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GLASSWORKS OF CHILE

Form 6-K

October 20, 2004

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

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

October 20, 2004

Commission File Number 1-12752

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

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

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

Form 20-F Form 40-F

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

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

Yes No

NYSE: CGW
Santiago: CRISTALES
www.cristalchile.com

CONTACT IN SANTIAGO:
Ricardo Dunner
Head of Investor Relations
PH: (562) 787-8855
FAX: (562) 787-8800
EMAIL: ir@cristalchile.cl

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FECU (Standardized Quarterly Financial Report)

1. IDENTIFICATION

| | | |
|------------|------------------------------|----------------------------|
| 1.01.05.00 | Firm Name | |
| | | CRISTALERIAS DE CHILE S.A. |
| 1.01.04.00 | Company RUT | 90331000-6 |
| 1.00.01.10 | Starting date | 1/1/2004 |
| 1.00.01.20 | Closing date | 6/30/2004 |
| 1.00.01.30 | Type of Currency | Chilean Pesos |
| 1.00.01.40 | Type of Financial Statements | Individual |

Independent Auditors' Report
Referred to Interim Individual Financial Statements
As of June 30, 2004

To the Shareholders and Directors of
Cristalerias de Chile S.A.:

1. We have revised the general balance sheets of Cristalerias de Chile S.A. as of June 30, 2004 and 2003 and the corresponding statements of income and cash flows for the six months periods ended on those dates. These financial statements and their corresponding notes are the responsibility of Cristalerias de Chile S.A.'s management. The Ratio Analysis and Relevant Events attached are not part of these financial statements; therefore this report does not extend to them.
2. We have effected our revisions in accordance with audit norms established in Chile for a revision of interim financial information. A revision of interim financial information consists mainly in applying analytic revision procedures of the financial statements and effect inquiries to the responsible financial and accounting personnel. The extent of this revision is substantially lower than an audit effected according to generally accepted accounting principles in Chile, in which case the objective is to express an opinion on financial statements as a whole.

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Consequently, the interim financial statements as of June 30 2004 and 2003 have not been audited and, therefore, we are not in condition for expressing, nor we express an opinion.

3. The referred interim financial statements have been prepared to reflect the individual financial situation of Cristalerias de Chile S.A., based on criteria described in Note 2 b), prior to consolidation, line by line, of subsidiaries detailed in Note 14's financial statements. Consequently, for an adequate interpretation, these individual interim financial statements must be read and analyzed together with the consolidated interim financial statements of Cristalerias de Chile S.A. and subsidiaries, which are required by the generally accepted accountinbg principles in Chile. This report is presented solely to inform and be used by the Board and Management of Cristalerias de Chile S.A. and by the Chilean Securities and Insurance Commission (SVS).
4. Based on our revision of the interim financial statements as of June 30, 2004 and 2003, we have no knowledge of significant adjustments needed to be made to them in order for them to be in accordance with principles described in Note 2 b).

Ruben Lopez D.
R.U.T.: 9.385.460-8

Ernst & Young Ltda.
Auditors' R.U.T.: 77.802.430-6

Santiago, July 28 2004

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. | 06-30-04 | 06-30-03 |
|--|----------|-------------|-------------|
| 5.11.00.00 TOTAL CURRENT ASSETS | | 108,300,902 | 103,800,000 |
| 5.11.10.10 Cash | | 1,471,566 | 1,800,000 |
| 5.11.10.20 Time deposits | 41 | 5,004,267 | 10,400,000 |
| 5.11.10.30 Marketable securities (net) | 4 | 59,615,681 | 58,700,000 |
| 5.11.10.40 Debtors from sales (net) | 5 | 18,766,519 | 14,600,000 |
| 5.11.10.50 Documents receivable (net) | 5 | 995,423 | 1,600,000 |
| 5.11.10.60 Sundry debtors (net) | 5 | 828,330 | 600,000 |
| 5.11.10.70 Doc. & accts receivable related Co. | 6 | 4,892,084 | 2,100,000 |
| 5.11.10.80 Inventories (net) | 7 | 6,978,729 | 6,600,000 |
| 5.11.10.90 Recoverable taxes | 8 | 1,126,358 | 1,200,000 |
| 5.11.20.10 Prepaid expenses | | 339,649 | 300,000 |
| 5.11.20.20 Deferred taxes | 8 | 843,755 | 300,000 |
| 5.11.20.30 Other current assets | 10-11 | 7,438,541 | 4,900,000 |
| 5.11.20.40 Leasing contracts (net) | | 0 | |
| 5.11.20.50 Leasing assets (net) | | 0 | |
| 5.12.00.00 TOTAL FIXED ASSETS | | 75,449,358 | 80,600,000 |
| 5.12.10.00 Land | 12 | 1,514,725 | 1,500,000 |
| 5.12.20.00 High rises & infrastructure | 12 | 23,286,000 | 22,500,000 |
| 5.12.30.00 Machinery & equipment | 12 | 105,768,357 | 102,700,000 |

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| | | | | | |
|------------|------------|--|----|--------------|-------|
| | 5.12.40.00 | Other fixed assets | 12 | 8,515,021 | 6,9 |
| | 5.12.50.00 | Positive goodwill from technical revaluation of fixed assets | 12 | 6,659,823 | 7,7 |
| | 5.12.60.00 | Depreciation (minus) | 12 | (70,294,568) | (60,9 |
| 5.13.00.00 | | TOTAL OTHER ASSETS | | 181,194,501 | 182,0 |
| | 5.13.10.10 | Investment in related companies | 14 | 145,666,038 | 144,9 |
| | 5.13.10.20 | Investment in other companies | | 0 | |
| | 5.13.10.30 | Negative goodwill | 16 | 1,821,374 | 1,9 |
| | 5.13.10.40 | Positive goodwill (minus) | | 0 | |
| | 5.13.10.50 | Long-term debtors | 5 | 119,106 | 1 |
| | 5.13.10.60 | Doc. & accts receivable related Co. | 6 | 22,007,684 | 21,9 |
| | 5.13.10.65 | Long-term deferred taxes | | 0 | |
| | 5.13.10.70 | Intangibles | | 0 | |
| | 5.13.10.80 | Amortization (minus) | | 0 | |
| | 5.13.10.90 | Other | 18 | 11,580,299 | 12,9 |
| | 5.13.20.10 | Long-term leasing contracts (net) | | 0 | |
| 5.10.00 | | TOTAL ASSETS | | 364,944,761 | 366,5 |

LIABILITIES

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

| | | | | | |
|------------|-------------|--|----------|-------------|-------|
| | LIABILITIES | | NOTE No. | 06-30-04 | 06-3 |
| 5.21.00.00 | | TOTAL CURRENT LIABILITIES | | 18,639,661 | 20,2 |
| | 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 | 139,500 | 1 |
| | 5.21.10.30 | Obligations with the public (notes) | | 0 | |
| | 5.21.20.40 | Short-term portion oblig with public | | 1,688,964 | 1,6 |
| | 5.21.10.50 | Long-term oblig. due within 1 year | | 0 | |
| | 5.21.10.60 | Dividends payable | | 651,595 | 5 |
| | 5.21.10.70 | Accounts payable | | 2,251,469 | 3,4 |
| | 5.21.10.80 | Notes payable | | 2,580,225 | 3,3 |
| | 5.21.10.90 | Sundry creditors | | 835,577 | 1,0 |
| | 5.21.20.10 | Notes & accts payable related Co. | 6 | 941,564 | 6 |
| | 5.21.20.20 | Provisions | 23 | 7,170,405 | 4,1 |
| | 5.21.20.30 | Withholdings | | 661,448 | 3 |
| | 5.21.20.40 | Income tax | | 0 | |
| | 5.21.20.50 | Earned income | | 0 | |
| | 5.21.20.60 | Deferred taxes | | 0 | |
| | 5.21.20.70 | Other current liabilities | 34 | 1,718,914 | 4,9 |
| 5.22.00.00 | | TOTAL LONG-TERM LIABILITIES | | 110,912,860 | 115,2 |
| | 5.22.10.00 | Oblig with Banks & Financial Inst. | 21 | 31,815,000 | 35,1 |

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| | | | | |
|------------|--|----|-------------|-------|
| 5.22.20.00 | Long-term oblig with public (bonds) | | 69,761,295 | 69,9 |
| 5.22.30.00 | Long-term notes payable | | 0 | |
| 5.22.40.00 | Long-term sundry debtors | | 162,254 | 1 |
| 5.22.50.00 | Long-term notes & accts. payable | 6 | 0 | |
| | related companies | | | |
| 5.22.60.00 | Long-term provisions | 23 | 6,417,630 | 7,5 |
| 5.22.70.00 | Long-term deferred taxes | 8 | 2,756,681 | 2,3 |
| 5.22.80.00 | Other long-term liabilities | | 0 | |
| 5.23.00.00 | MINORITY INTEREST | | 0 | |
| 5.24.00.00 | TOTAL EQUITY | | 235,392,240 | 231,0 |
| 5.24.10.00 | Paid-in capital | 27 | 65,396,749 | 65,1 |
| 5.24.20.00 | Reserve capital revaluation | 27 | 523,174 | 7 |
| 5.24.30.00 | Premium in sale of own shares | 27 | 28,097,372 | 28,0 |
| 5.24.40.00 | Other reserves | 27 | 7,499,397 | 9,1 |
| 5.24.50.00 | Retained earnings (addition of codes 5.24.51.00 to 5.24.56.00) | 27 | 133,875,548 | 127,9 |
| | 5.24.51.00 Reserve future dividends | 27 | 128,030,273 | 125,9 |
| | 5.24.52.00 Accrued profits | 27 | 0 | |
| | 5.24.53.00 Accrued losses (minus) | | 0 | |
| | 5.24.54.00 Profit (loss) for the year | 27 | 7,125,275 | 2,9 |
| | 5.24.55.00 Prov. dividends (minus) | | (1,280,000) | (9 |
| | 5.24.56.00 Accr. deficit dev. period | 27 | 0 | |
| 5.20.00.00 | TOTAL LIABILITIES | | 364,944,761 | 366,5 |

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. | 06-30-04 | 06-3 |
|--|----------|--------------|-------|
| 5.31.11.00 OPERATING RESULTS | | 10,135,406 | 9,6 |
| 5.31.11.10 Gross Margin | | 12,897,397 | 12,2 |
| 5.31.11.11 Sales | | 33,297,866 | 33,5 |
| 5.31.11.12 Costs (minus) | | (20,400,469) | (21,3 |
| 5.31.11.20 Adm. & sales expenses (minus) | | (2,761,991) | (2,5 |
| 5.31.12.00 NON-OPERATING RESULTS | | (1,449,153) | (5,9 |
| 5.31.12.10 Interest income | | 905,688 | 1,5 |
| 5.31.12.20 Income from invmnts Rel. Co. | 14 | 3,248,046 | 2,7 |
| 5.31.12.30 Other non-operating income | 28 | 302,039 | 1 |
| 5.31.12.40 LOSS invmnts Rel. Co. (-) | | (4,042,363) | (3,4 |
| 5.31.12.50 Amortization | 16 | (86,391) | (|

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| | | | | |
|------------|--|----|-------------|------|
| | neg.goodwill (-) | | | |
| 5.31.12.60 | Interest expenses (minus) | | (2,392,823) | (2,4 |
| 5.31.12.70 | Other non-operat expenses (-) | 28 | (498,015) | (4 |
| 5.31.12.80 | Price level restatement | 29 | (276,582) | (3 |
| 5.31.12.90 | Exchange differences | 30 | 1,391,248 | (3,6 |
| 5.31.10.00 | RESULTS BEFORE INCOME TAX AND EXTRAORDINARY ITEMS | | 8,686,253 | 3,6 |
| 5.31.20.00 | INCOME TAX | 8 | (1,560,978) | (7 |
| 5.31.30.00 | EXTRAORDINARY ITEMS | | 0 | |
| 5.31.40.00 | PROFIT (LOSS) BEFORE MINORITY INTEREST | | 7,125,275 | 2,9 |
| 5.31.50.00 | MINORITY INTEREST | | 0 | |
| 5.31.00.00 | NET INCOME (LOSS) | | 7,125,275 | 2,9 |
| 5.32.00.00 | Amortization of positive goodwill | 16 | 0 | |
| 5.30.00.00 | INCOME (LOSS) FOR THE YEAR | | 7,125,275 | 2,9 |

DIRECT CASH FLOW STATEMENT

2.03 CASH FLOW STATEMENT

1.00.01.30 Type of Currency: Thousands of Chilean Pesos

1.00.01.40 Type of Balance : Individual

DIRECT CASH FLOW STATEMENT

NOTE No.

