |
| Bonds | 0 | 0 |
| Mutual fund shares | 0 | 0 |
| Investment fund shares | 0 | 0 |
| Public tender promissory notes | 0 | 0 |
| Mortgage bonds | 0 | 0 |
| Fixed rate instruments and bonds | 57,468,208 | 52,310,976 |
| Interest of Celulosa Arauco bonds | 10,521 | 313,172 |
| Total Marketable Securities | 61,712,215 | 56,853,859 |

13

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

CRISTALERIAS DE CHILE S.A.
NOTE 4 - MARKETABLE SECURITIES - SHARES

| R.U.T. | Company Name | Number of Shares | Share Percentage | Unit Market 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

14

CRISTALERIAS DE CHILE S.A.
NOTE 4 - MARKETABLE SECURITIES - FIXED RATE

INSTRUMENTS

| Type of Security | Par Value | Book Value | | |
|--|------------|------------|--------|----|
| | | Amount | Rate % | |
| Financial Institutions bonds Germany and Holland (1) | 32,470,490 | 32,470,490 | 1.93 | 32 |
| US treasury bonds (2) | 18,133,100 | 18,133,100 | 0.70 | 18 |
| Mortgage bonds USA, with state guarantee (2) | 6,852,522 | 6,852,522 | 0.70 | 6 |
| Call Deposit (2) | 12,096 | 12,096 | 0.70 | |
| Celulosa Arauco bonds, interest (2) | 10,521 | 10,521 | 4.02 | |
| TOTAL | 57,478,729 | 57,478,729 | | 57 |

Note:

- (1) The investments were made in EUROS.
- (2) The investments were made in US Dollars.
- (3) Rate for period from 01-01-2004 to 09-30-2004.
- (4) These investments can be rescued within 48 hours warning.

15

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

05. Short-Term and Long-Term Debtors

At September 30, 2004 and 2003 there are balances of short-term debtors of Th Ch\$ 24,392,527 and Th Ch\$ 22,618,274, respectively.

In addition there is a balance of Th Ch\$ 112,575 for Long-Term debtors in 2004 (Th Ch\$ 145,111 in 2003).

As of September 30, 2004 and 2003 the company has established a reserve for bad debts of Th Ch\$ 173,127 in 2004 (Th Ch\$ 145,417 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.

16

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

| Item | Current Assets | | | | Sub |
|----------------------------------|----------------|------------|---------------------------|------------|------|
| | Up to 90 days | | Over 90 days up to 1 year | | |
| | 09-30-2004 | 09-30-2003 | 09-30-2004 | 09-30-2003 | |
| Debts from Sales | 21,419,412 | 19,018,736 | 1,325,671 | 1,033,785 | 22,7 |
| Estimate of non-collectable debt | -- | -- | -- | -- | 1 |
| Documents receivable | 943,581 | 1,744,243 | 44,934 | 121,874 | 9 |
| Estimate of bad debtors | -- | -- | -- | -- | |
| Misc. debtors | 738,362 | 812,582 | 93,694 | 32,471 | 8 |
| Estimate of bad debtors | -- | -- | -- | -- | |

| Item | Long Term | |
|----------------------------------|------------|------------|
| | 09-30-2004 | 09-30-2003 |
| Debts from Sales | 0 | 0 |
| Estimate of non-collectable debt | -- | -- |
| Documents receivable | 0 | 0 |
| Estimate of bad debtors | -- | -- |
| Misc. debtors | 112,575 | 145,111 |
| Estimate of bad debtors | -- | -- |
| Total Long Term Debtors | 112,575 | 145,111 |

17

06. Balances and Transactions with related entities

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

I. Balances receivable in the Short-Term as of September 30, 2004 and 2003 amount Th Ch\$ 5,022,190 and Th Ch\$ 2,390,646 respectively. In the Long-Term a balance of Th Ch\$ 21,292,513 and Th Ch\$ 21,675,448 is recorded, respectively.

1) Th Ch\$ 19,207,576 in 2004 (Th Ch\$ 20,211,988 in 2003) correspond to the sale of Rayen Cura S.A.I.C. shares to the subsidiary Cristalchile Inversiones S.A., equivalent to UF 1,117,318, without interests which are shown in long-term.

2) Detail of outstanding credits from related companies:

a) Th Ch\$ 876,730 in 2004 (Th Ch\$ 1,463,460 in 2003) Loan to Red Televisiva Megavision S.A., annual rate 2.49%, UF adjustability

| | | |
|------------|-----------|-----------------|
| 07.05.2006 | 17,000 UF | Th Ch\$ 292,243 |
| 01.05.2007 | 17,000 UF | Th Ch\$ 292,243 |
| 07.05.2007 | 17,000 UF | Th Ch\$ 292,244 |

b) Loan to Metropolis-Intercom S.A., annual rate 3.0% in Ch\$

| | | |
|------------|-------------------|-------------|
| 06.09.2005 | Th Ch\$ 2,725,425 | Short-Term. |
| 04.18.2006 | Th Ch\$ 861,688 | Long-Term. |

c) Loan to Inmob. Monte Azul S.A. UF 20,000 (Th Ch\$ 346,519), annual rate 3.0% in Long-Term.

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

| | 2004 ----- Th Ch\$ | 2003 ----- Th Ch\$ |
|--------------------------------------|--------------------------|--------------------------|
| S.A. Vina Santa Rita | 2,197,371 | 2,040,804 |
| Vina Carmen S.A. | 2,382 | 0 |
| Vina Los Vascos S.A. | 87,013 | 147,042 |
| Servicios y Consultorias Hendaya S.A | 208 | 1,930 |
| Rayen Cura S.A.I.C. | 0 | 183,530 |
| Vina Dona Paula S.A. | 0 | 2,192 |
| Total | 2,286,974 | 2,375,498 |

18

Balances Payable in the Short-Term amount Th Ch\$ 832,342 in 2004 and Th Ch\$ 810,885 in 2003, which correspond to invoicing balances with expirations under 90 days:

| | 2004 ----- Th Ch\$ | 2003 ----- Th Ch\$ |
|-------------------------------|--------------------------|--------------------------|
| S.A. Vina Santa Rita | 140,395 | 207,172 |
| Ediciones Financieras S.A. | 204 | 0 |
| Vina Los Vascos S.A. | 14,413 | 8,955 |
| Cia. Electro Metalurgica S.A. | 1,141 | 0 |
| TOTAL | 156,153 | 216,127 |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

For dividends payable to related companies there is the following detail:

| | 2004 | | 2003 | |
|---------------------------------------|---------|------|---------|------|
| | Th | Ch\$ | Th | Ch\$ |
| Cia. Electro Metalurgica S.A. | 435,600 | | 331,927 | |
| Servicios y Consultorias Hendaya S.A, | 113,587 | | 86,553 | |
| Bayona S.A. | 118,251 | | 90,107 | |
| TOTAL | 667,438 | | 508,587 | |

For balances in favor in Cristalchile Inversiosnes S.A.'s current account for Th Ch\$ 7,932 and Cristalchile Comunicaciones S.A. Th Ch\$ 819.

19

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

| R.U.T. | Company | Short Term | | |
|------------|---------------------------------------|------------|------------|------------|
| | | 09-30-2004 | 09-30-2003 | 09-30-2002 |
| 86547900-K | S.A. VINA SANTA RITA | 2,197,371 | 2,040,804 | |
| 79952350-7 | RED TEL. MEGAVISION S.A. | 5,579 | 15,148 | 87 |
| 89150900-6 | VINA LOS VASCOS S.A. | 87,013 | 147,042 | |
| 96721580-5 | CRISTACHILE COMUNICACIONES S.A. | 1,375 | 0 | |
| 96972440-5 | CRISTALCHILE INVERSIONES S.A. | 0 | 0 | 19,20 |
| 83032100-4 | SERV. Y CONSULTORIAS HENDAYA S.A. | 208 | 1,930 | |
| 87941700-7 | VINA CARMEN S.A. | 2,382 | 0 | |
| 96787750-6 | METROPOLIS INTERCOM S.A. | 2,725,425 | 0 | 86 |
| 78936090-1 | INMOB. Y CONSTRUCTORA MONTE AZUL S.A. | 0 | 0 | 34 |
| 96608270-4 | CIECSA S.A. | 2,837 | 0 | |
| 0-E | VINA DONA PAULA S.A. | 0 | 2,192 | |
| 0-E | RAYEN CURA S.A.I.C. | 0 | 183,530 | |
| | TOTAL | 5,022,190 | 2,390,646 | 21,29 |

20

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

| R.U.T. | Company | Short Term | | |
|--------|---------|------------|------------|------------|
| | | 09-30-2004 | 09-30-2003 | 09-30-2002 |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | |
|------------|-----------------------------------|---------|---------|
| 86547900-K | S.A. VINA SANTA RITA | 140,395 | 207,172 |
| 89150900-6 | VINA LOS VASCOS S.A. | 14,413 | 8,955 |
| 96972440-5 | CRISTALCHILE INVERSIONES S.A. | 7,932 | 9,074 |
| 96721580-5 | CRISTALCHILE COMUNICACIONES S.A. | 819 | 31,962 |
| 96539380-3 | EDICIONES FINANCIERAS S.A. | 204 | 0 |
| 86755600-1 | BAYONA S.A. | 118,251 | 90,107 |
| 96608270-4 | CIECSA S.A. | 0 | 45,135 |
| 90320000-6 | CIA. ELECTROMETALURGICA S.A. | 436,741 | 331,927 |
| 83032100-4 | SERV. Y CONSULTORIAS HENDAYA S.A. | 113,587 | 86,553 |
| | TOTAL | 832,342 | 810,885 |

21

CRISTALERIAS DE CHILE S.A.

NOTE 6 - BALANCES AND TRANSACTIONS WITH RELATED COMPANIES TRANSACTIONS

| Company | R.U.T. | Relationship | Description of Transaction | 09-30-2004 Amount | Effect on Results (Debit/Credit) |
|-----------------------------------|------------|-------------------------|----------------------------|----------------------|-------------------------------------|
| S.A. VINA SANTA RITA | 86547900-K | Subsidiary | Container Sales | 4,488,007 | 1,290,4 |
| | | Subsidiary | Packaging sales | 431,757 | |
| | | Subsidiary | Materials Purchase | 427,162 | 6,8 |
| | | Subsidiary | Rent of Vineyard | 16,503 | 16,5 |
| | | Subsidiary | Dividends Received | 649,952 | |
| SERV. Y CONS. HENDAYA S.A. | 83032100-4 | Controlling stockholder | Received services | 781,298 | -781,2 |
| | | Controlling stockholder | Given services | 14,551 | 14,5 |
| | 90320000-6 | stockholder | Dividends paid | 341,897 | |
| CLARO Y CIA. | 79753810-8 | With the Chairman | Legal assesment | 35,322 | -35,3 |
| | | Indirect subsidiary | Loaned services | 7,624 | 7,6 |
| QUEMCHI S.A. | 96640360-8 | Indirect affiliate | Loaned services | 7,624 | 7,6 |
| CIA. SUDAMERICANA DE VAPORES S.A. | 90160000-7 | Indirect affiliate | Carrier services | 82,982 | |
| | | Controlling stockholder | Dividends paid | 355,935 | |
| BAYONA S.A. | 86755600-1 | Indirect stockholder | Dividends paid | 355,935 | |
| VINA LOS VASCOS S.A. | 89150900-6 | Indirect affiliate | Direct sales | 543,522 | 156,2 |
| | | Indirect affiliate | Materials purchased | 41,156 | |
| EDICIONES FINANCIERAS S.A. | 96793770-3 | Indirect affiliate | Received services | 3,870 | -3,8 |
| CIA. ELECTROMETALURGICA | | Controlling | | | |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | | | |
|--------------------------|------------|--------------|----------------|-----------|-------|
| S.A. | 90320000-6 | stockholder | Dividends paid | 1,311,156 | |
| | | Controlling | Materials | | |
| | | stockholder | purchased | 5,647 | |
| | | Controlling | Account | | |
| | | stockholder | Payments | 0 | |
| RED TELEVISIVA | | Related with | | | |
| MEGAVISION S.A. | 79952350-7 | Subsidiary | Interests | 33,042 | 33,0 |
| | | Related with | | | |
| | | Subsidiary | Adjustments | 13,810 | 13,8 |
| | | Related with | | | |
| | | Subsidiary | Loan repayment | 0 | |
| | | Related with | | | |
| | | Subsidiary | Advertisements | 5,000 | -5,0 |
| | | Indirect | Long-term loan | | |
| METROPOLIS INTERCOM S.A. | 96787750-6 | affiliate | granted | 861,688 | |
| | | Indirect | Short-term | | |
| | | affiliate | loan granted | 2,725,425 | |
| CRISTALCHILE | | | Capital | | |
| COMUNICACIONES | 96721580-5 | Subsidiary | Contribution | 0 | |
| | | Subsidiary | Adjustments | 42 | |
| CRISTALCHILE INVERSIONES | | | | | |
| S.A. | 96972440-5 | Subsidiary | Credit return | 1,025,615 | |
| | | Subsidiary | Adjustments | 302,547 | 302,5 |
| | | Related with | | | |
| VINA CARMEN S.A. | 87941700-7 | Subsidiary | Rent | 32,955 | 32,9 |
| | | | Capital | | |
| CIECSA S.A. | 96608270-4 | Subsidiary | Contribution | 0 | |
| | | Subsidiary | Adjustments | 15 | - |
| | | Related with | | | |
| VINA DONA PAULA S.A. | 0-E | Subsidiary | Direct Sales | 23,556 | 6,7 |
| | | Indirect | | | |
| RAYEN CURA S.A.I.C. | 0-E | affiliate | Direct Sales | 115,771 | 40,1 |
| INMOB. Y CONSTRUCTORA | | | | | |
| MONTE AZUL | 78936090-1 | Affiliate | Loan granted | 343,815 | |
| | | Affiliate | Interest | 2,705 | 2,7 |

22

07. Inventory

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

| | 2004 | | 2003 | |
|--|-----------|------|-----------|------|
| | Th | Ch\$ | Th | Ch\$ |
| Finished Products | 4,165,325 | | 2,723,155 | |
| Raw Materials and Fuel | 1,242,139 | | 1,661,580 | |
| Materials and spare parts to be consumed | 873,822 | | 1,058,114 | |
| Materials in transit | 1,026,001 | | 307,686 | |
| TOTAL | 7,307,287 | | 5,750,535 | |

23

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

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 | 2003 |
|-------------------------------------|-------------|-----------|
| | Th Ch\$ | Th Ch\$ |
| Fiscal year income tax reserve | (2,839,048) | (666,811) |
| Single tax reserve | (10,176) | (8,161) |
| | ----- | ----- |
| SUBTOTAL | (2,849,224) | (674,972) |
| Credits: | | |
| Monthly reserve payments | 1,227,631 | 2,154,631 |
| Training expenditure | 40,518 | 36,040 |
| Credit fixed assets | 0 | 0 |
| Donations | 12,500 | 0 |
| Recoverable VAT | 0 | 0 |
| | ----- | ----- |
| CREDIT SUBTOTAL | 1,280,649 | 2,190,671 |
| VAT Tax Credit previous fiscal year | 745,453 | 236,091 |
| | ----- | ----- |
| TOTAL TAXES TO BE RECOVERED | (823,122) | 1,751,790 |

24

C) TAXABLE PROFIT FUND

The company showed the following taxable profits to be distributed:

| | 2004 | 2003 |
|--------------------------------|------------|------------|
| | Thou Ch\$ | Thou Ch\$ |
| Generated as of 31.12.1983: | | |
| Profit Adjustment | 1,955,579 | 1,955,579 |
| Generated since 01.01.1984: | | |
| Without Credit | 1,952,737 | 1,092,551 |
| With 10% First Category Credit | 22,897 | 23,125 |
| With 15% First Category Credit | 83,691,680 | 87,635,035 |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | |
|----------------------------------|-------------|-------------|
| With 16% First Category Credit | 14,608,036 | 16,432,597 |
| With 15% Additional Rate Credit | 725 | 736 |
| With 16.5% First Category Credit | 7,024,928 | 4,179,243 |
| With 17% First Category Credit | 16,845,057 | 0 |
| | ----- | ----- |
| SUBTOTAL TAX PROFITS | 124,146,060 | 109,363,287 |
| Non-income revenues | 6,886,405 | 6,955,188 |
| | ----- | ----- |
| Total earnings to distribute | 131,032,465 | 116,318,475 |

25

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

| | 09-30-2004 | | |
|---|--------------------|-----------|------------|
| | Asset Deferred Tax | | Liability |
| Item | Short term | Long Term | Short Term |
| ----- | ----- | ----- | ----- |
| Temporary Differences | | | |
| Reserve non-collectable accounts | 29,431 | 0 | 0 |
| Expected revenue | 0 | 0 | 0 |
| Vacation reserve | 69,728 | 0 | 0 |
| Amortization intangibles | 0 | 0 | 0 |
| Leased assets | 0 | 0 | 0 |
| Manufacturing expenses | 0 | 0 | 0 |
| Fixed asset depreciation | 0 | 0 | 0 |
| Severance | 1,507 | 150,147 | 0 |
| Other events | 0 | 0 | 54,143 |
| Packaging reserve | 154,061 | 0 | 0 |
| Others reserve | 20,400 | 0 | 0 |
| Furnace repair reserve | 325,031 | 401,392 | 0 |
| Refractories obsolescence reserve | 7,135 | 0 | 0 |
| Spare parts obsolescence reserve | 109,251 | 0 | 0 |
| Deferred customs duties | 729 | 20,087 | 0 |
| Accumulated depreciation automobiles | 0 | 20,698 | 0 |
| Unrealized profit | 39,551 | 10,836 | 0 |
| Fixed asset, molds | 0 | 0 | 0 |
| Amortization lower valued bonds | 0 | 0 | 0 |
| OTHERS | | | |
| Complementary accounts-net amortization | 0 | 5,586 | 0 |
| Valuation reserve | 0 | 0 | - |
| Total | 756,824 | 597,574 | 54,143 |

26

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

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

09-30-2003

| Item | Asset Deferred Tax | | Liability |
|---|--------------------|-----------|------------|
| | Short term | Long Term | Short Term |
| ----- Temporary Differences | | | |
| Reserve non-collectable accounts | 23,994 | 0 | 0 |
| Expected revenue | 0 | 0 | 0 |
| Vacation reserve | 63,086 | 0 | 0 |
| Amortization intangibles | 0 | 0 | 0 |
| Leased assets | 0 | 0 | 0 |
| Manufacturing expenses | 0 | 0 | 0 |
| Fixed asset depreciation | 0 | 0 | 0 |
| Severance | 1,784 | 147,543 | 0 |
| Other events | 0 | 0 | 54,133 |
| Packaging reserve | 196,711 | 0 | 0 |
| Others reserve | 0 | 0 | 0 |
| Furnace repair reserve | 0 | 589,832 | 0 |
| Refractories obsolescence reserve | 7,203 | 0 | 0 |
| Spare parts obsolescence reserve | 98,860 | 0 | 0 |
| Deferred customs duties | 0 | 0 | 0 |
| Accumulated depreciation automobiles | 0 | 16,864 | 0 |
| Unrealized profit | 41,693 | 7,102 | 0 |
| Fixed asset, molds | 0 | 0 | 0 |
| Amortization lower valued bonds | 0 | 0 | 0 |
| OTHERS | | | |
| Complementary accounts-net amortization | 0 | 12,753 | 0 |
| Valuation reserve | - | - | |
| Total | 433,331 | 748,588 | 54,133 |

27

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

| ITEM | 09-30-2004 | 09-30- |
|---|------------|--------|
| Current tax costs (tax reserve) | -2,849,224 | - |
| Adjustment tax cost (previous year) | 0 | |
| Effect on assets or liabilities from deferred tax of fiscal year | 235,987 | |
| Tax benefit from tax losses | 0 | |
| Effect of amortization of complementary accounts of deferred assets and liabilities | -213,963 | - |
| Effect on assets or liabilities of deferred tax for changes in evaluation reserve | 0 | |
| Other debits or credits in the account | -41,868 | |

Total

-2,869,068

28

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 September 30, 2004 and 2003, there are no transactions for this concept.

29

10. Other current assets

As of September 30, 2004, investments in financial instruments for Th Ch\$ 12,947,043, with resale agreements, valued as stated in note 2 p) for Th Ch\$ 11,732,400 corresponding to agreements in pesos, and agreements in US\$ under 90 days for Th\$ 1,214,643.

On September, 2004 Th Ch\$ 328,138 are included corresponding to issuance expenses and rate placement difference of bonds series C and D.

Also there was a balance in favor of Cristalerias de Chile for Th Ch\$ 483,000 for Future Contracts, more detail of these is shown in note 34 Derivative Contracts.

As of September 30, 2003, there was a balance of Th Ch\$ 2,088,112 investments in financial instruments with resale agreements in pesos for Th Ch\$ 840,232, valued as stated in note 2 p), and agreements in US\$ under 90 days for Th\$ 1,247,880.

Th Ch\$ 330,480 are also included, corresponding to issuance expenses and rate placement difference of bonds series C and D.

30

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.

31

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

CRISTALERIAS DE CHILE S.A.

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

Sale Operations with buyback agreement (VRC) and Purchase with resale agreement (CRV)

| Code | Dates | | Counterpart | Original Currency |
|------|------------|------------|-------------------------------|----------------------|
| | Start | End | | |
| CRV | 09.24.2004 | 10.01.2004 | BCI CB | PESO |
| CRV | 09.24.2004 | 10.12.2004 | BANCHILE | PESO |
| CRV | 09.28.2004 | 10.05.2004 | BANCHILE | PESO |
| CRV | 09.28.2004 | 10.01.2004 | BANCHILE | PESO |
| CRV | 09.29.2004 | 10.06.2004 | BANCHILE | PESO |
| CRV | 09.30.2004 | 10.07.2004 | BCI CB | PESO |
| CRV | 09.27.2004 | 10.04.2004 | SANTANDER INVESTMENT | PESO |
| CRV | 09.27.2004 | 10.12.2004 | SANTANDER S.A. AGENTE VALORES | DOLLA |
| CRV | 09.27.2004 | 10.18.2004 | SANTANDER S.A. AGENTE VALORES | DOLLA |

| Code | Dates | | Rate | Final Value | Document ID |
|------|------------|------------|------|-------------|---------------|
| | Start | End | | | |
| CRV | 09.24.2004 | 10.01.2004 | 0.16 | 500,198 | PDBC-BCP |
| CRV | 09.24.2004 | 10.12.2004 | 0.16 | 5,104,896 | BCP-BUCER |
| CRV | 09.28.2004 | 10.05.2004 | 0.19 | 2,000,887 | STGEC-STGCC-C |
| CRV | 09.28.2004 | 10.01.2004 | 0.19 | 300,057 | STD-STGCC |
| CRV | 09.29.2004 | 10.06.2004 | 0.18 | 940,395 | PRC-BCU |
| CRV | 09.30.2004 | 10.07.2004 | 0.20 | 1,590,742 | CERO-DUSAN-PD |
| CRV | 09.27.2004 | 10.04.2004 | 0.20 | 1,300,516 | PRC-ZERO |
| CRV | 09.27.2004 | 10.12.2004 | 1.70 | 609,331 | PRD-BCD-BCP-S |
| CRV | 09.27.2004 | 10.18.2004 | 1.70 | 606,172 | PRD-BCD-BCP-S |

12. Fixed Assets

Fixed Assets:

The Fixed Assets are shown at purchase cost plus the legal and regulatory revaluations accumulated as of September 30, 2004 and 2003.

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

The items that make up the Company's fixed assets as of September 30, 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\$ 7,984,245 in 2004 and Th Ch\$ 7,413,630 in 2003.

The detail is shown on an attached chart.

33

FIXED ASSETS

| | 2004 | | 2003 | |
|--|-------------------|------|-------------------|------|
| | Th | Ch\$ | Th | Ch\$ |
| LAND | | | | |
| Land & mining claims | 1,531,255 | | 1,532,050 | |
| Subtotal land | 1,531,255 | | 1,532,050 | |
| Subtotal land | 1,531,255 | | 1,532,050 | |
| High rises and industrial const. Facilities | 13,633,867 | | 13,608,892 | |
| Housing developments | 9,879,527 | | 9,255,141 | |
| Subtotal constructions & infrastructure | 26,711 | | 26,685 | |
| Subtotal constructions & infrastructure | 23,540,105 | | 22,890,718 | |
| Accumulated depreciation | (10,386,787) | | (9,063,863) | |
| Depreciation for the fiscal year | (1,005,708) | | (982,283) | |
| Subtotal depreciation | (11,392,495) | | (10,046,146) | |
| SUBTOTAL CONSTRUCTIONS & INFRASTRUCTURE | 12,147,610 | | 12,844,572 | |
| MACHINERY & EQUIPMENT | | | | |
| Machinery | 58,359,398 | | 55,405,912 | |
| Furnaces | 47,258,066 | | 47,107,775 | |
| Furniture and Materials | 1,386,608 | | 1,291,881 | |
| Tools | 445,987 | | 354,302 | |
| Vehicles | 215,438 | | 215,235 | |
| Subtotal Machinery & equipment | 107,665,497 | | 104,375,105 | |
| Accumulated depreciation | (50,212,007) | | (41,700,742) | |
| Depreciation for the fiscal year | (6,819,127) | | (6,272,091) | |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | |
|----------------------------|--------------|--------------|
| Subtotal depreciation | (57,031,134) | (47,972,833) |
| Subtotal machinery & equip | 50,634,363 | 56,402,272 |
| OTHER FIXED ASSETS | | |
| ----- | | |
| Spare parts | 6,860,830 | 5,634,169 |
| Imports in transit | 1,554,380 | 125,639 |
| Works underway | 2,716,718 | 1,129,900 |
| Lots in Pirque and Leyda | 418,042 | 471,719 |
| Other | 403,791 | 325,000 |
| Subtotal other assets | 11,953,761 | 7,686,427 |
| TOTAL FIXED ASSETS | 144,690,618 | 136,484,300 |
| TOTAL ACCUMUL. DEPREC. | (60,598,794) | (50,764,605) |
| TOTAL DEPREC FOR F. YEAR | (7,824,835) | (7,254,374) |
| TOTAL NET FIXED ASSETS | 76,266,989 | 78,465,321 |

34

TECHNICAL REVALUATION AND ADJUSTMENT OF ACCOUNTING VALUES

| | 2004 | | 2003 | |
|---|-------------|-----------|-------------|-----------|
| | ----- | | ----- | |
| | Th | Ch\$ | Th | Ch\$ |
| LAND | | | | |
| ---- | | | | |
| Land and mining claims | | 319,012 | | 318,603 |
| Subtotal land and mining claims net | | 319,012 | | 318,603 |
| CONSTRUCTIONS & INFRASTRUCTURE | | | | |
| ----- | | | | |
| High rises and industrial constructions | | 6,371,495 | | 6,365,235 |
| Facilities | | 42,110 | | 42,068 |
| Subtotal Constructions | | 6,413,605 | | 6,407,303 |
| Accumulated depreciation | (5,156,792) | | (4,939,451) | |
| Depreciation for the fiscal year | (159,410) | | (159,256) | |
| Subtotal depreciations | (5,316,202) | | (5,098,707) | |
| Subtotal Constuctions & Infrastucture net | 1,097,403 | | 1,308,596 | |
| MACHINERY & EQUIPMENT | | | | |
| ----- | | | | |
| Furnaces | | 0 | | 0 |
| Machinery | | 0 | | 0 |
| Tools | | 0 | | 0 |
| Furniture and Materials | | 0 | | 0 |
| Subtotal Machinery & equipment | | 0 | | 0 |
| Accumulated depreciation | | 0 | | 0 |
| Depreciation for the fiscal year | | 0 | | 0 |
| Subtotal depreciation | | 0 | | 0 |
| Subtotal machinery & equip | | 0 | | 0 |
| Total Net Technical Revaluation | 1,416,415 | | 1,627,199 | |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | |
|--------------------------------|-------------|-------------|
| | ----- | ----- |
| TOTAL REVALUATED ASSET | 6,732,617 | 6,725,906 |
| TOTAL ACCUMULATED DEPRECIATION | (5,156,792) | (4,939,451) |
| TOTAL DEPRECIATION FOR YEAR | (159,410) | (159,256) |
| TOTAL NET | 1,416,415 | 1,627,199 |

35

13. Sales transactions with leaseback

These type of transactions were not carried out as of September 30, 2004 and 2003.

36

14. Investments in related companies

In agreement with established in Circular N(0) 1697de the SVS, for the investments valuation in related companies carried out prior to the January 1, 2004, the Equity Method (VPP) has continued to be used.

This method consists of assigning the investment a value equivalent to the proportion that corresponds to the company in the issuer's equity at book value, and recognizing proportionally, the variations that it experiences.

CIECSA S.A.

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 such 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 September 30, 2004 the financial statements of Rayen Cura S.A.I.C. have recognized an exchange rate of \$2.96 Argentine pesos per US Dollar. CristalChile Inversiones S.A., in turn, has adjusted the financial statements of

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

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 \$2.96 Argentine pesos per US dollar as of September 30, 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\$ 837,914 income as of September 30, 2004, and a Th Ch\$ 728,836 income as of September 30, 2003.

On the other hand, the dollar exchange rate variation during the 2004 and 2003 fiscal years originated a Th Ch\$ 61,568 charge in 2004 and a Th Ch\$ 1,252,448 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.

37

CRISTALCHILE COMUNICACIONES S.A.

As of September 29, 2003 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 September 30, 2004, the company has registered an unrealized income of Th Ch\$ 44,915, corresponding to container sales to the subsidiary S.A. Vina Santa Rita.

As of September 30, 2004, the balance accumulated for this concept totaled Th Ch\$ 239,700 (Th Ch\$ 252,684 in 2003).

INMOBILIARIA MONTE AZUL S.A.

On May 14, 2004, Cristalchile S.A. paid its subsidiary Constructora Apoger Th Ch\$196 corresponding to 49% of the rights of that society. With this contribution the participation in the coligate reaches 50% as of September 30, 2004. In order to determine the fair value, the paid value corresponds to market value, thus adjustment for present value has not originated.