06-30-04

| | | | |
|------------|---|----|--------------|
| 5.41.11.00 | NET FLOW FROM OP. ACT. | | 18,827,455 |
| 5.41.11.10 | Collection from sales debtors | | 42,923,558 |
| 5.31.11.20 | Interests received | | 4,190,264 |
| 5.31.11.30 | Dividends & other distributions funds received | | 1,722,636 |
| 5.31.11.40 | Other income | | 277,394 |
| 5.31.11.50 | Payments to suppliers & personnel (-) | | (23,836,693) |
| 5.31.11.60 | Interest paid (minus) | | (2,201,738) |
| 5.31.11.70 | Income tax paid (minus) | | (1,043,041) |
| 5.31.11.80 | Other expenses | 33 | (195,194) |
| 5.31.11.90 | V.A.T. & other taxes | | (3,009,731) |
| 5.41.12.00 | CASH FLOW FINANCING ACTIVITIES | | (2,589,534) |
| 5.41.12.05 | Proceeds from share issue | | 0 |
| 5.41.12.10 | Loans received | | 0 |
| 5.41.12.15 | Obligations with the public | | 0 |
| 5.41.12.20 | Secured loans from related companies | | 0 |
| 5.41.12.25 | Other loans from related companies | | 0 |
| 5.41.12.30 | Other financing resources | | 0 |
| 5.41.12.35 | Dividends paid (minus) | | (2,589,534) |
| 5.41.12.40 | Capital distributions (minus) | | 0 |
| 5.41.12.45 | Repayment of loans (minus) | | 0 |
| 5.41.12.50 | Payment of obligations with the public (-) | | 0 |
| 5.41.12.55 | Repayment of secured loans from rel Co. (-) | | 0 |

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| | | | |
|------------|---|----|-------------|
| 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 | | (7,118,517) |
| 5.41.13.05 | Sale of fixed assets | | 48,951 |
| 5.41.13.10 | Sale of permanent investments | | 0 |
| 5.41.13.15 | Sale of other investments | 33 | 0 |
| 5.41.13.20 | Proceeds secured loans to related Comp. | | 0 |
| 5.41.13.25 | Proceeds other loans to related companies | | 0 |
| 5.41.13.30 | Other investment income | 33 | 0 |
| 5.41.13.35 | Incorporation of fixed assets (minus) | | (3,355,855) |
| 5.41.13.40 | Capitalized interests payment (minus) | | 0 |
| 5.41.13.45 | Permanent Investments (minus) | | (197) |
| 5.41.13.50 | Investments in financial instruments (minus) | | 0 |
| 5.41.13.55 | Other loans to related companies (minus) | | (3,804,928) |
| 5.41.13.60 | Other loans to related companies (minus) | | (6,488) |
| 5.41.13.65 | Other distrib of funds on invest activities (-) | 33 | 0 |
| 5.41.00.00 | TOTAL NET CASH FLOW FOR THE PERIOD | | 9,119,404 |
| 5.42.20.00 | EFFECT OF INFLATION ON CASH & CASH EQUIV. | | (583,131) |
| 5.41.00.00 | NET CHANGE IN & CASH EQUIVALENT | | 8,536,273 |
| 5.42.00.00 | CASH & CASH EQUI AT BEGINNING OF PERIOD | | 60,479,914 |
| 5.43.00.00 | CASH & CASH EQUIV BALANCE AT END OF PERIOD | | 69,016,187 |

INCOME STATEMENT RECONCILIATION

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

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

| | | |
|---|----------|-------------|
| CASH FLOW - INCOME STATEMENT RECONCILIATION | NOTE No. | 06-30-04 |
| 5.50.10.00 Profit (Loss) for the year | | 7,125,275 |
| 5.50.20.00 Profit in sale of assets | | (8,589) |
| 5.50.20.10 (Profit) Loss in sale of fixed assets | | (8,589) |
| 5.50.20.20 Profit in sale of investments (minus) | | 0 |
| 5.50.20.30 Loss in sale of investments | | 0 |
| 5.50.20.40 (Profit) Loss in sale of other assets | | 0 |
| 5.50.30.00 Non-cash losses (gains) | | 11,622,754 |
| 5.50.30.05 Depreciation for the year | 12 | 5,248,805 |
| 5.50.30.10 Amortization of intangibles | | 412,961 |
| 5.50.30.15 Write-offs and provisions | | 2,179,244 |
| 5.50.30.20 Accrued earnings from investments in related companies (minus) | 14 | (3,248,046) |

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| | | | |
|------------|---|----|-------------|
| 5.50.30.25 | Accrued losses from investments in related Co. | 14 | 4,042,363 |
| 5.50.30.30 | Negative goodwill amortization | 16 | 86,391 |
| 5.50.30.35 | Positive goodwill amortization (minus) | | 0 |
| 5.50.30.40 | Price level restatement | 29 | 276,582 |
| 5.50.30.45 | Net exchange difference | 30 | (1,391,248) |
| 5.50.30.50 | Other non-cash credits to results (minus) | | (324,671) |
| 5.50.30.55 | Other non-cash debits to results | | 4,340,373 |
| 5.50.40.00 | Changes in Assets affecting cash flow (incr) decreases | | (1,616,989) |
| 5.50.40.10 | Debtors from sales | | 311,356 |
| 5.50.40.20 | Inventory | | (2,191,980) |
| 5.50.40.30 | Other assets | | 263,635 |
| 5.50.50.00 | Changes in liabilities affecting cash flow increases (decr) | | 1,705,004 |
| 5.50.50.10 | Accounts payable related to results for the year | | 295,908 |
| 5.50.50.20 | Interests payable | | (12,009) |
| 5.50.50.30 | Income tax payable (net) | | 999,181 |
| 5.50.50.40 | Other accounts payable related to non-oper results | | 509,336 |
| 5.50.50.50 | VAT and other taxes payable (net) | | (87,412) |
| 5.50.60.00 | Profit (Loss) of minority interest | | 0 |
| 5.50.00.00 | NET OPERATING CASH FLOW | | 18,827,455 |

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 No. 061 and it is supervised by the Chilean Securities and Insurance Commission (SVS).

02. Applied Accounting Criteria

APPLIED ACCOUNTING CRITERIA

a) Accounting Period

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

b) Preparation basis of financial statements:

These individual financial statements as of June 30, 2004 and 2003 have been prepared on the basis of generally accepted accounting principles and specific norms issued by the SVS, with the former prevailing in case of discrepancies.

Investments in subsidiaries are registered in a single line of the general

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balance sheet at their proportional equity value (VPP) and therefore, have not been consolidated line to line. This treatment does not modify the net result of the fiscal year nor the equity.

These financial statements have been emitted solely for the effect of doing an individual analysis of the company and, in consideration to it, they must be read together with the consolidated financial statements, which are required by the generally accepted accounting principles in Chile.

c) Presentation Basis

For comparison purposes, the financial statements and figures included in the disclosures for the 2004 fiscal year are presented updated according to non-accounting terms as of June 30, 2004 by 0.6%.

d) Price Level Restatement

Financial statements have been corrected monetarily on the basis of considering the variation in the purchasing power of the currency which occurred in the 2004 fiscal year, which was 0.8% (1.1% in 2003).

For financial matters, effective variations occurred during each month of 2004 and 2003 have been considered, with respect to June 2004 and 2003. For tax matters, negative variations occurred in some months of 2003 and 2004, with respect to June 2003 and 2004, have been equaled to zero, in accordance with instructions from the Chilean Internal Revenue Service (SII), not affecting significantly the financial statements.

e) Conversion Basis

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

| | 2004 Ch\$ | 2003 Ch\$ |
|-------------------|--------------|--------------|
| U.S. Dollar | 636.30 | 699.12 |
| Pound Sterling | 1,157.12 | 1,157.48 |
| Swiss Franc | 509.16 | 517.18 |
| EURO | 775.88 | 803.86 |
| Unidad de Fomento | 17,014.95 | 16,959.67 |

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 June 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.

Mutual fund investment quotas are valued at the liquidation price of each period.

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g) Inventory

Inventory of finished products has been valued as of June 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 (Uncollectables)

The company has 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

The fixed assets are shown at purchase cost plus legal and regulatory revaluations accumulated until June 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.

k) Assets in Leasing

None.

l) Sales Transactions with Leaseback

None.

m) Intangibles

At June 30, 2004 and 2003 there was no balance for this item.

n) Investments in Related Companies

Investments in stocks and rights in related companies have been valued according to the percentage of the holding that corresponds to the Company in the equity of its affiliates (Net Worth Proportional Value or "VPP"), according to procedures established for these purposes by circulars No. 368 and No. 1,697 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.

Those values are amortized over a twenty-year period.

At June 30, 2004 and 2003 there was no positive investment goodwill.

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p) Operations with buyback and sellback agreement

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

q) Deferred Taxes and Income Tax

The company has complied with deferred taxes, in accounting terms, as established in Technical Bulletin No. 60 and the norms indicated in Circular 1,466 of the S.V.S.

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

r) Severance payment

The 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 sales 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 No. 57 of the Accountants Association of Chile A.G.

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 registers expenses for this concept directly to results, as they generate.

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.

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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 term deposits and agreement with maturity more than 90 days has been clasified in the item "Investments in Financial Instrument"

03. Accounting Changes

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

04. Marketable Securities

At June 30, 2004, this item is composed by the following investments:

- a) Th\$55,251,502 investments in bonds and Fixed Rate Instruments equivalent to US\$ 41,048,455 and 37,547,521 EUROS; which mainly corresponds to investments in state bonds and financial institutions in USA, Germany and Holland; Collateralized Bonds of Private Companies in USA (with accounts receivable guarantee) and USA Mortgage Bonds with state guarantee.
- b) Th Ch\$ 4,187,786 in shares.
- c) Th Ch\$ 176,393 in interest accrued in Celulosa Arauco S.A. bonds.

At June 30, 2003, there were the following investments:

- a) Th\$54,372,053 investments in bonds and Fixed Rate Instruments; which mainly corresponds to investments in state bonds and financial institutions in USA, Germany, and Holland; Collateralized Bonds of Private Companies in USA (with accounts receivable guarantee) and USA Mortgage Bonds with state guarantee.
- b) Th Ch\$ 4,183,939 in shares.
- c) Th Ch\$ 194,134 in accrued interest in Celulosa Arauco S.A. bonds.

CRISTALERIAS DE CHILE S.A.

NOTE 4 - MARKETABLE SECURITIES - BALANCE COMPOSITION

| Type of Security | Book Value | |
|------------------|------------|------------|
| | 06-30-2004 | 06-30-2003 |
| Shares | 4,187,786 | 4,183,939 |
| Bonds | 0 | 0 |

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| | | |
|--|------------|------------|
| Mutual fund quotas | 0 | 0 |
| Investment fund quotas | 0 | 0 |
| Public tender promissory notes | 0 | 0 |
| Mortgage bonds | 0 | 0 |
| Fixed rate instruments and bonds | 55,251,502 | 54,372,053 |
| Accrued interest in Celulosa Arauco S.A. bonds | 176,393 | 194,134 |
| Total Marketable Securities | 59,615,681 | 58,750,126 |

CRISTALERIAS DE CHILE S.A.

NOTE 4 - MARKETABLE SECURITIES - SHARES

| R.U.T. | Company Name | Number of Shares | Share Percentage | Unit Market Value | Ma Inve Va |
|--------------|---------------------------------------|------------------|------------------|-------------------|------------|
| 96.512.200-1 | Bodegas y Vinedos Santa Emiliana S.A. | 63,642,856 | 9.9980 | 85 | 5,4 |
| | Value Investment Portfolio | | | | 5,4 |
| | Adjustment Reserve | | | | |
| | Book value, Investment Portfolio | | | | |

CRISTALERIAS DE CHILE S.A.