38

CRISTALERIAS DE CHILE S.A.

NOTE 14 - INVESTMENTS IN RELATED COMPANIES
DETAIL OF INVESTMENTS

Shareholder

Comp

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| R.U.T. ----- | Company ----- | Country of Origin ----- | Investment Control Currency ----- | Number of Shares ----- | (Percentage) | | Eq ----- |
|-----------------|--|----------------------------------|--|------------------------------|---------------------|---------------------|-------------|
| | | | | | 09-30-2004 ----- | 09-30-2003 ----- | |
| 96721580-5 | Cristalchile Comunicaciones S.A. | Chile | Peso | 105,074,698 | 99.99820 | 99.99820 | 70,207,97 |
| 86547900-K | S.A. Vina Santa Rita S.A. | Chile | Peso | 493,959,597 | 54.09700 | 54.09700 | 81,722,16 |
| 86881400-4 | Envases CMF S.A. | Chile | Peso | 28,000 | 50.00000 | 50.00000 | 33,075,37 |
| 96608270-4 | Ciecsa S.A. | Chile | Peso | 689,301,305 | 98.44580 | 98.44580 | 18,477,82 |
| 96767580-6 | Constructora Apoger S.A. | Chile | Peso | 800,000 | 80.00000 | 80.00000 | 3,14 |
| 96826870-8 | Inmobiliaria Don Alberto S.A. | Chile | Peso | 3,817 | 0.00000 | 38.17000 | |
| 96972440-5 | Cristalchile Inversiones S.A. | Chile | Peso | 9,999 | 99.99000 | 99.99000 | -3,135,69 |
| 78936090-1 | Inmobiliaria Monte Azul S.A. | Chile | Peso | 50 | 50.00000 | 0.00000 | -9,16 |
| | TOTAL | | | | | | |

| R.U.T. ----- | Company ----- | Net Income | | Equity of societies at Fair Value | | Net Income a Fair Value | |
|-----------------|--|---------------------|---------------------|--------------------------------------|---------------------|----------------------------|-----------------|
| | | 09-30-2004 ----- | 09-30-2003 ----- | 09-30-2004 ----- | 09-30-2003 ----- | 09-30-2004 ----- | 09-30- ----- |
| 96721580-5 | Cristalchile Comunicaciones S.A. | -5,559,749 | -5,334,291 | | | | |
| 86547900-K | S.A. Vina Santa Rita S.A. | 5,395,156 | 3,704,890 | | | | |
| 86881400-4 | Envases CMF S.A. | 750,439 | 724,835 | | | | |
| 96608270-4 | Ciecsa S.A. | 2,101,212 | 838,952 | | | | |
| 96767580-6 | Constructora Apoger S.A. | -1,637 | -1,068 | | | | |
| 96826870-8 | Inmobiliaria Don Alberto S.A. | 0 | -8 | | | | |
| 96972440-5 | Cristalchilz Inversiones S.A. | 697,041 | 481,785 | | | | |
| 78936090-1 | Inmobiliaria Monte Azul S.A. | -9,776 | 0 | -9,169 | 0 | -9,776 | |
| | TOTAL | | | | | | |

| R.U.T. ----- | Company ----- | VPP | | Income not Realized | | Book va of Invest ----- |
|-----------------|--|---------------------|---------------------|------------------------|---------------------|-------------------------------|
| | | 09-30-2004 ----- | 09-30-2003 ----- | 09-30-2004 ----- | 09-30-2003 ----- | |
| 96721580-5 | Cristalchile Comunicaciones S.A. | 64,647,043 | 71,742,674 | 0 | 0 | 64,647,043 |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | | | | |
|------------|------------------|-------------|-------------|---------|---------|-------------|
| | S.A. Vina Santa | | | | | |
| 86547900-K | Rita S.A. | 47,127,865 | 44,710,907 | 239,700 | 252,684 | 46,888,165 |
| 86881400-4 | Envases CMF S.A. | 16,537,685 | 16,808,743 | 0 | 0 | 16,537,685 |
| 96608270-4 | Ciecsa S.A. | 20,259,204 | 16,414,329 | 201,247 | 234,561 | 20,057,957 |
| | Constructora | | | | | |
| 96767580-6 | Apoger S.A. | 2,517 | 4,127 | 0 | 0 | 2,517 |
| | Inmobiliaria Don | | | | | |
| 96826870-8 | Alberto S.A. | 0 | 10 | 0 | 0 | 0 |
| | Cristalchile | | | | | |
| 96972440-5 | Inversiones S.A. | 0 | 0 | 0 | 0 | 0 |
| | Inmobiliaria | | | | | |
| 78936090-1 | Monte Azul S.A. | -4,584 | 0 | 0 | 0 | -4,584 |
| | TOTAL | 148,569,730 | 149,680,790 | 440,947 | 487,245 | 148,128,783 |

39

15. Investments in other companies

As of September 30, 2004 and 2003 there are no investments in other companies.

40

16. Goodwill Amortization

NEGATIVE GOODWILL

Stock purchases made among 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 September 30, 2004 totaled Th Ch\$ 1,797,583 (Th Ch\$ 1,970,339 in 2003).

POSITIVE GOODWILL

As of September 30, 2004 and 2003 there are no transactions for this concept.

41

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

| R.U.T. | Company Name | 09-30-2004 | | 09-30- |
|------------|----------------------|--------------------------------|------------------------------------|--------------------------------|
| | | Amount Amortiz. this period | Balance of Negative Goodwill | Amount Amortiz. this period |
| 86547900-K | S.A. Vina Santa Rita | 38,347 | 531,312 | 38,310 |
| 96608270-4 | Ciecsa S.A. | 92,654 | 1,266,271 | 92,564 |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

TOTAL 131,001 1,797,583 130,874

42

17. Intangibles

As of September 30, 2004 and 2003 there are no values for these concepts.

43

18. Other (Assets)

As of September 30, 2004 there is a balance for issuance expenses of bond series C and D for Th Ch\$ 791,077 and the negative goodwill produced as a result of their placement of Th Ch\$ 2,166,518

As of September 30, 2003 there is a balance for issuance expenses of bond series C and D for Th Ch\$ 933,271 and the negative goodwill produced as a result of their placement of Th Ch\$ 2,374,617.

As of September 30, 2003, the sum of Th Ch\$ 9,012,140 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 September 15, 2005 and Th Ch\$ 103,006 for overprice paid in the acquisition of the bonds which are amortized during their maturity, are included in Other Long-term Assets.

44

19. Short-term obligations with banks and financial institutions

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

As of September 30, 2004 and 2003, there are no 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.

CRISTALERIAS DE CHILE S.A.

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 | | 09-30 |
|--------|-------------------------------|------------|------------|------------|------------|-------|
| | | 06-30-2004 | 06-30-2003 | 09-30-2004 | 09-30-2003 | |

Short term (code: 5.21.10.10)

Long Term - Short Term (code: 5.21.10.20)

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | | | |
|-----|-------------------------------------|---------|----------|---|---|
| 0-E | J.P Morgan Chase Bank | 292,991 | 138,250 | 0 | 0 |
| | Others | 0 | 0 | 0 | 0 |
| | TOTAL | 292,991 | 138,250 | 0 | 0 |
| | Capital amount due | 0 | 0 | 0 | 0 |
| | Average annual interest rate | 2.05 | 1.925 | | |
| | Percentage oblig. foreign curr. (%) | | 100.0000 | | |
| | Percentage oblig. foreign curr. (%) | | 0.0000 | | |

| R.U.T. | Bank or Financial Institution | Other Foreign Currencies | | U.F. | | Non adjus |
|--------|-------------------------------|--------------------------|------------|------------|------------|------------|
| | | 09-30-2004 | 09-30-2003 | 09-30-2004 | 09-30-2003 | 09-30-2004 |

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 | 0 | 0 | 0 |
| | Others | 0 | 0 | 0 | 0 | 0 |
| | TOTAL | 0 | 0 | 0 | 0 | 0 |
| | Capital amount due | 0 | 0 | 0 | 0 | 0 |
| | Average annual interest rate | | | | | |

45

20. Other Current Liabilities

As of September 30, 2003 , a positive balance of Th Ch\$ 4,118,995 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.

46

21. Long term liabilities with banks and financial institutions

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

47

01.

CRISTALERIAS DE CHILE S.A.

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

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

Long-term Obligations With Banks and Financial Institution

| R.U.T. | Bank or Financial Institution | Adjustment index currency | Maturity | | | |
|--------|---|---------------------------|-------------|-------------|-------------|-----------|
| | | | From 1 to 2 | From 2 to 3 | From 3 to 5 | From 5 to |
| | | | ThCh\$ | ThCh\$ | ThCh\$ | T |
| 0-E | J.P. Morgan Chase Bank | Dollars | 7,611,250 | 15,222,500 | 7,611,250 | |
| | | Euros | -- | -- | -- | |
| | | Yen | -- | -- | -- | |
| | | UF | -- | -- | -- | |
| | | Non-adj.CH\$ | -- | -- | -- | |
| | | Others | -- | -- | -- | |
| | Total | | 7,611,250 | 15,222,500 | 7,611,250 | |
| | Porcentaje de obligaciones en moneda extranjera | | 100.00% | | | |
| | Porcentaje de obligaciones en moneda nacional | | 0.00% | | | |

| R.U.T. | Bank or Financial Institution | Adjustment index currency | Closing date | | Total Long-Term at closing of Financial Statements | Average annual interest rate | Total Long-Term at closing of Financial Statements |
|--------|-------------------------------|---------------------------|----------------|-----------------|--|------------------------------|--|
| | | | Current period | Previous period | | | |
| 0-E | J.P. Morgan Chase Bank | Dollars | 30,445,000 | 2.05 | | | 33,57 |
| | | Euros | -- | -- | | | |
| | | Yen | -- | -- | | | |
| | | UF | -- | -- | | | |
| | | Non-adj.CH\$ | -- | -- | | | |
| | | Others | -- | -- | | | |
| | Total | | 30,445,000 | | | | 33,57 |

48

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

As of September 30, 2004, there are obligations with the public for UF 4,100,000, equivalent to Th Ch\$ 70,482,198 (Th Ch\$ 70,590,383 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. During 2004, are represented UF 500,000 in short term (Ch\$ 8,595,390) and UF 3,600,000 in long term (Th Ch\$ 61,886,808).

In the short term there is a balance of Th Ch\$ 786,791 (Th Ch\$ 787,998 in 2003)

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

corresponding to accrued interests for UF 45,768.20.

Bond series C have a tenor of 6 years with amortizations beginning 2 years from the placement date. Bond series D have a tenor of 21 years with amortizations beginning 6 years from the placement date.

49

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 | 01 |
| 296-09.07.02 | C2 Interests | 0 | UF | 4.75 | 01 |
| 296-09.07.02 | D1 Interests | 0 | UF | 5.80 | 01 |
| 296-09.07.02 | D2 Interests | 0 | UF | 5.80 | 01 |
| 296-09.07.02 | C1 | 500,000 | UF | 4.75 | 07 |

| REGISTRATION OR IDENTIFICATION No. OF INSTRUMENT | INSTALLMENTS | | PAR VALUE | |
|--|------------------|----------------------|------------|------------|
| | INTEREST PAYMENT | AMORTIZATION PAYMENT | 09-30-2004 | 09-30-2003 |
| LONG-TERM BONDS-CURRENT PORTION | | | | |
| 296-09.07.02 | SEMI-ANNUAL | SEMI-ANNUAL | 258,941 | 259 |
| 296-09.07.02 | SEMI-ANNUAL | SEMI-ANNUAL | 86,314 | 86 |
| 296-09.07.02 | SEMI-ANNUAL | SEMI-ANNUAL | 399,485 | 400 |
| 296-09.07.02 | SEMI-ANNUAL | SEMI-ANNUAL | 42,051 | 42 |
| 296-09.07.02 | SEMI-ANNUAL | SEMI-ANNUAL | 8,595,390 | |
| TOTAL CURRENT PORTION | | | 9,382,181 | 787 |

REGISTRATION OR

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| IDENTIFICATION No. OF INSTRUMENT | SERIES | CURRENT FACE VALUE | INDEXING UNIT OF BOND | INTEREST RATE | F MA |
|-------------------------------------|--------|-----------------------|--------------------------|------------------|---------|
| 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- |

| REGISTRATION OR IDENTIFICATION No. OF INSTRUMENT | INSTALLMENTS | | PAR VALUE | |
|--|---------------------|-------------------------|------------|------------|
| | INTEREST PAYMENT | AMORTIZATION PAYMENT | 09-30-2004 | 09-30-2003 |
| LONG-TERM BONDS | | | | |
| 296-09.07.02 | SEMI-ANNUAL | SEMI-ANNUAL | 17,190,780 | 25,825 |
| 296-09.07.02 | SEMI-ANNUAL | SEMI-ANNUAL | 8,595,390 | 8,608 |
| 296-09.07.02 | SEMI-ANNUAL | SEMI-ANNUAL | 32,662,482 | 32,712 |
| 296-09.07.02 | SEMI-ANNUAL | SEMI-ANNUAL | 3,438,156 | 3,443 |
| LONG-TERM TOTAL | | | 61,886,808 | 70,590 |

50

23. Provisions and Write-offs

Provisions:

As of September 30, 2004, the Company has short-term provisions of Th Ch\$ 7,806,558 and Th Ch\$ 5,441,149 in 2003.

In the Long-term, provisions are recorded of Th Ch\$ 6,604,096 as of September 30, 2004 and Th Ch\$ 7,745,359 as of September 30, 2003.

a) Bad Debt Reserves:

The Company has established a reserve for bad debts of Th Ch\$ 173,127, and Th Ch\$ 145,417, respectively, as of September 30, 2004 and 2003.

This provision is deducted from the balance of debtors from sales, as stated in note 5.

b) Vacation Provision:

The company has established a provision for the total cost of vacations pending

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

as of September 30, 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\$ 410,164 as of September 30, 2004 (Th Ch\$ 382,338 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 have a 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\$ 4,273,077 and Th Ch\$ 3,571,074 as of September 30, 2004 and 2003, respectively.

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

51

Cristaleras de Chile S.A.

| Note Provisions and Write-offs | 2004 | 2003 |
|--------------------------------|-----------|-----------|
| | ----- | ----- |
| Short term | ThCh\$ | ThCh\$ |
| ----- | | |
| Packing for Client Return | 906,239 | 1,168,581 |
| Furnace Reconstruction | 1,911,946 | 0 |
| Board Share | 569,494 | 98,186 |
| Reserve Spare Parts | 375,866 | 445,200 |
| Legal Holiday | 410,164 | 382,338 |
| Severance Pay | 185,695 | 184,430 |
| Provision Subsidiary Losses | 2,305,248 | 2,169,587 |
| Provision Indirect Expenses | 721,337 | 698,262 |
| Provision Legal Gratification | 86,090 | 83,141 |
| Other Provisions | 334,479 | 211,424 |
| | ----- | ----- |
| Total Short Term | 7,806,558 | 5,441,149 |
| | | |
| Long term | | |
| ----- | | |
| Severance Pay | 4,242,965 | 4,174,285 |
| Furnace Reconstruction | 2,361,131 | 3,571,074 |
| | ----- | ----- |
| Total Long-Term | 6,604,096 | 7,745,359 |

52

24. Severance Payments

The reserve for severance payments to personnel is included at its current value, as expressed in note 2 r). As of September 30, 2004 it totals Th Ch\$ 4,428,660 (Th Ch\$ 4,358,715 in 2003).

As of September 30, 2004 and 2003 the parent company has paid severance payments of Th Ch\$ 180,607 and Th Ch\$ 140,701 respectively, chargeable against the reserve.

53

25. Other long-term liabilities

As of September 30, 2004 and 2003 there are no values for this concept.

54

26. Minority interest

Not applicable to individual financial statements.

55

27. Changes in Equity

a) Activity in 2004 and 2003

The activity of the capital and reserve accounts in the fiscal years ended on September 30, 2004 and 2003, are shown in the attached charts.

b) Other Reserves

The detail of Other Reserves is the following:

| | 2004 | | 2003 | |
|---|-----------|------|-----------|------|
| | Th | Ch\$ | Th | Ch\$ |
| Future capital increases | 4,667,636 | | 4,450,953 | |
| Reserve for adjustment of value of fixed assets | 1,416,415 | | 1,627,199 | |
| Adjustment for conversion difference in investment in Rayen Cura S.A.I.C. | 593,044 | | 2,164,029 | |
| TOTAL OTHER RESERVES | 6,677,095 | | 8,242,181 | |

56

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

| Items | Paid-in Capital | Reserve capital revaluation | Premium in sale of shares | Re |
|-------|-----------------|-----------------------------|---------------------------|-------|
| ----- | ----- | ----- | ----- | ----- |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | | |
|--|------------|-----------|------------|------|
| Balances as of 09-30-2004 | | | | |
| Initial balance | 65,396,749 | 0 | 27,874,377 | 6,4 |
| 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 | 1 |
| Eventual Dividend | 0 | 0 | 0 | |
| Payment shares | 0 | 0 | 0 | |
| Owner's equity Revaluation | 0 | 1,242,538 | 529,613 | 1 |
| Fiscal Year Result | 0 | 0 | 0 | |
| Provisional Dividends | 0 | 0 | 0 | |
| Final balances | 65,396,749 | 1,242,538 | 28,403,990 | 6,6 |
| Balances as of 09-30-2003 | | | | |
| Initial balance | 64,749,257 | 0 | 27,598,393 | 9,7 |
| 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 | -1,7 |
| Eventual Dividend | 0 | 0 | 0 | |
| Payment shares | 0 | 0 | 0 | |
| Owner's equity revaluation | 0 | 776,991 | 331,181 | 1 |
| Fiscal Year Result | 0 | 0 | 0 | |
| Provisional Dividends | 0 | 0 | 0 | |
| Final balances | 64,749,257 | 776,991 | 27,929,574 | 8,1 |
| Updated balances | 65,785,245 | 789,423 | 28,376,447 | 8,2 |

57

| Items | Accumulated Results | Provisional Dividends | Devel. Period Deficit |
|--|---------------------|-----------------------|-----------------------|
| Balances as of 09-30-2004 | | | |
| Initial balance | 6,426,520 | -958,080 | 0 |
| Distribution result previous fiscal year | -6,426,520 | 958,080 | 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 |
| Payment shares | 0 | 0 | 0 |
| Owner's equity Revaluation | 0 | -12,800 | 0 |
| Fiscal Year Result | 0 | 0 | 0 |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | |
|--|-------------|------------|-------|
| Provisional Dividends | 0 | -2,560,000 | 0 |
| | ----- | ----- | ----- |
| Final balances | 0 | -2,572,800 | 0 |
| | ----- | ----- | ----- |
| Balances as of 09-30-2003 | | | |
| Initial balance | 17,660,662 | -3,303,936 | 0 |
| Distribution result previous fiscal year | -17,660,662 | 3,303,936 | 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 |
| Eventual Dividend | 0 | 0 | 0 |
| Payment shares | 0 | 0 | 0 |
| Owner's equity revaluation | 0 | -960 | 0 |
| Fiscal Year Result | 0 | 0 | 0 |
| Provisional Dividends | 0 | -960,000 | 0 |
| Final balances | 0 | -960,960 | 0 |
| | ----- | ----- | ----- |
| Updated balances | 0 | -976,335 | 0 |
| | ----- | ----- | ----- |

58

CRISTALERIAS DE CHILE S.A.

NOTE 27: CHANGES IN EQUITY - NUMBER OF SHARES

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

CRISTALERIAS DE CHILE S.A.

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

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

59

28. Other Non-operating Income and Expenses

As of September 30, 2004 non-operating income amounted Th Ch\$ 425,365 and Th Ch\$ 292,827 in 2003.

Non-operating expenses amounted to Th Ch\$ 724,138 as of September 30, 2004 and Th Ch\$ 637,254 in fiscal year 2003.

More detail is shown in annexed chart.

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

60

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 | 129,385 | | 125,099 | |
| Sale of fixed assets | 8,676 | | 4,599 | |
| Compensation for Damage | 988 | | 2,592 | |
| Sale of materials | 33,245 | | 21,254 | |
| Agricultural Division | 15,674 | | 56,393 | |
| Amortization of non-realized profits | 25,156 | | 25,132 | |
| Prize Soda Ash contract | 34,046 | | 0 | |
| Condonation deferred custom duties | 47,834 | | 0 | |
| Sundry income | 130,361 | | 57,758 | |
| | ----- | | ----- | |
| TOTAL NON-OPERATING INCOME | 425,365 | | 292,827 | |
| EXPENSES | | | | |
| Professional advice | 490,524 | | 509,054 | |
| Other expenses | 178,500 | | 75,750 | |
| Insurances | 5,725 | | 0 | |
| ADR's Expenses | 49,389 | | 52,450 | |
| | ----- | | ----- | |
| TOTAL NON-OPERATING EXPENSES | 724,138 | | 637,254 | |

61

29. Price-level Restatement

As a result of the application of price-level restatement as described in Note 2 d), a net charge to results was generated in the 2004 and 2003 fiscal year of Th Ch\$ 398,945 and Th Ch\$ 439,377 respectively.

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

62

Cristalerias de Chile S.A.

NOTE 29: ADJUSTMENT FOR PRICE LEVEL RESTATEMENTS

| ASSETS (CHARGES)/CREDITS | ADJUSTABILITY INDEX | 09-30-2004 |
|--------------------------|----------------------|------------|
| | ----- | ----- |
| INVENTORY | Consumer Price Index | 124,605 |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | |
|---|-----|------------|
| FIXED ASSET | CPI | 1,790,366 |
| INVESTMENTS IN RELATED COMPANIES | CPI | 2,804,065 |
| MARKETABLE SECURITIES | CPI | 78,936 |
| SHORT TERM DEBTORS | CPI | 3,072 |
| SHORT TERM DEBTORS | UF | 1,563 |
| LONG-TERM DEBTORS | UF | 6,172 |
| ACCOUNTS RECEIVABLE RELATED COMPANIES | UF | 320,180 |
| INFLATIONARY EFFECT | CPI | 1,156,347 |
| RATE ISSUANCE DIFFERENCE LONG-TERM BOND | UF | 37,292 |
| OTHER NON-MONETARY ASSETS | CPI | 47,031 |
| EXPENSE AND COST ACCOUNTS | CPI | -81,799 |
| TOTAL (CHARGES)/CREDITS | -- | 6,287,830 |
| LIABILITIES (CHARGES)/ CREDITS | | |
| NET WORTH | CPI | -4,305,854 |
| ACCOUNTS RECEIVABLE RELATED COMPANIES | UF | -12 |
| SHORT-TERM RESERVES | CPI | -49,106 |
| LONG-TERM CREDITORS | CPI | -470 |
| LONG-TERM RESERVES | CPI | -54,795 |
| PUBLIC OBLIGATION | UF | -1,110,198 |
| INFLATIONARY EFFECT | CPI | -710,833 |
| NON-MONETARY LIABILITIES | CPI | -128,681 |
| INCOME ACCOUNTS | CPI | -326,826 |
| TOTAL (CHARGES)/ CREDITS | -- | -6,686,775 |
| (LOSS) PROFIT FROM ADJUSTMENT FOR PRICE LEVEL RESTATEMENT | | -398,945 |

63

30. Exchange Differences

A net credit to results was produced due to exchange differences of Th Ch\$ 1,265,557 in 2004 and a net charge of Th Ch\$ 10,060,062 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.

64

Cristalerias de Chile S.A.
NOTE 30: EXCHANGE DIFFERENCES

| ITEM | CURRENCY | AMOUNT | |
|---------------------------------------|----------|------------|------------|
| | | 09-30-2004 | 09-30-2003 |
| FIXED (CHARGES) /CREDITS AVAILABLE | DOLLARS | -9,910 | -22,029 |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | |
|--|----------------|------------|-------------|
| MARKETABLE SECURITIES | DOLLARS | 615,224 | -4,369,008 |
| MARKETABLE SECURITIES | EUROS | 460,083 | 0 |
| TIME DEPOSITS | DOLLARS | 0 | -96,809 |
| INVENTORY | DOLLARS | -44,141 | -71,237 |
| BONDS INSTALLMENT | DOLLARS | 90,147 | -795,834 |
| SUNDRY DEBTORS | DOLLARS | -8,689 | -32,208 |
| OTHER ASSETS | DOLLARS | 828,156 | -255,994 |
| INFLATIONARY EFFECT | DOLLARS | -1,156,347 | -397,518 |
| TOTAL (CHARGES) /CREDITS | | 774,523 | -6,040,637 |
| LIABILITIES (CHARGES) /CREDITS | | | |
| NOTES PAYABLE | DOLLARS | 94,981 | 177,477 |
| NOTES PAYABLE | OTHER CURRENCY | 7,356 | 9,497 |
| SUNDRY CREDITORS - SHORT TERM | DOLLARS | -106 | 65,749 |
| LONG- TERM BANK LOANS | DOLLARS | -755,000 | 2,928,112 |
| SHORT-TERM RESERVES | DOLLARS | -47,414 | 0 |
| LONG-TERM RESERVES | DOLLARS | -26,083 | 263,530 |
| SUNDRY CREDITORS - LONG TERM | DOLLARS | -2,930 | 11,776 |
| OTHER LIABILITIES | DOLLARS | -114,165 | 53,609 |
| ADJUSTMENT FUTURE CONTRACTS | DOLLARS | 623,562 | -7,529,175 |
| INFLATIONARY EFFECT | DOLLARS | 710,833 | 0 |
| TOTAL (CHARGES)/ CREDITS | | 491,034 | -4,019,425 |
| (LOSS) PROFIT FROM EXCHANGE DIFFERENCE | | 1,265,557 | -10,060,062 |

65

31. Extraordinary Items

As of September 30, 2004 and 2003 there are no transactions for this item.

66

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

On August, 2002 the parent 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 September 30, 2004 amounts Th Ch\$ 3,285,732 (Th Ch\$ 3,638,368 in 2003). Amortization is being done according to the maturity of each series.

Classified under other current assets are Th Ch\$ 328,137 (Th Ch\$ 330,480 in 2003) and Th Ch\$ 2,957,595 (Th Ch\$ 3,307,888 in 2003) under other long-term fixed assets.

As of September 30, 2004, the charge to results for their amortization amounts Th Ch\$ 249,541 (Th Ch\$ 251,284 in 2003).

| DETAIL | Short-Term | | Long-Term | |
|--------|------------|-------|-----------|-------|
| | 2004 | 2003 | 2004 | 2003 |
| ----- | ----- | ----- | ----- | ----- |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | | |
|------------------------------------|---------|---------|-----------|----------|
| Issue expenses | 127,148 | 129,183 | 791,077 | 933,27 |
| Difference in bonds placement rate | 200,989 | 201,297 | 2,166,518 | 2,374,61 |
| Total | 328,137 | 330,480 | 2,957,595 | 3,307,88 |

67

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:

| | | Sep 2004 | Sep 2003 |
|-----------|--------------------------------|-----------|-----------|
| | | ----- | ----- |
| | | Th Ch\$ | Th Ch\$ |
| 541.11.40 | Other income received | | |
| | Exchange differences | 333,209 | 0 |
| | Discount for Custom Duties | 37,886 | 0 |
| | Accountent Return | 897,097 | 909,776 |
| | Other income | 5,716 | 2,883 |
| | Total | 1,273,908 | 912,659 |
| 541.11.80 | Other expenses paid | | |
| | Exchange differences | 219,861 | 5,326,938 |
| | Donations | 82,743 | 59,819 |
| | Other expenses | 3,194 | 2,691 |
| | Total | 305,798 | 5,389,448 |
| 541.13.15 | Sale of other investments | | |
| | Sale bonds | 4,972,567 | 0 |
| | Sale bonds Profit | 143,394 | 0 |
| | Redemption LT bonds | 0 | 313,172 |
| | Total | 5,115,961 | 313,172 |
| 541.13.30 | Other investment income | | |
| | Maturity of future contracts | 659,830 | 1,492,737 |
| 541.13.65 | Other investment disbursements | | |
| | Purchase of shares | 0 | 323,261 |
| | Future Contracts | 2,268,494 | 5,985,443 |
| | Total | 2,268,494 | 6,308,704 |

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.159 | 1,280,000 | October -2004 |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | |
|------------------------------------|------------------|-------------|
| Payable investment project imports | 1,001,516 | 4th Quarter |
| TOTAL | <u>2,281,516</u> | |

68

34. Derivative Contracts

The parent company has signed future sale contracts in foreign currency of Th US\$ 38,200 as of September 2004 (purchase contracts of Th US\$ 76,600 in 2003) subject to the regulations of 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.

As of September 30, 2004 there was a difference in favor of Cristalerias de Chile S.A. of Th Ch\$ 483,000 classified under Other Current Assets.

As of September 30, 2003 there was a difference in favor of the financial institutions of Th Ch\$ 4,118,995 classified under Other Current Liabilities.