NOTE 4 - MARKETABLE SECURITIES - FIXED RATE INSTRUMENTS

| Type of Security | Par Value | Book Value Amount | Rate % | Ma Va |
|---|------------|-------------------|--------|-------|
| Financial Institutions bonds (USA, Germany and Holland) (1) | 29,132,371 | 29,132,371 | 1.17 | 29,1 |
| USA treasure bonds (2) | 20,555,448 | 20,555,448 | 0.38 | 20,5 |
| Mortgage bonds USA (with state guarantee) (2) | 5,549,780 | 5,549,780 | 0.38 | 5,5 |
| Call Deposit (2) | 13,903 | 13,903 | 0.38 | |
| Celulosa Arauco Bonds (Interests) (2) | 176,393 | 176,393 | 2.80 | 1 |

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TOTAL

55,427,895 55,427,895

55,4

Note:

- (1) The investement has been made in EUROS
- (2) The investement has been made in U.S. Dollar
- (3) Rate for period from 01-01-2004 to 06-30-2004.
- (4) The investment can be rescued within a 48 hour warning.

05. Short-Term and Long-Term Debtors

At June 30, 2004 and 2003 there are balances of short-term debtors of Th Ch\$ 20,590,272 and Th Ch\$ 17,045,767 respectively.

There is also a balance of Th Ch\$ 119,106 for Long-Term debtors in 2004 (Th Ch\$ 151,965 in 2003).

At June 30, 2004 and 2003 the company has established a reserve for bad debts of Th Ch\$ 143,127 in 2004 (Th Ch\$ 143,986 in 2003), which is deducted from Debtors for Sales and documents receivable.

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

CRISTALERIAS DE CHILE S.A.

NOTE 5 - SHORT AND LONG TERM DEBTORS

| Area | Current Assets | | Over 90 days up to 1 year | |
|----------------------------------|----------------|------------|------------------------------|------------|
| | Up to 90 days | | | |
| | 06-30-2004 | 06-30-2003 | 06-30-2004 | 06-30-2003 |
| Debts from Sales | 17,897,634 | 14,104,583 | 1,012,012 | 736,507 |
| Estimate of non-collectable debt | - | - | - | - |
| Documents receivable | 947,335 | 1,608,188 | 48,088 | 65,148 |
| Estimate of bad debtors | - | - | - | - |
| Misc. Debtors | 395,818 | 639,915 | 432,512 | 35,412 |
| Estimate of bad debtors | - | - | - | - |

| Area | Subtotal | Total Current (net) | | Long Term | |
|------|----------|---------------------|------------|------------|------------|
| | | 06-30-2004 | 06-30-2003 | 06-30-2004 | 06-30-2003 |

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II. Balances payable in the short term amount Th Ch\$ 941,564 in 2004, and ThCh\$ 676,521 in 2003, that correspond mainly to invoicing with maturity under 90 days:

| | 2004 | | 2003 | |
|---------------------------------------|------|---------|------|---------|
| | Th | Ch\$ | Th | Ch\$ |
| S.A. Vina Santa Rita | | 155,186 | | 146,801 |
| Envases CMF S.A. | | 0 | | 37 |
| Ediciones Financieras S.A. | | 0 | | 1,603 |
| Vina Los Vascos S.A. | | 4,048 | | 10,587 |
| Cia. Electrometalurgica S.A. | | 0 | | 1,064 |
| Servicios y Consultorias Hendaya S.A. | | 103,315 | | 85,701 |
| Marketing Meter Ltda. | | 1,879 | | 0 |
| Total | | 264,418 | | 245,793 |

CRISTALERIAS DE CHILE S.A.

NOTE 6 - BALANCE AND TRANSACTIONS WITH RELATED COMPANIES
DOCUMENTS AND ACCOUNTS RECEIVABLE

| R.U.T. | Company | Short Term | | Long Term | |
|------------|---------------------------------------|------------|------------|------------|------------|
| | | 06-30-2004 | 06-30-2003 | 06-30-2004 | 06-30-2003 |
| 86547900-K | S.A. VINA SANTA RITA | 1,868,019 | 1,881,621 | 0 | |
| 79952350-7 | RED TELEVISIVA MEGAVISION S.A. | 0 | 0 | 867,762 | 2,030 |
| 89150900-6 | VINA LOS VASCOS S.A. | 205,021 | 184,174 | 0 | |
| 96721580-5 | CRISTALCHILE COMUNICACIONES S.A. | 1,361 | 15,822 | 0 | |
| 96972440-5 | CRISTALCHILE INVERSIONES S.A. | 0 | 0 | 20,037,623 | 19,964 |
| 83032100-4 | SERV. Y CONSULTORIAS HENDAYA S.A. | 3,309 | 0 | 0 | |
| 87941700-7 | VINA CARMEN S.A. | 2,355 | 0 | 0 | |
| 96787750-6 | METROPOLIS INTERCOM S.A. | 2,704,725 | 0 | 855,171 | |
| 78936090-1 | INMOB. Y CONSTRUCTORA MONTE AZUL S.A. | 0 | 0 | 247,128 | |
| 0-E | VINA DONA PAULA S.A. | 23,556 | 0 | 0 | |
| 0-E | RAYEN CURA S.A.I.C. | 83,738 | 85,526 | 0 | |
| | TOTAL | 4,892,084 | 2,167,143 | 22,007,684 | 21,994 |

CRISTALERIAS DE CHILE S.A.

NOTE 6 - BALANCES AND TRANSACTIONS WITH RELATED COMPANIES
DOCUMENTS AND ACCOUNTS PAYABLE

| R.U.T. | Company | Short Term | | Long Term | |
|------------|----------------------|------------|------------|------------|------------|
| | | 06-30-2004 | 06-30-2003 | 06-30-2004 | 06-30-2003 |
| 86547900-K | S.A. VINA SANTA RITA | 155,186 | 146,801 | 0 | |

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| | | | | |
|------------|-----------------------------------|---------|---------|---|
| 89150900-6 | VINA LOS VASCOS S.A. | 4,048 | 10,587 | 0 |
| 96972440-5 | CRISTALCHILE INVERSIONES S.A. | 7,947 | 9,298 | 0 |
| 96721580-5 | CRISTALCHILE COMUNICACIONES S.A. | 948 | 0 | 0 |
| 96539380-3 | EDICIONES FINANCIERAS S.A. | 0 | 1,603 | 0 |
| 86755600-1 | BAYONA S.A. | 118,251 | 89,220 | 0 |
| 96608270-4 | CIECSA S.A. | 813 | 3,549 | 0 |
| 86881400-4 | ENVASES CMF S.A. | 0 | 37 | 0 |
| 90320000-6 | CIA. ELECTROMETALURGICA S.A. | 435,600 | 329,725 | 0 |
| 83032100-4 | SERV. Y CONSULTORIAS HENDAYA S.A. | 216,902 | 85,701 | 0 |
| 77658870-9 | MARKETING METER LTDA. | 1,869 | 0 | 0 |
| | TOTAL | 941,564 | 676,521 | 0 |

CRISTALERIAS DE CHILE S.A.

NOTE 6 - BALANCES AND TRANSACTIONS WITH RELATED COMPANIES
TRANSACTIONS

| Company | R.U.T. | Relationship | Description of Transaction | 06-30-2004 Amount | Effect on Results (Debit/Credit) |
|--------------------------------------|------------|----------------------------|----------------------------|----------------------|--|
| CRISTALCHILE COMUNICACIONES S.A.. | 96721580-5 | Affiliate | Adjustment | 3 | |
| CRISTALCHILE INVERSIONES S.A. | 96972440-5 | Affiliate | Loan refund | 0 | |
| | | Affiliate | Adjustment | 111,818 | 111,818 |
| S.A VINA SANTA RITA | 86547900-K | Affiliate | Marketing | 0 | |
| | | Affiliate | Direct sales Bottles | 2,804,231 | 689,118 |
| | | Affiliate | Direct Sales Packages | 268,406 | |
| | | Affiliate | Material Purchase | 254,713 | 7,500 |
| | | Affiliate | Vine Leasing | 15,873 | 15,873 |
| | | Affiliate | Received Dividends | 642,943 | |
| SERV. Y CONS. HENDAYA S.A. | 83032100-4 | Controlling stockholder | Received services | 518,655 | -518,655 |
| | | Controlling stockholder | Given services | 9,563 | 9,563 |
| SERV. Y CONS. HENDAYA S.A. | 90320000-6 | Controlling stockholder | Dividends paid | 228,310 | |

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| | | | | | |
|-----------------------------------|------------|-------------------------|-------------------------|---------|-------|
| CLARO Y CIA. | 79753810-8 | With the Chairman | Legal assesment | 15,954 | -15,9 |
| NAVARINO S.A. | 96566900-0 | Indirect subsidiary | Given services | 5,062 | 5,0 |
| QUEMCHI S.A. | 96640360-8 | Indirect affiliate | Loaned services | 5,076 | 5,0 |
| CIA. SUDAMERICANA DE VAPORES S.A. | 90160000-7 | Indirect affiliate | Freight services | 82,982 | |
| BAYONA S.A. | 86755600-1 | Controlling stockholder | Dividends paid | 237,684 | |
| VINA LOS VASCOS S.A. | 89150900-6 | Indirect affiliate | Direct sales | 394,495 | 96,9 |
| | | Indirect affiliate | Materials purchased | 27,972 | |
| EDICIONES FINANCIERAS S.A. | 96793770-3 | Indirect affiliate | Received services | 3 | |
| RAYEN CURA S.A.I.C. | 0-E | Indirect affiliate | Direct Sales | 115,741 | 34,2 |
| CIA. ELECTROMETALURGICA S.A. | 90320000-6 | Controlling stockholder | Dividends paid | 875,556 | |
| | | Controlling stockholder | Materials purchased | 4,688 | |
| | | Controlling stockholder | Payment for own account | 0 | |
| RED TELEVISIVA MEGAVISION S.A. | 79952350-7 | Indirect affiliate | Interests | 27,463 | 27,4 |
| | | Indirect affiliate | Adjustment | 4,842 | 4,8 |
| | | Indirect affiliate | Loan refund | 0 | |
| | | Indirect affiliate | Payment for own account | 0 | |
| | | Indirect affiliate | Advertising | 0 | |
| CIECSA S.A. | 96608270-4 | | Adjustment | 16 | - |
| VINA CARMEN S.A. | | | Land rent | 2,354 | 2,3 |
| CIA. ELECTROMETALURGICA S.A. | 90320000-6 | Controlling stockholder | Payment for own account | 0 | |
| RED TELEVISIVA MEGAVISION S.A. | 79952350-7 | Indirect affiliate | Advertising | 5,000 | -5,0 |
| | | Indirect | Loan refund | 0 | |

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| | | | | |
|-------------------------------------|------------|--------------------|-------------------------|-----------|
| | | affiliate | | |
| | | Indirect affiliate | Payment for own account | 0 |
| METROPOLIS INTERCOM S.A. | 96787750-6 | Indirect affiliate | Long-term loan granted | 855,171 |
| | | Indirect affiliate | Short-term loan granted | 2,704,725 |
| INM. Y CONSTRUCTORA MONTE AZUL S.A. | 78936090-1 | Affiliate | Loan granted | 247,128 |

07. Inventory

The balance as of June 30 2004 and 2003 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 | 3,785,034 | | 3,373,595 | |
| Raw Materials and Fuel | 1,195,803 | | 2,031,456 | |
| Materials and spare parts to be consumed | 899,181 | | 1,054,862 | |
| Materials in transit | 1,098,711 | | 222,614 | |
| TOTAL | 6,978,729 | | 6,682,527 | |

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 year for Short-Term Assets, 4 years for Long-Term Assets, and 14 years 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.

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The itemized list is the following:

| | 2004 | | 2003 | |
|--|------|-------------|------|-----------|
| | Th | Ch\$ | Th | Ch\$ |
| Fiscal year income tax reserve | | (1,844,654) | | (571,924) |
| Single tax reserve | | (7,024) | | (4,880) |
| | | ----- | | ----- |
| SUBTOTAL | | (1,851,678) | | (576,804) |
| Credits: | | | | |
| Monthly reserve payments | | 865,132 | | 1,380,120 |
| Training expenditure | | 19,734 | | 31,154 |
| Credit fixed asset | | 0 | | 0 |
| Donations | | 0 | | 0 |
| V.A.T. to be recovered | | 0 | | 208,161 |
| | | ----- | | ----- |
| CREDIT SUBTOTAL | | 884,866 | | 1,619,435 |
| Income Tax Credit previous fiscal year | | 2,093,170 | | 233,535 |
| | | ----- | | ----- |
| TOTAL TAXES TO BE RECOVERED | | 1,126,358 | | 1,276,166 |

C) TAXABLE INCOME FUND

The Company had the following taxable income to be distributed:

| | 2004 | | 2003 | |
|----------------------------------|------|-------------|------|-------------|
| | Th | Ch\$ | Th | Ch\$ |
| Generated as of 12.31.1983: | | | | |
| Profit adjustment | | 1,930,833 | | 1,930,833 |
| Generated since 01.01.1984: | | | | |
| Without Credit | | 1,943,098 | | 1,080,718 |
| With 10% First Category Credit | | 22,785 | | 22,875 |
| With 15% First Category Credit | | 84,552,274 | | 87,651,560 |
| With 16% First Category Credit | | 14,535,934 | | 16,256,265 |
| With 15% Additional Rate Credit | | 722 | | 728 |
| With 16.5% First Category Credit | | 6,972,963 | | 3,571,625 |
| With 17% First Category Credit | | 10,955,060 | | 0 |
| | | ----- | | ----- |
| SUBTOTAL TAX PROFITS | | 118,982,836 | | 108,583,771 |
| Non-income revenues | | 6,852,415 | | 6,879,852 |
| TOTAL EARNINGS TO DISTR. | | 125,835,251 | | 115,463,623 |

CRISTALERIAS DE CHILE S.A.