69

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 | PROTECTOR NAME |
| FR | CI | 12,908,680 | FOURTH 2004 | EXCHANGE RATE | S | - |
| FR | CI | 10,351,300 | FIRST 2005 | EXCHANGE RATE | S | - |

| TYPE OF DERIVATIVE | TYPE OF CONTRACT | VALUE OF CONTRACT | MATURITY OR EXPIRATION DATE | ACCOUNTS AFFECTED | | |
|--------------------|------------------|-------------------|-----------------------------|-------------------|---------|----------|
| | | | | NAME | AMOUNT | REALIZED |
| FR | CI | 12,908,680 | FOURTH 2004 | ASSETS | 204,528 | 204,528 |
| FR | CI | 10,351,300 | FIRST 2005 | ASSETS | 278,742 | 278,472 |

69

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

Analysis of Forward Contracts in foreign currency as of 09.30.2004

| INSTITUTION | DATE | | FUTURE VALUE | PROFIT (Loss) |
|----------------------------|------------|------------|--------------|------------------|
| | Investment | Maturity | US\$ | ThCh\$ |
| Deutsche Bank (Chile) S.A. | 06.04.2004 | 10.04.2004 | 3,000,000 | 109,4 |
| Deutsche Bank (Chile) S.A. | 07.27.2004 | 01.24.2005 | 5,000,000 | 183,4 |
| Bank Boston | 08.23.2004 | 12.01.2004 | 3,000,000 | 72,3 |
| Deutsche Bank (Chile) S.A. | 08.23.2004 | 12.01.2004 | 1,500,000 | 36,1 |
| BBVA | 09.01.2004 | 12.10.2004 | 1,500,000 | 25,6 |
| Deutsche Bank (Chile) S.A. | 09.09.2004 | 12.20.2004 | 1,500,000 | 17,0 |
| Banco Santander | 09.20.2004 | 12.20.2004 | 3,000,000 | 6,7 |
| Scotiabank | 09.20.2004 | 12.29.2004 | 2,000,000 | 4,4 |
| Banco Santander | 09.23.2004 | 12.22.2004 | 1,500,000 | 6,4 |
| Deutsche Bank (Chile) S.A. | 09.27.2004 | 03.29.2005 | 8,000,000 | 36,8 |
| Deutsche Bank (Chile) S.A. | 09.30.2004 | 01.05.2005 | 8,200,000 | (15,7 |
| Total | | | 38,200,000 | 483,0 |

As of September 30, 2003 there were future purchase contracts for US\$ 76,600,000, which caused a difference in favor of the financial institutions of Th Ch\$ 4,118,995.

70

35. Contingencies and Restrictions

As of September 30, 2004, there is a guarantee delivered in the amount of Th Ch\$ 8,547 (Th Ch\$ 8,071 in 2003), according to the detail in the attached chart.

LAWSUITS OR OTHER LEGAL ACTIONS THE COMPANY IS INVOLVED IN

As of September 30, 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

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

total consolidated debt.

b) NET 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 4.0 ratio.

71

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.

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 Chile as the bonds owners' representative, establishes among others the following obligations:

a) Financial Indicators

Individual Balance: Indebtedness no higher than 1.2 times.

Consolidate Balance: Indebtedness no higher than 1.4 times.

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

c) The operations referred 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 September 30, 2004 and 2003, management is not aware of any other

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

contingencies that could affect the company.

72

CRISTALERIAS DE CHILE S.A.

NOTE 35: CONTINGENCIES AND RESTRICTIONS - DIRECT GUARANTEES

| CREDITOR OF GUARANTEE | DEBTOR | | TYPE OF GUARANTEE | ASSETS COMMITTED | |
|-------------------------|----------------------------|---------------|-------------------|------------------|------------|
| | NAME | RELATION SHIP | | TYPE | BOOK VALUE |
| EDIFICIO METROPOLIS AGF | CRISTALERIAS DE CHILE S.A. | COMMERCIAL | DEPOSIT | -- | 8,547 |

RELEASE OF GUARANTEES

| CREDITOR OF GUARANTEE | 09-30-2005 | ASSETS | 09-30-2006 | ASSETS | 09-30-2007 |
|-------------------------|------------|--------|------------|--------|------------|
| EDIFICIO METROPOLIS AGF | -- | -- | -- | -- | 8,547 |

73

CRISTALERIAS DE CHILE S.A.

NOTE 35: CONTINGENCIES AND RESTRICTIONS - INDIRECT GUARANTEES

| CREDITOR OF GUARANTEE | DEBTOR | | TYPE OF GUARANTEE | ASSETS COMMITTED | | FI |
|--|----------------------------|---------------|-------------------|------------------|------------|-----|
| | NAME | RELATION SHIP | | TYPE | BOOK VALUE | |
| Societe de Participations Financieres et Industrielles | Rayen Cura S.A. | Affiliate | Solidary | -- | -- | 1,7 |
| Envases CMF | Cristalerias de Chile S.A. | Affiliate | Solidary | -- | -- | 2 |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

RELEASE OF GUARANTEES

| CREDITOR OF GUARANTEE | 09-30-2005 | ASSETS | 09-30-2006 | ASSETS | 09-30-2007 |
|--|------------|--------|------------|--------|------------|
| Societe de Participations Financieres et Industrielles | 701,453 | -- | 701,453 | -- | 350,7 |
| Envases CMF | -- | -- | -- | -- | 205,7 |

74

36. Guarantees obtained from third parties

As of September 30, 2004 and 2003 the company has received guarantees from third parties, which are shown below:

| ITEM | 2004 | | 2003 | |
|---|-------|--------|------|--------|
| | Th | Ch\$ | Th | Ch\$ |
| Real Estate Lease Security Bank UF 304 | | 0 | | 5,235 |
| Real Estate Lease to Telecomunicaciones and Services Cono Sur Ltda. UF 130 | | 0 | | 2,238 |
| Real Estate Lease AGF Building UF 365.9 | | 0 | | 6,300 |
| Real Estate Lease to Irarrazabal Ruiz Tagle AGF Building (UF 235.0) | 4,040 | | | 0 |
| Real Estate Lease Metropolis Building UF 189.2 | | 0 | | 3,219 |
| Real Estate Lease to Eyzaguirre y Cia Metropolis Building (UF 2.2) | | 38 | | 38 |
| Real Estate Lease to Sur Andino Cafe AGF Building (UF 260) | 4,470 | | | 0 |
| Suppliers Sight Drafts | 1,674 | | | 1,701 |
| TOTAL | | 10,222 | | 18,731 |

75

37. Local and Foreign Currency

Charts are attached showing the foreign currency balance as of September 30, 2004 and 2003.

Cristalerias de Chile S.A.

NOTE 37: LOCAL AND FOREIGN CURRENCY - ASSETS

| ITEMS | Currency | Amount | |
|----------------|----------|------------|------------|
| | | 09-30-2004 | 09-30-2003 |
| Current Assets | | | |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | | |
|----------------------------|-------------|------|-------------|-------------|
| CASH | Non-adjust | Ch\$ | 674,286 | 1,194,472 |
| CASH | Dollars | | 203,891 | 98,894 |
| TIME DEPOSITS | Adjustable | Ch\$ | 5,000,900 | 5,345,527 |
| MARKETABLE SECURITIES | Adjustable | Ch\$ | 4,244,007 | 4,575,940 |
| MARKETABLE SECURITIES | Dollars | | 28,836,954 | 52,277,919 |
| MARKETABLE SECURITIES | Euros | | 28,631,254 | 0 |
| DEBTORS FROM SALES | Non-adjust. | Ch\$ | 22,571,956 | 19,907,104 |
| DOCUMENTS RECEIVABLE | Non-adjust. | Ch\$ | 988,515 | 1,866,117 |
| MISCELLANEOUS DEBTORS | Adjustable | Ch\$ | 93,694 | 79,250 |
| MISCELLANEOUS DEBTORS | Non-adjust. | Ch\$ | 69,944 | 16,821 |
| MISCELLANEOUS DEBTORS | Dollars | | 668,418 | 748,982 |
| DOC.&ACTS. REC. REL. CO'S. | Non-adjust. | Ch\$ | 5,016,611 | 2,375,499 |
| DOC.&ACTS. REC. REL. CO'S. | Adjustable | Ch\$ | 5,579 | 15,147 |
| STOCK | Adjustable | Ch\$ | 5,426,905 | 3,657,649 |
| STOCK | Dollars | | 1,880,382 | 2,092,886 |
| TAXES TO BE RECOVERED | Adjustable | Ch\$ | 0 | 1,751,790 |
| EXPENSES PAID IN ADVANCE | Dollars | | 168,151 | 208,996 |
| DEFERRED TAXES | Non-adjust | Ch\$ | 702,681 | 379,198 |
| OTHER CURRENT ASSETS | Non-adjust | Ch\$ | 11,732,400 | 840,232 |
| OTHER CURRENT ASSETS | Dollars | | 1,697,644 | 1,247,880 |
| OTHER CURRENT ASSETS | Adjustable | Ch\$ | 328,137 | 330,480 |
| Fixed Assets | | | | |
| FIXED ASSETS | Adjustable | Ch\$ | 77,683,404 | 80,092,520 |
| Other Assets | | | | |
| INVESTMENT REL. CO'S. | Adjustable | Ch\$ | 148,128,783 | 149,193,545 |
| NEG. INVESTMENT GOODWILL | Adjustable | Ch\$ | 1,797,583 | 1,970,339 |
| LONG-TERM DEBTORS | Adjustable | Ch\$ | 112,575 | 145,111 |
| L-T DOC. REC. REL. CO'S. | Adjustable | Ch\$ | 21,292,513 | 21,675,448 |
| OTHERS | Dollars | | 0 | 9,115,146 |
| OTHERS | Adjustable | Ch\$ | 2,957,595 | 3,307,888 |
| Total Assets | | | | |
| | Non-adjust. | Ch\$ | 41,756,393 | 26,579,443 |
| | Dollars | | 33,455,440 | 65,790,703 |
| | Adjustable | Ch\$ | 267,071,675 | 272,140,634 |
| | Euros | | 28,631,254 | 0 |

76

Cristalerias de Chile S.A.

NOTE 37: LOCAL AND FOREIGN CURRENCY - CURRENT LIABILITIES

| ITEM | Currency | Up to 90 days | | | |
|--|------------------|---------------|-------------|------------|-------------|
| | | 09-30-2004 | | 09-30-2003 | |
| | | Amount | Avg. Annual | Amount | Avg. Annual |
| | | ----- | ----- | ----- | ----- |
| | | Thou Ch\$ | Int. Rate | Thou Ch\$ | Int. Rate |
| Long-Term Obligations | | | | | |
| 1-year maturity | Dollars | 292,991 | 2.05 | 138,250 | |
| L-T Obligations with public bonds series C | Adjustable Ch\$ | 0 | -- | 0 | |
| L-T Obligations with public bonds series D | Adjustable Ch\$ | 0 | -- | 0 | |
| L-T Obligations with public bonds series C | Adjustable Ch\$ | 0 | -- | 0 | |
| Dividend Payable | Non-adjust. Ch\$ | 652,273 | -- | 512,868 | |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | | |
|--------------------------------|------------------|------------|-------|------------|
| | Dollars | 493,256 | -- | 550,293 |
| Accounts Payable | Non-adjust. Ch\$ | 1,798,012 | -- | 1,971,304 |
| Documents Payable | Dollars | 2,264,474 | -- | 1,921,159 |
| Documents Payable | Other Currencies | 349,172 | -- | 175,059 |
| Miscellaneous Creditors | Dollars | 4,289 | 12.25 | 753,958 |
| Miscellaneous Creditors | Non-adjust. Ch\$ | 379,556 | -- | 271,204 |
| Doc. and Accts. Payable rel Co | Adjustable Ch\$ | 0 | -- | 45,134 |
| Doc. and Accts. Payable rel Co | Non-adjust. Ch\$ | 832,342 | -- | 765,751 |
| Reserves | Adjustable Ch\$ | 655,584 | -- | 184,430 |
| Reserves | Dollars | 0 | -- | 0 |
| Reserves | Non-adjust. Ch\$ | 5,239,028 | -- | 5,256,719 |
| Withholding | Non-adjust. Ch\$ | 1,015,459 | -- | 1,529,309 |
| Other Current Liabilities | Adjustable Ch\$ | 0 | -- | 4,118,995 |
| Income Taxes | Non-adjust. Ch\$ | 823,122 | -- | 0 |
| | | | | |
| Total Current Liabilities | Dollars | 3,055,010 | -- | 3,363,660 |
| | Adjustable Ch\$ | 655,584 | -- | 4,348,559 |
| | Non-adjust. Ch\$ | 10,739,792 | -- | 10,307,155 |
| | Other Currencies | 349,172 | -- | 175,059 |

77

| ITEM | Currency | 90 Days to 1 Year | | | |
|--|------------------|-------------------|-------------|------------|-------------|
| | | 09-30-2004 | | 09-30-2003 | |
| | | Amount | Avg. Annual | Amount | Avg. Annual |
| | | Int. Rate | | | |
| | | Thou Ch\$ | | Thou Ch\$ | |
| Long-Term Obligations | | | | | |
| 1-year maturity | Dollars | 0 | -- | 0 | |
| L-T Obligations with public bonds series C | Adjustable Ch\$ | 345,255 | 4.75 | 345,784 | |
| L-T Obligations with public bonds series D | Adjustable Ch\$ | 441,536 | 5.80 | 442,214 | |
| L-T Obligations with public bonds series C | Adjustable Ch\$ | 8,595,390 | 4.75 | 0 | |
| Dividend Payable | Non-adjust. Ch\$ | -- | -- | -- | |
| | Dollars | -- | -- | -- | |
| Accounts Payable | Non-adjust. Ch\$ | -- | -- | -- | |
| Documents Payable | Dollars | -- | -- | -- | |
| Documents Payable | Other Currencies | -- | -- | -- | |
| 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\$ | -- | -- | -- | |
| Reserves | Dollars | 1,911,946 | -- | -- | |
| Reserves | Non-adjust. Ch\$ | -- | -- | -- | |
| Withholding | Non-adjust. Ch\$ | -- | -- | -- | |
| Other Current Liabilities | Adjustable Ch\$ | -- | -- | -- | |
| Income Taxes | Non-adjust. Ch\$ | -- | -- | -- | |
| | | | | | |
| Total Current Liabilities | Dollars | 1,911,946 | -- | 0 | |
| | Adjustable Ch\$ | 9,382,181 | -- | 787,998 | |
| | Non-adjust. Ch\$ | 0 | -- | -- | |
| | Other Currencies | 0 | -- | -- | |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

78

Cristalerias de Chile S.A.

NOTE 37: LOCAL AND FOREIGN CURRENCY - LONG-TERM LIABILITIES

CURRENT PERIOD 09-30-2004

| ITEM | Currency | 1-3 Years | | Amount |
|---|------------------|------------|-----------------------|--------|
| | | Amount | Average Interest Rate | |
| | | Thou Ch\$ | | |
| Obligations with Banks and Financial Institutions | Dollars | 7,611,250 | 2.05 | 15 |
| Obligations with public bond Series C | Adjust. Ch\$ | 0 | -- | 25 |
| Obligations with public bond Series D | Adjust. Ch\$ | 0 | -- | |
| Deferred Custom Duties | Dollars | 118,157 | 12.25 | |
| Long-term Creditors | Adjust. Ch\$ | 28,490 | -- | |
| Long-term Reserves | Dollars | 2,361,131 | -- | |
| Long-term Reserves | Adjust. Ch\$ | 4,242,965 | -- | |
| Deferred Taxes | Non-adjust. Ch\$ | 2,926,153 | -- | |
| Total Long-term Liabilities | Dollars | 10,090,538 | -- | 15 |
| | Adjust. Ch\$ | 4,271,455 | -- | 26 |
| | Non-adjust. Ch\$ | 2,926,153 | -- | |

| ITEM | Currency | 5-10 Years | | Amount |
|---|------------------|------------|-----------------------|--------|
| | | Amount | Average Interest Rate | |
| | | Thou Ch\$ | | |
| Obligations with Banks and Financial Institutions | Dollars | 7,611,250 | 2.05 | |
| Obligations with public bond Series C | Adjust. Ch\$ | 0 | -- | |
| Obligations with public bond Series D | Adjust. Ch\$ | 5,822,705 | 5.80 | 30,04 |
| 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 | 7,611,250 | -- | |
| | Adjust. Ch\$ | 5,822,705 | -- | 30,04 |
| | Non-adjust. Ch\$ | 0 | -- | |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

79

Cristalerias de Chile S.A.

NOTE 37: LOCAL AND FOREIGN CURRENCY - LONG-TERM LIABILITIES
PREVIOUS PERIOD 09-30-2003

| ITEM | Currency | 1-3 Years | |
|---|------------------|------------|-----------------------|
| | | Amount | Average Interest Rate |
| Obligations with banks and financial institutions | Dollars | 8,394,319 | 1.925 |
| Obligations with public bond series C | Adjustable Ch\$ | 17,217,166 | 4.75 |
| Obligations with public bond series D | Adjustable Ch\$ | 0 | -- |
| Long-term Creditors | Dollars | 135,043 | 11.06 |
| Long-term Creditors | Adjust. Ch\$ | 36,271 | -- |
| Long-term Reserves | Dollars | 3,571,074 | -- |
| Long-term Reserves | Adjustable Ch\$ | 4,174,285 | -- |
| Deferred Taxes | Non-adjust. Ch\$ | 2,426,390 | -- |
| Total Long-term Liabilities | | | |
| - | Dollars | 12,100,436 | -- |
| - | Adjust. Ch\$ | 21,427,722 | -- |
| - | Non-adjust. Ch\$ | 2,426,390 | -- |

| ITEM | Currency | 5-10 Years | |
|---|------------------|------------|-----------------------|
| | | Amount | Average Interest Rate |
| Obligations with banks and financial institutions | Dollars | 0 | -- |
| Obligations with public bond series C | Adjustable Ch\$ | 0 | -- |
| Obligations with public bond series D | Adjustable Ch\$ | 4,276,538 | 5.80 |
| Long-term Creditors | Dollars | 0 | -- |
| Long-term Creditors | Adjust. Ch\$ | 0 | -- |
| Long-term Reserves | Dollars | 0 | -- |
| Long-term Reserves | Adjustable Ch\$ | 0 | -- |
| Deferred Taxes | Non-adjust. Ch\$ | 0 | -- |
| Total Long-term Liabilities | | | |
| - | Dollars | 0 | -- |
| - | Adjust. Ch\$ | 4,276,538 | -- |
| - | Non-adjust. Ch\$ | 0 | -- |

80

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

38. Penalties

As of September 30, 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.

81

39. Subsequent Events

On September 28, 2004, the Parent Company agreed to pay the interim dividend No. 159 of Ch\$ 20 per share, over 64,000,000 shares (Th Ch\$ 1,280,000) which was paid on October 21, 2004.

On October 25, 2004 the Chilean Anti-trust Commission approved the merger between Metropolis-Intercom S.A. and VTR S.A.; imposing the new company certain operative and commercial restrictions, which are currently being analyzed.

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.

82

40. Environment

On its ongoing concern for environmental preservation, as of September 30, 2004 the Parent Company has paid Th Ch\$ 3,365 for advisory services in relation to this, which have been charged to the 2004 fiscal year.

During 2003, the company carried out investments of Th Ch\$ 209,323, corresponding to the purchase of NOX emission treatment equipment, installed on new Furnace B.

83

41. TIME DEPOSITS

As of September 30, 2004 and 2003 the Company presents the following information:

| INSTITUTION ----- | Currency ----- | 2004 | | 2003 | |
|-------------------------|-------------------|-----------|------|-----------|------|
| | | Th | Ch\$ | Th | Ch\$ |
| Banco SantanderSantiago | US\$ | | 0 | 5,345,527 | |
| Banco SantanderSantiago | Ch\$ | 5,000,900 | | | 0 |
| | | ----- | | ----- | |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

TOTAL 5,000,900 5,345,527

84

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.

TRANSACTIONS RELATED TO MEMBERS OF THE BOARD

| NAME | Initial | 2004 | | 2003 | |
|--------------------------------|---------|----------|------|----------|------|
| | | Purchase | Sale | Purchase | Sale |
| Asesorias Portofino Ltda. | BSG | 21,000 | 0 | 0 | 0 |
| Inmobiliaria Villarrica Ltda. | RCV | 181,669 | 0 | 0 | 0 |
| Vial de Claro Maria Luisa | RCV | 650 | | | |
| Invers. Alonso de Ercilla S.A. | PGD | 48,000 | | | |
| Invers. San Benito S.A. | PGD | 10,894 | 0 | 0 | 0 |

- o BSG related with Director Mr. Baltazar Sanchez
- o RCV related with President Mr. Ricardo Claro
- o PGD related with Director Mr. Patricio Garcia Domiguez

TRANSACTIONS OF DIRECTORS, ADMINISTRATIVES AND ACCOUNT INSPECTORS

None.

TRANSACTIONS OF MAJORITY SHAREHOLDERS

None.

85

43. DISTRIBUTION OF SHAREHOLDERS

The distribution of stockholders as of September 30, 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 with investment equal to or higher than 200 UF | 65.83 | 65.83 | 286 | 263 |
| Less than 10% shareholding with investment lower than 200 UF | 0.14 | 0.14 | 745 | 774 |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | | |
|------------------------------|--------|--------|-------|-------|
| TOTAL | 100.00 | 100.00 | 1,032 | 1,038 |
| CONTROLLER OF THE COMPANY | 52.14 | 52.14 | 3 | 3 |

86

44. BOARD COMPENSATION

As of September 30, 2004 and 2003 Th Ch\$ 269,636 and Th Ch\$ 723,114 respectively, were paid for compensations and income participation according to the following detail:

| | 2004 | 2003 |
|---|---------|---------|
| | ---- | ---- |
| | ThCh\$ | ThCh\$ |
| Participation in previous fiscal year profits | 262,202 | 717,729 |
| Compensation for session attendance | 5,632 | 4,019 |
| Board Committee Compensations | 1,802 | 1,366 |
| | <hr/> | <hr/> |
| TOTAL | 269,636 | 723,114 |

On the other hand, provisions were made for fiscal year 2004 income participation in the amount of Th Ch\$ 569,494 (Th Ch\$ 98,186 in 2003).

87

RELEVANT EVENTS

None.

88

CRISTALERIAS DE CHILE S.A.
NOTES TO FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2004
1.- FINANCIAL INDICATORS

| | | 09-30-2004 | 09-30-2003 |
|-------------------|-------|------------|------------|
| | | ----- | ----- |
| LIQUIDITY | | | |
| Current liquidity | times | 4.56 | 5.22 |
| Acid ratio | times | 4.24 | 4.79 |
| INDEBTEDNESS | | | |
| Leverage ratio | times | 0.53 | 0.58 |
| Short-term debt | % | 20.37 | 14.22 |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | |
|----------------------------|-------|-------|-------|
| Long-term debt | % | 79.63 | 85.78 |
| Interest Expenses Coverage | times | 5.28 | 1.35 |

ACTIVITY

| | | | |
|----------------------|---------|---------|---------|
| Total assets | MM Ch\$ | 370,915 | 364,511 |
| Investments | MM Ch\$ | 7,077 | 21,219 |
| Disposal of property | MM Ch\$ | 49 | 112 |
| Inventory turnover | times | 4.2 | 8.1 |
| Inventory permanence | days | 49.7 | 44.4 |

RESULTS

| | | | |
|----------------------|---------|---------|----------|
| Sales | MM Ch\$ | 55,126 | 55,405 |
| Costs of sales | MM Ch\$ | 32,156 | 33,794 |
| Operating result | MM Ch\$ | 18,251 | 17,633 |
| Interest expenses | MM Ch\$ | 3,632 | 3,727 |
| Non-operating result | MM Ch\$ | (1,144) | (14,277) |
| E.B.I.T.D.A. | MM Ch\$ | 27,296 | 12,591 |
| After-tax profit | MM Ch\$ | 14,237 | 2,455 |

PROFITABILITY

| | | | |
|----------------------------|----|-------|------|
| Return on equity | % | 6.0 | 1.1 |
| Return on assets | % | 3.9 | 0.7 |
| Return on operating assets | % | 16.5 | 16.1 |
| Profit per share | \$ | 222.5 | 38.4 |
| Return on dividends | % | 1.3 | 2.1 |

| | |
|-----------------------------|--|
| 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 expense. |
| 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 the market value of stock at closing of period. |

89

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

LIQUIDITY INDICES

Despite the indices increasing with respect to September and December 2003, a reduction is observed in the liquidity indices due to a shift of bond quotas issued by the company that are due within next year.

INDEBTEDNESS INDICES

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

The percentage of short term debt shows an increase due to the aforementioned, this is the shift of bond quotas issued by the company.

The interest expenses coverage index registered increased with respect to the previous year due to higher net income during the present fiscal year.

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

ACTIVITY INDICES

Inventory turnover and permanence indices shows a slight deterioration, due to the increase of the finished product inventory. This increase is the result of the stationality in the demand of glass containers.

RESULTS

The operating result shows to a slight increase with respect to September of 2003 due to lower operating costs.

Likewise, non-operating result shows a decrease in the loss as a result of positive exchange difference registered during the present fiscal year, as well as due to the net income from investments in related companies.

PROFITABILITY INDICES

Equity and asset profitability indices show an increase with respect to September and December 2003, due to a higher net income during the present fiscal year.

On the other hand, the return of dividends index shows a decrease with respect to the previous year due to lower dividends distributed during the last twelve months.

90

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 September 30, 2004, there were financial investments in stocks recorded in the accounting according to their purchase price of Th Ch\$ 4,233 million whose market value on the same date was Th Ch\$ 5,727 million.

3. RESULTS AS OF SEPTEMBER 2004

3a. Individual Result

The Company had non-consolidated sales of Ch\$ 55,126 million as of September 2004, compared to Ch\$ 55,405 million the previous fiscal year. Volumes sold increased by 5.9% reaching 196,937 tons, mainly due to higher sales of bottles for the wine, returnable beer, non-returnable soft drinks and food markets; partially compensated by lower sales to the non-returnable, liquor and returnable soft drink markets. The level of average prices decreased by 6.0%, mainly explained by a sharp decline of the nominal rate of exchange that passed from Ch\$ 713.59 per Dollar on average during the first nine months of 2003 to Ch\$ 614.91 per Dollar on average during the same period of this year. Operating

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

income reached Ch\$ 18,251 million, 3.5% over 2003.

Non-operating result was a loss of Ch\$ 1,144 million in 2004, compared to Ch\$ 14,277 million loss in 2003. The aforementioned was due to a Ch\$ 1,266 million income from exchange differences, compared to a Ch\$ 10,060 million loss in 2003. During 2004 a Ch\$ 494 million net income was registered from investments in related companies (Ch\$ 1,612 million net loss in 2003) mainly due to higher income in Vina Santa Rita and CIECSA.

3b. Results in Subsidiaries

Santa Rita's net income amounted Ch\$ 5,395 million, compared to Ch\$ 3,795 million income in 2003, which is explained by a better non-operating result. In the local market, prices increased by 13.5% in real terms, while volumes maintained without variation. Sales in this market increased 13.6%, reaching Ch\$ 27,576 million. During the period, exports increased by 19.7% representing 52.3% of revenues, to reach US\$51.3 million (US\$ 41.90 million in 2003). Operating income reached Ch\$ 6,891 million, compared to Ch\$ 7,989 million in 2003, mainly due to higher costs of musts and a decline in the Peso US Dollar exchange rate, which affects exports returns. The average price in dollars per case for the export market for Santa Rita was US\$ 33.8 (US\$ 33.0 in 2003) whereas the average price for the industry was US\$23.9 per case

91

(US\$ 23.6 in 2003). Santa Rita recorded a Ch\$270 million non-operating loss, compared to a Ch\$ 3,228 million non-operating loss in 2003, mainly due to a Ch\$ 1,116 million income from exchange differences in 2004, compared to a Ch\$ 2,098 million loss in 2003.

Red Televisiva Megavisión, CIECSA's main subsidiary, registered a Ch\$ 2,862 million operating income, 59.9% over 2003. MEGA had the first place in audience reaching 26.0% audience share during the period (22.8% in 2003). Net sales increased by 8.2% reaching Ch\$ 20,367 million, due to an increase in live programming, which has resulted in higher audience share. As of September 2004, MEGA had a net income of Ch\$ 2,102 million compared to Ch\$ 1,042 million net income in 2003. CIECSA had a Ch\$ 2,101 million net income, compared to a Ch\$ 839 million net income the previous year.

Envases CMF S.A. registered a Ch\$ 750 million net income in 2004 compared with a Ch\$730 million net income in 2003. Volume sales decreased by 3.2%, reaching 16,162 tons, due to lower pre forms volume exports sales, while average prices decreased by 5.1% influenced by a drop of the exchange rate. Due to the aforementioned sales reached Ch\$ 23,461 million during the period, compared with Ch\$ 25,522 million in 2003. Operating income reached Ch\$ 2,023 million, compared to Ch\$ 2,283 million in 2003. Non-operating loss reached Ch\$ 1,136 million, compared to Ch\$ 1,341 million loss in 2003.

In the cable TV business, Cristalchile Comunicaciones S.A. (99.99% owned by Cristalerías), 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\$ 33,674 million compared with Ch\$34,301 million the previous year. Metropolis-Intercom had a net loss of Ch\$ 7,920 million compared with a net loss of Ch\$ 7,515 million in 2003. The aforementioned was due to a lower operating result, mainly due to higher depreciation charges; partially compensated by better non-operational result, in turn due to lower interest expenses and the appreciation of the exchange rate. Metropolis-Intercom's EBITDA reached Ch\$ 4,608 million during the period (Ch\$ 4,521 million in 2003). This figure includes a depreciation charge of Ch\$ 11,260

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

million (Ch\$10,200 million in 2003) mainly corresponding to the HFC network acquired in July 2000. The company ended the period with 224,657 subscribers of the basic service (235,596 in 2003), 27,989 subscribers of premium service (33,305 in 2003), 38,735 of the broadband service (32,227 in 2003) and 10,999 subscribers of IP Telephony (1,451 in 2003).

As a result of the abovementioned and a negative goodwill amortization charge through Cordillera Comunicaciones of Ch\$3,149 million during the period (Ch\$3,178 million in 2003), Cristalchile Comunicaciones recorded a net loss of Ch\$ 5,560 million (net loss of Ch\$5,334 in 2003).

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

92

4. CASH FLOW STATEMENT

As of September, 2004 a total net positive flow of Ch\$ 12,899 million was generated, which is explained by a positive flow generated by operating activities of Ch\$ 23,688 million, decreased by a negative financing flow of Ch\$ 3,892 million and a negative flow of investment activities for Ch\$ 6,897 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\$ 7,530 million, loans to related companies for Ch\$ 3,937 million and future purchase contracts for Ch\$ 2,268 million, that were partially financed by Ch\$ 5,116 of sales of bonds and payments of loans to related companies for Ch\$ 1,026 million.

The foregoing results in an increase in the final balance of cash and cash equivalent, which passed from Ch\$ 61,140 million as of December 31, 2003 to Ch\$ 72,670 million as of September 30, 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. INTEREST RATES AND EXCHANGE RATE RISK ANALYSIS

o Interest rates

The Company is exposed to the risk of fluctuations in interest rates on its long-term debt, corresponding to a loan of US\$50 million, which has a variable annual rate of Libor plus 0.8% percentage points. In addition, the Company issued two bond 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).

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

At the same time, as of September 30, 2004, the Company had available funds in the amount of Ch\$71,781million, 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\$ 3,635 million in bonds with maturity on September 15, 2005 and investments in shares for Ch\$ 4,233 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.

93

o Exchange rate

The Company maintains liabilities in dollars of US\$62.2 million, which represent 10.2% of its assets, and which include a balance of a long-term syndicated loan of US\$50 million.

As of September 30, the Company has investments in dollars of US\$49.4 million in time deposits, bonds and fixed rate mutual funds. In addition, it also has investments in Euros of 37.8 million in fixed rate instruments. Likewise, there are future sale Dollar contracts of US\$38.2 million.

On the other hand, approximately 35.9% of the company's revenues are adjusted by the exchange rate variation. Costs in foreign currency represent approximately 27.5% of the total costs.

94

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 | 9/30/2004 |
| 1.00.01.30 | Type of Currency | Chilean Pesos |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

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. | 09-30-04 | 09- |
|------------|--|---------------|-------|
| ----- | ----- | ----- | ----- |
| 5.11.00.00 | TOTAL CURRENT ASSETS | 198,490,176 | 174 |
| 5.11.10.10 | Cash | 1,372,180 | 1 |
| 5.11.10.20 | Time deposits | 5,431,649 | 7 |
| 5.11.10.30 | Marketable securities (net) | 69,876,826 | 65 |
| 5.11.10.40 | Debtors from sales (net) | 45,696,034 | 41 |
| 5.11.10.50 | Documents receivable (net) | 4,123,073 | 4 |
| 5.11.10.60 | Sundry debtors (net) | 1,823,486 | 1 |
| 5.11.10.70 | Doc. & accts receivable related Co. | 3,178,597 | |
| 5.11.10.80 | Inventories (net) | 42,206,374 | 37 |
| 5.11.10.90 | Recoverable taxes | 0 | 2 |
| 5.11.20.10 | Prepaid expenses | 1,512,574 | 1 |
| 5.11.20.20 | Deferred taxes | 1,709,044 | 1 |
| 5.11.20.30 | Other current assets | 21,560,339 | 9 |
| 5.11.20.40 | Leasing contracts (net) | 0 | |
| 5.11.20.50 | Leasing assets (net) | 0 | |
| 5.12.00.00 | TOTAL FIXED ASSETS | 138,345,917 | 140 |
| 5.12.10.00 | Land | 13,590,995 | 13 |
| 5.12.20.00 | High rises & infrastructure | 65,040,108 | 62 |
| 5.12.30.00 | Machinery & equipment | 150,861,624 | 145 |
| 5.12.40.00 | Other fixed assets | 15,857,598 | 11 |
| 5.12.50.00 | Positive goodwill from technical revaluation of fixed assets | 6,732,617 | 6 |
| 5.12.60.00 | Depreciation (minus) | (113,737,025) | (98) |
| 5.13.00.00 | TOTAL OTHER ASSETS | 128,001,937 | 143 |
| 5.13.10.10 | Investment in related companies | 99,923,294 | 107 |
| 5.13.10.20 | Investment in other companies | 770,586 | |
| 5.13.10.30 | Negative goodwill | 8,696,914 | 9 |
| 5.13.10.40 | Positive goodwill (minus) | 0 | |
| 5.13.10.50 | Long-term debtors | 194,609 | |
| 5.13.10.60 | Doc. & accts receivable related Co. | 1,212,596 | |
| 5.13.10.65 | Long-term deferred taxes | 0 | |
| 5.13.10.70 | Intangibles | 12,050,313 | 12 |
| 5.13.10.80 | Amortization (minus) | (1,395,740) | (1) |
| 5.13.10.90 | Other | 6,549,365 | 14 |
| 5.13.20.10 | Long-term leasing contracts (net) | 0 | |
| 5.10.00.00 | TOTAL ASSETS | 464,838,030 | 459 |

LIABILITIES

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

| LIABILITIES ----- | NOTE No. ----- | 09-30-04 ----- |
|----------------------|--|-------------------|
| 5.21.00.00 | TOTAL CURRENT LIABILITIES | 52,756,139 |
| 5.21.10.10 | Short-term oblig. Banks & Fin. Inst. | 15,884 |
| 5.21.10.20 | Short-term portion - Long-term oblig. Banks & Financial Institutions | 2,699,525 |
| 5.21.10.30 | Obligations with the public (notes) | 0 |
| 5.21.10.40 | Short-term portion oblig with public | 9,753,398 |
| 5.21.10.50 | Long-term oblig. due within 1 year | 72,225 |
| 5.21.10.60 | Dividends payable | 652,697 |
| 5.21.10.70 | Accounts payable | 14,176,290 |
| 5.21.10.80 | Notes payable | 3,149,797 |
| 5.21.10.90 | Sundry creditors | 445,748 |
| 5.21.20.10 | Notes & accts payable related Co. | 1,101,916 |
| 5.21.20.20 | Provisions | 14,212,657 |
| 5.21.20.30 | Withholdings | 2,372,537 |
| 5.21.20.40 | Income tax | 905,158 |
| 5.21.20.50 | Unearned income | 3,198,307 |
| 5.21.20.60 | Deferred taxes | 0 |
| 5.21.20.70 | Other current liabilities | 0 |
| 5.22.00.00 | TOTAL LONG-TERM LIABILITIES | 128,823,542 |
| 5.22.10.00 | Oblig with Banks & Financial Inst. | 33,638,245 |
| 5.22.20.00 | Long-term oblig with public (bonds) | 82,515,744 |
| 5.22.30.00 | Long-term notes payable | 0 |
| 5.22.40.00 | Long-term sundry debtors | 1,379,772 |
| 5.22.50.00 | Long-term notes & accts. payable related companies | 0 |
| 5.22.60.00 | Long-term provisions | 6,604,096 |
| 5.22.70.00 | Long-term deferred taxes | 4,685,685 |
| 5.22.80.00 | Other long-term liabilities | 0 |
| 5.23.00.00 | MINORITY INTEREST | 40,445,976 |
| 5.24.00.00 | TOTAL EQUITY | 242,812,373 |
| 5.24.10.00 | Paid-in capital | 65,396,749 |
| 5.24.20.00 | Reserve capital revaluation | 1,242,538 |
| 5.24.30.00 | Premium in sale of own shares | 28,403,990 |
| 5.24.40.00 | Other reserves | 6,677,095 |
| 5.24.50.00 | Retained earnings (addition | 141,092,001 |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | |
|------------|------------------------------------|----|-------------|
| | of codes 5.24.51.00 to 5.24.56.00) | | |
| | 5.24.51.00 Reserve | 27 | 129,427,446 |
| | future dividends | | |
| | 5.24.52.00 Accrued | 27 | 0 |
| | profits | | |
| | 5.24.53.00 Accrued | 27 | 0 |
| | losses (minus) | | |
| | 5.24.54.00 Profit | 27 | 14,237,355 |
| | (loss) for the year | | |
| | 5.24.55.00 Prov. | 27 | (2,572,800) |
| | dividends (minus) | | |
| | 5.24.56.00 Accr. | 27 | 0 |
| | deficit dev. period | | |
| 5.20.00.00 | TOTAL LIABILITIES | | 464,838,030 |

2

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. | 09-30-04 |
|--------------------------------------|----------|--------------|
| ----- | ----- | ----- |
| 5.31.11.00 OPERATING INCOME | | 28,326,307 |
| 5.31.11.10 Gross Margin | | 50,342,530 |
| 5.31.11.11 Sales | | 133,046,076 |
| 5.31.11.12 Costs (minus) | | (82,703,546) |
| 5.31.11.20 Adm. & sales expenses | | (22,016,223) |
| (minus) | | |
| 5.31.12.00 NON-OPERATING RESULTS | | (7,368,502) |
| 5.31.12.10 Interest income | | 1,678,416 |
| 5.31.12.20 Income investments | 14 | 1,696,954 |
| Rel. Co. | | |
| 5.31.12.30 Other non-operating | 28 | 898,101 |
| income | | |
| 5.31.12.40 Loss investments Rel. | 14 | (5,713,350) |
| Co. (-) | | |
| 5.31.12.50 Amortization | 16 | (477,694) |
| neg.goodwill (-) | | |
| 5.31.12.60 Interest expenses | | (5,022,070) |
| (minus) | | |
| 5.31.12.70 Other non-operat | 28 | (2,033,862) |
| expenses (-) | | |
| 5.31.12.80 Price level | 29 | (768,421) |
| restatement | | |
| 5.31.12.90 Exchange differences | 30 | 2,373,424 |
| 5.31.10.00 RESULTS BEFORE INCOME TAX | | 20,957,805 |
| AND EXTRAORDINARY ITEMS | | |
| 5.31.20.00 INCOME TAX | 8 | (4,131,202) |
| 5.31.30.00 EXTRAORDINARY ITEMS | 31 | 0 |
| 5.31.40.00 PROFIT (LOSS) BEFORE | | 16,826,603 |
| MINORITY INTEREST | | |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | |
|------------|-----------------------------------|----|-------------|
| | 5.31.50.00 MINORITY INTEREST | 26 | (2,589,248) |
| 5.31.00.00 | NET INCOME (LOSS) | | 14,237,355 |
| 5.32.00.00 | Amortization of positive goodwill | | 0 |
| 5.30.00.00 | INCOME (LOSS) FOR THE YEAR | | 14,237,355 |

3

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. | 09-30-04 |
|---|----------|---------------|
| ----- | ----- | ----- |
| 5.41.11.00 NET FLOW FROM OPERATING ACTIVITIES | | 30,868,796 |
| 5.41.11.10 Collection from sales debtors | | 153,450,447 |
| 5.41.11.20 Interests received | | 2,790,863 |
| 5.41.11.30 Dividends & other distributions funds received | | 1,110,891 |
| 5.41.11.40 Other income | | 2,841,854 |
| 5.41.11.50 Payments to suppliers & personnel (-) | | (109,337,207) |
| 5.41.11.60 Interest paid (minus) | | (5,822,032) |
| 5.41.11.70 Income tax paid (minus) | | (2,113,461) |
| 5.41.11.80 Other expenses (minus) | 33 | (1,421,260) |
| 5.41.11.90 V.A.T. & other taxes (minus) | | (10,631,299) |
| 5.41.12.00 CASH FLOW FINANCING ACTIVITIES | | (5,784,656) |
| 5.41.12.05 Proceeds from share issue | | 0 |
| 5.41.12.10 Loans received | | 107,988 |
| 5.41.12.15 Obligations with the public | | 0 |
| 5.41.12.20 Secured loans from related companies | | 66,805 |
| 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) | | (4,443,604) |
| 5.41.12.40 Capital distributions (minus) | | 0 |
| 5.41.12.45 Repayment of loans (minus) | | (1,449,040) |
| 5.41.12.50 Payment of obligations with the public (-) | | 0 |
| 5.41.12.55 Repayment of secured loans from rel Co. (-) | | (66,805) |
| 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 | | (12,596,472) |
| 5.41.13.05 Sale of fixed assets | | 82,363 |
| 5.41.13.10 Sale of permanent investments | | 0 |
| 5.41.13.15 Sale of other investments | 33 | 5,116,363 |
| 5.41.13.20 Proceeds secured loans to | | 0 |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | |
|------------|---|----|--------------|
| | related Comp. | | |
| 5.41.13.25 | Proceeds other loans to related companies | | 1,053,913 |
| 5.41.13.30 | Other investment income | 33 | 839,008 |
| 5.41.13.35 | Incorporation of fixed assets (minus) | | (12,938,320) |
| 5.41.13.40 | Capitalized interests payment (minus) | | 0 |
| 5.41.13.45 | Permanent Investments (minus) | | (1,381) |
| 5.41.13.50 | Investments in financial instruments (minus) | | (300,000) |
| 5.41.13.55 | Other loans to related companies (minus) | | (3,936,873) |
| 5.41.13.60 | Other loans to related companies (minus) | | (3,148) |
| 5.41.13.65 | Other distrib of funds on invest activities (-) | 33 | (2,508,397) |
| 5.41.00.00 | TOTAL NET CASH FLOW FOR THE PERIOD | | 12,487,668 |
| 5.42.20.00 | EFFECT OF INFLATION ON CASH & CASH EQUIV. | | (942,734) |
| 5.41.00.00 | NET CHANGE IN & CASH EQUIVALENT | | 11,544,934 |
| 5.42.00.00 | CASH & CASH EQUI AT BEGINNING OF PERIOD | | 77,112,909 |
| 5.43.00.00 | CASH & CASH EQUIV BALANCE AT END OF PERIOD | | 88,657,843 |

4

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. | 09-30-04 |
|---|----------|-------------|
| | ----- | ----- |
| 5.50.10.00 Profit (Loss) for the year | | 14,237,355 |
| 5.50.20.00 Profit (Loss) in sale of assets | | 307,248 |
| 5.50.20.10 (Profit) Loss in sale of fixed assets | | 307,052 |
| 5.50.20.20 Profit in sale of investments (minus) | | 0 |
| 5.50.20.30 Loss in sale of investments | | 196 |
| 5.50.20.40 (Profit) Loss in sale of other assets | | 0 |
| 5.50.30.00 Non-cash losses (gains) | | 20,167,850 |
| 5.50.30.05 Depreciation for the year | 12 | 11,754,846 |
| 5.50.30.10 Amortization of intangibles | | 908,238 |
| 5.50.30.15 Write-offs and provisions | | 2,221,041 |
| 5.50.30.20 Accrued earnings from investments in related companies (minus) | 14 | (1,696,954) |
| 5.50.30.25 Accrued losses from investments in related Co. | 14 | 5,713,350 |
| 5.50.30.30 Negative goodwill amortization | 16 | 477,694 |
| 5.50.30.35 Positive goodwill amortization (minus) | | 0 |
| 5.50.30.40 Price level restatement | 29 | 768,421 |
| 5.50.30.45 Net exchange difference | 30 | (2,373,424) |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | |
|------------|---|--------------|
| 5.50.30.50 | Other non-cash credits to results (minus) | (403,762) |
| 5.50.30.55 | Other non-cash debits to results | 2,798,400 |
| 5.50.40.00 | Changes in Assets affecting cash flow (incr) decreases | (30,341,342) |
| 5.50.40.10 | Debtors from sales | (20,177,995) |
| 5.50.40.20 | Inventory | (11,411,029) |
| 5.50.40.30 | Other assets | 1,247,682 |
| 5.50.50.00 | Changes in liabilities affecting cash flow increases (decr) | 23,908,437 |
| 5.50.50.10 | Accounts payable related to results for the year | 21,750,425 |
| 5.50.50.20 | Interests payable | (1,230,790) |
| 5.50.50.30 | Income tax payable (net) | 3,539,374 |
| 5.50.50.40 | Other accounts payable related to non-oper results | 421,365 |
| 5.50.50.50 | VAT and other taxes payable (net) | (571,937) |
| 5.50.60.00 | Profit (Loss) of minority interest | 2,589,248 |
| 5.50.00.00 | NET OPERATING CASH FLOW | 30,868,796 |

5

1. 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 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).

6

2. Applied Accounting Criteria

APPLIED ACCOUNTING CRITERIA

a) Accounting Period

These financial statements correspond to the period between January 1 and September 30 of 2004 and 2003.

b) Preparation basis of financial statements:

These consolidated financial statements as of September 30, 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

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

For comparison purposes, the financial statements and figures included in the disclosures for the 2003 fiscal year are presented updated according to non-accounting terms as of September 30, 2004 by 1.6%.

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 Megavision S.A. in which it has a 99.99% stake of its net worth and Simetral S.A. in 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 a 100% stake, Vina Dona Paula S.A. with a 100% stake in its net worth and Sur Andino S.A. with a 100% stake in its net worth in 2004 and 2003.

Intercompany balances and effects of transactions were eliminated in the consolidation and the participation of minority investors has been recognized presented in the balance as minority interest.

e) Adjustment for Currency Devaluation (Price Level Restatement)

7

Consolidated financial statements have been restated considering the variation in the purchasing power of the currency occurred during the fiscal year 2004, which was 1.9% (1.2% in 2003).

For financial effects, the effective variations have been considered for every month in 2003 and 2004, with respect to September 2004 and 2003. For tax effects, the negative variations occurred in some months of 2003 and 2004 with respect to 2003 and 2004 have been equaled to zero, according to the instructions of the Chilean Internal Revenue Service, not significantly affected the financial statements.

f) Conversion Basis

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

| | 2004 | 2003 |
|-------------------|-----------|-----------|
| | ---- | ---- |
| | Ch\$ | Ch\$ |
| U.S. Dollar | 608.90 | 660.97 |
| Pound Sterling | 1,091.41 | 1,099.23 |
| Swedish Crown | 482.14 | 501.76 |
| EURO | 757.34 | 770.81 |
| Unidad de Fomento | 17,190.78 | 16,946.03 |

g) Marketable Securities and Time Deposits

Transactions in short-term fixed income instruments are shown at the return

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

value of the investment, which does not exceed the market value as of September 30, 2004 and 2003.

Investments in shares 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.

h) Inventory

Inventory of finished products has been valued as of September 30, 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.

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.

8

Programs inventories at the closing of each fiscal year represent 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 broadcasted.

i) Bad Debts (Uncollectables)

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 September 30, 2004 and 2003.

k) Depreciation of Fixed Assets

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

l) Assets on Leasing

None.

m) Sales Transactions with Leaseback

None.

n) Intangibles

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

The corrected purchase value of trademarks of the subsidiary S.A. Vina Santa Rita which has an amortization period of 40 years, as well as inscription costs that are amortized over the period of duration of the renovation. The subsidiary CIECSA consolidated includes channel 9 TV frequency, which has an amortization period of 40 years, and the amortization method is the one of "Increasing Digits".

o) Investments in Related Companies

According to the established in the circulating No. 1697 of the VPP, for the valuation of the investments in related companies, carried out prior to the January 01, 2004, the equity method (VPP) has continued to be used.

9

This method consists of assigning to the investment an equivalent value to the proportion that corresponds to the company in the equity at books value of the issuer, and recognize proportionally, the variations that this experiments. Investments abroad have been valued according to provisions of Technical Bulletin No. 64 of the Chilean Accountants Association, A.G.

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 September 30, 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 the 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

10

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 accounting principles generally accepted 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 A.G.

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. Development disbursements 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 expenses for this item directly in results as they are generated.

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, fixed rate mutual funds investments and agreements 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 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."

11

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

CRISTALERIAS DE CHILE S.A.

NOTE 2 - ACCOUNTING CRITERIA USED - COMPANIES INCLUDED IN THE CONSOLIDATED REPORT

| R.U.T. | Company Name | Percentage of | |
|--------------|----------------------------------|---------------|----------|
| | | 09.30.2004 | |
| | | Direct | Indirect |
| 96.721.580-5 | Cristalchile Comunicaciones S.A. | 99.9982 | 0.0000 |
| 96.767.580-6 | Constructora Apoger S.A. | 80.0000 | 0.0000 |
| 96.608.270-4 | Ciecsa S.A. | 98.4458 | 0.0000 |
| 86.547.900-K | S.A. Vina Santa Rita | 54.0970 | 0.0000 |
| 96.972.440-5 | Cristalchile Inversiones S.A. | 99.9900 | 0.0100 |

12

3. Accounting Changes

As of September 30, 2004 and 2003, there have not been any changes in the accounting criteria applied that affect the consolidated financial statements.

13

4. Marketable Securities

As of September 30, 2004, this item is composed by the following investments:

- a) Th Ch\$ 53,833,075 are included Investments in bonds, Fixed Fate Instruments equivalent to Th Ch\$ 41,389,097 plus 37,805,020 EUROS which mainly correspond to investments in state bonds and bonds from financial institutions in USA, Germany, Holland; Collateralized Bonds of Private Companies in USA (with accounts receivable guarantee) and USA Mortgage Bonds with state guarantee.
- b) Th Ch\$ 8,164,611 in fixed rate investment funds in US\$.
- c) Th Ch\$ 4,233,486 in shares.
- d) Th Ch\$ 3,635,133 investments in bonds of Celulosa Arauco equivalent to US\$ 5,970,000, with a 6.95% rate per year with maturity on September 15, 2005.
- e) Th Ch\$ 10,521 for accrued interests of bonds of Celulosa Arauco S.A.

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

As of September 30, 2003, this item is composed by the following investments:

- a) Th Ch\$ 52,310,976 are included Investments in bonds, fixed rate instruments which mainly correspond to investments in state bonds of the Treasury Bills, Collateralized Bonds of Private Companies in USA (with accounts receivable guarantee) and USA Mortgage Bonds with state guarantee.
- b) Th Ch\$ 4,229,712 in fixed rate investment funds in US\$.
- c) Th Ch\$ 8,896,962 in shares.

CRISTALERIAS DE CHILE S.A.

NOTE 4 -MARKETABLE SECURITIES- BALANCE COMPOSITION

| Type of Security | Book Value | |
|-----------------------------------|------------|------------|
| | 09-30-2004 | 09-30-2003 |
| Shares | 4,233,486 | 4,229,712 |
| Bonds | 57,468,208 | 52,310,976 |
| Shares of mutual funds | 0 | 0 |
| Shares of investment funds | 8,164,611 | 8,896,962 |
| Public tender notes | 0 | 0 |
| Mortgage bonds | 0 | 0 |
| Bonds and fixed rate instruments | 0 | 0 |
| Interest of Celulosa Arauco bonds | 10,521 | 0 |
| Total Marketable Securities | 69,876,826 | 65,437,650 |

14

CRISTALERIAS DE CHILE S.A.

NOTE 4 - MARKETABLE SECURITIES - SHARES

| R.U.T. | Company Name | Number of of Shares | Participation Percentage | Unit Marke Valu |
|--------------|---------------------------------------|---------------------------|-----------------------------|-----------------------|
| 96.512.200-1 | Bodegas y Vinedos Santa Emiliana S.A. | 63,642,856 | 9.9980 | |

Value Investment Portfolio
 Adjustment Provision
 Book value, Investment Portfolio

15

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

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 in Germany and Holland (1) | 32,470,490 | 32,470,490 | 1 |
| US treasury bonds (2) | 18,133,100 | 18,133,100 | 0 |
| US Collateralized Bonds (2) | 6,852,522 | 6,852,522 | 0 |
| Call Deposit (2) | 12,096 | 12,096 | 0 |
| Celulosa Arauco bonds (interests) (2) | 10,521 | 10,521 | 4 |
| BBH U.S. Money Market Portfolio (2) | 8,164,611 | 8,164,611 | 1 |
| TOTAL | 65,643,340 | 65,643,340 | |

Note:

- (1) The investements have been made in EUROS.
- (2) The investements have been made in U.S. Dollars.
- (3) Rate of period from 01-01-2004 to 09-30-2004.
- (4) These investments can be recovered within 48 hrs. warning.

16

5. Short-Term and Long-Term Debtors

As of September 30, 2004, there are balances short-term debtors in the amount of Th Ch\$51,642,593 (Th Ch\$ 47,451,798 in 2003).

As of September 30, 2004, there is a bad debt reserve of Th Ch\$ 739,424 in 2004 (Th Ch\$ 750,280 in 2003), presented deducting the balances of Debtors from Sales and Documents receivable.

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

In addition, there is a balance of Th Ch\$ 194,609 in Long-Term Debtors in 2004 (Th Ch\$ 231,635 in 2003).

Under accounts receivable are included exports made by the subsidiary Vina Santa Rita S.A., that represent 63,91% of the total at September 30, 2004 (65,64% in 2003) for Th Ch\$11,495,814 in 2004 (Th Ch\$ 9.991.823 in 2003).

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

17

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

| Item | Current Assets Over 90 days | | | | Subtotal | Total Current |
|-------------------------|--------------------------------|------------|--------------|------------|------------|-----------------|
| | Up to 90 days | | up to 1 year | | | |
| | 09-30-2004 | 09-30-2003 | 09-30-2004 | 09-30-2003 | | |
| Debts from Sales | 43,502,117 | 38,997,274 | 2,699,166 | 2,733,439 | 46,201,283 | 45,696,034 |
| Estimate of bad debtors | - | - | - | - | 505,249 | - |
| Documents receivable | 4,312,314 | 4,772,475 | 44,934 | 121,873 | 4,357,248 | 4,123,073 |
| Estimate of bad debtors | - | - | - | - | 234,175 | - |
| Misc. Debtors | 1,729,792 | 1,544,546 | 93,694 | 32,471 | 1,823,486 | 1,823,486 |
| Estimate of bad debtors | - | - | - | - | - | - |
| | | | | | | Total Long-Term |

18

6. Balances and Transactions with related parties

Balances receivable in the Short-Term as of September 30, 2004 total Th Ch\$ 3,178,597 (Th Ch\$ 756,059 in 2003) and correspond mainly to a loan granted by the parent company to Metropolis Intercom for Th Ch\$ 2,725,425 at an annual interest rate of 3%, and a loan granted by the subsidiary Ciecsa to Editorial Zig Zag for Th Ch\$ 110,285 (Th Ch\$ 850,380 in 2003) including interests, with maturity on 06-30-2003 at an annual interest rate of 1%. The balance corresponds to invoicing receivable for Th Ch\$ 342,887 (Th Ch\$ 478,582 in 2003).

Balances payable in the short term totaling Th Ch\$ 1,101,916 at September 30, 2004 (Th Ch\$ 850,380 in 2003) mainly correspond to commercial transactions under 90 days for Th Ch \$ 434,478 (Th Ch\$ 341,793 in 2003) and dividends payable to Majority shareholders for Th Ch\$ 667,438 (Th Ch\$ 508,587 in 2003).

In 2004 there is a long-term receivable balance corresponding to accounts receivable totaling Ch Th\$ 1,212,596 (Ch Th\$ 2,944 in 2003), which correspond to a loan granted by the parent company to Metropolis Intercom S.A. for Th Ch\$ 861,688 and to Inmobiliaria Monte Azul S.A. for Th Ch\$ 346,519, the balance corresponds to invoicing for Th Ch\$ 4,389 (Th Ch\$ 2,944 in 2003).

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

19

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

| R.U.T. | Company | Short Term | | |
|--------------|--|------------|------------|-----|
| | | 09-30-2004 | 09-30-2003 | |
| 89.150.900-6 | Vina Los Vascos S.A. | 87,013 | 147,042 | |
| 90.684.000-6 | Editorial Zig-Zag S.A. | 110,285 | 166,149 | |
| 86.881.400-4 | Envases CMF S.A. | 15,302 | 51,482 | |
| 83.032.100-4 | Serv. Y Consultorias Hendaya S.A. | 247 | 2,009 | |
| 90.048.000-4 | Sudamericana Agencias Aereas y Maritimas S.A. | 1,008 | 0 | |
| 79.753.810-8 | Claro y Cia. | 302 | 660 | |
| 96.787.775-1 | Metropolis Intercom S.A. | 2,905,819 | 111,329 | 8 |
| 90.160.000-7 | Sudamericana de Vapores S.A. | 1,510 | 28,384 | |
| 96.793.770-3 | Ediciones Chiloe S.A. | 0 | 0 | |
| 86.963.200-7 | Forus S.A. | 0 | 0 | |
| 78.936.090-1 | Inmob. Y Constructora Monte Azul S.A. | 0 | 0 | 3 |
| 77.489.120-K | Soc. Agr. Vinedos Collipeumo Ltda | 0 | 0 | |
| 0-E | Rayen Cura SAIC | 57,111 | 249,004 | |
| | Total | 3,178,597 | 756,059 | 1,2 |

20

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

| R.U.T. | Company | Short Term | | |
|--------------|-----------------------------------|------------|------------|--|
| | | 09-30-2004 | 09-30-2003 | |
| 90.320.000-6 | Cia. Electro Metalurgica S.A. | 443,023 | 334,209 | |
| 83.032.100-4 | Serv. Y Consultorias Hendaya S.A. | 113,587 | 112,545 | |
| 89.150.900-6 | Vina Los Vascos S.A. | 14,847 | 8,955 | |
| 79.753.810-8 | Claro y Cia. | 14,193 | 62,338 | |
| 96.539.380-3 | Ediciones Financieras S.A. | 204 | 103 | |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | |
|--------------|--------------------------------------|-----------|---------|
| 86.881.400-4 | Envases CMF S.A. | 201,120 | 223,907 |
| 90.160.000-7 | Cia. Sudamericana de Vapores S.A. | 11,718 | 9,838 |
| 0-E | Rayen Cura S.A.I.C. | 173,268 | 0 |
| 86.755.600-1 | Inversiones Bayona S.A. | 118,251 | 90,107 |
| 92.048.000-4 | Sudamericana Agencias Maritimas S.A. | 11,607 | 0 |
| 96.787.750-6 | Metropolis Intercom S.A. | 98 | 8,378 |
| 77.489.120-K | Soc. Agr. Vinedos Collipeumo Ltda. | 0 | 0 |
| | Total | 1,101,916 | 850,380 |

21

CRISTALERIAS DE CHILE S.A.