NOTE 8 - DEFERRED TAXES AND INCOME TAX
DEFERRED TAXES

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| Item | 06-30-2004 | | | |
|---|--------------------|-----------|------------------------|-----------|
| | Asset Deferred Tax | | Liability Deferred Tax | |
| | Short term | Long Term | Short Term | Long Term |
| Temporary Differences | | | | |
| Reserve non-collectable accounts | 24,331 | 0 | 0 | |
| Expected revenue | 0 | 0 | 0 | |
| Vacation reserve | 65,521 | 0 | 0 | |
| Amortization intangibles | 0 | 0 | 0 | |
| Leased assets | 0 | 0 | 0 | |
| Manufacturing expenses | 0 | 0 | 0 | |
| Fixed asset depreciation | 0 | 0 | 0 | 4,710,7 |
| Severance | 2,008 | 155,299 | 0 | |
| Other events | 0 | 0 | 0 | |
| Packaging reserve | 215,059 | 0 | 0 | |
| Other reserve | 0 | 0 | 0 | |
| Furnace repair reserve | 339,507 | 358,000 | 0 | |
| Refractories obsolescence reserve | 7,058 | 0 | 0 | |
| Spare parts obsolescence reserve | 103,850 | 0 | 0 | |
| Deferred customs duties | 104,236 | 20,991 | 0 | 74,7 |
| Accumulated depreciation automoviles | 0 | 19,288 | 0 | |
| Unrealized profit | 38,988 | 10,836 | 0 | |
| Fixed asset, molds | 0 | 0 | 0 | 229,3 |
| Amortization lower value bonds | 0 | 0 | 53,803 | 513,1 |
| OTHERS | | | | |
| Complementary accounts-net amortization | 0 | 6,703 | 0 | 2,213,5 |
| Valuation reserve | 0 | 0 | - | |
| Total | 897,558 | 557,711 | 53,803 | 3,314,3 |

| Item | 06-30-2003 | | | |
|--------------------------------------|--------------------|-----------|------------------------|-----------|
| | Asset Deferred Tax | | Liability Deferred Tax | |
| | Short term | Long Term | Short Term | Long Term |
| Temporary Differences | | | | |
| Reserve non-collectable accounts | 23,758 | 0 | 0 | |
| Expected revenue | 0 | 0 | 0 | |
| Vacation reserve | 51,394 | 0 | 0 | |
| Amortization intangibles | 0 | 0 | 0 | |
| Leased assets | 0 | 0 | 0 | |
| Manufacturing expenses | 0 | 0 | 0 | |
| Fixed asset depreciation | 0 | 0 | 0 | 4,575,8 |
| Severance | 1,973 | 37,924 | 0 | |
| Other events | 0 | 0 | 0 | |
| Packaging reserve | 189,513 | 0 | 0 | |
| Other reserve | 0 | 110,194 | 0 | |
| Furnace repair reserve | 0 | 568,415 | 0 | |
| Refractories obsolescence reserve | 6,844 | 0 | 0 | |
| Spare parts obsolescence reserve | 97,887 | 0 | 0 | |
| Deferred customs duties | 2,708 | 485 | 0 | 82,4 |
| Accumulated depreciation automoviles | 0 | 15,888 | 0 | |
| Unrealized profit | 42,401 | 2,840 | 0 | |
| Fixed asset, molds | 0 | 0 | 0 | 270,4 |
| Amortization lower value bonds | 0 | 0 | 54,019 | 569,8 |
| OTHERS | | | | |

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| | | | | |
|---|---------|---------|--------|---------|
| Complementary accounts-net amortization | 0 | 16,265 | 0 | 2,449,4 |
| Valuation reserve | 0 | - | 0 | |
| Total | 416,478 | 719,481 | 54,019 | 3,049,0 |

CRISTALERIAS DE CHILE S.A.

NOTE 8 - DEFERRED TAXES AND INCOME TAX
INCOME TAX

| ITEM | 06-30-2004 | 06-30-2003 |
|---|------------|------------|
| Current tax costs (tax reserve) | -1,851,678 | -576,804 |
| Adjustment tax cost (previous year) | 0 | 0 |
| Effect on assets or liabilities from deferred tax of fiscal year | 422,514 | -88,399 |
| Tax benefit from tax losses | 0 | 0 |
| Effect of amortization of complementary accounts of deferred assets and liabilities | -131,814 | -76,440 |
| Effect on assets or liabilities of deferred tax for changes in evaluation reserve | 0 | 0 |
| Other debits or credits in the account | 0 | 0 |
| Total | -1,560,978 | -741,643 |

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

6

10. Other current assets

As of June 30, 2004, this item includes investments of Th Ch\$ 7,112,460 in investments in financial instruments, with resale agreements valued as stated in note 2 p), corresponding to agreements in pesos of Th Ch\$ 6,850,685 and Th Ch\$ 261,775 in agreements in US Dollars for less than 90 days.

Th Ch\$ 326,081 also are included as expenses for issue and placement of bond series C and D.

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As of June 30, 2003, this item includes investments of Th Ch\$ 4,647,352 in financial instruments with resale agreements, valued as stated in note 2 p), Th Ch\$ 4,085,704 corresponding to agreements in pesos and Th Ch\$ 561,648 to agreements in US Dollars for less than 90 days.

Th Ch\$ 327,388 also are included expenses for issue and placement of bond series C and D.

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

Information about these transactions is presented on attached charts.

CRISTALERIAS DE CHILE S.A.

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

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

| Code | Dates | | Counterpart | Original Currency | Price Set | Rate | Final Value |
|------|------------|------------|--------------------------|-------------------|-----------|------|-------------|
| | Start | End | | | | | |
| CRV | 06.25.2004 | 07.01.2004 | BCI CB | Pesos | 1,000,000 | 0.15 | 1,000,300 |
| CRV | 06.25.2004 | 07.02.2004 | BCI CB | Pesos | 1,650,000 | 0.15 | 1,650,578 |
| CRV | 06.29.2004 | 07.05.2004 | BCI CB | Pesos | 450,000 | 0.15 | 450,135 |
| CRV | 06.30.2004 | 07.05.2004 | SANTANDER INVESTMENT | Pesos | 760,000 | 0.16 | 760,203 |
| CRV | 06.30.2004 | 07.06.2004 | SANTANDER INVESTMENT | Pesos | 1,500,000 | 0.16 | 1,500,480 |
| CRV | 06.30.2004 | 07.07.2004 | SANTANDER INVESTMENT | Pesos | 1,490,000 | 0.16 | 1,490,556 |
| CRV | 06.30.2004 | 07.07.2004 | SANTANDER AGENTE VALORES | Dollar | 261,775 | 1.50 | 261,851 |

12. Fixed Assets

Fixed Assets:

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

The items that make up the Company's fixed assets as of June 30, 2004 and 2003

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include mainly Land, Industrial Constructions, Infrastructure Works, Machinery, and Equipment distributed throughout the Padre Hurtado facility.

Technical Reappraisal and Adjustment of Accounting Values

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

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

Depreciations:

The charge against results for this item is Th Ch\$ 5,248,805 in 2004 and Th Ch\$ 4,671,670 in 2003.

The detail of fixed assets and their depreciation is shown on an attached chart.

| FIXED ASSETS | | 2004 | | 2003 | |
|--|--|-------------------|------|-------------------|------|
| | | Th | Ch\$ | Th | Ch\$ |
| LAND | | | | | |
| Land & mining claims | | 1,514,725 | | 1,510,424 | |
| Subtotal land | | 1,514,725 | | 1,510,424 | |
| *Subtotal land | | 1,514,725 | | 1,510,424 | |
| CONSTRUCTIONS & INFRASTRUCTURE | | | | | |
| High rises and industrial const. | | 13,486,690 | | 13,461,630 | |
| Facilities | | 9,772,887 | | 9,097,497 | |
| Housing developments | | 26,423 | | 26,397 | |
| *Subtotal | | 23,286,000 | | 22,585,524 | |
| DEPRECIATION | | | | | |
| Accrued | | (10,724,662) | | (8,965,783) | |
| For the fiscal year | | (662,130) | | (644,167) | |
| Subtotal depreciation | | (10,936,792) | | (9,609,950) | |
| SUBTOTAL CONSTRUCTIONS & INFRASTRUCTURE | | 12,349,208 | | 12,975,574 | |
| MACHINERY & EQUIPMENT | | | | | |
| Machinery | | 56,994,492 | | 54,327,264 | |
| Furnaces | | 46,747,917 | | 46,597,914 | |
| Furniture and Materials | | 1,371,663 | | 1,239,002 | |
| Tools | | 441,172 | | 353,433 | |
| Vehicles | | 213,113 | | 222,108 | |
| *Subtotal | | 105,768,357 | | 102,739,721 | |
| DEPRECIATION | | | | | |
| Accrued | | (49,669,976) | | (41,265,498) | |
| For the fiscal year | | (4,481,549) | | (3,922,481) | |
| Subtotal depreciation | | (54,151,525) | | (45,187,979) | |

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| | | |
|----------------------------|--------------|--------------|
| Subtotal machinery & equip | 51,616,832 | 57,551,742 |
| OTHER FIXED ASSETS | | |
| Spare parts | 5,917,908 | 5,373,156 |
| Imports in transit | 838,648 | 84,730 |
| Works underway | 944,690 | 642,812 |
| Lots in Pirque and Leyda | 413,529 | 466,610 |
| Other | 400,246 | 347,137 |
| Subtotal other assets | 8,515,021 | 6,914,445 |
| | | |
| TOTAL FIXED ASSETS | 139,084,103 | 133,750,114 |
| TOTAL ACCUMUL. DEPREC. | (59,944,638) | (50,231,281) |
| TOTAL DEPREC FOR PERIOD | (5,143,679) | (4,566,648) |
| TOTAL NET FIXED ASSETS | 73,995,786 | 78,952,185 |

TECHNICAL REVALUATION AND ADJUSTMENT OF ACCOUNTING VALUES

| | 2004 | | 2003 | |
|---|------|-------------|------|-------------|
| | Th | Ch\$ | Th | Ch\$ |
| LAND | | | | |
| Land and mining claims | | 315,506 | | 321,069 |
| Subtotal land and mining claims net | | 315,506 | | 321,069 |
| CONSTRUCTIONS & INFRASTRUCTURE | | | | |
| High rises and industrial constructions | | 6,302,662 | | 6,290,431 |
| Facilities | | 41,665 | | 41,614 |
| Subtotal Constructions | | 6,344,317 | | 6,332,045 |
| DEPRECIATION | | | | |
| Accrued | | (5,101,125) | | (4,886,001) |
| For the fiscal year | | (105,126) | | (105,022) |
| Subtotal depreciations | | (5,206,251) | | (4,991,024) |
| Subtotal Constuctions & Infrastucture net | | 1,138,066 | | 1,341,022 |
| MACHINERY & EQUIPMENT | | | | |
| Furnaces | | 0 | | 533,018 |
| Machinery | | 0 | | 581,718 |
| Tools | | 0 | | 0 |
| Furniture and Materials | | 0 | | 0 |
| *Subtotal | | 0 | | 1,114,736 |
| DEPRECIATION | | | | |
| Accrued | | 0 | | (1,114,736) |
| For the fiscal year | | 0 | | 0 |
| Subtotal depreciation | | 0 | | (1,114,736) |
| Subtotal machinery & equip | | 0 | | 0 |
| Total Net Technical Revaluation | | 1,453,572 | | 1,662,091 |
| | | | | |
| TOTAL FIXED REVALUATION | | 6,659,823 | | 7,767,850 |

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| | | |
|-----------------------------|-------------|-------------|
| TOTAL ACCRUED DEPREC. | (5,101,125) | (6,000,737) |
| TOTAL DEPREC FOR THE PERIOD | (105,126) | (105,022) |
| TOTAL NET | 1,453,572 | 1,662,091 |

13. Sales transactions with leaseback

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

14. Investments in related companies

According to Circular N. 1697 of the SVS, valuations of investments in related companies effected prior to January 2004 have been done using the Equity Method (VPP).

This method consists in assigning the investment an equivalent value to the proportion that corresponds to the company in book value net worth of the issuer, and acknowledge proportionally the variations that this value experiments.

CIECSA S.A.

On April 20, 2000, the Shareholders of Ciecsa S.A. agreeded to increase the company's equity company in the equivalent of UF 359,921 through the issue of 343,750,000 shares that were fully subscribed by Cristalchile S.A.

Such subscription was finally paid on April 18, 2003. On August 26, 2003 it was agreed to increase CIECSA's capital by Th Ch\$ 910,000 by means of issuing 36,400,000 shares subscribed and paid in its totality by Cristalchile, with which the participation in the subsidiary reached 98.45%.

CRISTALCHILE INVERSIONES S.A.

At the end of year 2001 this company was created in which Cristalerias de Chile S.A. has a 99.99% participation. Cristalchile Inversiones S.A., in turn, registers an investment of 40% in the capital of Rayen Cura S.A.I.C., a company constituted in the city of Mendoza, Rep. of Argentina.

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

As of June 30, 2004, financial statements of Rayen Cura S.A.I.C. recognize a rate of exchange of \$ 2.94 argentine pesos per US dollar. Cristalchile Inversiones S.A., in turn, has adjusted the financial statements Rayen Cura S.A.I.C., to recognize the variation of \$ 2.91 argentine pesos per US Dollar as of December 31, 2003, and \$ 2.94 argentine pesos per US Dollar as of June 30, 2004.

For the effect of results of this affiliate and the conversion of financial statements of Rayen Cura S.A.I.C., according to the chilean normative, CristalChile Inversiones S.A., has recognized a Th Ch\$ 548,441 income during the first half of 2004 and a Th Ch\$ 742,704 income as of June 30, 2003.

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On the other hand, the variation of the dollar exchange rate in Chile during the first half of 2004, originated in the investment in Rayen Cura S.A.I.C. and for the negative goodwill

produced by the purchase of shares of that company, a Th Ch\$ 1,026,122 credit in 2004 (Th Ch\$ 723,786 charge in 2003), to Other Equity Reserves account.

CRISTALCHILE COMUNICACIONES S.A.

As of September 29, 2003, the shareholders of the company agreed to increase its capital by issuing 3.861.538 shares without nominal value, at Ch\$ 650 per share, which represents Th Ch\$ 2,510,000.

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

S.A. VINA SANTA RITA

During the fiscal year 2004, the Company registered a non-realized income for the sale of glass bottles to the subsidiary S.A. Vina Santa Rita of Th Ch\$ 41,007 (Th Ch\$ 49,701 in 2003).

As of June 30, 2004, the accumulated balance for this concept reached Th Ch\$ 236,291 (Th Ch\$ 256,978 in 2003).

INMOBILIARIA MONTE AZUL SA.

On May 14, 2004, Cristalchile S.A. paid its subsidiary Constructora Apoger the sum of Th Ch\$ 196 for 49% of its rights. With this contribution the participation in this affiliate reached 50% as of June 30, 2004 (without effects in results).

CRISTALERIAS DE CHILE S.A.

NOTE 14 - INVESTMENTS IN RELATED COMPANIES DETAIL OF INVESTMENTS

| R.U.T. | Company | Country of Origin | Investment Control Currency | Shareholder (Percentage) | | |
|------------|----------------------------------|-------------------|-----------------------------|--------------------------|------------|------------|
| | | | | 06-30-2004 | 06-30-2003 | 06-30-2004 |
| 96721580-5 | Cristalchile Comunicaciones S.A. | Chile | Peso | 105,074,698 | 99.0000000 | 99.000000 |
| 86547900-K | S.A. Vina | Chile | Peso | 493,959,597 | 54.0000000 | 54.000000 |

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| | | | | | | |
|------------|-------------------------------|-------|------|-------------|------------|-----------|
| | Santa Rita S.A. | | | | | |
| 86881400-4 | Envases CMF S.A. | Chile | Peso | 28,000 | 50.0000000 | 50.000000 |
| 96608270-4 | Ciecsa S.A. | Chile | Peso | 689,301,305 | 98.0000000 | 98.000000 |
| 96767580-6 | Constructora Apoger S.A. | Chile | Peso | 800,000 | 80.0000000 | 80.000000 |
| 96826870-8 | Inmobiliaria Don Alberto S.A. | Chile | Peso | 3,817 | 0.00000000 | 38.000000 |
| 96972440-5 | Cristalchile Inversiones S.A. | Chile | Peso | 9,999 | 99.9900000 | 99.990000 |
| 78936090-1 | Inmobiliaria Monte Azul S.A. | Chile | Peso | 50 | 50.0000000 | 0.000000 |
| | TOTAL | | | | | |

| R.U.T. | Company | Company Equity | | Net Income | | Accrue |
|------------|----------------------------------|----------------|------------|------------|------------|------------|
| | | 06-30-2003 | 06-30-2004 | 06-30-2004 | 06-30-2003 | 06-30-2004 |
| 96721580-5 | Cristalchile Comunicaciones S.A. | 65,409,343 | 70,253,878 | -4,040,744 | -3,467,776 | -4,040,670 |
| 86547900-K | S.A. Vina Santa Rita S.A. | 84,393,304 | 80,883,079 | 3,553,335 | 2,881,707 | 1,922,248 |
| 86881400-4 | Envases CMF S.A. | 32,276,385 | 33,753,421 | 298,319 | 1,216,701 | 149,160 |
| 96608270-4 | Ciecsa S.A. | 19,205,202 | 14,822,184 | 926,745 | 75,302 | 912,341 |
| 96767580-6 | Constructora Apoger S.A. | 3,651 | 5,456 | -1,082 | -703 | -866 |
| 96826870-8 | Inmobiliaria Don Alberto S.A. | 0 | 37 | 0 | 2 | 0 |
| 96972440-5 | Cristalchile Inversiones S.A. | -1,811,40 | -1,078,682 | 264,324 | 529,017 | 264,297 |
| 78936090-1 | Inmobiliaria Monte Azul S.A. | -1,052 | 0 | -1,654 | 0 | -827 |
| | TOTAL | | | | | |

| R.U.T. | Company | VPP | | Unrealized Income | | Investment |
|------------|----------------------------------|------------|------------|-------------------|------------|------------|
| | | 06-30-2004 | 06-30-2003 | 06-30-2004 | 06-30-2003 | 06-30-2004 |
| 96721580-5 | Cristalchile Comunicaciones S.A. | 65,408,145 | 70,252,490 | 0 | 0 | 65,408,145 |
| 86547900-K | S.A. Vina | 45,654,254 | 43,755,327 | 236,291 | 256,978 | 45,417,963 |

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| | | | | | | |
|------------|-------------------------------|-------------|-------------|---------|---------|-------------|
| | Santa Rita S.A. | | | | | |
| 86881400-4 | Envases CMF S.A. | 16,138,193 | 16,876,710 | 0 | 0 | 16,138,193 |
| 96608270-4 | Ciecsa S.A. | 18,906,712 | 14,579,183 | 207,370 | 240,309 | 18,699,342 |
| 96767580-6 | Constructora Apoger S.A. | 2,921 | 4,365 | 0 | 0 | 2,921 |
| 96826870-8 | Inmobiliaria Don Alberto S.A. | 0 | 14 | 0 | 0 | 0 |
| 96972440-5 | Cristalchile Inversiones S.A. | 0 | 0 | 0 | 0 | 0 |
| 78936090-1 | Inmobiliaria Monte Azul S.A. | -526 | 0 | 0 | 0 | -526 |
| | TOTAL | 146,109,699 | 145,468,089 | 443,661 | 497,287 | 145,666,038 |

15. Investments in other companies

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

16. Goodwill Amortization

NEGATIVE GOODWILL

Stock purchases made between 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 June 30, 2004 totaled Th Ch\$ 1,821,374 (Th Ch\$ 1,992,171 in 2003).

POSITIVE GOODWILL

As of June 30, 2004 and 2003 there were no transactions for this concept.

CRISTALERIAS DE CHILE S.A.

NOTE 16 - GOODWILL ON INVESTMENTS
Negative Goodwill

| R.U.T. | Company Name | 06-30-2004 | 06-30 |
|--------|--------------|-----------------|-------------------------------------|
| | | Amount Amortiz. | Balance of Negative Amount Amortiz. |

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| | | this period | Goodwill | this period |
|------------|----------------------|-------------|-----------|-------------|
| 86547900-K | S.A. Vina Santa Rita | 25,288 | 538,221 | 25,264 |
| 96608270-4 | Ciecsa S.A. | 61,103 | 1,283,153 | 61,042 |
| | TOTAL | 86,391 | 1,821,374 | 86,306 |

17. Intangibles

As of June 30, 2004 and 2003 there are no values for these items.

18. Other (Assets)

As of June 30, 2004, Other Long-term Assets include Th Ch\$ 8,539,146 (Th Ch\$ 9,438,484 in 2003) for investments in Bonds of Celulosa Arauco y Constitucion S.A., equivalent to US\$ 13,455,834 at an annual rate of 6.95% with maturity on September 15, 2005; and Th Ch\$ 22,801 (Th Ch\$ 136,155 in 2003) for overprice, paid in the acquisition of these bonds, which that are amortized in the same term of their maturity.

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

Within Other Assets, as of June 30, 2004 there is a balance for issue expenses of bond series C and D carried out by Cristalerias, that amounts Th Ch\$ 823,125 (Th Ch\$ 956,326 in 2003) and negative goodwill as a result of their placement of Th Ch\$ 2,195,227 (Th Ch\$ 2,404,145 in 2003).

19. Short-term obligations with banks and financial institutions

a) Short-term obligations with Banks and Financial Institutions

As of June 30, 2004 and 2003, there are not short-term bank obligations.

b) Current Portion of Long-term obligations with Banks and Financial Institutions

A detail of operations is shown on the attached chart.

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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 | | Yen | |
|---|------------------------------------|------------|------------|------------|------------|------------|------------|
| | | 06-30-2004 | 06-30-2003 | 06-30-2004 | 06-30-2003 | 06-30-2004 | 06-30-2003 |
| Short term (code: 5.21.10.10) | | | | | | | |
| Long Term - Short Term (code: 5.21.10.20) | | | | | | | |
| 0-E | J.P Morgan Chase Bank | 139,500 | 156,829 | 0 | 0 | 0 | 0 |
| | Others | 0 | 0 | 0 | 0 | 0 | 0 |
| | TOTAL | 139,500 | 156,829 | 0 | 0 | 0 | 0 |
| | Capital amount due | 0 | 0 | 0 | 0 | 0 | 0 |
| | Average annual interest rate | 2.05 | 2.1125 | 0 | 0 | 0 | 0 |
| | Percentage oblig. foreign curr.(%) | 100.0000 | | | | | |
| | Percentage oblig. foreign curr.(%) | 0.0000 | | | | | |

| R.U.T. | Bank or Financial Institution | U.F. | | \$ Non adjustable | | Total | |
|---|------------------------------------|------------|------------|-------------------|------------|------------|------------|
| | | 06-30-2004 | 06-30-2003 | 06-30-2004 | 03-31-2003 | 06-30-2004 | 06-30-2003 |
| 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 | 139,500 | 139,500 |
| | Others | 0 | 0 | 0 | 0 | 0 | 0 |
| | TOTAL | 0 | 0 | 0 | 0 | 139,500 | 139,500 |
| | Capital amount due | 0 | 0 | 0 | 0 | 0 | 0 |
| | Average annual interest rate | 0 | 0 | 0 | 0 | 0 | 0 |
| | Percentage oblig. foreign curr.(%) | 100.0000 | | | | | |
| | Percentage oblig. foreign curr.(%) | 0.0000 | | | | | |

20. Other Current Liabilities

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As of June 30, 2004 , there was a balance in favor of financial institutions of Th Ch\$ 1,718,914 (Th Ch\$ 4,995,904 in 2003), corresponding to Future Contracts subscribed by the Company, more detail is found in Note 34 under Derivative Contracts.