NOTE 6 - BALANCES AND TRANSACTIONS WITH RELATED COMPANIES
TRANSACTIONS

| Company | R.U.T. | Relationship | Description of Transaction | Amount | 09-30-2 |
|---------------------------------------|--------------|-------------------------|---------------------------------|---------|---------|
| Serv. Y Consultorias Hendaya S.A. | 83.032.100-4 | Majority shareholder | Services received | 976,661 | |
| | | - | Dividends paid | 341,897 | |
| | | - | Services supplied | 14,551 | |
| | | - | Products sold | 201 | |
| | | - | Services rendered | 51,461 | |
| | | - | Payment Made for own Account | 0 | |
| Quemchi S.A. | 96.640.360-8 | Same Parent Indirect | Services rendered | 7,624 | |
| Rayen Cura S.A.I.C. | 0-E | affiliate | Direct sales | 115,771 | |
| Navarino S.A. | 96.566.900-0 | Same Parent | Services supplied | 7,624 | |
| Ediciones Financieras S.A. | 96.793.77-3 | Indirect affiliate | Products sold | 0 | |
| | | - | Services purchased | 325 | |
| | | - | Services received | 6,034 | |
| | | - | Advertising hired | 652 | |
| | | - | Advertising services | 5,592 | |
| | | - | Advertising hired | 738 | |
| Envases CMF S.A. | 86.881.400-4 | Indirect affiliate | Materials purchased | 461,301 | |
| | | - | Products sold | 195 | |
| | | - | Other sales | 51,235 | |
| Forus S.A. | 86.963.200-7 | Affiliate | Advertising hired | 4,354 | |
| | | - | Advertising hired | 4,354 | |
| Vina Los Vascos S.A. | 89.150.900-6 | Indirect affiliate | Direct sales | 543,522 | |
| | | - | Materials purchased | 41,156 | |
| Cia. Sud-Americana de Vapores S.A. | 90.160.000-7 | Same Parent | Freight services received | 123,252 | |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | | |
|-----------------------|--------------|-------------|------------------------|-----------|
| | | - | Other sales | 1,230 |
| | | - | Product sold | 9,528 |
| Cia. Electro | | Majority | | |
| Metalurgica S.A. | 90.320.000-6 | shareholder | Dividends paid | 1,311,156 |
| | | - | Materials purchased | 5,647 |
| | | - | Others sales | 491 |
| | | - | Product sold | 2,556 |
| | | | Payment Made for own | |
| | | | Account | 0 |
| | | With the | | |
| Claro y Cia. | 79.753.810-8 | Chairman | Advice received | 126,292 |
| | | - | Products sold | 543 |
| Inversiones Bayona | | Majority | | |
| S.A. | 86.755.600-1 | shareholder | Dividends paid | 355,935 |
| Metropolis Intercom | | Indirect | | |
| S.A. | 96.787.750-6 | affiliate | Advertising hired | 431,107 |
| | | - | Other sales | 0 |
| | | - | Long-term loan granted | 861,688 |
| | | - | Long-term loan granted | 2,725,425 |
| | | - | Services purchased | 191 |
| | | - | Land Rent | 1,533 |
| | | - | Advertising services | 15,144 |
| | | - | Products sold | 0 |
| Soc Agric. Cullipeumo | | Indirect | Raw Material Purchased | 9,728 |
| Ltda. | 77.489.120-K | - | Products sold | 551 |
| | | - | Reimbursement of | |
| | | - | Expenses | 422 |
| Sudamericana Agencias | | | | |
| Aereas y Maritimas | | | | |
| S.A. | 92.048.000-4 | Indirect | Freight services | 163,820 |
| | | - | Container rent | 15,476 |
| | | - | Products sold | 67 |
| | | - | Others sales | 768 |
| Carmen Luz Sanchez | | | | |
| Guzman | 5.781.266-4 | Indirect | Raw Material Purchased | 37,268 |
| | | - | Reimbursement of | |
| | | - | Expenses | 1,397 |
| Inmobiliaria y | | | | |
| Constructora Monte | | | | |
| Azul S.A. | 78.936.090-1 | Affiliate | Loan granted | 343,816 |
| | | | | |
| | | 22 | | |
| Empresa Editora | | - | Interest | 2,705 |
| Zig-Zag | 90.684.000-6 | Indirect | Services purchased | 107 |
| | | - | Services sold | 1,959 |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

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 | | 2003 | |
|--|------------|------|------------|------|
| | Th | Ch\$ | Th | Ch\$ |
| Finished Products | | | | |
| * Cristalerias de Chile S.A. | 4,165,325 | | 2,723,155 | |
| * S.A. Vina Santa Rita | 5,672,310 | | 5,571,287 | |
| Subtotal Finished Products | 9,837,635 | | 8,294,442 | |
| Raw Materials and Fuel | | | | |
| * Cristalerias de Chile S.A. | 1,242,139 | | 1,661,580 | |
| * S.A. Vina Santa Rita | 25,159,925 | | 21,618,880 | |
| Subtotal Raw Materials and Fuel | 26,402,064 | | 23,280,460 | |
| Supply Materials and Parts | | | | |
| * Cristalerias de Chile S.A. | 873,822 | | 1,058,114 | |
| * S.A. Vina Santa Rita | 1,372,303 | | 1,100,763 | |
| Subtotal Supply Materials and Parts | 2,246,125 | | 2,158,877 | |
| Materials in Transit | 1,026,001 | | 366,788 | |
| Red Televisiva Megavisión S.A. (CIECSA S.A.) | | | | |
| * Foreign, taped, for broadcast | 2,509,115 | | 2,517,572 | |
| * Domestic programming, to be broadcast | 185,434 | | 454,346 | |
| Subtotal Red Televisiva Megavisión S.A. | 2,694,549 | | 2,971,918 | |
| Total | 42,206,374 | | 37,072,485 | |

24

8. 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, in addition to a 35% Income Tax under Art. 21, for the 2004 and 2003 fiscal years.

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

The other subsidiaries maintain negative taxable rents, therefore they 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\$ |
| Fiscal year income tax reserve | (4,113,277) | | (1,294,403) | |
| Single tax reserve | (10,176) | | (8,161) | |
| | | | | |
| SUB TOTAL | (4,123,453) | | (1,302,564) | |
| Credits: | | | | |
| Monthly reserve payments | 1,891,500 | | 3,391,248 | |
| Training expenditures | 75,288 | | 69,632 | |
| Fixed Assets credit | 30,803 | | 32,544 | |
| Donations | 29,437 | | 9,895 | |
| | | | | |
| CREDIT SUB TOTAL | 2,027,028 | | 3,503,319 | |
| Income Tax | (2,096,425) | | 2,200,755 | |

25

| | | |
|---|---------------|---------------|
| Income Tax to be Recovered | 0 | 14,481 |
| Other Taxes to be recovered: | | |
| VAT Fiscal Credit | 355,118 | 273,157 |
| Income tax credit, previous year | 745,454 | 236,091 |
| Profit absorption, previous year | 79,591 | 0 |
| Income Tax advance | 11,104 | 0 |
| TOTAL TAXES TO BE RECOVERED (PAID) | (905,158) | 2,724,484 |

C) TAXABLE PROFIT FUND

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

| | 2004 | | 2003 | |
|-----------------------------|-----------|------|-----------|------|
| | Th | Ch\$ | Th | Ch\$ |
| Generated as of 12.31.1983: | | | | |
| Profits adjustment | 1,955,579 | | 1,955,579 | |
| Generated since 01.01.1984: | | | | |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | |
|----------------------------------|-------------|-------------|
| Without Credit | 1,952,737 | 1,092,551 |
| With 10% First Category Credit | 22,897 | 23,125 |
| With 15% First category Credit | 83,691,680 | 87,635,035 |
| With 15% Additional rate Credit | 725 | 736 |
| With 16% First Category Credit | 14,608,036 | 16,432,597 |
| With 16.5% First Category Credit | 7,024,928 | 4,179,243 |
| With 17% First Category Credit | 16,845,057 | 0 |
| | ----- | ----- |
| SUB-TOTAL TAX PROFITS | 124,146,060 | 109,363,287 |
| Non-income revenues | 6,886,405 | 6,955,188 |
| | ----- | ----- |
| TOTAL RETAINED EARNINGS | 131,032,465 | 116,318,475 |

26

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

| Item | 09-30-2004 | | | | Asset Defe |
|------------------------------------|--------------------|-----------|------------------------|-----------|------------|
| | Asset Deferred Tax | | Liability Deferred Tax | | |
| | Short term | Long Term | Short Term | Long Term | |
| Temporary Differences | | | | | |
| Reserve non-collectable accounts | 132,736 | 0 | 0 | 0 | 126,820 |
| Prepaid Income | 543,712 | 0 | 0 | 0 | 849,637 |
| Vacation provision | 192,385 | 0 | 0 | 0 | 168,009 |
| Intangible Amortization | 0 | 0 | 0 | 0 | 0 |
| Leased assets | 0 | 0 | 0 | 0 | 0 |
| Manufacturing expenses | 0 | 0 | 0 | 0 | 0 |
| Depreciations fixed assets | 0 | 0 | 0 | 8,273,766 | 0 |
| Severance payments | 1,507 | 150,147 | 0 | 0 | 1,784 |
| Other events | 0 | 0 | 54,143 | 502,789 | 0 |
| Packaging reserve | 154,061 | 0 | 0 | 0 | 196,711 |
| Furnace repair provision | 325,031 | 401,392 | 0 | 0 | 0 |
| Stock obsolescence provision | 0 | 0 | 0 | 0 | 0 |
| Spare parts obsolescence provision | 109,251 | 0 | 0 | 0 | 98,860 |
| Amortization lower value bonds | 103,807 | 0 | 0 | 0 | 81,806 |
| Non realized profits | 244,323 | 10,836 | 0 | 0 | 231,810 |
| Other provisions | 140,648 | 0 | 0 | 0 | 21,308 |
| Direct labor | 11,337 | 0 | 0 | 0 | 21,846 |
| Automobiles Accumulated | | | | | |
| Depreciation | 0 | 20,698 | 0 | 0 | 0 |
| Tax losses | 0 | 144,781 | 0 | 0 | 0 |
| Negative bonds placement (-) | 0 | 0 | 0 | 232,002 | 0 |
| Prepaid expenses | 0 | 0 | 47,158 | 0 | 0 |
| Banking reserve | 0 | 0 | 0 | 30,042 | 0 |
| Fixed assets, molds | 0 | 0 | 0 | 289,762 | 0 |
| Commercial brands | 1,957 | 0 | 0 | 0 | 38,376 |
| Amortization commercial brands | 0 | 0 | 0 | 0 | 0 |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | | | |
|---|-----------|---------|---------|-----------|-----------|
| Expenses assetted | 0 | 0 | 261,654 | 0 | 50,804 |
| Deferred customs duties | 729 | 20,087 | 0 | 73,330 | 0 |
| Stock obsolescence provision | 113,939 | 0 | 0 | 0 | 90,298 |
| Other expenses provision | 0 | 0 | 0 | 0 | 0 |
| Supplementary accounts-net of amort. | 3,424 | 5,586 | 0 | 3,973,651 | 167,110 |
| Valuation provision | 0 | 0 | | | 0 |
| Total | 2,071,999 | 742,355 | 362,955 | 5,428,040 | 1,810,959 |

27

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

| | 09/30/2004 |
|---|------------|
| | ----- |
| | Th Ch\$ |
| Current tax expense (tax provision) | -4,123,453 |
| Adjustment tax expense (previous year) | 0 |
| Effects from assets or liabilities, deferred year's tax | 38,147 |
| Tax benefit from tax losses | 0 |
| Effect of amortiz. of supplementary accounts for deferred assets and liabilities | -23,544 |
| Effect on assets or liabilities from deferred tax from changes in assessment provision | 0 |
| Other charges or credits to the account | -22,352 |
| Total | -4,131,202 |

28

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

As of September 30, 2004, balances are not included under this heading.

29

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

10. Other Current Assets

As of September 30, 2004, included under this item are investments in:

- a) Financial instruments with resale agreement for Th Ch\$ 20,146,047 valued as expressed by note 2 q).
- b) Deferred expenses for bonds placement for Th Ch\$ 359,902.
- c) Balance in favor of Cristalerias de Chile y filial S.A. Vina Santa Rita for Th Ch\$ 1,054,390 for Future Contracts in foreign currency.

As of September 30, 2003, there were investments in:

- a) Financial instruments with resale agreement for Th Ch\$ 8,679,104 valued as expressed by note 2 q).
- b) Deferred expenses for bonds placement for Th Ch\$ 369,316.
- c) Th Ch\$ 28,441 for bank reserve.

30

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

Information about these transactions is presented in attached charts.

31

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

| Code | Dates | | Counterpart | Original Currency | Price Set | Rate | Final Value |
|------|------------|------------|----------------|-------------------|-----------|------|-------------|
| | Start | End | | | | | |
| CRV | 09.24.2004 | 10.01.2004 | BCI CB | Pesos | 500,000 | 0.16 | 500,1 |
| CRV | 09.24.2004 | 10.12.2004 | Banco de Chile | Pesos | 5,100,000 | 0.16 | 5,104,8 |
| CRV | 09.28.2004 | 10.05.2004 | Banco de Chile | Pesos | 2,000,000 | 0.19 | 2,000,8 |
| CRV | 09.28.2004 | 10.01.2004 | Banco de Chile | Pesos | 300,000 | 0.19 | 300,0 |
| CRV | 09.29.2004 | 10.06.2004 | Banco de Chile | Pesos | 940,000 | 0.18 | 940,3 |
| CRV | 09.30.2004 | 10.07.2004 | BCI CB | Pesos | 1,590,000 | 0.20 | 1,590,7 |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | | | | | |
|-----|------------|------------|----------------------|---------|-----------|------|---------|
| CRV | 09.27.2004 | 10.04.2004 | Santander Investment | Pesos | 1,300,000 | 0.20 | 1,300,5 |
| CRV | 09.27.2004 | 10.12.2004 | Santander S.A. | Dollars | 608,900 | 1.70 | 609,3 |
| | | | Agente de Valores | | | | |
| CRV | 09.27.2004 | 10.18.2004 | Santander S.A. | Dollars | 605,572 | 1.70 | 606,1 |
| | | | Agente de Valores | | | | |
| CRV | 09.30.2004 | 10.08.2004 | BCI CB | Pesos | 100,000 | 0.20 | 100,0 |
| CRV | 09.30.2004 | 10.08.2004 | BCI CB | Pesos | 150,000 | 0.20 | 150,0 |
| CRV | 09.24.2004 | 10.01.2004 | Banco de Chile | Pesos | 717,190 | 0.16 | 717,4 |
| CRV | 09.30.2004 | 10.08.2004 | Banco de Chile | Pesos | 1,000,000 | 0.17 | 1,000,4 |
| CRV | 09.24.2004 | 10.01.2004 | Banco de Chile | Pesos | 218,200 | 0.16 | 218,2 |
| CRV | 09.30.2004 | 10.08.2004 | Banco de Chile | Pesos | 560,000 | 0.17 | 560,2 |
| CRV | 09.30.2004 | 10.08.2004 | Banco BCI | Pesos | 70,000 | 0.20 | 70,0 |
| | | | Corredores de | | | | |
| | | | Bolsa | | | | |
| CRV | 09.30.2004 | 10.08.2004 | Banco BCI | Pesos | 90,000 | 0.20 | 90,0 |
| | | | Corredores de | | | | |
| | | | Bolsa | | | | |
| CRV | 09.30.2004 | 10.08.2004 | Banco BCI | Pesos | 420,000 | 0.20 | 420,2 |
| | | | Corredores de | | | | |
| | | | Bolsa | | | | |
| CRV | 09.30.2004 | 10.08.2004 | Banco de Chile | Pesos | 180,000 | 0.17 | 180,0 |
| CRV | 09.10.2004 | 10.05.2004 | Banco de Chile | Pesos | 200,000 | 0.15 | 200,2 |
| CRV | 09.10.2004 | 10.04.2004 | Banco de Chile | Pesos | 250,000 | 0.15 | 250,3 |
| CRV | 09.27.2004 | 10.25.2004 | Banco de Chile | Pesos | 285,266 | 0.16 | 285,6 |
| CRV | 09.29.2004 | 10.25.2004 | Banco de Chile | Pesos | 200,000 | 0.17 | 200,2 |
| CRV | 09.20.2004 | 10.22.2004 | Scotiabank | Pesos | 300,000 | 0.17 | 300,5 |
| CRV | 08.24.2004 | 11.10.2004 | Banco Santander | Pesos | 301,000 | 0.17 | 302,3 |
| CRV | 08.31.2004 | 11.24.2004 | Banco Santander | Pesos | 149,545 | 0.18 | 150,3 |
| CRV | 08.31.2004 | 11.10.2004 | Banco Santander | Pesos | 199,850 | 0.18 | 200,7 |
| CRV | 09.27.2004 | 11.08.2004 | Banco Santander | Pesos | 296,998 | 0.18 | 297,7 |
| CRV | 09.27.2004 | 11.09.2004 | Banco Santander | Pesos | 295,078 | 0.18 | 295,8 |
| CRV | 09.27.2004 | 11.10.2004 | Banco Santander | Pesos | 198,225 | 0.18 | 198,7 |
| CRV | 09.28.2004 | 11.22.2004 | Banco Santander | Pesos | 297,193 | 0.19 | 298,2 |
| CRV | 09.28.2004 | 11.23.2004 | Banco Santander | Pesos | 295,250 | 0.19 | 296,2 |
| CRV | 09.29.2004 | 11.25.2004 | Banco Santander | Pesos | 245,012 | 0.18 | 245,8 |
| CRV | 09.30.2004 | 11.25.2004 | Banco Santander | Pesos | 177,483 | 0.18 | 178,0 |

32

12. Fixed Assets

Cristalerias de Chile S.A.

The Fixed Assets are valued according to note 2j), and the main goods included under this item as of September 30, 2004 and 2003 are the ones detailed in the annexed table.

The items that make up the Company's fixed assets as of September 30, 2004 and 2003 include mainly Land, Industrial Constructions, Infrastructure Works, Machinery, and Equipment distributed between the Padre Hurtado, Alto Jahuel and other minor.

S.A. Vina Santa Rita

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

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

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

Technical Reappraisal and Adjustment of Accounting Values:

The parent 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 amounts to Th Ch\$ 11,754,846 in 2004 and Th Ch\$ 11,065,777 in 2003.

33

The detail is shown on an attached chart.

| Fixed Assets | | 2004 | 2003 |
|---|--------------|--------------|---------|
| | ----- | ----- | ----- |
| | ThCh\$ | Th Ch\$ | Th Ch\$ |
| Land | | | |
| Land and Mining Properties | 13,590,995 | 13,326,621 | |
| Subtotal Lands | 13,590,995 | 13,326,621 | |
| Buildings and Infrastructure Projects | | | |
| Hi rises and industrial buildings | 31,798,777 | 31,045,256 | |
| Installations | 33,214,620 | 31,285,463 | |
| Residences | 26,711 | 26,685 | |
| Subtotal | 65,040,108 | 62,357,404 | |
| Accumulated depreciation | (22,207,123) | (19,071,731) | |
| Fiscal year depreciation | (2,338,859) | (2,267,338) | |
| Subtotal Depreciations | (24,545,982) | (21,339,069) | |
| Subtotal Constructions and Projects | 40,494,126 | 41,018,335 | |
| Machinery and Equipment | | | |
| Machinery | 99,213,011 | 94,674,738 | |
| Furnaces | 47,258,066 | 47,107,774 | |
| Furniture and Furnishings | 2,731,920 | 2,567,390 | |
| Tools | 731,693 | 635,358 | |
| Rolling Stock | 926,934 | 877,420 | |
| Subtotal | 150,861,624 | 145,862,680 | |
| Accumulated depreciation | (74,618,264) | (63,807,502) | |
| Fiscal year depreciation | (9,256,578) | (8,639,226) | |
| Subtotal Depreciations | (83,874,842) | (72,446,728) | |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | |
|----------------------------------|--------------|--------------|
| Subtotal Machinery and Equipment | 66,986,782 | 73,415,952 |
| Other Fixed Assets | | |
| Spare parts | 6,860,830 | 5,634,169 |
| Imports in transit | 1,576,730 | 133,834 |
| Work in progress | 4,691,473 | 2,778,530 |
| Lots in Pirque and Leyda | 418,042 | 471,719 |
| Deferred Customs Duties | 91,727 | 294,383 |
| Packages and Bundling | 240,191 | 239,958 |
| Other | 1,978,605 | 1,953,675 |
| Subtotal Other Assets | 15,857,598 | 11,506,268 |
| Total Fixed Assets | 245,350,325 | 233,052,973 |
| Total Accumulated Depreciation | (96,825,387) | (82,879,233) |
| Total Depreciation of the Period | (11,595,437) | (10,906,564) |
| Total Net Fixed Assets | 136,929,501 | 139,267,176 |

34

TECHNICAL REVALUATION AND ADJUSTMENT TO ACCOUNTING VALUES

| | 2004 | | 2003 | |
|---|------|-------------|------|-------------|
| | Th | Ch\$ | Th | Ch\$ |
| Land | | | | |
| Land | | 319,012 | | 318,603 |
| Subtotal net land and mining properties | | 319,012 | | 318,603 |
| Buildings and Infrastructure Projects | | | | |
| High rises and industrial buildings | | 6,371,495 | | 6,365,235 |
| Installations | | 42,110 | | 42,068 |
| Subtotal Buildings | | 6,413,605 | | 6,407,303 |
| Accumulated Depreciation | | (5,156,792) | | (4,939,451) |
| Fiscal year depreciation | | (159,409) | | (159,256) |
| Subtotal depreciation | | (5,316,201) | | (5,098,707) |
| Subtotal Buildings and Infrastructure project | | 1,097,404 | | 1,308,596 |
| Machinery and Equipment | | | | |
| Furnaces | | 0 | | 0 |
| Machinery | | 0 | | 0 |
| Tools | | 0 | | 0 |
| Furniture and Furnishings | | 0 | | 0 |
| Subtotal Machinery and Equipment | | 0 | | 0 |
| Accumulated Depreciation | | 0 | | 0 |
| Fiscal year depreciation | | 0 | | 0 |
| Subtotal depreciation | | 0 | | 0 |
| Subtotal Machinery and Equipment | | 0 | | 0 |
| Subtotal Net Technical Revaluation | | 1,416,146 | | 1,627,199 |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | |
|----------------------------------|-------------|-------------|
| TOTAL REVALUED ASSETS | 6,732,617 | 6,725,906 |
| TOTAL ACCUMULATED DEPRECIATION | (5,156,792) | (4,939,451) |
| TOTAL DEPRECIATION OF THE PERIOD | (159,409) | (159,256) |
| TOTAL NET | 1,416,416 | 1,627,199 |

35

13. Sales transactions with leaseback

These type of transactions were not carried out as of September 30, 2004 and 2003.

36

14. Investments in related companies

According to Circulating No. 1697 of the SVS, for the valuation of investments in related companies, carried out prior to the January 01, 2004, the equity method (VPP) has continued to be used.

On the other hand, for the investments in which direct participation is lower than 20%, the equity method (VPP) has continued to be used, since they correspond to companies within the same business group and therefore significant influence exists on them.

This method consists of assigning the investment an equivalent value to the proportion that corresponds to the company in the equity at book value in the issuer, and recognizing proportionally, the variations that this experiences.

Investments in force as of September 30, 2004 and 2003 are detailed as follows:

METROPOLIS INTERCOM S.A.

On April 30, 2000 the Shareholders of Metropolis Intercom S.A.. agreed to make a capital increase by issuing 3,923,834 shares for Ch\$ 1,256.67 per share, equivalent to Th Ch\$ 4,931,000. Such amount was subscribed 50% by Cristalchile Comunicaciones S.A. and the remaining 50% by Liberty Comunicaciones de Chile Uno Ltda.

The payment of such subscription was made by the subsidiary Cristalchile Comunicaciones S.A. on September 29, 2004, paying 1,961,917 shares for a value of Th Ch\$ 2,462,794.

With this purchase, the subsidiary participates directly in 2.205% and 47.795% indirectly in Metropolis Intercom S.A.'s equity.

CIECSA S.A.

On August 26, 2004 the Shareholders of Ciecsa S.A. agreed to increase company's equity through the issue of 36,400,000 shares equivalent to Th Ch\$ 910,000 which were fully subscribed by Cristalerias de Chile S.A.

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

This capital increase allowed CIECSA S.A. to complete financing in order to pay the balance of a Th US\$2,100 debt it had with Televisa S.A., produced by the purchase of 7,885,472 shares of Megavision S.A. in August 2002.

INMOBILIARIA MONTE AZUL S.A.

As of May 14, 2004, Cristalchile S.A. paid to its subsidiary Constructora Apoger Th Ch\$196 for 49% of the rights of Inmobiliaria Monte Azul Ltda. With this contribution the participation in the affiliate reaches 50% as of June 30, 2004. In order to determine the fair value, it has been

37

considered that the price paid corresponds to the market value, thus not originating adjustment to the investment value by present value.

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 part of a capital increase paid on April 29, 2002. Total amounts reimbursed amounted to Th US\$ 2,600.

On June 30, 2004 and August 31, 2004, the Board of Rayen Cura S.A.I.C. approved the reimbursement of part of the irrevocable contributions subscribed and paid on April 29, 2002. The amount of the reimbursement was US\$ 3,400,000, of which CristalChile Inversiones S.A. received US\$ 1,360,000, equivalent to 40% of its contribution.

As of September 30 the financial statements of Rayen Cura S.A.I.C. acknowledge a rate of exchange of \$ 2.96 Argentine pesos per Dollar. Cristalchile Inversiones, in turn, has adjusted the financial statements of Rayen Cura S.A.I.C. in order to acknowledge the variation occurred from \$ 2.91 (December 31, 2003) and \$2.96 Argentine pesos per US dollar as of September 30, 2004.

As an effect of the result of the subsidiary and the financial statements conversion of Rayen Cura S.A.I.C., according to the chilean normative, CristalChile Inversiones S.A. has acknowledged during the period a profit of Th Ch\$ 837,914 and Th Ch\$ 728,836 profit as of September 30, 2003.

On the other hand, the Dollar rate of exchange variation in Chile during the period, originated adjustments and from the investment in Rayen Cura and for goodwill from the purchase of shares of that company, respectively, which were charged of Th Ch\$61,568 in 2004 (charge Th Ch\$ 1,252,448 in 2003) to the item Other Equity Reserves.

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

| | 2004 Th\$ | 2003 Th\$ |
|---|--------------|--------------|
| CristalChile Inversiones's share of Rayen Cura S.A.I.C. | 12,248,478 | 13,124,284 |
| Negative goodwill(net of amortization) | 4,116,233 | 4,842,372 |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | |
|------------------------------|-------------|-------------|
| TOTAL | 16,364,711 | 17,966,656 |
| Loss due to devaluation | (2,599,574) | (2,088,490) |
| Accrued Profit (loss) | 837,914 | 728,836 |
| Potentially remitible profit | 0 | 0 |

38

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

The subsidiary CristalChile Inversiones S.A., does not register liabilities contracted that have been specifically designated and entered to as coverage instruments for the investment abroad.

39

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

| COMPANY | Country of Origin | Investment | | Shareholder (Percentage) | | Company Equity | | |
|--------------|---|------------------|------------------|--------------------------|------------|----------------|---------|----|
| | | Control Currency | Number of Shares | 09-30-2004 | 09-30-2003 | 09-30-2004 | 0 | |
| 78.619.410-5 | Cordillera Comunicaciones Holding Chile | Peso | 0 | 50.00000 | 50.00000 | 124,110,332 | 137,71 | |
| 78.619.370-2 | Cordillera Comunicaciones Ltda. Chile | Peso | 0 | 0.00000 | 0.00000 | 124,734,002 | 138,40 | |
| 89.150.900-6 | Vina Los Vascos S.A. Chile | Peso | 60,000,000 | 43.00000 | 43.00000 | 14,862,748 | 13,22 | |
| 90.684.000-6 | Editora Zig-Zag S.A. Chile | Peso | 114,596,21 | 3 | 49.00000 | 49.00000 | 617,778 | 46 |
| 96.793.770-3 | Ediciones Chiloe S.A. Chile | Peso | 1,570,146 | 50.00000 | 50.00000 | 1,368,080 | 1,45 | |
| 96.826.870-8 | Inmobiliaria Don Alberto S.A. Chile | Peso | 3,817 | 0.00000 | 38.00000 | 0 | 0 | |
| 86.881.400-4 | Envases CMF S.A. Chile | Peso | 28,000 | 50.00000 | 50.00000 | 32,324,932 | 33,61 | |
| 98.806.690-0 | Proser S.A. Chile | Peso | 50 | 0.00000 | 0.00000 | -12,200 | -1 | |
| 96.787.750-6 | Metropolis Intercom S.A. Chile | Peso | 1,961,918 | 2.00000 | 0.00000 | 69,850,866 | 79,89 | |
| | Inmob. Y | | | | | | | |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | | | | | | |
|--------------|------------------------------|-----------|--------|-----------|----------|----------|------------|-------|
| 78.936.090-1 | Constructora Monte Azul S.A. | Chile | Peso | 50 | 50.00000 | 0.00000 | -9,169 | |
| 0-E | Rayen Cura S.A.I.C | Argentina | Dollar | 1,376,000 | 40.00000 | 40.00000 | 30,621,196 | 32,81 |
| | TOTAL | | | | | | | |

| COMPANY | Companies' equity at Fair Value | | Net Income At Fair Value | | Result of Accrual | | |
|--------------|---------------------------------|------------|--------------------------|------------|-------------------|------------|-----|
| | 09-30-2004 | 09-30-2003 | 09-30-2004 | 09-30-2003 | 09-30-2004 | 09-30-2003 | |
| 78.619.410-5 | | | | | -5,328,567 | -5,306,331 | 62 |
| 78.619.370-2 | | | | | -26,777 | -26,665 | |
| 89.150.900-6 | | | | | 483,820 | 485,287 | 6 |
| 90.684.000-6 | | | | | -111,696 | -163,848 | |
| 96.793.770-3 | | | | | -66,811 | -102,288 | |
| 96.826.870-8 | | | | | 0 | -4 | |
| 86.881.400-4 | | | | | 375,220 | 362,416 | 16 |
| 98.806.690-0 | | | | | 0 | 2 | |
| 96.787.750-6 | | | | | -174,611 | 0 | 1 |
| 78.936.090-1 | -9,169 | 0 | -9,776 | 0 | -4,888 | 0 | |
| 0-E | | | | | 837,914 | 728,836 | 12 |
| | TOTAL | | | | | | 100 |

| COMPANY | Income not Realized | | Book value of Investment | |
|---------|---------------------|------------|--------------------------|------------|
| | 09-30-2004 | 09-30-2003 | 09-30-2004 | 09-30-2003 |

Cordillera

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | | | |
|--------------|---------------------------|---------|---------|------------|-------------|
| 78.619.410-5 | Comunicaciones Holding | 0 | 0 | 62,055,166 | 68,856,419 |
| | Cordillera Comunicaciones | | | | |
| 78.619.370-2 | Ltda. | 0 | 0 | 311,835 | 346,012 |
| 89.150.900-6 | Vina Los Vascos S.A. | 0 | 0 | 6,390,982 | 5,685,198 |
| 90.684.000-6 | Editora Zig-Zag S.A. | 0 | 0 | 308,201 | 230,754 |
| 96.793.770-3 | Ediciones Chiloe S.A. | 148,757 | 189,659 | 535,283 | 537,239 |
| | Inmobiliaria Don Alberto | | | | |
| 96.826.870-8 | S.A. | 0 | 0 | 0 | 10 |
| 86.881.400-4 | Envases CMF S.A. | 0 | 0 | 16,537,685 | 16,808,743 |
| 98.806.690-0 | Proser S.A. | 0 | 0 | -61 | 1 |
| | Metropolis | | | | |
| 96.787.750-6 | Intercom S.A. | 0 | 0 | 1,540,309 | 1,761,707 |
| | Inmob. Y Constructora | | | | |
| 78.936.090-1 | Monte Azul S.A. | 0 | 0 | -4,584 | 0 |
| | Rayen Cura | | | | |
| 0-E | S.A.I.C | 0 | 0 | 12,248,478 | 13,124,285 |
| | TOTAL | 148,757 | 189,659 | 99,923,294 | 107,350,368 |

40

15. Investments in other companies

Investments in other companies that totaled Th Ch\$ 770,586 on September 30, 2004 (Th Ch\$ 840,471 in 2003) are shown on attached charts.

CRISTALERIAS DE CHILE S.A.
NOTE 15 - INVESTMENTS IN OTHER CORPORATIONS

| R.U.T. | Company Name | Number of Shares | Shareholding (Percentage) | 09-30-2004 |
|--------------|-----------------------|------------------|---------------------------|------------|
| 96.895.100-9 | Internet Holding S.A. | 57,104 | 7.4200 | 155, |
| 0-E | Bazuca.com Inc. | 266,500 | 7.8900 | 614, |

41

16. Goodwill Amortization

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

NEGATIVE GOODWILL

Stock purchases made in different periods of S.A. Vina Santa Rita, Vina Los Vascos S.A., Ciecsa S.A., Empresa Editora Zig Zag 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 September 30, 2004 totaled Th Ch\$ 8,696,914 (Th Ch\$ 9,761,218 in 2003).

POSITIVE GOODWILL

As of September 30, 2004 and 2003 the parent company and the subsidiaries do not show any balance for this item.

42

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

| R.U.T. | Company Name | 09-30-2004 | |
|--------------|--------------------------------|-----------------------------|------------------|
| | | Amount Amortiz. this period | Goodwill Balance |
| 99.999.999-9 | Rayen Cura S.A. | 205,812 | 4,116,233 |
| 86.547.900-K | S.A. Vina Santa Rita | 38,347 | 531,312 |
| 96.608.270-4 | Ciecsa S.A. | 92,654 | 1,266,271 |
| 89.150.900-6 | Vina Los Vascos S.A. | 67,554 | 1,121,846 |
| 90.684.000-6 | Editorial Zig-Zag S.A. | 4,854 | 99,493 |
| 79.952.350-7 | Red Televisiva Megavision S.A. | 40,706 | 858,331 |
| 96.787.750-6 | Metropolis Intercom S.A. | 27,767 | 703,428 |
| | TOTAL | 477,694 | 8,696,914 |

43

17. Intangibles

As of September 30, 2004 and 2003 this item is composed as follows:

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

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | |
|---|-------------|-------------|
| Concession of Channel 9 frequency and regional network | 10,373,684 | 10,363,625 |
| Trademarks | 1,676,629 | 1,639,964 |
| | ----- | ----- |
| TOTAL INTANGIBLES | 12,050,313 | 12,003,589 |
| | | |
| ACCUMULATED AMORTIZATIONS | | |
| From Channel 9 Frequency | (1,110,111) | (947,892) |
| From Trademarks | (285,629) | (225,739) |
| | ----- | ----- |
| TOTAL AMORTIZATIONS | (1,395,740) | (1,173,631) |

44

18. Others (Assets)

As of September 30, 2004 and 2003 the following are included under this item:

| | 2004 | 2003 |
|--|-----------|------------|
| | ----- | ----- |
| | Th Ch\$ | Th Ch\$ |
| Celulosa Arauco bonds (*) | 0 | 9,012,141 |
| Price differential bond acquisition(*) | 0 | 103,006 |
| Negative goodwill Bond Sale (Net) | 2,920,603 | 3,261,087 |
| Expenses of bond sales | 933,534 | 1,110,148 |
| Bank Cash Reserve | 0 | 2,441 |
| Foreign programs to be exhibited over a year from the present | 1,991,396 | 755,801 |
| Long-Term Tax VAT Vina Dona Paula | 631,390 | 444,138 |
| Presumed Minimum Profit Tax | 43,612 | 21,025 |
| Other | 28,830 | 46,020 |
| | ----- | ----- |
| Total | 6,549,365 | 14,755,807 |

As of September 30, 2003 there were other long-term fixed assets:

(*) Investment in Celulosa Arauco bonds equivalent to US\$13,420,000 at an annual rate of 6.95% and maturity at September 15, 2005, Th Ch\$ 103,006 for surplus Price differential paid in the acquisition of Celulosa Arauco bonds, which will be amortized in the same term of the bond's maturity date.

(**) Corresponds to long-term refundable taxes of Vina Dona Paula S.A., Mendoza, Argentina subsidiary of S.A. Vina Santa Rita.

45

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

19. Short-term obligations with banks and financial institutions

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

46

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 Read | | | | |
|---|-------------------------------------|---------------------------|------------|------------|------------|------------|
| | | Dollars | | Euros | | Yen |
| | | 09-30-2004 | 09-30-2003 | 09-30-2004 | 09-30-2003 | 09-30-2004 |
| Short term (code: 5.21.10.10) | | | | | | |
| 0-E | Banco Regional de Cuyo | 0 | 0 | 0 | 0 | 0 |
| 97.004.000-5 | Banco de Chile | 0 | 135,236 | 0 | 0 | 0 |
| | Other | 0 | 0 | 0 | 0 | 0 |
| | TOTAL | 0 | 135,236 | 0 | 0 | 0 |
| | Amount capital due | 0 | 134,308 | 0 | 0 | 0 |
| | Annual average interest rate | 0.00 | 1.88 | 0.00 | 0.00 | 0.00 |
| Long Term - Short Term (code: 5.21.10.20) | | | | | | |
| 97.008.000-7 | Citibank NA | 836,331 | 1,848,087 | 0 | 0 | 0 |
| 97.030.000-5 | Banco Estado | 0 | 0 | 0 | 0 | 0 |
| 97.018.000-1 | Scotiabank Sudamericano | 0 | 0 | 0 | 0 | 0 |
| 97.006.000-6 | Banco Credito e Inversiones | 0 | 0 | 0 | 0 | 0 |
| 97.004.000-4 | Banco de Chile | 0 | 0 | 0 | 0 | 0 |
| 97.036.000-K | Banco SantanderSantiago | 0 | 0 | 0 | 0 | 0 |
| 0-E | JP Morgan Chase Bank | 292,991 | 138,250 | 0 | 0 | 0 |
| 0-E | Banco Argentaria | 111,355 | 245,622 | 0 | 0 | 0 |
| | Other | 0 | 0 | 0 | 0 | 0 |
| | TOTAL | 1,240,677 | 2,231,959 | 0 | 0 | 0 |
| | Amount capital due | 941,138 | 2,075,930 | 0 | 0 | 0 |
| | Average annual interest rate | 2.05 | 1.83 | 0.00 | 0.00 | 0.00 |
| | Percentage oblig. foreign curr. (%) | | 46.0000 | | | |
| | Percentage oblig. foreign curr. (%) | | 54.0000 | | | |

Type of Currency and Readjustment Ind

U.F. Non adjustable \$ Total

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| R.U.T. | Bank or Financial Institution | 09-30-2004 | 09-30-2003 | 09-30-2004 | 09-30-2003 | 09-30-2004 |
|---|-------------------------------|------------|------------|------------|------------|------------|
| Short term (code: 5.21.10.10) | | | | | | |
| 0-E | Banco Regional de Cuyo | 0 | 0 | 0 | 0 | 15,884 |
| 97.004.000-5 | Banco de Chile | 0 | 0 | 0 | 0 | 0 |
| | Other | 0 | 0 | 0 | 0 | 0 |
| | TOTAL | 0 | 0 | 0 | 0 | 15,884 |
| | Amount capital due | 0 | 0 | 0 | 0 | 15,767 |
| | Annual average interest rate | 0.00 | 0.00 | 0.00 | 0.00 | |
| Long Term - Short Term (code: 5.21.10.20) | | | | | | |
| 97.008.000-7 | Citibank NA | 0 | 0 | 0 | 0 | 836,331 |
| 97.030.000-5 | Banco Estado | 0 | 0 | 268,913 | 273,217 | 268,913 |
| 97.018.000-1 | Scotiabank Sudamericano | 421,190 | 454,163 | 0 | 0 | 421,190 |
| 97.006.000-6 | Banco Credito e Inversiones | 172,076 | 172,872 | 0 | 0 | 172,076 |
| 97.004.000-4 | Banco de Chile | 126,864 | 322,590 | 0 | 0 | 126,864 |
| 97.036.000-K | Banco SantanderSantiago | 469,805 | 479,176 | 0 | 0 | 469,805 |
| 0-E | JP Morgan Chase Bank | 0 | 0 | 0 | 0 | 292,991 |
| 0-E | Banco Argentaria | 0 | 0 | 0 | 0 | 111,355 |
| | Other | 0 | 0 | 0 | 0 | 0 |
| | TOTAL | 1,189,935 | 1,428,801 | 268,913 | 273,217 | 2,699,525 |
| | Amount capital due | 1,173,790 | 1,344,683 | 264,375 | 268,605 | 2,379,303 |
| | Average annual interest rate | 1.39 | 4.43 | 4.94 | 4.94 | |

47

20. Other Current Liabilities

As of September 30, 2003, there was a balance Th Ch\$ 5,136,957 in favor of financial institutions corresponding to future contracts in foreign currency subscribed by the parent company and the subsidiaries S.A. Vina Santa Rita y Ciecsa S.A. More detail on these is shown in note 34 Derivative Contracts.

48

21. Long-term obligations with banks and financial institutions

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

49

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

CRISTALERIAS DE CHILE S.A.

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

| R.U.T. | Institution | Currency adjustment index | Years of Maturity | |
|--------------|-----------------------------|---------------------------|---------------------|---------------------|
| | | | More than 1 up to 2 | More than 2 up to 3 |
| | Financial Institution | | Thou Ch\$ | Thou Ch\$ |
| | | Other | | |
| 0-E | Banco Regional de Cuyo | currency | 29,181 | 10,349 |
| 97.030.000-7 | Banco Estado | Non-adjustment | 271,182 | 132,188 |
| 97.036.000-K | Banco Santander Santiago | UF | 465,297 | 465,297 |
| 97.018.000-1 | Banco Scotiabank | UF | 412,543 | 412,543 |
| 0-E | J.P. Morgan Chase Bank | Dollars | 7,611,250 | 15,222,500 |
| 90.008.000-K | Citibank N.A. | Dollars | 0 | 0 |
| 97.006.000-6 | Banco Credito e Inversiones | UF | 85,954 | 0 |
| 97.004.000-5 | Banco de Chile | UF | 124,042 | 124,042 |
| 0-E | Banco Argentaria | Dollars | 0 | 0 |
| | Total | | 8,999,449 | 16,366,919 |

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

| R.U.T. | Financial Institution | More than 10 years | | Closing d Current p |
|--------------|--------------------------|--------------------|--------|--|
| | | Amount | Period | |
| | Financial Institution | Thou Ch\$ | | Total Long-Term at closing of Financial Statements |
| 0-E | Banco Regional de Cuyo | 0 | 0 | 39,530 |
| 97.030.000-7 | Banco Estado | 0 | 0 | 403,370 |
| 97.036.000-K | Banco Santander Santiago | 0 | 0 | 930,594 |
| 97.018.000-1 | Banco Scotiabank | 0 | 0 | 1,237,629 |
| 0-E | J.P. Morgan Chase Bank | 0 | 0 | 30,445,000 |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | | | |
|--------------|-----------------------------|---|---|------------|----|
| 90.008.000-K | Citibank N.A. | 0 | 0 | 0 | |
| 97.006.000-6 | Banco Credito e Inversiones | 0 | 0 | 85,954 | T |
| 97.004.000-5 | Banco de Chile | 0 | 0 | 496,168 | TA |
| 0-E | Banco Argentaria | 0 | 0 | 0 | |
| | Total | 0 | | 33,638,245 | |

50

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

The balance for the short-term as of September 30, 2004 was Th Ch\$ 1,158,008, (Th Ch\$ 1,159,784 in 2003) corresponding to interests accrued for bonds issued by the Parent Company and the subsidiary S.A. Vina Santa Rita.

Also are shown UF 500,000 equivalent to Th Ch\$ 8,595,390 which correspond the maturity of 2 quotas of the bonds capital series C1 issued by the parent company.

As of September 30, 2004, there are long-term obligations with the public for Th Ch\$ 82,515,744 (Th Ch\$ 91,250,982 in 2003), of which Th Ch\$ 61,886,808 (Th Ch\$ 70,590,383 in 2003) correspond to bonds issued in UF's by the parent company, of series C1, C2, D1, D2; and Th Ch\$ 20,628,936 (Th Ch\$ 20,660,600 in 2003) which correspond to bonds series C1, D1 and D2 issued in UF's by the subsidiary S.A. Vina Santa Rita.

This liability is shown in detail in the appendix.

51

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 DEPOSIT FACE VALUE | INDEXING UNIT OF BOND | INTEREST RATE |
|--|--------------|----------------------------|-----------------------|---------------|
| ----- | ----- | ----- | ----- | ----- |
| LONG-TERM BONDS-CURRENT PORTION | | | | |
| 296-09.07.02 | C1 Interests | 0 | UF | 4.75 |
| 296-09.07.02 | C2 Interests | 0 | UF | 4.75 |
| 296-09.07.02 | D1 Interests | 0 | UF | 5.80 |
| 296-09.07.02 | D2 Interests | 0 | UF | 5.80 |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | | |
|-----------------------|--------------|---------|----|------|
| 241-15.12.00 | C1 Interests | 0 | UF | 6.29 |
| 241-15.12.00 | D1 Interests | 0 | UF | 6.29 |
| 241-15.12.00 | D2 Interests | 0 | UF | 6.29 |
| 296-09.07.02 | C | 250,000 | UF | 4.75 |
| 296-09.07.02 | C | 250,000 | UF | 4.75 |
| TOTAL CURRENT PORTION | | | | |

| | | | | |
|-----------------|----|-----------|----|------|
| LONG-TERM BONDS | | | | |
| 296-09.07.02 | C1 | 1,000,000 | UF | 4.75 |
| 296-09.07.02 | C2 | 500,000 | UF | 4.75 |
| 296-09.07.02 | D1 | 1,900,000 | UF | 5.80 |
| 296-09.07.02 | D2 | 200,000 | UF | 5.80 |
| 241-15.12.00 | C1 | 200,000 | UF | 6.25 |
| 241-15.12.00 | D1 | 100,000 | UF | 6.25 |
| 241-15.12.00 | D2 | 900,000 | UF | 6.25 |
| LONG-TERM TOTAL | | | | |

| REGISTRATION OR IDENTIFICATION No. OF INSTRUMENT | INSTALLMENTS | | PAR VALUE | |
|--|---------------------|------------------------------------|------------|------------|
| | INTEREST PAYMENT | CURRENT AMORTIZATION PAYMENT | 09-30-2004 | 09-30-2000 |
| LONG-TERM BONDS-CURRENT PORTION | | | | |
| 296-09.07.02 | SEMI-ANNUAL | SEMI-ANNUAL | 258,941 | 259,330 |
| 296-09.07.02 | SEMI-ANNUAL | SEMI-ANNUAL | 86,314 | 86,440 |
| 296-09.07.02 | SEMI-ANNUAL | SEMI-ANNUAL | 399,485 | 400,090 |
| 296-09.07.02 | SEMI-ANNUAL | SEMI-ANNUAL | 42,051 | 42,110 |
| 241-15.12.00 | SEMI-ANNUAL | SEMI-ANNUAL | 61,869 | 61,960 |
| 241-15.12.00 | SEMI-ANNUAL | SEMI-ANNUAL | 30,935 | 30,980 |
| 241-15.12.00 | SEMI-ANNUAL | SEMI-ANNUAL | 278,413 | 278,840 |
| 296-09.07.02 | SEMI-ANNUAL | SEMI-ANNUAL | 4,297,695 | |
| 296-09.07.02 | SEMI-ANNUAL | SEMI-ANNUAL | 4,297,695 | |
| TOTAL CURRENT PORTION | | | 9,753,398 | 1,159,780 |
| LONG-TERM BONDS | | | | |
| 296-09.07.02 | SEMI-ANNUAL | SEMI-ANNUAL | 17,190,780 | 25,825,750 |
| 296-09.07.02 | SEMI-ANNUAL | SEMI-ANNUAL | 8,595,390 | 8,608,580 |
| 296-09.07.02 | SEMI-ANNUAL | SEMI-ANNUAL | 32,662,482 | 32,172,610 |
| 296-09.07.02 | SEMI-ANNUAL | SEMI-ANNUAL | 3,438,156 | 3,443,430 |
| 241-15.12.00 | SEMI-ANNUAL | SEMI-ANNUAL | 3,438,156 | 3,443,430 |
| 241-15.12.00 | SEMI-ANNUAL | SEMI-ANNUAL | 1,719,078 | 1,721,710 |
| 241-15.12.00 | SEMI-ANNUAL | SEMI-ANNUAL | 15,471,702 | 15,495,450 |
| LONG-TERM TOTAL | | | 82,515,744 | 91,250,980 |

23. Provisions and Write-Offs

Provisions

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

The Company has short-term provisions of Th Ch\$ 14,212,657 as of September 30, 2004, and Th Ch\$ 9,818,920 in 2003.

Long-term provisions of Th Ch\$ 6,604,096 and Th Ch\$ 7,745,359 are recorded for the years 2004 and 2003 respectively.

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\$ 739,424 and Th Ch\$ 750,280 as of September 30, 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 June 30, 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\$ 1,137,805 as of September 30, 2004 (Th Ch\$ 1,010,540 in 2003).

Provision for Furnace Reconstruction:

This reserve is established throughout the useful life of the refractants 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 reserve in the amount of Th Ch\$ 4,273,077 and Th Ch\$ 3,571,074 as of September 30, 2004 and 2003, respectively.

53

CRISTALERIAS DE CHILE S.A. NOTE 23: PROVISIONS AND WRITE-OFFS

| | 09-30-2004 | 09-30-2003 |
|-------------------------------|------------|------------|
| | ----- | ----- |
| | Thou Ch\$ | Thou Ch\$ |
| Short Term | | |
| Commissions and Fees | 2,720,782 | 2,931,652 |
| Furnace reconstruction | 1,911,946 | 0 |
| Share of Board of Directors | 677,434 | 164,808 |
| Legal holidays | 1,137,805 | 1,010,540 |
| Local and foreign suppliers | 828,425 | 899,952 |
| Packing return to clients | 906,239 | 1,168,581 |
| Spareparts reserve and other | 375,866 | 445,200 |
| Informative Services | 6,028 | 0 |
| Advertising and marketing | 1,285,669 | 246,383 |
| Copyright | 53,633 | 49,020 |
| Severance payments | 185,695 | 184,430 |
| Advertising Agency Commission | 851,691 | 521,490 |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | |
|---------------------------------------|------------|-----------|
| Reserve indirect cost | 1,530,627 | 1,199,478 |
| Reserve for bonus | 86,090 | 83,141 |
| Reserve for loss of exported products | 73,068 | 91,144 |
| Reserve for Grape harvest expenses | 884,381 | 412,096 |
| Other receivable account reserves | 697,278 | 410,735 |
| Other receivable account reserves | | |
| TOTAL | 14,212,657 | 9,818,920 |
| Long Term | | |
| Severance payment | 4,242,965 | 4,174,285 |
| Furnace reconstruction | 2,361,131 | 3,571,074 |
| TOTAL | 6,604,096 | 7,745,359 |

54

24. Severance Payment

The provision for severance payments to personnel is included at its current value, as expressed in note 2 t). As of September 30, 2004 it amounts to Th Ch\$ 4,428,660 (Th Ch\$ 4,358,715 in 2003).

As of September 30, 2004, the parent company has paid severance payments of Th Ch\$ 180,607 (Th Ch\$ 140,701 in 2003) chargeable against the provision.

55

25. Other long-term liabilities

As of September 30, 2004 and 2003 there are no balances for this item.

56

26. Minority interest

The subsidiaries that generate minority interests as of September 30, 2004 and 2003 are shown on the attached chart.

CRISTALERIAS DE CHILE S.A.
NOTE 26: MINORITY INTEREST

SUBSIDIARY COMPANY

NET WORTH

RESULTS

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | Thou Ch\$ 2004 | Thou Ch\$ 2003 | Thou Ch\$ 2004 | Thou Ch\$ 2003 |
|---|-------------------|-------------------|--------------------|-------------------|
| | ----- | ----- | ----- | ----- |
| S.A.Vina Santa Rita | 40,002,080 | 37,950,432 | (2,477,427) | (1,743,32) |
| CIECSA and subsidiaries | 442,082 | 297,112 | (112,251) | (21,52) |
| Constructora Apoger S.A. and subsidiary | 630 | 1,038 | 327 | 2 |
| Cristalchile Comunicaciones S.A. | 1,184 | 1,314 | 103 | |
| TOTAL | 40,445,976 | 38,249,896 | (2,589,248) | (1,764,53) |

57

27. Changes in Equity

a. Activity in 2004 and 2003

The activity of the capital and reserve accounts in the fiscal years ended in September 30, 2004 and 2003, are shown in the attached charts.

b. Other Reserves

The detail of this item is as follows:

| | 2004 | 2003 |
|---|------------------|------------------|
| | ----- | ----- |
| | ThCh\$ | ThCh\$ |
| Future capital increases | 4,667,636 | 4,450,953 |
| Reserve for adjustment of value of fixed assets | 1,416,415 | 1,627,199 |
| Adjustment for conversion difference in investment in Rayen Cura S.A.I.C. | 593,044 | 2,164,029 |
| | ----- | ----- |
| TOTAL OTHER RESERVES | 6,677,095 | 8,242,181 |

58

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

| ITEM | Paid-in Capital | Reserve capital Revaluation | Premium in sale of shares | Other Reserves |
|-------|--------------------|-----------------------------------|---------------------------------|-------------------|
| ----- | ----- | ----- | ----- | ----- |

Balances as of 09/30/2004

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | | |
|--|------------|-----------|------------|------------|
| Initial balance | 65,396,749 | 0 | 27,874,377 | 6,421,900 |
| Distribution result previous fiscal year | 0 | 0 | 0 | 0 |
| Final dividend previous fiscal year | 0 | 0 | 0 | 0 |
| Capital increases with cash stock issue | 0 | 0 | 0 | 0 |
| Reserves and/or Profits Capitalization | 0 | 0 | 0 | 0 |
| Development period Accumulated deficit | 0 | 0 | 0 | 0 |
| Accumulated conversion difference adjustment | 0 | 0 | 0 | 133,179 |
| Eventual Dividends | 0 | 0 | 0 | 0 |
| Owner's equity Revaluation | 0 | 1,242,538 | 529,613 | 122,016 |
| Fiscal Year Result | 0 | 0 | 0 | 0 |
| Provisional Dividends | 0 | 0 | 0 | 0 |
| Final balances as of 09/30/2004 | 65,396,749 | 1,242,538 | 28,403,990 | 6,677,095 |
| Initial balance as of 09/30/2003 | 64,749,257 | 0 | 27,598,393 | 9,713,099 |
| Distribution result previous fiscal year | 0 | 0 | 0 | 0 |
| Final dividend previous fiscal year | 0 | 0 | 0 | 0 |
| Capital increases with cash stock issue | 0 | 0 | 0 | 0 |
| Reserves and/or profit Capitalization | 0 | 0 | 0 | 0 |
| Development period accumulated deficit | 0 | 0 | 0 | 0 |
| Accumulated conversion difference adjustment | 0 | 0 | 0 | -1,717,273 |
| Eventual Dividends | 0 | 0 | 0 | 0 |
| Owner's equity revaluation | 0 | 776,991 | 331,181 | 116,557 |
| Fiscal Year Result | 0 | 0 | 0 | 0 |
| Provisional Dividends | 0 | 0 | 0 | 0 |
| Final balances | 64,749,257 | 776,991 | 27,929,574 | 8,112,383 |
| Updated Final Balances as of 09/30/2003 | 65,785,245 | 789,423 | 28,376,447 | 8,242,181 |

CRISTALERIAS DE CHILE S.A.
NOTE 27: CHANGES IN NET WORTH (Cont'd)

| ITEM | Accumulated Results | Provisional Dividends | Devel. Period Deficit | Fiscal Year Result |
|--|---------------------|-----------------------|-----------------------|--------------------|
| Balances as of 09/30/2004 | | | | |
| Initial balance | 6,426,520 | -958,080 | 0 | 0 |
| Distribution result previous fiscal year | -6,426,520 | 958,080 | 0 | 0 |
| Final dividend previous fiscal year | 0 | 0 | 0 | 0 |
| Capital increases with cash stock issue | 0 | 0 | 0 | 0 |
| Reserves and/or Profits Capitalization | 0 | 0 | 0 | 0 |
| Development period Accumulated deficit | 0 | 0 | 0 | 0 |
| Accumulated conversion difference | | | | |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | | |
|--|-------------|------------|---|------------|
| adjustment | 0 | 0 | 0 | 0 |
| Eventual Dividends | 0 | 0 | 0 | 0 |
| Owner's equity Revaluation | 0 | -12,800 | 0 | 0 |
| Fiscal Year Result | 0 | 0 | 0 | 14,237,355 |
| Provisional Dividends | 0 | -2,560,000 | 0 | 0 |
| Final balances as of 09/30/2004 | 0 | -2,572,800 | 0 | 14,237,355 |
| Initial balance as of 09/30/2003 | 17,660,662 | -3,303,936 | 0 | 0 |
| Distribution result previous fiscal year | -17,660,662 | 3,303,936 | 0 | 0 |
| Final dividend previous fiscal year | 0 | 0 | 0 | 0 |
| Capital increases with cash stock issue | 0 | 0 | 0 | 0 |
| Reserves and/or profit Capitalization | 0 | 0 | 0 | 0 |
| Development period accumulated deficit | 0 | 0 | 0 | 0 |
| Accumulated conversion difference adjustment | 0 | 0 | 0 | 0 |
| Eventual Dividends | 0 | -960 | 0 | 0 |
| Owner's equity revaluation | 0 | 0 | 0 | 0 |
| Fiscal Year Result | 0 | -960,000 | 0 | 2,415,990 |
| Provisional Dividends | 0 | -960,000 | 0 | 0 |
| Final balances | 0 | -960,960 | 0 | 2,415,990 |
| Updated Final Balances as of 09/30/2003 | 0 | -976,335 | 0 | 2,454,646 |

59

CRISTALERIAS DE CHILE S.A.
NOTE 27: CHANGES IN NETWORTH - NUMBER OF SHARES

| SERIES | No. SHARES SUBSCRIBED | No. SHARES PAID | No. SHARES 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 CAPITAL | PAID-IN CAPITAL |
|--------|-----------------------|--------------------|
| SINGLE | 65,396,749 | 65,396,749 |

60

28. Other Non-Operating Income and Disbursements

As of September 30, 2004 and 2003 the non-operating income totals Th Ch\$ 898,101 and Th Ch\$ 562,302 respectively.

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

Non-operating Expenditures were Th Ch\$ 2,033,862 in 2004 and Th Ch\$ 1,546,073 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 | | |
| Fontec Proyect Benefit | 10,886 | 5,530 |
| Offices and establishments rental | 269,904 | 159,383 |
| Tax exemptions | 176,518 | 108,329 |
| Sale of fixed assets | 8,676 | 4,599 |
| Land granted | 215,542 | 0 |
| Indemnity for claims | 988 | 70,587 |
| Non-realized profit Amortization | 31,158 | 0 |
| Sale of materials | 33,245 | 21,254 |
| Condonation deferred custom duties | 47,834 | 0 |
| Miscellaneous Income | 69,304 | 192,620 |
| Raw material bonus | 34,046 | 0 |
| | | |
| TOTAL NON-OPERATING INCOME | 898,101 | 562,302 |
| | | |
| EXPENSES | | |
| Professional advice | 599,155 | 578,225 |
| Personnel Contracts Finished | 126,672 | 37,611 |
| Share of Board of Directors | 109,223 | 76,316 |
| Condonation deferred custom duties | 0 | 91,193 |
| Loss in sales of fixed assets | 345,119 | 83,904 |
| Trademarks amortization | 45,285 | 73,211 |
| Municipal patents | 3,226 | 0 |
| Frequency amortization | 123,346 | 113,747 |
| Suppliers | 160,202 | 175,798 |
| Other expenses | 317,303 | 245,758 |
| Insurance | 5,725 | 0 |
| Taxes | 149,217 | 17,860 |
| ADR'S expenses | 49,389 | 52,450 |
| | | |
| TOTAL NON-OPERATING EXPENSES | 2,033,862 | 1,546,073 |

61

29. Price Level Restatements

As a result of the application of the adjustment for price level restatements as described in Note 2 e), there was a net charge to results in the 2004 fiscal year in the amount of Th Ch\$ 768,421 and a net charge against results of Th Ch\$ 716,961 in 2003.

Additional information organized by item on the Balance Sheet is shown on the

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

attached chart.

Cristalerias de Chile S.A.