21. Long term liabilities with banks and financial institutions

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

CRISTALERIAS DE CHILE S.A.

NOTE 21: LONG-TERM OBLIGATIONS WITH BANKS AND FINANCIAL INSTITUTIONS
Long-term Obligations With Banks and Financial Institution

| R.U.T. | Bank or Financial Institution | Adjustment index currency | Current period Previous period | | | Maturity |
|---|-------------------------------|---------------------------|--------------------------------|-----------------|-----------------|----------|
| | | | From 1 to 2 M\$ | From 2 to 3 M\$ | From 3 to 5 M\$ | |
| 0-E | J.P. Morgan Chase Bank | Dollars | 7,953,750 | 15,907,500 | 7,953,750 | |
| | | Euros | - | - | - | |
| | | Yen | - | - | - | |
| | | UF | - | - | - | |
| | | Non-adj.CH\$ | - | - | - | |
| | | Others | - | - | - | |
| | Total | | 7,953,750 | 15,907,500 | 7,953,750 | |
| 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 Current period | | Average annual interest rate | Closing date Previous period | |
|--------|-------------------------------|---------------------------|--|--|------------------------------|--|--|
| | | | Total Long-Term at closing of Financial Statements | | | Total Long-Term at closing of Financial Statements | |

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| | | | | | |
|-----|------------------------|--------------|------------|------|------------|
| 0-E | J.P. Morgan Chase Bank | Dollars | 31,815,000 | 2.05 | 35,165,736 |
| | | Euros | - | - | - |
| | | Yen | - | - | - |
| | | UF | - | - | - |
| | | Non-adj.CH\$ | - | - | - |
| | | Others | - | - | - |
| | Total | | 31,815,000 | - | 35,165,736 |

Porcentaje de obligaciones en moneda extranjera
 Porcentaje de obligaciones en moneda nacional

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

As of June 30, 2004, there are obligations with the public for UF 4,100,000, equivalent to Th Ch\$ 69,761,295 (Th Ch\$ 69,951,855 in 2003), divided in series C1, C2, D1, D2 with a 4.75% annual interest rate in series C and of 5.80% in series D, respectively, that is presented in the long term.

In short term there is a balance of Th Ch\$ 1,688,964 (Th Ch\$ 1,683,436 in 2003) corresponding to accrued interests of UF 99,263.51

Series C bonds have a maturity of 6 years, with amortizations beginning 2 years from the date of issue. Series D bonds have a maturity of 21 years, with amortization beginning 6 years from the date of issue.

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 | FIN MATUR |
|--|--------------|--------------------|-----------------------|---------------|-----------|
| LONG-TERM BONDS-CURRENT PORTION | | | | | |
| 296-09.07.02 | C1 Interests | 0 | UF | 4.75 | 07-15- |
| 296-09.07.02 | C2 Interests | 0 | UF | 4.75 | 07-15- |
| 296-09.07.02 | D1 Interests | 0 | UF | 5.80 | 07-15- |
| 296-09.07.02 | D2 Interests | 0 | UF | 5.80 | 07-15- |
| TOTAL CURRENT PORTION | | | | | |
| LONG-TERM BONDS | | | | | |
| 296-09.07.02 | C1 | 1,500,000 | UF | 4.75 | 07-15- |

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| | | | | | |
|--------------|----|-----------|----|------|--------|
| 296-09.07.02 | C2 | 500,000 | UF | 4.75 | 07-15- |
| 296-09.07.02 | D1 | 1,900,000 | UF | 5.80 | 07-15- |
| 296-09.07.02 | D2 | 200,000 | UF | 5.80 | 07-15- |

LONG-TERM TOTAL

| REGISTRATION OR IDENTIFICATION No. OF INSTRUMENT | INSTALLMENTS | | PAR VALUE | | ISSU IN CHIL ABRO |
|--|---------------------|-------------------------|------------|------------|-------------------------|
| | INTEREST PAYMENT | AMORTIZATION PAYMENT | 06-30-2004 | 06-30-2003 | |
| LONG-TERM BONDS-CURRENT PORTION | | | | | |
| 296-09.07.02 | SEMI-ANNUAL | SEMI-ANNUAL | 555,855 | 554,036 | LO |
| 296-09.07.02 | SEMI-ANNUAL | SEMI-ANNUAL | 185,285 | 184,678 | LO |
| 296-09.07.02 | SEMI-ANNUAL | SEMI-ANNUAL | 857,555 | 854,748 | LO |
| 296-09.07.02 | SEMI-ANNUAL | SEMI-ANNUAL | 90,269 | 89,974 | LO |
| TOTAL CURRENT PORTION | | | 1,688,964 | 1,683,436 | |
| LONG-TERM BONDS | | | | | |
| 296-09.07.02 | SEMI-ANNUAL | SEMI-ANNUAL | 25,522,425 | 25,592,142 | LO |
| 296-09.07.02 | SEMI-ANNUAL | SEMI-ANNUAL | 8,507,475 | 8,530,714 | LO |
| 296-09.07.02 | SEMI-ANNUAL | SEMI-ANNUAL | 32,328,405 | 32,416,713 | LO |
| 296-09.07.02 | SEMI-ANNUAL | SEMI-ANNUAL | 3,402,990 | 3,412,286 | LO |
| LONG-TERM TOTAL | | | 69,761,295 | 69,951,855 | |

23. Reserves and Write-offs

Reserves:

As of June 30, 2004, the Company has short-term reserves of Th Ch\$ 7,170,405 and Th Ch\$ 4,128,088 in 2003.

In the Long-term, reserves recorded are of Th Ch\$ 6,417,630 and Th Ch\$ 7,578,300 respectively as of June 30 2004 and 2003.

Provisioned amounts are exposed in the annexed chart.

a) Reserves for Bad Debt:

The Company has established a reserve for bad debts of Th Ch\$ 143,127, and Th Ch\$ 143,986, respectively, as of June 30, 2004 and 2003.

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

b) Vacation Reserve:

The Company has established a reserve 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 A.G.

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The net balance for this item amounts to Th Ch\$ 367,771 as of June 30, 2004 (Th Ch\$ 311,482 in 2003).

c) Reserve for Furnace Reconstruction:

This reserve is established throughout the useful life of the refractants 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 reserve for this item in the amount of Th Ch\$ 4,194,934 and Th Ch\$ 3,441,103 as of June 30, 2004 and 2003, respectively.

An itemized list of the amounts provided is shown in the annexed chart.

Cristaleras de Chile S.A.

| Note | Reserves and Write-offs | 06/30/2004 | 06/30/2003 |
|------|-------------------------------|------------------|------------------|
| | Short term | | |
| | Packing for Client Return | 1,265,054 | 1,125,820 |
| | Furnace Reconstruction | 1,997,982 | 0 |
| | Board Share | 285,011 | 118,306 |
| | Reserve Spare Parts | 438,189 | 449,065 |
| | Legal Holiday | 367,771 | 311,482 |
| | Severance Pay | 185,502 | 183,430 |
| | Reserve Subsidiary Losses | 1,811,220 | 1,078,575 |
| | Provision Indirect Expenses | 492,914 | 463,354 |
| | Provision Legal Gratification | 77,432 | 67,575 |
| | Other Reserves | 249,330 | 330,481 |
| | Total short term | 7,170,405 | 4,128,088 |
| | Long term | | |
| | Severance Pay | 4,220,678 | 4,137,197 |
| | Furnace Reconstruction | 2,196,952 | 3,441,103 |
| | Total long term | 6,417,630 | 7,578,300 |

24. Severance Payments

The reserve for severance payments to personnel is included at its current value, as expressed in note 2 r). As of June 30, 2004 it amounts Th Ch\$ 4,406,180 (Th Ch\$ 4,320,627 in 2003).

As of June 30, 2004 and 2003 the company has made severance payments of Th Ch\$ 135,042 and Th Ch\$ 34,375 chargeable against the reserve, respectively.

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25. Other long-term liabilities

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

26. Minority interest

Not applicable to individual financial statements.

27. Changes in Equity

a. Activity in 2004 and 2003

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

b. Other Reserves

The detail of this item is as follows:

| | 2004 | 2003 |
|--|--------------------|--------------------|
| | Th Ch\$ | Th Ch\$ |
| Future capital increases | 4,564,803 | 4,376,765 |
| Reserve for adjustment of value of fixed assets | 1,453,572 | 1,635,616 |
| Adjustment for conversion difference in investment in Rayen Cura S.A.I.C. | 1,481,022 | 3,142,699 |
| | ----- | ----- |
| TOTAL OTHER RESERVES | 7,499,397 ===== | 9,155,080 ===== |

CRISTALERIAS DE CHILE S.A.

NOTE 27: CHANGES IN NET WORTH

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

Balances as of 06-30-2004

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| | | | | |
|---|----------------|-------------|----------------|---------------|
| 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 | 1,026,122 |
| Owner's equity Revaluation | 0 | 523,174 | 222,995 | 51,375 |
| Fiscal Year Result | 0 | 0 | 0 | 0 |
| Provisional Dividends | 0 | 0 | 0 | 0 |
| Final balances | 65,396,749 | 523,174 | 28,097,372 | 7,499,397 |
| Balances as of 06-30-2003 | | | | |
| Initial balance | 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 | -719,466 |
| Owner's equity revaluation | 0 | 712,242 | 303,583 | 106,844 |
| Fiscal Year Result | 0 | 0 | 0 | 0 |
| Provisional Dividends | 0 | 0 | 0 | 0 |
| Final balances | 64,749,257 | 712,242 | 27,901,976 | 9,100,477 |
| Updated balances | 65,137,753 | 716,515 | 28,069,388 | 9,155,080 |

| | Reserve Future Dividends | Accumulated Results | Provisional Dividends | Devel. Period Deficit |
|---|--------------------------------|------------------------|--------------------------|-----------------------------|
| | ----- | ----- | ----- | ----- |
| Balances as of 06-30-2004 | | | | |
| Initial balance | 123,160,119 | 6,426,520 | -958,080 | 0 |
| Distribution result previous fiscal year | 5,468,440 | -6,426,520 | 958,080 | 0 |
| Final dividend previous fiscal year | -1,612,800 | 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 | 0 |
| Owner's equity Revaluation | 1,104,514 | 0 | 0 | 0 |
| Fiscal Year Result | 0 | 0 | 0 | 0 |
| Provisional Dividends | 0 | 0 | -1,280,000 | 0 |
| Final balances | 128,030,273 | 0 | -1,280,000 | 0 |
| Balances as of 06-30-2003 | | | | |
| Initial balance | 114,912,655 | 17,660,662 | -3,303,936 | 0 |
| Distribution result previous fiscal year | 14,356,726 | -17,660,662 | 3,303,936 | 0 |
| Final dividend previous fiscal year | -5,526,400 | 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 |

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| | | | | |
|----------------------------|-------------|---|----------|---|
| Owner's equity revaluation | 1,449,595 | 0 | 0 | 0 |
| Fiscal Year Result | 0 | 0 | 0 | 0 |
| Provisional Dividends | 0 | 0 | -960,000 | 0 |
| Final balances | 125,192,576 | 0 | -960,000 | 0 |
| Updated balances | 125,943,731 | 0 | -965,760 | 0 |

CRISTALERIAS DE CHILE S.A.

NOTE 27: CHANGES IN EQUITY -

NUMBER OF SHARES

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

CRISTALERIAS DE CHILE S.A.

NOTE 27: CHANGES IN NETWORTH -

CAPITAL (AMOUNT - TH CH\$)

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

28. Other Non-operating Income and Expenses

As of June 30, 2004 non-operating income totaled Th Ch\$ 302,039 and Th Ch\$ 198,321 in 2003.

Non-operating expenses amounted to Th Ch\$ 498,015 in 2004 and Th Ch\$ 449,378 in 2003.

Greater detail is shown in the annexed chart.

Non-operating Income and Expenses

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CRISTALERIAS DE CHILE S.A.