NOTE 29: ADJUSTMENT FOR PRICE LEVEL RESTATEMENTS

| ASSETS (CHARGES)/CREDITS | ADJUSTABILITY INDEX | 09-30-2004 | 09-30-2003 |
|--|------------------------|------------|------------|
| ----- | ----- | ----- | ----- |
| INVENTORY | CPI | 397,811 | 98,12 |
| FIXED ASSETS | CPI | 2,968,673 | 1,547,71 |
| INVESTMENTS IN RELATED COMPANIES | CPI | 1,798,796 | 741,51 |
| MARKETABLE SECURITIES | CPI | 78,936 | 46,72 |
| SHORT-TERM DEBTORS | CPI | 366,841 | 39,36 |
| SHORT-TERM DEBTORS | UF | 1,563 | 1,02 |
| ACCOUNTS RECEIVABLE RELATED COMPANIES | UF | 320,180 | 266,54 |
| TIME DEPOSITS | CPI | 0 | 4,73 |
| LONG-TERM DEBTORS | UF | 6,172 | 1,97 |
| RATE DIFFERENCE IN PLACEMENT OF L/T BONDS | UF | 37,292 | 28,29 |
| INFLATION EFFECT | CPI | 1,156,347 | 397,51 |
| OTHER NON-MONETARY ASSETS | CPI | 39,107 | 471,10 |
| EXPENSE AND COST ACCOUNTS | CPI | 1,065,202 | 212,77 |
| TOTAL (CHARGES)/CREDITS | | 8,236,920 | 3,857,42 |
| | | | |
| LIABILITIES (CHARGES)/ CREDITS | | | |
| NET WORTH | CPI | -4,305,854 | -2,854,06 |
| ACCOUNTS PAYABLE RELATED COMPANIES | UF | -12 | -9 |
| BANK LOANS | UF | -16,909 | -17,34 |
| SHORT-TERM RESERVES | CPI | -49,106 | -5,16 |
| LONG-TERM BANK LOANS | UF | -46,461 | -57,46 |
| LONG-TERM RESERVES | CPI | -54,795 | -72,51 |
| LONG-TERM CREDITORS | CPI | -470 | -54 |
| OBLIGATIONS WITH THE PUBLIC | UF | -1,434,684 | -1,090,63 |
| MINORITY INTEREST | CPI | -349,555 | -1,05 |
| INFLATION EFFECT | CPI | -710,833 | |
| NON-MONETARY LIABILITIES | UF | -80,713 | |
| NON-MONETARY LIABILITIES | CPI | -57,438 | -165,63 |
| INCOME ACCOUNTS | CPI | -1,898,511 | -309,87 |
| TOTAL (CHARGES)/ CREDITS | | -9,005,341 | -4,574,38 |
| | | | |
| (LOSS) PROFIT FROM ADJUSTMENT FOR CURRENCY DEVALUATION | | -768,421 | -716,96 |

62

30. Exchange Differences

There is a net charge to results in the 2004 fiscal year of Th Ch\$ 2,373,424 and a net credit to results of Th Ch\$ 12,465,716 in 2003.

According to dispositions of Circular No. 1560 of the SVS, the net effect on results of foreign currency adjustable assets and liabilities adjustment without the inflationary effect of the local currency is presented under this item.

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

More information is shown on the attached chart.

Cristalerias de Chile S.A.
NOTE 30: EXCHANGE DIFFERENCES

| ITEM | CURRENCY | AMOUNT | |
|---|------------|------------|-------------|
| | | 09-30-2004 | 09-30-2003 |
| CURRENT ASSETS | DOLLARS | 345,032 | -1,101,541 |
| CURRENT ASSETS | OTHER CUR. | -445 | -74,001 |
| CLIENTS | DOLLARS | 11,909 | -484,544 |
| CLIENTS | OTHER CUR | 23,428 | 231,333 |
| TIME DEPOSITS | DOLLARS | 0 | -133,860 |
| INVENTORY | DOLLARS | -183,967 | -305,675 |
| FUTURE CONTRACT EFFECT | DOLLARS | 854,149 | -775,590 |
| OTHER ASSETS | DOLLARS | 847,809 | -274,893 |
| OTHER ASSETS | OTHER CUR. | -12,790 | -14,593 |
| INFLATIONARY EFFECT | DOLLARS | -1,156,347 | -397,518 |
| MARKETABLE SECURITIES | DOLLARS | 615,224 | -4,369,008 |
| MARKETABLE SECURITIES | EUROS | 460,083 | 0 |
| LONG TERM ASSETS | DOLLARS | 16,919 | 0 |
| MISCELLANEOUS DEBTORS | DOLLARS | -8,482 | 0 |
| BOND INVESTMENTS | DOLLARS | 90,147 | -795,834 |
| TOTAL (CHARGES) CREDITS | | 1,902,669 | -8,495,724 |
| ACCOUNT PAYABLE | DOLLARS | 103,749 | 0 |
| DOCUMENTS PAYABLE | DOLLARS | 52,813 | 472,167 |
| DOCUMENTS PAYABLE | OTHER CUR. | -999 | -45,868 |
| MISCELLANEOUS CREDITORS SHORT TERM | DOLLARS | -106 | 65,749 |
| SHORT TERM RESERVES | DOLLARS | -51,837 | 2,943 |
| LONG-TERM BANK CREDITS | DOLLARS | -755,000 | 2,928,112 |
| LONG TERM RESERVES | DOLLARS | -26,083 | 263,530 |
| OTHER LONG-TERM LIABILITIES | DOLLARS | -158,677 | -106,347 |
| OTHER LONG-TERM LIABILITIES | OTHER CUR. | -60,526 | -28,352 |
| MISCELLANEOUS CREDITORS LONG TERM | DOLLARS | 31,496 | 7,249 |
| FUTURE CONTRACT EFFECT | DOLLARS | 623,562 | -7,529,175 |
| INFLATIONARY EFFECT | DOLLARS | 710,833 | 0 |
| SHORT-TERM BANK CREDITS | DOLLARS | 1,530 | 0 |
| TOTAL (CHARGES) CREDITS | | 470,755 | -3,969,992 |
| (LOSS) PROFIT FROM EXCHANGE DIFFERENCES | | 2,373,424 | -12,465,716 |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

As of September 30, 2004 and 2003 there are no extraordinary items.

64

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, incurring in placement expenses that as of September 30, 2004 totaled Th Ch\$ 3,459,953 (Th Ch\$ 3,854,080 in 2003)

The charge to Results for the amortization of these expenses for year 2004 amounts Th Ch\$ 280,112 (Th CH\$ 282,413 in 2003) and is being realized according to the maturity of each series.

Detail of expenses is as follows:

| | 2004 | | Short -Term |
|---------------------------------|-------------|-----------|-------------|
| | Short -Term | Long-Term | |
| Rate Placement Differential | 200,989 | 2,166,518 | 201,297 |
| Stamp Tax | 136,251 | 850,263 | 144,058 |
| Placement Commissions and other | 22,661 | 83,271 | 23,961 |
| Total | 359,901 | 3,100,052 | 369,316 |

65

33. Cash Flow Statement

CASH FLOW STATEMENT

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

CASH FLOW STATEMENT

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

2004

2003

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | ----- Th Ch\$ | ----- Th Ch\$ |
|-----------|---------------------------------------|------------------|------------------|
| 541.11.40 | Other Income Received | | |
| | Treasury Refund Income Tax and others | 897,097 | 909,776 |
| | Recover VAT exportation | 1,206,100 | 1,390,562 |
| | Severance insurance | 0 | 67,995 |
| | Discount for paid of customs duties | 37,886 | 0 |
| | Exchange difference | 333,209 | 0 |
| | Tax exemption | 176,518 | 108,329 |
| | Other income | 191,044 | 319,357 |
| | Total | 2,841,854 | 2,796,019 |
| 541.11.80 | Other expenses paid | | |
| | Exchange difference | 219,861 | 5,326,938 |
| | Donations | 82,743 | 59,819 |
| | Finished personnel contracts | 126,672 | 37,610 |
| | Advice Services | 107,040 | 105,778 |
| | Derivate Contracts liquidation | 285,336 | 0 |
| | Shareholder's bonds | 78,303 | 76,316 |
| | Other expenses | 521,305 | 556,964 |
| | Total | 1,421,260 | 6,163,425 |
| 541.13.15 | Sale of other investments | | |
| | Bonds' sale | 4,972,969 | 0 |
| | Profit on bonds' sale | 143,394 | 0 |
| | Redemption interests L.T. bonds | 0 | 313,172 |
| | Total | 5,116,363 | 313,172 |
| 541.13.30 | Other income from investments | | |
| | Future contracts | 839,008 | 2,297,517 |
| | Others | 0 | 0 |
| | Total | 839,008 | 2,297,517 |
| 541.13.65 | Other investment disbursements | | |
| | Purchase of shares | 0 | 323,261 |
| | Future contracts | 2,508,397 | 5,988,305 |
| | Others | 0 | 0 |
| | Total | 2,508,397 | 6,311,566 |

66

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 159 | 1,280,000 | October-04 |
| Amounts payable investment | 1,001,516 | 3rd Quarter |
| | ----- | |
| Total | 2,281,516 | |

34. Derivative Contracts

FUTURE CONTRACTS IN FOREIGN CURRENCY

The parent company and its subsidiaries S.A. Vina Santa Rita and Ciecsa S.A. have signed future sales contracts in foreign currency of Th US\$ 80,200 in 2004 (purchase contracts of Th US\$ 93,600 in 2003) subject to the regulations of 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 as of September 30, 2004 and 2003, have been taken to protect against exchange rate variations of the American dollar (existing transactions contracts) as well as investment.

Forward contracts taken with the intention of covering existing parties, are related, according to what was defined by administration, with coverage of obligations in Dollars. According to Technical Bulletin N(0) 57 of the Chilean Accountants Associations A.G., the results generated by these contracts are recognized in results as long as the effects of parties subject to coverage are recognized.

CRISTALERIAS DE CHILE S.A.
NOTE 34: DERIVATIVE CONTRACTS

| | | | | | DESCRIPTION |
|-----------------------|---------------------|----------------------|-----------------------------------|------------------|----------------------------|
| TYPE OF DERIVATIVE | TYPE OF CONTRACT | VALUE OF CONTRACT | MATURITY OR EXPIRATION DATE | SPECIFIC ITEM | PURCHASE/ SALE POSITION |
| FR | CI | 12,908,680 | FOURTH 2004 | EXCH RATE | S |
| FR | CI | 10,351,300 | FIRST 2005 | EXCH RATE | S |
| FR | CI | 1,279,500 | FIRST 2005 | EXCH RATE | S |
| FR | CI | 633,220 | FIRST 2005 | EXCH RATE | S |
| FR | CI | 626,560 | FIRST 2005 | EXCH RATE | S |
| FR | CI | 615,710 | FIRST 2005 | EXCH RATE | S |
| FR | CI | 615,710 | FIRST 2005 | EXCH RATE | S |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | | | |
|----|----|-----------|-------------|-----------|---|
| FR | CI | 615,710 | FIRST 2005 | EXCH RATE | S |
| FR | CI | 1,833,180 | FIRST 2005 | EXCH RATE | S |
| FR | CI | 1,833,180 | FIRST 2005 | EXCH RATE | S |
| FR | CI | 1,212,920 | FOURTH 2004 | EXCH RATE | S |
| FR | CI | 1,882,590 | FIRST 2005 | EXCH RATE | S |
| FR | CI | 631,860 | FIRST 2005 | EXCH RATE | S |
| FR | CI | 631,860 | FIRST 2005 | EXCH RATE | S |
| FR | CI | 1,286,620 | FOURTH 2004 | EXCH RATE | S |
| FR | CI | 643,310 | FOURTH 2004 | EXCH RATE | S |
| FR | CI | 1,286,120 | FOURTH 2004 | EXCH RATE | S |
| FR | CI | 1,263,900 | FIRST 2005 | EXCH RATE | S |
| FR | CI | 1,597,675 | FIRST 2005 | EXCH RATE | S |
| FR | CI | 3,067,550 | FOURTH 2004 | EXCH RATE | S |
| FR | CI | 916,590 | FOURTH 2004 | EXCH RATE | S |
| FR | CI | 611,060 | FOURTH 2004 | EXCH RATE | S |
| FR | CI | 1,212,920 | FOURTH 2004 | EXCH RATE | S |
| FR | CI | 1,820,880 | FOURTH 2004 | EXCH RATE | S |

| TYPE OF DERIVATIVE | TYPE OF CONTRACT | VALUE OF PROTECTED ITEM | ACCOUNTS EFFECTED | | REALIZED |
|-----------------------|---------------------|-------------------------------|--------------------|---------|----------|
| | | | ASSETS/LIABILITIES | EFF | |
| ----- | ----- | ----- | ----- | ----- | ----- |
| | | | NAME | AMOUNT | |
| FR | CI | - | ASSETS | 204,528 | 204,5 |
| FR | CI | - | ASSETS | 278,472 | 278,4 |
| FR | CI | - | ASSETS | 63,332 | 63,3 |
| FR | CI | - | ASSETS | 23,961 | 23,9 |
| FR | CI | - | ASSETS | 17,990 | 17,9 |
| FR | CI | - | ASSETS | 6,791 | 6,7 |
| FR | CI | - | ASSETS | 6,818 | 6,8 |
| FR | CI | - | ASSETS | 6,836 | 6,8 |
| FR | CI | - | ASSETS | 6,681 | 6,6 |
| FR | CI | - | ASSETS | 6,689 | 6,6 |
| FR | CI | - | LIABILITIES | 4,106 | -4,1 |
| FR | CI | - | ASSETS | 63,331 | 63,3 |
| FR | CI | - | ASSETS | 25,767 | 25,7 |
| FR | CI | - | ASSETS | 26,565 | 26,5 |
| FR | CI | - | ASSETS | 64,837 | 64,8 |
| FR | CI | - | ASSETS | 33,269 | 33,2 |
| FR | CI | - | ASSETS | 74,588 | 74,5 |
| FR | CI | - | ASSETS | 49,420 | 49,4 |
| FR | CI | - | ASSETS | 81,198 | 81,1 |
| FR | CI | - | ASSETS | 22,381 | 22,3 |
| FR | CI | - | ASSETS | 3,458 | 3,4 |
| FR | CI | - | ASSETS | 2,262 | 2,2 |
| FR | CI | - | LIABILITIES | 4,857 | -4,8 |
| FR | CI | - | LIABILITIES | 5,821 | -5,8 |

35. Contingencies and Restrictions

CONTINGENCIES AND COMMITMENTS

As of September 30, 2004, there are a guarantees delivered in the amount of Th Ch\$ 8,547 (Th Ch\$ 8,071 in 2003), according to the detail in the attached chart.

LAWSUITS OR OTHER LEGAL ACTIONS THE COMPANY IS INVOLVED IN

As of September 30, 2004 and 2003 there are lawsuits and other legal actions pending corresponding to the subsidiary Red Televisiva Megavisión, which are presented in the annexed chart.

1.- Court: 12th civil court of Santiago. Docket No. 3025-97. Plaintiff: Patricio Nasser. Claim: Indemnity for damages - Publicity Abuses Act - for alleged injury caused to the Plaintiff at the broadcasting of a show. Amount of damages sought: Ch\$100,000,000. Effect on balance sheet: no accounting effect as of the date of the report. Current Status of proceedings: Judgment rendered on first instance in favor of Mega. The Plaintiff filed an annulment recourse (recurso de casación en la forma) and appealed in subsidy. Waiting for resolution.

2.- Court: 16th civil court of Santiago. Docket No. 4822-1999. Plaintiff: Maria Santos Martinez Orellana and others. Claim: Indemnity for damages - Publicity Abuses Act - for supposed injury caused at the broadcasting of a show. Amount of damages sought: Ch\$100,000,000. Effect on balance sheet: no accounting effect as of the date of the report. Current Status of Proceedings: First instance condemnatory judgment against Mega for an amount of Ch\$9,000,000 plus judicial costs and adjustments by inflation, but without interests. The judgment was appealed and such appeal was granted in both effects. The appeal is pending before the Court of Appeals.

3.- Court: 7th civil court of Santiago. Docket No. 4635-2003. Plaintiff: Luciano Marinho Cardoso. Claim: Alleged unjustified dismissal and payment of labor services. Amount claimed: Undetermined. Effect on balance sheet: no accounting effect as of the date of the report. Current Status of Proceedings: The parties are waiting for the conciliation and evidence hearing.

4.- Court: 8th labor court of Santiago. Docket No. 3515-2004. Plaintiff: Cristina Tocco Volpe. Claim: Supposed unjustified dismissal and payment of labor services. Amount claimed: Undetermined. Effect on balance sheet: no accounting effect as of the date of the report. Current Status of Proceedings: The parties are waiting for the conciliation and evidence hearing.

5.- Court: Judge Sergio Urrejola Monckeberg. Docket No.: none. Plaintiff: Red Televisiva Megavisión S.A. Claim: Indemnity for damages for contract non-compliance.

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

Amount claimed: Undetermined. Effect on balance sheet: no accounting effect as of the date of the report. Current Status of Proceedings: Resolution of situation of uncompetence of judge promoted by Ms. Tocco is expected.

6.- Court: 25th civil court of Santiago. Docket No.: 5739-2004. Plaintiff: Red Televisiva Megavisión S.A. Claim: Consignation payment. Amount claimed: Ch\$ 1,800,000. Effect on balance sheet: no accounting effect as of the date of the report. Current Status of Proceedings: Sufficiency of payment is expected.

7.- Court: Court of Appeals of Santiago. Docket No.: 1147-2004. Plaintiff: Red Televisiva Megavisión S.A. Claim: Sanction appeal. Amount claimed: 50 UTM. Effect on balance sheet: no accounting effect as of the date of the report. Current Status of Proceedings: In wait for Court of Appeals of Santiago's Judgement.

8.- Court: 10th Labor Court of Santiago. Docket No.: 4391-2003. Plaintiff: Red Televisiva Megavisión S.A. Claim: Complaint for a toll imposed by the labor regulatory agency. Amount claimed: 70 UTM. Effect on balance sheet: no accounting effect as of the date of the report. Current Status of Proceedings: In wait for Court's Judgement.

9.- Court: 2nd local police court (juzgado de policia local) of Valparaiso. Docket No. 43965. Plaintiff: Alejandro Collado N. Claim: Criminal action for alleged unpaid municipal rights. Amount claimed: Undetermined. Effect on balance sheet: no accounting effect as of the date of the report. Current Status of Proceedings: Judgment in favor of Mega. It was appealed by Plaintiff.

10.- Court: 2nd criminal court of Santiago. Docket No.: 185.510-8. Plaintiff: Red Televisiva Megavisión S.A. Claim: Criminal complaint against whoever result responsible for alleged falsification, private instrument maluse and person usurpation. Amount claimed: Undetermined. Effect on balance sheet: no accounting effect as of the date of the report. Current Status of Proceedings: Trial is pending stage of judicial investigation (etapa de sumario).

11.- Court: 9th criminal court of Santiago. Docket No. 1942-2004-7. Plaintiff: Paul Vasquez. Claim: Criminal complaint for alleged damages and slander. Amount claimed: Undetermined. Effect on balance sheet: no accounting effect as of the date of the report. Current Status of Proceedings: Trial is in the phase of judicial investigation (etapa de sumario) and depositions of certain witnesses are pending.

12.- Court: 9th criminal court of Santiago. Docket No. 1928-2004-7. Plaintiff: Israel Sanz. Claim: Criminal complaint for alleged damages and slander. Amount claimed: Undetermined. Effect on balance sheet: no accounting effect as of the date of the report. Current Status of Proceedings: Trial is in the phase of judicial investigation (etapa de sumario) and certain judicial proceedings are pending.

13.- Court: 15th criminal court of Santiago. Docket No. 4825-2003-F. Plaintiff: Raquel Gutierrez and others. Claim: Criminal complaint for alleged damages and slander. Amount claimed: Undetermined. Effect on balance sheet: no accounting effect as of the

date of the report. Current Status of Proceedings: Plaintiff appealed to

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

the resolution that denied the arraignment petition.

14.- Court: 23rd criminal court of Santiago. Docket No. 2012-3. Plaintiff: Daniela Campos and Denisse Campos. Claim: Criminal complaint for alleged damages and slander. Amount claimed: Undetermined. Effect on balance sheet: no accounting effect as of the date of the report. Current Status of Proceedings: Trial is in the phase of judicial investigation (etapa de sumario). Confrontations (careos) among involved individuals have been carried out.

15.- Court: 9th criminal court of Santiago. Docket No. 2180-7. Plaintiff: Patricia James. Claim: Criminal action for alleged justice obstruction. Amount claimed: Undetermined. Effect on balance sheet: no accounting effect as of the date of the report. Current Status of Proceedings: Trial is in the phase of judicial investigation (etapa de sumario), judicial proceedings pending.

16.- Court: 11th criminal court of Santiago. Docket No. 17827-3-2003. Plaintiff: Marcia Astrosa. Claim: Criminal complaint for supposed damages and slander. Amount claimed: Undetermined. Effect on balance sheet: no accounting effect as of the date of the report. Current Status of Proceedings: An appeal to the resolution that denied the petition for abandonment of action was filed.

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.

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

c) INTEREST COVERAGE RATIO

Cristalerias de Chile S.A. will not allow the Interest Coverage Ratio to be lower than 4.0.

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.

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 Chile as the bonds owners' representative, establishes among others the following obligations:

a) Financial Indicators

Individual Balance: Indebtedness no higher than 1.2 times.

Consolidate Balance: Indebtedness no 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.

As of September 30, 2004 and 2003, Cristalerias de Chile S.A. complies with 100% of restrictions agreed with the bonds' creditors.

OTHER CONTINGENCIES

As of September 30, 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

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| CREDITOR OF GUARANTEE | DEBTOR NAME | RELATIONSHIP | TYPE OF GUARANTEE | TYPE | BOOK VALUE |
|--------------------------------|-------------------------------|--------------|----------------------|----------|---------------|
| EDIFICIO METROPOLIS AGF | CRISTALERIAS DE CHILE S.A. | COMMERCIAL | TIME DEPOSIT | FLOOR | 8,547 |
| BANCO SANTANDER CHILE | RED TELEVISIVA MEGAVISION | COMMERCIAL | MORTGAGE | LAND | 3,408,204 |
| SCOTIABANK | RED TELEVISIVA MEGAVISION | COMMERCIAL | PLEDGE | TV EQUIP | 131,320 |
| BANCO CREDITO E INVERSIONES | RED TELEVISIVA MEGAVISION | COMMERCIAL | MORTGAGE | TV EQUIP | 28,635 |
| SUNDRY CLIENTS | RED TELEVISIVA MEGAVISION | COMMERCIAL | ADVERTISING | - | 0 |

RELEASE OF GUARANTEES

| CREDITOR OF GUARANTEE | DEBTOR NAME | 09/30/2005 | ASSETS | 09/30/2006 | ASSETS |
|--------------------------------|-------------------------------|------------|--------|------------|--------|
| EDIFICIO METROPOLIS AGF | CRISTALERIAS DE CHILE S.A. | 0 | 0 | 0 | 0 |
| BANCO SANTANDER CHILE | RED TELEVISIVA MEGAVISION | 469,805 | 0 | 465,297 | 0 |
| SCOTIABANK | RED TELEVISIVA MEGAVISION | 421,190 | 0 | 412,543 | 0 |
| BANCO CREDITO E INVERSIONES | RED TELEVISIVA MEGAVISION | 172,076 | 0 | 85,954 | 0 |
| SUNDRY CLIENTS | RED TELEVISIVA MEGAVISION | 0 | 0 | 0 | 0 |

CRISTALERIAS DE CHILE S.A.
NOTE 35: CONTINGENCIES AND RESTRICTIONS
INDIRECT GUARANTEES

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| CREDITOR OF GUARANTEE | DEBTOR | | TYPE OF GUARANTEE | ASSETS COMMITTED | |
|---|----------------------------|--------------|-------------------|------------------|------------|
| | NAME | RELATIONSHIP | | TYPE | BOOK VALUE |
| Societe des Participations Financieres et Industrielles | RAYEN CURA S.A.I.C. | AFFILIATE | SOLIDARY | 0 | 0 |
| Envases CMF guarantee P.I.A.S | CRISTALERIAS DE CHILE S.A. | AFFILIATE | SOLIDARY | 0 | 0 |

| CREDITOR OF GUARANTEE | RELEASE OF GUARANTEES | | | | |
|---|-----------------------|--------|------------|--------|------------|
| | 09-30-2005 | ASSETS | 09-30-2006 | ASSETS | 09-30-2007 |
| Societe des Participations Financieres et Industrielles | 701,453 | 0 | 701,453 | 0 | 350,726 |
| Envases CMF guarantee P.I.A.S | 0 | 0 | 0 | 0 | 205,763 |

75

36. Guarantees obtained from third parties

As of September 30, 2004 and 2003 the parent company and the subsidiary S.A. Vina Santa Rita have received guarantees from third parties that are shown below:

| Item | 2004 | 2003 |
|---|--------|--------|
| | ThCh\$ | ThCh\$ |
| Rental of Property Sur Andino Cafe (UF 260) | 4,470 | 0 |
| Rental of Property Office Banco Security (UF 304.0) | 0 | 5,235 |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | |
|--|-----------|-----------|
| Rental of Property to Telecomunicaciones | | |
| Cono Sur Ltda. (UF 130) | 0 | 2,238 |
| Rental of Property Office AGF Building (UF 365.9) | 0 | 6,300 |
| Rental of Property Office Metropolis (UF 189.2) | 0 | 3,219 |
| Rental of Property Eyzaguirre y Cia. (UF 2.2) | 38 | 38 |
| Rental of Property Irrarazaval Ruiz Tagle (UF 235) | 4,040 | 0 |
| Manufacture of fermentation tanks | 121,838 | 0 |
| Sight drafts suppliers | 1,674 | 1,701 |
| Installation of Buin Tanks (Tersanoix S.A.) | 0 | 157,594 |
| Grape purchase (contracts) | 937,292 | 1,064,826 |
| Mortgage (grape purchase) | 139,909 | 0 |
| C y CPO Constructora (Salon Andino Sta. Rita) | 93,185 | 0 |
| Purchase of vine stem cuttings and plants (Intelmaq) | 0 | 35,612 |
| Transporters' guarantee check | 42,420 | 0 |
| Underground materials storehouse Buin Salfa Montajes | 0 | 32,343 |
| Buin Casino Construction | 0 | 32,195 |
| | ----- | ----- |
| | 1,344,866 | 1,341,301 |

76

37. Local and Foreign Currency

Charts attached show the foreign currency balance as of September 30, 2004 and 2003.

CriStalarias de Chile S.A.

NOTE 37: LOCAL AND FOREIGN CURRENCY

ASSETS

| Items | Currency | A |
|-----------------------|------------------|------------|
| ----- | ----- | ----- |
| | | 09-30-2004 |
| | | ----- |
| Current Assets | | |
| Available funds | Non-adjust. Ch\$ | 965,954 |
| | Other currencies | 62,679 |
| | Dollars | 233,472 |
| | Euros | 28,835 |
| | Argentine Peso | 81,240 |
| Time deposits | Adjustable Ch\$ | 5,031,521 |
| | Non-adjust Ch\$ | 400,128 |
| Marketable Securities | Adjustable Ch\$ | 4,244,007 |
| | Dollars | 36,701,325 |
| Sales receivable | Non-adjust Ch\$ | 34,197,230 |
| | Dollars | 4,758,218 |
| | Euros | 3,324,678 |
| | Other currencies | 3,374,826 |
| Documents Receivable | Argentine Peso | 41,082 |
| | Non-adjust. Ch\$ | 4,111,584 |
| | Argentine Peso | 11,489 |
| Sundry Debtors | Non-adjust. Ch\$ | 1,033,420 |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | |
|----------------------------------|------------------|------------|
| | Adjustable Ch\$ | 93,694 |
| | Dollars | 674,735 |
| | Argentine Peso | 21,637 |
| Documentos and Accts. Receivable | Dollars | 7,389 |
| | Non-adjust. Ch\$ | 3,100,586 |
| | Adjustable Ch\$ | 70,622 |
| Inventory | Adjustable Ch\$ | 36,680,249 |
| | Dollars | 4,389,497 |
| | Argentine Peso | 951,194 |
| | Non-adjust. Ch\$ | 185,434 |
| Taxes Receivable | Non-adjust. Ch\$ | 0 |
| | Adjustable Ch\$ | 0 |
| | Dollars | 0 |
| Prepaid expenses | Adjustable Ch\$ | 583,362 |
| | Non-adjust. Ch\$ | 744,722 |
| | Dollars | 178,553 |
| | Argentine Peso | 5,937 |
| Deferred Taxes | Non-adjust. Ch\$ | 1,709,044 |
| Other Current Assets | Non-adjust. Ch\$ | 17,393,134 |
| | Adjustable Ch\$ | 2,469,561 |
| | Dollars | 1,697,644 |
| Marketable Securities | Euros | 28,631,254 |
| | Non-adjust. Ch\$ | 300,240 |
| Fixed Assets | | |

77

| | | |
|---------------------------------------|------------------|-------------|
| FIXED ASSETS | Adjustable Ch\$ | 138,345,917 |
| Other Assets | | |
| Investments in other companies | Adjustable Ch\$ | 770,586 |
| Long-term debtors | Dollars | 60,890 |
| | Adjustable Ch\$ | 133,719 |
| Documents receivable in rel.companies | Non-adjust. Ch\$ | 1,212,596 |
| Intangibles | Adjustable Ch\$ | 11,992,642 |
| | Argentine peso | 57,671 |
| Other | Adjustable Ch\$ | 3,711,681 |
| | Non-adjust. Ch\$ | 171,286 |
| | Dollars | 1,991,396 |
| | Argentine Peso | 675,002 |
| Amortization | Argentine Peso | -7,838 |
| | Adjustable Ch\$ | -1,387,902 |
| Investments in related companies | Dollars | 12,248,478 |
| | Adjustable Ch\$ | 87,674,816 |
| Negative Goodwill | Dollars | 4,116,233 |
| | Adjustable Ch\$ | 4,580,681 |
| Total Assets | | |
| | Non-adjust. Ch\$ | 65,525,358 |
| | Other currencies | 3,437,505 |
| | Dollars | 67,057,830 |
| | Euros | 31,984,767 |
| | Argentine Peso | 1,837,414 |
| | Adjustable Ch\$ | 294,995,156 |

78

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

Cristalerias de Chile S.A.