NOTE 28: OTHER NON-OPERATING INCOME AND EXPENSES

| | 2004 | | 2003 | |
|--------------------------------------|----------------|-------|----------------|-------|
| | ----- | ----- | ----- | ----- |
| | Th | Ch\$ | Th | Ch\$ |
| INCOME | | | | |
| Offices and establishments rental | 82,879 | | 88,404 | |
| Sale of fixed assets | 8,588 | | 3,687 | |
| Sale of materials | 6,084 | | 7,157 | |
| Agricultural Division | 15,519 | | 55,783 | |
| Amortization of non-realized profits | 16,590 | | 16,573 | |
| Sundry income | 172,379 | | 26,717 | |
| TOTAL NON-OPERATING INCOME | 302,039 | | 198,321 | |
| EXPENSES | | | | |
| Professional advice | 311,651 | | 311,341 | |
| Other expenses | 133,087 | | 90,517 | |
| Insurances | 24,917 | | 21,968 | |
| Expenses ADR'S | 28,360 | | 25,552 | |
| TOTAL NON-OPERATING EXPENSES | 498,015 | | 449,378 | |

29. Price-level Restatement

As a result of the application of price-level restatement as described in Note 2 d), a net credit to results was generated in the 2004 of Th Ch\$ 276,582 and of Th Ch\$ 388,966 in 2003 fiscal year.

Additional information ordered by balance item is shown in the annexed chart.

Cristalerias de Chile S.A.

NOTE 29: ADJUSTMENT FOR PRICE LEVEL RESTATEMENTS

| ASSETS (DEBITS)/CREDITS | ADJUSTABILITY INDEX | 06-30-2004 | 06-30-2003 |
|-------------------------|----------------------|------------|------------|
| ----- | ----- | ----- | ----- |
| INVENTORY | Consumer Price Index | 99,463 | 72,000 |
| FIXED ASSET | CPI | 913,615 | 733,000 |

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| | | | |
|--|-----|------------|---------|
| INVESTMENTS IN RELATED COMPANIES | CPI | 1,164,540 | 1,628, |
| MARKETABLE SECURITIES | CPI | 33,236 | 42, |
| SHORT TERM DEBTORS | CPI | 1,293 | 1, |
| ACCOUNTS RECEIVABLE RELATED COMPANIES | UF | 117,495 | 296, |
| LONG-TERM DEBTORS | UF | 2,543 | 2, |
| SHORT TERM DEBTORS | UF | 1,131 | |
| OTHER NON-MONETARY ASSETS | CPI | 36,928 | 43, |
| EXPENSE AND COST ACCOUNTS | CPI | 87,057 | 892, |
| TOTAL (DEBITS)/CREDITS | - | 2,457,301 | 3,713, |
| LIABILITIES (DEBITS)/ CREDITS | | | |
| NET WORTH | CPI | -1,812,057 | -2,587, |
| ACCOUNTS RECEIVABLE RELATED COMPANIES | UF | 13 | |
| SHORT-TERM RESERVES | CPI | -71,961 | -18, |
| SHORT -TERM CREDITORS | CPI | 0 | |
| LONG-TERM RESERVES | CPI | -79,482 | -54, |
| PUBLIC OBLIGATION | UF | -389,295 | -889, |
| LONG-TERM CREDITORS | CPI | -237 | - |
| NON-MONETARY LIABILITIES | CPI | -128,680 | -90, |
| INCOME ACCOUNTS | CPI | -252,184 | -460, |
| TOTAL (DEBITS)/ CREDITS | - | -2,733,883 | -4,102, |
| (LOSS) PROFIT FROM ADJUSTMENT FOR PRICE LEVEL RESTATEMENT | | -276,582 | -388, |

30. Exchange Differences

A net credit against results was made due to exchange rate differences of Th Ch\$ 1,391,248 in 2004 and a net charge of Th Ch\$ 3,617,428 in 2003.

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

Further information is shown on the table attached.

Cristalerias de Chile S.A.

NOTE 30: EXCHANGE DIFFERENCES

| ITEM | CURRENCY | AMOUNT | |
|-------|----------|------------|------------|
| ----- | ----- | ----- | ----- |
| | | 06-30-2004 | 06-30-2003 |
| | | ----- | ----- |

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| | | | |
|--|----------------|------------|------------|
| FIXED (DEBITS) CREDITS | | | |
| AVAILABLE | DOLLARS | 7,524 | -15,158 |
| MARKETABLE SECURITIES | DOLLARS | 1,742,267 | -1,508,055 |
| MARKETABLE SECURITIES | EURO | 1,157,849 | 0 |
| TIME DEPOSITS | DOLLARS | 0 | -185,532 |
| INVENTORY | DOLLARS | 8,004 | -15,660 |
| BONDS INSTALLMENT | DOLLARS | 573,673 | -588,092 |
| SUNDRY DEBTORS | DOLLARS | 6,308 | -9,738 |
| OTHER ASSETS | DOLLARS | 531,328 | -12,995 |
| ADJUSTMENT EFFECT OF INFLATION | DOLLARS | -194,685 | -124,018 |
| TOTAL (DEBITS) CREDITS | | 3,832,268 | -2,459,248 |
| LIABILITIES (DEBITS) CREDITS | | | |
| NOTES PAYABLE | DOLLARS | -19,254 | 85,210 |
| NOTES PAYABLE | OTHER CURRENCY | 1,892 | 7,235 |
| SUNDRY CREDITORS - SHORT TERM | DOLLARS | -40,954 | 22,013 |
| LONG- TERM BANK LOANS | DOLLARS | -2,125,000 | 980,347 |
| SHORT-TERM RESERVES | DOLLARS | -133,450 | 0 |
| LONG-TERM RESERVES | DOLLARS | -127,586 | 61,448 |
| SUNDRY CREDITORS - LONG TERM | DOLLARS | -8,247 | 3,943 |
| OTHER LIABILITIES | DOLLARS | -136,961 | 0 |
| ADJUSTMENT FUTURE CONTRACTS | DOLLARS | 30,112 | -2,754,341 |
| ADJUSTMENT EFFECT OF INFLATION | DOLLARS | 118,428 | 435,965 |
| TOTAL (DEBITS) CREDITS | | -2,441,020 | -1,158,180 |
| (LOSS) PROFIT FROM EXCHANGE DIFFERENCE | | 1,391,248 | -3,617,428 |

31. Extraordinary Items

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

32. Share and Debt Instruments Issue and Placement Expenses

On August 2002 the company placed bonds for UF 4,100,000, series C1, C2, D1 and D2, which resulted in issue expenses and rate differential for placement of Th Ch\$ 3,344,433 as of June 30, 2004 (Th Ch\$ 3,687,857 in 2003). The amortization is been done according to the maturity of each series.

There are Th Ch\$ 326,081 (Th Ch\$ 327,387 in 2003) under other current assets and Th Ch\$ 3,018,352 (Th Ch\$ 3,360,470 in 2003) other long term assets respectively.

The charge to results for its amortization amounted Th Ch\$ 164,859 in 2004 (Th Ch\$ 163,495 in 2003).

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| DETAIL | Short -Term | | Long-Term | |
|----------------------------|-------------|---------|-----------|-----------|
| | 2004 | 2003 | 2004 | 2003 |
| Issue expenses | 127,148 | 127,911 | 823,125 | 956,325 |
| Placement rate differences | 198,933 | 199,476 | 2,195,227 | 2,404,145 |
| Total | 326,081 | 327,387 | 3,018,352 | 3,360,470 |

33. Cash Flow Statement

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

| | | Jun 2004 | Jun 2003 |
|-----------|--------------------------------|----------|-----------|
| | | Th Ch\$ | Th Ch\$ |
| | | ----- | ----- |
| 541.11.40 | Other income received | | |
| | Exchange different | 100,216 | 293,398 |
| | Discount for Custom Duties | 54,737 | 0 |
| | Loan Adjustment | 42,646 | 0 |
| | Tributary tax exemption | 15,000 | 900,822 |
| | Treasury Reimbursement | | 0 |
| | Other income | 64,795 | 1,014 |
| | Total | 277,394 | 1,195,234 |
| 541.11.80 | Other expenses paid | | |
| | Exchange difference | 149,150 | 2,084,888 |
| | Donations | 41,663 | 25,849 |
| | Advice services | | 0 |
| | Contracts finished | | 0 |
| | Board participacion Directorio | 0 | 0 |
| | Other expenses | 4,381 | 6,163 |
| | Total | 195,194 | 2,116,900 |
| 541.13.30 | Other income from investments | | |
| | Maturity of future contracts | | 1,476,576 |
| | Total | 0 | 1,476,576 |
| 541.13.65 | Other investment disbursements | | |
| | Purchase of shares | | 319,759 |
| | Future Contracts | | 308,049 |
| | Total | 0 | 627,808 |

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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 \$ ----- | Maturity ----- |
|----------------------------|--------------------------|-------------------|
| Dividend 158 | 1,280,000 | July -2004 |
| Amounts payable investment | 537,365 | 2nd Semester |
| TOTAL | 1,817,365 | |

34. Derivative Contracts

The company has signed purchase and sale future contracts in foreign currency of Th US\$ 37,600 and sale future contracts in foreign currency Th US\$ 37,600 and Th US\$ 60,600, respectively (purchase of Th Ch\$ 109,600 as of June 30, 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 June 30, 2004 there was a difference in favor of financial institutions of Th Ch\$ 1,718,914 (Th Ch\$ 4,995,904 in 2003) which is classified under Other Current Liabilities.

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NOTE 34: DERIVATIVE CONTRACTS

| TYPE OF DERIVATIVE | TYPE OF CONTRACT | VALUE OF CONTRACT | MATURITY OR EXPIRATION DATE | DESCRIPTION OF CONTRA | | |
|-----------------------|---------------------|----------------------|-----------------------------------|-----------------------|-------------------------------|------------------|
| | | | | SPECIFIC ITEM | PURCHASE/ SALE POSITION | PROT T NAM |
| ----- | ----- | ----- | ----- | ----- | ----- | ----- |

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| TYPE OF DERIVATIVE | TYPE OF CONTRACT | VALUE OF CONTRACT | VALUE OF PROTECTED ITEM | ACCOUNTS AFFECTED | | |
|--------------------|------------------|-------------------|-------------------------|--------------------|-----------|--------|
| | | | | ASSETS/LIABILITIES | AMOUNT | REALI |
| FR | CI | 25,992,590 | THIRD 2004 | EXCHANGE RATE | P | - |
| FR | CI | 36,977,320 | THIRD 2004 | EXCHANGE RATE | S | - |
| FR | CI | 1,931,256 | FOURTH 2004 | EXCHANGE RATE | S | - |
| FR | CI | 25,992,590 | 0 | LIABILITIES | 2,067,710 | -2,067 |
| FR | CI | 36,977,320 | 0 | ASSETS | 326,444 | 326 |
| FR | CI | 1,931,256 | 0 | ASSETS | 22,352 | 22 |

Analysis of Forward Contracts in foreign currency as of 06.30.2004

| INSTITUTION | DATE | FUTURE VALUE | FUTURE V |
|----------------------------|------------|--------------|---------------|
| | Investment | Maturity | Exchange US\$ |
| PURCHASE | | | |
| Citibank NA. | 09-08-2003 | 09-02-2004 | 694.25 |
| Deutsche Bank (Chile) S.A. | 09-04-2003 | 09-03-2004 | 697.20 |
| Bank Boston | 09-10-2003 | 09-06-2004 | 694.20 |
| Deutsche Bank (Chile) S.A. | 09-08-2003 | 09-07-2004 | 695.50 |
| Deutsche Bank (Chile) S.A. | 09-08-2003 | 09-07-2004 | 693.80 |
| Deutsche Bank (Chile) S.A. | 09-10-2003 | 09-09-2004 | 693.90 |
| Deutsche Bank (Chile) S.A. | 09-10-2003 | 09-09-2004 | 695.50 |
| Banco Chile | 09-11-2003 | 09-06-2004 | 685.84 |
| Banco Chile | 09-15-2003 | 09-09-2004 | 682.92 |
| Banco Santander | 09-15-2003 | 08-16-2004 | 681.90 |
| Total Purchase | | | 37,600 |
| SALES | | | |
| Bank Boston | 10-14-2003 | 09-09-2004 | 649.30 |
| Banco Santander | 10-21-2003 | 09-07-2004 | 653.00 |
| Deutsche Bank (Chile) S.A. | 10-22-2003 | 09-09-2004 | 650.00 |
| Banco Santander | 10-22-2003 | 09-09-2004 | 650.80 |
| Citibank | 10-22-2003 | 09-07-2004 | 650.00 |
| Deutsche Bank (Chile) S.A. | 10-23-2003 | 09-02-2004 | 641.50 |