NOTE 37: LOCAL AND FOREIGN CURRENCY - CURRENT LIABILITIES

| ITEM ----- | Currency ----- | Up to 90 da | |
|---|-------------------|------------------------------|-----------------------------------|
| | | 09.30.2004 | |
| | | Amount Thou Ch\$ ----- | Avg. Annual Int. Rate ----- |
| Current Liabilities | | | |
| Short-term obligations with banks and financial institutions | Argentine Peso | 0 | - |
| | Other currencies | 0 | - |
| | Dollars | 725,087 | 2.03 |
| | Dollars | 292,991 | 2.050 |
| | Non-adjust. Ch\$ | 134,457 | 4.94 |
| Long-term obligations with banks and financial institutions | Adjust. Ch\$ | 591,199 | 1.39 |
| | Adjust. Ch\$ | 0 | - |
| | Adjust. Ch\$ | 0 | - |
| | Adjust. Ch\$ | 0 | - |
| Obligations with the public | Adjust. Ch\$ | 0 | - |
| | Dollars | 1,139,607 | - |
| | Non-adjust. Ch\$ | 11,407,267 | - |
| | Other currencies | 6,642 | - |
| | Euros | 14,443 | - |
| Accounts payable | Argentine Peso | 221,053 | - |
| | Adjust. Ch\$ | 0 | - |
| | Dollars | 2,568,602 | - |
| | Argentine Peso | 214,816 | - |
| | Euros | 7,036 | - |
| Documents Payable | Other currencies | 349,172 | - |
| | Non-adjust. Ch\$ | 441,459 | - |
| Sundry Creditors | Dollars | 4,289 | 12.25 |
| | Adjust. Ch\$ | 0 | - |
| Docts and accts payable to rel co. | Non-adjust. Ch\$ | 1,101,916 | - |
| | Dollars | 0 | - |
| | Adjust. Ch\$ | 667,720 | - |
| | Non-adjust. Ch\$ | 8,858,313 | - |
| | Dollars | 772,225 | - |
| | Argentine Peso | 41,656 | - |
| | Euros | 996,652 | - |
| Provisions | Other currencies | 723,207 | - |
| | Non-adjust. Ch\$ | 2,349,710 | - |
| | Dollars | 21,442 | - |
| Withholdings | Argentine Peso | 1,385 | - |
| Prepaid income | Non-adjust. Ch\$ | 3,198,307 | - |
| | Adjust. Ch\$ | 0 | - |
| Other Current Liabilities | Dollars | 0 | - |
| | Adjust. Ch\$ | 0 | - |
| Long-term obligations with 1 year maturity | Adjust. Ch\$ | 0 | - |
| | Dollars | 9,097 | 11.00 |
| Dividends payable | Non-adjust. Ch\$ | 652,697 | - |
| Income Tax | Non-adjust. Ch\$ | 905,158 | - |
| Total Current Liabilities | | | |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | |
|---|------------------|------------|---|
| - | Argentine Peso | 478,910 | - |
| - | Other currencies | 1,079,021 | - |
| - | Dollars | 5,533,340 | - |
| - | Non-adjust Ch\$ | 29,049,284 | - |
| - | Adjust. Ch\$ | 1,258,919 | - |
| - | Euros | 1,018,131 | - |

79

| ITEM ----- | Currency ----- | 90 Days to 1 ----- | |
|---|-------------------|------------------------------|-----------------------------------|
| | | 09.30.2004 ----- | ----- |
| | | Amount Thou Ch\$ ----- | Avg. Annual Int. Rate ----- |
| Current Liabilities | | | |
| Short-term obligations with banks and financial institutions | Argentine Peso | 15,884 | 1.96 |
| | Other currencies | 0 | - |
| | Dollars | 222,599 | 2.12 |
| | Dollars | 0 | - |
| | Non-adjust. Ch\$ | 134,456 | 4.94 |
| Long-term obligations with banks and financial institutions | Adjust. Ch\$ | 598,736 | 1.39 |
| | Adjust. Ch\$ | 0 | - |
| | Adjust. Ch\$ | 371,217 | 6.16 |
| | Adjust. Ch\$ | 345,255 | 4.75 |
| Obligations with the public | Adjust. Ch\$ | 441,536 | 5.80 |
| | Dollars | 1,387,278 | - |
| | Non-adjust. Ch\$ | 0 | - |
| | Other currencies | 0 | - |
| | Euros | 0 | - |
| Accounts payable | Argentine Peso | 0 | - |
| | Adjust. Ch\$ | 0 | - |
| | Dollars | 10,171 | - |
| | Argentine Peso | 0 | - |
| | Euros | 0 | - |
| Documents Payable | Other currencies | 0 | - |
| | Non-adjust. Ch\$ | 0 | - |
| Sundry Creditors | Dollars | 0 | - |
| | Adjust. Ch\$ | 0 | - |
| Docts and accts payable to rel co. | Non-adjust. Ch\$ | 0 | - |
| | Dollars | 0 | - |
| | Adjust. Ch\$ | 0 | - |
| | Non-adjust. Ch\$ | 0 | - |
| | Dollars | 2,152,884 | - |
| | Argentine Peso | 0 | - |
| | Euros | 0 | - |
| Provisions | Other currencies | 0 | - |
| | Non-adjust. Ch\$ | 0 | - |
| | Dollars | 0 | - |
| Withholdings | Argentine Peso | 0 | - |
| Prepaid income | Non-adjust. Ch\$ | 0 | - |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | |
|--|------------------|------------|-------|
| | Adjust. Ch\$ | 0 | - |
| Other Current Liabilities | Dollars | 0 | - |
| | Adjust. Ch\$ | 8,595,390 | 4.75 |
| Long-term obligations with 1 year maturity | Adjust. Ch\$ | 1,225 | 7.0 |
| | Dollars | 61,903 | 11.03 |
| Dividends payable | Non-adjust. Ch\$ | 0 | - |
| Income Tax | Non-adjust. Ch\$ | 0 | - |
| Total Current Liabilities | | | |
| - | Argentine Peso | 15,884 | - |
| - | Other currencies | 0 | - |
| - | Dollars | 3,834,835 | - |
| - | Non-adjust Ch\$ | 134,456 | - |
| - | Adjust. Ch\$ | 10,353,359 | - |
| - | Euros | 0 | - |

81

Cristalerias de Chile S.A.

NOTE 37: LOCAL AND FOREIGN CURRENCY - LONG-TERM LIABILITIES CURRENT PERIOD 09-30-2004

| ITEM | Currency | 1-3 Years | | Mon |
|---|------------------|------------|-----------------------|-------|
| | | Amount | Average Interest Rate | |
| ----- | ----- | ----- | ----- | ----- |
| | | Thou Ch\$ | | Tho |
| | Dollars | 7,611,250 | 2.05 | 15,22 |
| | Argentine Peso | 39,530 | 1.62 | |
| Obligations with Banks and Financial Institutions | Non-adjust. Ch\$ | 403,370 | 4.94 | |
| | Adjustable Ch\$ | 2,626,303 | 1.39 | 12 |
| | Adjustable Ch\$ | 3,438,156 | 6.16 | 25,78 |
| Obligations with the public | Adjustable Ch\$ | 0 | - | 23 |
| | Dollars | 1,211,195 | - | |
| | Dollars | 20,726 | 9.29 | |
| | Adjustable Ch\$ | 146,647 | - | |
| Sundry Creditors | Adjustable Ch\$ | 1,204 | 7 | |
| | Dollars | 2,361,131 | - | |
| Long-term provisions | Adjustable Ch\$ | 4,242,965 | - | |
| | Adjustable Ch\$ | 1,759,532 | - | |
| Deferred taxes | Non-adjust. Ch\$ | 2,926,153 | - | |
| Total long-term liabilities | | | | |
| - | Dollars | 11,204,302 | - | 15,22 |
| - | Argentine Peso | 39,530 | - | |
| - | Non-adjust. Ch\$ | 3,329,523 | - | |
| - | Adjustable Ch\$ | 12,214,807 | - | 26,14 |

| ITEM | Currency | 5-10 Years | | Mon |
|-------|----------|------------|-------|-------|
| | | Average | | |
| ----- | ----- | ----- | ----- | ----- |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | Amount ----- Thou Ch\$ | Interest Rate ----- | Amount ----- Thou |
|-----------------------------|------------------|------------------------------|------------------------|-------------------------|
| Obligations with Banks and | Dollars | 7,611,250 | 2.05 | |
| | Argentine Peso | 0 | - | |
| | Non-adjust. Ch\$ | 0 | - | |
| Financial Institutions | Adjustable Ch\$ | 0 | - | |
| | Adjustable Ch\$ | 0 | - | 17,190, |
| Obligations with the public | Adjustable Ch\$ | 5,822,705 | 5.8 | 30,045, |
| | Dollars | 0 | - | |
| | Dollars | 0 | - | |
| | Adjustable Ch\$ | 0 | - | |
| Sundry Creditors | Adjustable Ch\$ | 0 | - | |
| | Dollars | 0 | - | |
| Long-term provisions | Adjustable Ch\$ | 0 | - | |
| | Adjustable Ch\$ | 0 | - | |
| Deferred taxes | Non-adjust. Ch\$ | 0 | - | |
| Total long-term liabilities | | | | |
| - | Dollars | 7,611,250 | - | |
| - | Argentine Peso | 0 | - | |
| - | Non-adjust. Ch\$ | 0 | - | |
| - | Adjustable Ch\$ | 5,822,705 | - | 47,235, |

82

Cristalerias de Chile S.A.

NOTE 37: LOCAL AND FOREIGN CURRENCY - LONG-TERM LIABILITIES PREVIOUS PERIOD
09-30-2003

| ITEM ----- | Currency ----- | 1-3 Years ----- | |
|--|-------------------|------------------------------|-----------------------------------|
| | | Amount ----- Thou Ch\$ | Average Interest Rate ----- |
| | Dollars | 8,394,319 | 1.925 |
| | Dollars | 1,039,142 | 1.84 |
| | Argentine peso | 58,383 | 1.75 |
| Obligations with banks and financial institutions | Non-adjust. Ch\$ | 683,043 | 4.94 |
| | Adjustable Ch\$ | 4,138,134 | 4.43 |
| | Adjustable Ch\$ | 17,217,166 | 4.75 |
| | Adjustable Ch\$ | 0 | - |
| Obligations with public | Adjustable Ch\$ | 3,443,433 | 6.25 |
| | Dollars | 135,044 | 11.06 |
| | Dollar | 88,838 | 11.16 |
| | Adjustable Ch\$ | 38,675 | - |
| Long-term creditors | Non-adjust. Ch\$ | 99,415 | - |
| | Dollars | 3,571,074 | - |
| Long-Term provisions | Adjustable Ch\$ | 4,174,286 | - |
| | Adjustable Ch\$ | 2,364,797 | - |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | |
|-----------------------------|------------------|------------|---|
| Deferred taxes | Non-adjust. Ch\$ | 2,426,390 | - |
| Total long-term liabilities | | | |
| - | Dollars | 13,228,417 | - |
| - | Argentine peso | 58,383 | - |
| - | Non-adjust. Ch\$ | 3,208,848 | - |
| - | Adjustable Ch\$ | 31,376,491 | - |

| ITEM | Currency | 5-10 Years | | Am |
|---|------------------|------------|-----------------------|-------|
| | | Amount | Average Interest Rate | |
| ----- | ----- | ----- | ----- | ----- |
| | | Thou Ch\$ | | Tho |
| | Dollars | 0 | - | |
| | Dollars | 0 | - | |
| | Argentine peso | 0 | - | |
| Obligations with banks and financial institutions | Non-adjust. Ch\$ | 0 | - | |
| | Adjustable Ch\$ | 0 | - | |
| | Adjustable Ch\$ | 0 | - | |
| | Adjustable Ch\$ | 4,276,538 | 5.8 | 31,8 |
| Obligations with public | Adjustable Ch\$ | 0 | - | 17,2 |
| | Dollars | 0 | - | |
| | Dollar | 0 | - | |
| | Adjustable Ch\$ | 0 | - | |
| Long-term creditors | Non-adjust. Ch\$ | 0 | - | |
| | Dollars | 0 | - | |
| Long-Term provisions | Adjustable Ch\$ | 0 | - | |
| | Adjustable Ch\$ | 0 | - | |
| Deferred taxes | Non-adjust. Ch\$ | 0 | - | |
| Total long-term liabilities | | | | |
| - | Dollars | 0 | - | |
| - | Argentine peso | 0 | - | |
| - | Non-adjust. Ch\$ | 0 | - | |
| - | Adjustable Ch\$ | 4,276,538 | - | 49, |

83

38. Penalties

The SVS or other administrative authorities have not imposed any penalties during the 2004 and 2003 fiscal years to the Company, its Board nor administrative personnel.

84

39. Subsequent Events

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

On September 28, 2004, the Parent Company agreed to pay the interim dividend No. 159 of Ch\$ 20 per share, over 64,000,000 shares (Th Ch\$ 1,280,000) which was paid on October 21, 2004.

On October 25, 2004 the Chilean Anti-Trust Commission approved the merger between Metropolis-Intercom S.A. and VTR S.A.; imposing the new company certain operative and commercial restrictions, which are currently being analyzed.

Between the closing date of the financial statements and the issue date of the present report no more subsequent events that could affect significantly the Company's economic and financial condition have been registered.

85

40. COMPANIES UNDER SPECIAL NORMS

Not applicable.

86

41. ENVIRONMENT

On its ongoing concern for environmental preservation, as of September 30, 2004 the Parent Company has paid for advisory services for this concept of Th Ch\$ 3,365.

As of September 30, 2003, investments of Th Ch\$ 209,323, corresponding to the purchase of NOX emission treatment equipment, installed on new Furnace B.

The subsidiary S.A. Vina Santa Rita has invested Th Ch\$ 55,027 as of September 2004 (Th Ch\$ 36,142 in 2003), to comply with the ordinances and laws related to Industrial Process and Installations.

87

42. STOCK TRANSACTIONS

During the 2004 and 2003 fiscal years the Parent Company's members of the board, controlling stockholders, related individuals and entities carried out the following stock transactions.

TRANSACTIONS OF PERSONS RELATED TO THE BOARD

| NAME | Initial | 2004 | | 2003 | |
|------|---------|----------|------|----------|------|
| | | Purchase | Sale | Purchase | Sale |
| ---- | ----- | ----- | ---- | ----- | ---- |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

| | | | | | |
|--------------------------------|-----|---------|---|---|---|
| Asesorias Portofino Ltda. | BSG | 21,000 | 0 | 0 | 0 |
| Inmobiliaria Villarrica Ltda. | RCV | 181,669 | 0 | 0 | 0 |
| Vial de Claro Maria Luisa | RCV | 650 | | | |
| Invers. Alonso de Ercilla S.A. | PGD | 48,000 | | | |
| Invers. San Benito S.A. | PGD | 10,894 | 0 | 0 | 0 |

- o BSG related with Director Mr. Baltazar Sanchez
- o RCV related with President Mr. Ricardo Claro
- o PGD related with Director Mr. Patricio Garcia Domiguez

TRANSACTIONS OF DIRECTORS, ADMINISTRATORS AND ACCOUNT INSPECTORS

None.

TRANSACTIONS OF MAJORITY SHAREHOLDERS

None.

88

43. DISTRIBUTION OF SHAREHOLDERS

The distribution of shareholders as of September 30, 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 with investment equal to or higher than 200 UF | 65.83 | 65.83 | 286 | 263 |
| Less than 10% shareholding with investment lower than 200 UF | 0.14 | 0.14 | 745 | 774 |
| TOTAL | 100.00 | 100.00 | 1,032 | 1,038 |
| CONTROLLER OF THE COMPANY | 52.14 | 52.14 | 3 | 3 |

90

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

44. BOARD REMUNERATIONS

As of September 30, 2004 and 2003, were paid Th Ch\$ 350,171 and Th Ch\$ 915,514 respectively, for different concepts by the parent company and the subsidiary S.A. Vina Santa Rita, as follows:

| | 2004 | 2003 |
|---|----------------|----------------|
| | ----- | ----- |
| | ThCh\$ | ThCh\$ |
| Participation of previous fiscal year profits | 342,073 | 905,016 |
| Session assistance compensation | 6,296 | 4,257 |
| Board Committee compensations | 1,802 | 1,366 |
| Honoraries paid | 0 | 4,875 |
| | ----- | ----- |
| TOTAL | 350,171 | 915,514 |

On the other hand, Th Ch\$ 677,434 have been provisioned for participation of year 2004 income (Th Ch\$ 231,431 in 2003).

91

45. TIME DEPOSITS

As of September 30, 2004 and 2003 the Company presents the following information:

| INSTITUTION | CURRENCY | 2004 | 2003 |
|-----------------------------|----------|------------------|------------------|
| ----- | ----- | ----- | ----- |
| | | Th\$ | Th\$ |
| Banco Santander Santiago | US\$ | 0 | 5,345,527 |
| BankBoston | \$ | 0 | 375,590 |
| Banco de Santander Santiago | \$ | 5,000,900 | 0 |
| Banco de Chile | \$ | 430,749 | 1,312,839 |
| | | ----- | ----- |
| TOTAL | | 5,431,649 | 7,033,955 |

92

RELEVANT EVENTS

None.

93

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

RATIO ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2004

CONSOLIDATED FINANCIAL INDICATORS

| | | 09-30-2004 | 09-30-2003 | 12-31-2003 |
|----------------------------|---------|------------|------------|------------|
| | | ----- | ----- | ----- |
| Liquidity | | | | |
| Current liquidity | times | 3.76 | 3.82 | 4.44 |
| Acid ratio | times | 2.90 | 2.88 | 3.40 |
| Indebtedness | | | | |
| Leverage ratio | times | 0.75 | 0.82 | 0.75 |
| Short-term debt | % | 29.05 | 24.07 | 21.59 |
| Long-term debt | % | 70.95 | 75.93 | 78.41 |
| Interest Expenses Coverage | times | 4.84 | 1.69 | 2.03 |
| Activity | | | | |
| Total assets | MM Ch\$ | 464,838 | 459,011 | 446,266 |
| Investments | MM Ch\$ | 12,486 | 25,720 | 28,108 |
| Disposal of property | MM Ch\$ | 57 | 320 | 376 |
| Inventory turnover | Times | n.a. | n.a. | n.a. |
| Inventory permanence | Days | n.a. | n.a. | n.a. |
| Results | | | | |
| Sales | MM Ch\$ | 133,046 | 125,626 | 173,170 |
| Cost of sales | MM Ch\$ | 82,704 | 79,357 | 107,694 |
| Operating income | MM Ch\$ | 28,326 | 27,541 | 38,357 |
| Interest expenses | MM Ch\$ | 5,022 | 5,262 | 6,959 |
| Non-operating result | MM Ch\$ | (7,369) | (21,706) | (28,560) |
| E.B.I.T.D.A. | MM Ch\$ | 36,534 | 20,417 | 29,709 |
| After-tax income | MM Ch\$ | 14,237 | 2,455 | 6,549 |
| Profitability | | | | |
| Return on equity | % | 6.0 | 1.1 | 2.8 |
| Return on assets | % | 3.1 | 0.5 | 1.5 |
| Return on operating assets | % | 12.1 | 11.8 | 16.5 |
| Income per share | \$ | 222.5 | 38.4 | 102.3 |
| Return on dividends | % | 1.3 | 2.1 | 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 liabilities to net worth. |
| Interest Expenses Coverage: | Result before taxes and interest divided by interest expenses. |
| Inventory turnover: | Ratio between cost of sales of the period and average inventory. |
| Inventory permanence: | Ratio between average inventory and sales cost of the period, multiplied by 360 days. |

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

depreciation and 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.

95

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

LIQUIDITY INDICES

Despite current assets increasing with respect to September and December 2003, a decrease in the liquidity indices is observed due to the shift of bond quotas issued by the company that have maturity during next year.

INDEBTEDNESS INDICES

The indebtedness index has kept stable with respect to previous periods. An increase in the short-term bank debt can be observed, due to the transfer of bonds to expire within the next 12 months. The interest expenses coverage ratio has registered a slight increase with respect to the previous year due to higher net income in the present fiscal year.

RESULTS

The operating result shows a slight increase with respect to September of 2003 due to lower operating costs.

Likewise, non-operating result shows a decrease of the loss as a consequence of the positive exchanges differences that is registered during the present fiscal year, as well as the positive net result shown in related companies.

PROFITABILITY INDICES

Equity and asset profitability indices show an increase with respect to September and December 2003, due to a higher net income in 2004.

On the other hand, return of dividends index shows a decrease with respect to the previous year, due to lower dividends distributed during the last 12 months.

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

The financial statements as of September 30, 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

96

includes adjustment for currency devaluation, provisions, and technical revaluations. We believe the foregoing is a reasonable way to value the

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

Company's permanent investments.

As of September 30, 2004 there were financial investments in shares recorded in the accounting according to their purchase price at Ch\$ 4,233 million whose market value on the same date was Ch\$ 5,727 million.

3. RESULTS AS OF SEPTEMBER 2004

3a. Consolidated Result

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

Cristalerias' consolidated sales reached Ch\$ 133,046 million, 5.9% over 2003. This increase mainly results from higher sales in Santa Rita (10.7%) and CIECSA (9.6%) partially compensated by lower sales at the glass container business (0.5%). Consolidated operating income reached Ch\$ 28,326 million, 2.9 over 2003, of which Ch\$ 18,251 million were contributed by the glass container business (Ch\$ 17,633 million in 2003), Ch\$ 6,891 million by Santa Rita (Ch\$ 7,989 million in 2003) and Ch\$ 3,143 million by CIECSA (Ch\$ 1,837 million in 2003).

The Company's net profit was Ch\$ 14,237 million, compared with Ch\$ 2,455 million in the same period of 2003. This result is explained by a better non-operating result.

During 2004 the Company registered a consolidated non-operating loss of Ch\$ 7,369 million, compared with a Ch\$ 21,706 million loss in 2003. The former was mainly due to an income from exchange differences of Ch\$ 2,373 in 2004 compared with a Ch\$ 12,466 million loss in 2003. The net loss from subsidiaries that do not consolidate did not show any variation reaching with respect to 2003, reaching Ch\$ 4,016 millions. The latter includes a Ch\$ 3,149 million charge (Ch\$ 3,178 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\$ 55,126 million as of September 2004, compared to Ch\$ 55,405 million the previous fiscal year. Volumes sold increased by 5.9% reaching 196,937 tons, mainly due to higher sales of bottles for the wine, returnable beer, non-

returnable soft drinks and food markets; partially compensated by lower sales to the non-returnable, liquor and returnable soft drink markets. The level of average prices decreased by 6.0%, mainly explained by a sharp decline of the nominal rate of exchange that passed from Ch\$ 713.59 per Dollar on average during the first nine months of 2003 to Ch\$ 614.91 per Dollar on average during the same period of this year. Operating income reached Ch\$ 18,251 million, 3.5% over 2003.

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

Non-operating result was a loss of Ch\$ 1,144 million in 2004, compared to Ch\$ 14,277 million loss in 2003. The aforementioned was due to a Ch\$ 1,266 million income from exchange differences, compared to a Ch\$ 10,060 million loss in 2003. During 2004 a Ch\$ 494 million net income was registered from investments in related companies (Ch\$ 1,612 million net loss in 2003) mainly due to higher income in Vina Santa Rita and CIECSA.

3c. Results in Subsidiaries

Santa Rita's net income amounted Ch\$ 5,395 million, compared to Ch\$ 3,795 million income in 2003, which is explained by a better non-operating result. In the local market, prices increased by 13.5% in real terms, while volumes maintained without variation. Sales in this market increased 13.6%, reaching Ch\$ 27,576 million. During the period, exports increased by 19.7% representing 52.3% of revenues, to reach US\$51.3 million (US\$ 41.90 million in 2003). Operating income reached Ch\$ 6,891 million, compared to Ch\$ 7,989 million in 2003, mainly due to higher costs of musts and a decline in the Peso US Dollar exchange rate, which affects exports returns. The average price in dollars per case for the export market for Santa Rita was US\$ 33.8 (US\$ 33.0 in 2003) whereas the average price for the industry was US\$23.9 per case (US\$ 23.6 in 2003). Santa Rita recorded a Ch\$270 million non-operating loss, compared to a Ch\$ 3,228 million non-operating loss in 2003, mainly due to a Ch\$ 1,116 million income from exchange differences in 2004, compared to a Ch\$ 2,098 million loss in 2003.

Red Televisiva Megavisión, CIECSA's main subsidiary, registered a Ch\$ 2,862 million operating income, 59.9% over 2003. MEGA had the first place in audience reaching 26.0% audience share during the period (22.8% in 2003)¹. Net sales increased by 8.2% reaching Ch\$ 20,367 million, due to an increase in live programming, which has resulted in higher audience share. As of September 2004, MEGA had a net income of Ch\$ 2,102 million compared to Ch\$ 1,042 million net income in 2003. CIECSA had a Ch\$ 2,101 million net income, compared to a Ch\$ 839 million net income the previous year.

Envases CMF S.A. registered a Ch\$ 750 million net income in 2004 compared with a Ch\$730 million net income in 2003. Volume sales decreased by 3.2%, reaching 16,162 tons, due to lower pre forms volume exports sales, while average prices decreased by 5.1% influenced by a drop of the exchange rate. Due to the aforementioned sales reached Ch\$ 23,461 million during the period, compared with Ch\$ 25,522 million in 2003. Operating income reached Ch\$ 2,023 million, compared to Ch\$ 2,283 million in 2003. Non-operating loss reached Ch\$ 1,136 million, compared to Ch\$ 1,341 million loss in 2003.

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

In the cable TV business, Cristalchile Comunicaciones S.A. (99.99% owned by Cristalerías), 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\$ 33,674 million compared with Ch\$34,301 million the previous year. Metropolis-Intercom had a net loss of Ch\$ 7,920 million compared with a net loss of Ch\$ 7,515 million in 2003. The aforementioned was due to a lower operating result, mainly due to higher depreciation charges; partially compensated by better non-operational result, in turn due to lower interest expenses and the appreciation of the exchange rate. Metropolis-Intercom's EBITDA reached Ch\$ 4,608 million during the period (Ch\$

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

4,521 million in 2003). This figure includes a depreciation charge of Ch\$ 11,260 million (Ch\$10,200 million in 2003) mainly corresponding to the HFC network acquired in July 2000. The company ended the period with 224,657 subscribers of the basic service (235,596 in 2003), 27,989 subscribers of premium service (33,305 in 2003), 38,735 of the broadband service (32,227 in 2003) and 10,999 subscribers of IP Telephony (1,451 in 2003).

As a result of the abovementioned and a negative goodwill amortization charge through Cordillera Comunicaciones of Ch\$3,149 million during the period (Ch\$3,178 million in 2003), Cristalchile Comunicaciones recorded a net loss of Ch\$ 5,560 million (net loss of Ch\$5,334 in 2003).

4. CASH FLOW STATEMENT

As of September 30, 2004 a total net positive flow of Ch\$ 12,488 million was generated, which is explained by a positive flow generated by operating activities of Ch\$30,869 million which were partially offset by a negative financing flows of Ch\$ 5,785 million, and a negative flow of investment activities of Ch\$ 12,596 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 by Ch\$ 4,444 million and net loans for Ch\$ 1,449 million.

The negative investment flow is mainly explained by the incorporation of fixed assets of Ch\$ 12,938 million and loans to related companies for Ch\$ 3,937 million.

The foregoing results in an increase in the final balance of cash and cash equivalent, which passed from Ch\$ 77,113 million as of December 31, 2003 to Ch\$ 88,658 million as of September 30, 2004.

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

99

5. RISK ANALYSIS

a. Interest rates

Cristalchile and its Subsidiaries are exposed to the risk of fluctuations in interest rates on its short-term and long-term debts. As of September 30, 2004 Short-Term and Long-Term bank liabilities and obligations with the public totaled Ch\$ 128,623 million, which represents 28% of the Company's consolidated assets.

Bank credits totaled Ch\$ 36,354 million of which Ch\$ 31,741 million correspond to credits in foreign currency agreed at variable annual rates related to the six-month Libor plus 0.8%, Ch\$ 3,940 million correspond to credits in adjustable pesos in unidades de fomento (indexed currency units) that are exposed to changes in the six-month TAB of 90 and 180 days and Ch\$ 673 million correspond to credits in pesos at a fixed annual rate of 4.94%.

Within obligations with the public for Ch\$ 92,269, Ch\$ 71,269 million correspond

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

to Bonds issued by the Parent Company and Ch\$ 21,000 million issued by the subsidiary Vina Santa Rita, both in unidades de fomento (indexed currency units) at a fixed interest rate.

As of September 30, 2004, the Company had available funds of Th Ch\$ 87,586 million invested in instruments at different time periods like term deposits, bonds, fixed-rate mutual funds and resale agreements. Bonds for Ch\$ 3,635 million with maturity on September 15, 2005 and share investment for Ch\$ 4,233 million were no included.

The Company and its subsidiaries do not use secondary financial instruments at the present time 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 dollars of US\$ 73.9 million, which represent 9.7% of its consolidated assets, and include a long-term syndicated loan of US\$ 50 million of the Parent Company.

As of September 30 the Company and its Subsidiaries maintain its investments in Dollars of US\$ 49.3 million; in time deposits, bonds and fixed rate mutual funds. In addition it maintains investments in Euros of euros 37.8 million in fixed rate instruments. Likewise, it also has future Dollar sale contracts of US\$ 80.2 million.

On the other hand, aproximately 39.4% of consolidated sales are adjustment to the exchange rate variation. At the same time, the consolidated costs in foreing currency represent aproximately 30.1% of the total costs.

100

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.

Benito Bustamante C.
Controller

Date: January 19, 2005