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| | | | | |
|----------------------------|------------|------------|--------|---------|
| Banco Santander | 10-23-2003 | 09-03-2004 | 642.20 | 6,000 |
| Deutsche Bank (Chile) S.A. | 10-24-2003 | 09-03-2004 | 642.50 | 2,000 |
| Deutsche Bank (Chile) S.A. | 10-24-2003 | 09-03-2004 | 643.00 | 2,000 |
| Deutsche Bank (Chile) S.A. | 10-24-2003 | 09-03-2004 | 644.00 | 1,000 |
| Deutsche Bank (Chile) S.A. | 10-24-2003 | 09-03-2004 | 644.50 | 1,000 |
| Banco Santander | 10-27-2003 | 09-03-2004 | 643.35 | 2,000 |
| Deutsche Bank (Chile) S.A. | 10-27-2003 | 09-03-2004 | 645.50 | 1,000 |
| Deutsche Bank (Chile) S.A. | 10-28-2003 | 08-16-2004 | 641.50 | 1,000 |
| Banco Santander | 10-28-2003 | 08-16-2004 | 642.12 | 2,500 |
| Banco Santander | 10-28-2003 | 09-06-2004 | 645.55 | 2,000 |
| Deutsche Bank (Chile) S.A. | 11-06-2003 | 09-06-2004 | 637.40 | 1,000 |
| Banco Santander | 11-12-2003 | 09-06-2004 | 638.35 | 1,000 |
| Deutsche Bank (Chile) S.A. | 11-18-2003 | 09-06-2004 | 634.30 | 1,000 |
| Deutsche Bank (Chile) S.A. | 05-18-2004 | 08-16-2004 | 642.50 | 1,000 |
| Deutsche Bank (Chile) S.A. | 05-17-2004 | 08-16-2004 | 642.50 | 2,500 |
| Deutsche Bank (Chile) S.A. | 05-18-2004 | 08-16-2004 | 641.50 | 1,000 |
| Deutsche Bank (Chile) S.A. | 05-20-2004 | 08-23-2004 | 643.30 | 4,000 |
| Deutsche Bank (Chile) S.A. | 05-20-2004 | 08-18-2004 | 643.30 | 4,000 |
| Deutsche Bank (Chile) S.A. | 05-24-2004 | 09-01-2004 | 640.50 | 1,500 |
| Deutsche Bank (Chile) S.A. | 05-24-2004 | 08-23-2004 | 641.00 | 1,000 |
| Deutsche Bank (Chile) S.A. | 05-26-2004 | 09-03-2004 | 640.50 | 2,000 |
| Deutsche Bank (Chile) S.A. | 05-26-2004 | 09-03-2004 | 641.20 | 3,000 |
| Deutsche Bank (Chile) S.A. | 06-04-2004 | 10-04-2004 | 646.30 | 3,000 |
| Subtotal Sale | | | | 60,600 |
| Total as of June 30 2004 | | | | -23,000 |

35. Contingencies and Restrictions

As of June 30, 2004, there is a guarantee delivered in the amount of Th Ch\$ 15,822 and Th Ch\$ 7,999 in 2003, according to the detail in the attached chart.

LAWSUITS OR OTHER LEGAL ACTIONS THE COMPANY IS INVOLVED IN

As of June 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, the following specific financial obligations exist:

a) TOTAL CONSOLIDATED DEBT TO CAPITALIZATION RATIO

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

Capitalization is described as the sum of Net Worth plus minority interests

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plus total consolidated debt.

b) NET CONSOLIDATED DEBT TO EBITDA RATIO

Cristalerias de Chile S.A will not allow the Total Non-consolidated Debt to EBITDA Ratio to exceed the 2.5 to 1.0 relation at any time.

EBITDA is described as the sum of 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 aggregated 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 4,0.

Interest coverage is defined as interests at the day of the respective determination, the ratio between non consolidated EBITDA for the period of 4 consecutive fiscal quarters that ends on, or most recently ended before, that date, and interest expenses for that period.

d) NET EQUITY

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

Cristalerias de Chile S.A. complies with 100% of the restrictions imposed by the banks.

BOND ISSUE

At of May 29, 2002 the contract of bonds issue was signed with Banco Chile as the bond owner's representative, established the following obligations:

a) Financial Indicators

Individual Balance: Leverage not higher than 1.2 times.

Consolidate Balance: Leverage not higher than 1.4 times.

b) Insurances for fixed assets of the company and its subsidiaries.

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

d) Other restrictions related with contract of the bonds issued.

Cristalerias de Chile S.A. complies with 100% of the restrictions imposed by the bonds creditors.

OTHER CONTINGENCIES

As of June 30, 2004 and 2003, management is not aware of any other contingencies that could affect the company.

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CRISTALERIAS DE CHILE S.A.

NOTE 35: CONTINGENCIES AND RESTRICTIONS - DIRECT GUARANTEES

| CREDITOR OF GUARANTEE | DEBTOR | | TYPE OF GUARANTEE | ASSETS COMMITTED | | BALANCES PENDING PAYMENT AS OF CLOSING DATE OF FINANCIAL STATEMENT | |
|-------------------------------|-------------------------------|--------------|----------------------|---------------------|---------------|---|------------|
| | NAME | RELATIONSHIP | | TYPE | BOOK VALUE | 06-30-2004 | 06-30-2005 |
| EDIFICIO METROPOLIS AGF | CRISTALERIAS DE CHILE S.A. | COMMERCIAL | DEPOSIT | FLOOR | 15,822 | 15,822 | 7,000 |

| CREDITOR OF GUARANTEE | DEBTOR | | RELEASE OF GUARANTEES | | | | |
|-------------------------------|-------------------------------|--------------|-----------------------|--------|------------|--------|------------|
| | NAME | RELATIONSHIP | 06-30-2005 | ASSETS | 06-30-2006 | ASSETS | 06-30-2007 |
| EDIFICIO METROPOLIS AGF | CRISTALERIAS DE CHILE S.A. | COMMERCIAL | - | - | - | - | 15,822 |

CRISTALERIAS DE CHILE S.A.

NOTE 35: CONTINGENCIES AND RESTRICTIONS - INDIRECT GUARANTEES

| CREDITOR OF GUARANTEE | DEBTOR | TYPE OF GUARANTEE | ASSETS COMMITTED | BALANCES PENDING PAYMENT AS OF CLOSING DATE OF FINANCIAL STATEMENT | |
|--------------------------|--------|----------------------|---------------------|---|------------|
| | | | | 06-30-2004 | 06-30-2005 |

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| | NAME | RELATIONSHIP | TYPE | BOOK VALUE | 06-30-2004 |
|--|----------------------------|--------------|----------|------------|------------|
| Societe de Participations Financieres et Industrielles | Rayen Cura S.A. | Affiliate | Solidary | - | 1,832,545 |
| Envases CMF | Cristalerias de Chile S.A. | Affiliate | Solidary | - | 207,423 |

| CREDITOR OF GUARANTEE | DEBTOR | RELEASE OF GUARANTEES | | | | | |
|--|----------------------------|-----------------------|--------|------------|--------|------------|--------|
| | | 06-30-2005 | ASSETS | 06-30-2006 | ASSETS | 06-30-2007 | ASSETS |
| Societe de Participations Financieres et Industrielles | Rayen Cura S.A. | 733,018 | - | 733,018 | - | - | |
| Envases CMF | Cristalerias de Chile S.A. | - | - | - | - | - | |

36. Guarantees obtained from third parties

As of June 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 | 5,173 | | 5,186 | |
| Real Estate Lease to Telecomunicaciones and Services Cono Sur Ltda. UF 130 | 0 | | 2,218 | |
| Real Estate Lease AGF Building UF 365.9 | 6,226 | | 6,242 | |
| Real Estate Lease Metropolis Building UF 189.2 | 3,219 | | 3,228 | |
| Real Estate Lease Cafe Sur Andino UF 260 | 4,424 | | 0 | |

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| | | |
|------------------------|--------|--------|
| Suppliers Sight Drafts | 1,674 | 1,684 |
| TOTAL | 20,716 | 18,558 |

37. Local and Foreign Currency

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

Cristalerias de Chile S.A.

NOTE 37: LOCAL AND FOREIGN CURRENCY -

ASSETS

| ITEMS | Currency | Amount | |
|----------------------------|------------------|-------------|-------------|
| | | 06-30-2004 | 06-30-2003 |
| Current Assets | | | |
| CASH | Non-adjust Ch\$ | 1,327,448 | 1,295,444 |
| CASH | Dollars | 144,118 | 509,673 |
| TIME DEPOSITS | Dollars | 0 | 10,445,036 |
| MARKETABLE SECURITIES | Adjustable Ch\$ | 4,187,786 | 4,183,939 |
| MARKETABLE SECURITIES | Dollars | 26,119,132 | 54,372,054 |
| MARKETABLE SECURITIES | Non-adjust. Ch\$ | 176,393 | 194,133 |
| DEBTORS FROM SALES | Non-adjust. Ch\$ | 18,766,519 | 14,697,104 |
| DOCUMENTS RECEIVABLE | Non-adjust. Ch\$ | 995,423 | 1,673,336 |
| MISCELLANEOUS DEBTORS | Adjustable Ch\$ | 108,345 | 93,486 |
| MISCELLANEOUS DEBTORS | Non-adjust. Ch\$ | 51,033 | 13,923 |
| MISCELLANEOUS DEBTORS | Dollars | 668,952 | 567,918 |
| DOC.&ACTS. REC. REL. CO'S. | Non-adjust. Ch\$ | 4,890,723 | 2,151,322 |
| DOC.&ACTS. REC. REL. CO'S. | Adjustable Ch\$ | 1,361 | 15,821 |
| STOCK | Adjustable Ch\$ | 4,893,052 | 4,082,039 |
| STOCK | Dollars | 2,085,677 | 2,600,488 |
| REFUNDABLE TAX | Adjustable Ch\$ | 1,126,358 | 1,276,166 |
| EXPENSES PAID IN ADVANCE | Dollars | 311,513 | 334,727 |
| DEFERRED TAXES | Non-adjust Ch\$ | 843,755 | 362,459 |
| OTHER CURRENT ASSETS | Non-adjust Ch\$ | 6,850,685 | 4,085,704 |
| OTHER CURRENT ASSETS | Dollars | 261,775 | 561,647 |
| OTHER CURRENT ASSETS | Adjustable Ch\$ | 326,081 | 327,389 |
| TIME DEPOSITS | Non-adjust. Ch\$ | 5,004,267 | 0 |
| MARKETABLE SECURITIES | Euro | 29,132,370 | 0 |
| EXPENSES PAID IN ADVANCE | Non-adjust. Ch\$ | 28,136 | 0 |
| Fixed Assets | | | |
| FIXED ASSETS | Adjustable Ch\$ | 75,449,358 | 80,614,276 |
| Other Assets | | | |
| INVESTMENT REL. CO'S. | Adjustable Ch\$ | 145,666,038 | 144,970,802 |
| NEG. INVESTMENT GOODWILL | Adjustable Ch\$ | 1,821,374 | 1,992,171 |
| LONG-TERM DEBTORS | Adjustable Ch\$ | 119,106 | 151,965 |
| L-T DOC. REC. REL. CO'S. | Adjustable Ch\$ | 21,152,513 | 21,994,506 |
| OTHERS | Dollars | 8,561,947 | 9,574,639 |

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| | | | |
|--------------------------|------------------|-------------|-------------|
| OTHERS | Adjustable Ch\$ | 2,195,227 | 3,360,471 |
| OTHERS | Non-adjust. Ch\$ | 823,125 | 0 |
| L-T DOC. REC. REL. CO'S. | Non-adjust. Ch\$ | 855,171 | 0 |
| Total Assets | | | |
| | Non-adjust. Ch\$ | 40,612,678 | 24,473,425 |
| | Dollars | 38,153,114 | 78,966,182 |
| | Adjustable Ch\$ | 257,046,599 | 263,063,031 |
| | Euro | 29,132,370 | 0 |

Cristalerias de Chile S.A.

NOTE 37: LOCAL AND FOREIGN CURRENCY -

CURRENT LIABILITIES

| ITEM | Currency | Up to 90 days | | | |
|-----------------------------------|------------------|---------------|----------------|-----------|---|
| | | 06-30-2004 | | 06-30- | |
| | | Amount | Avg. Annual | Amount | |
| | | Thou Ch\$ | Int. Rate | Thou Ch\$ | I |
| Current Liabilities | | | | | |
| Long-Term Obligations | Dollars | 139,500 | 2.05 | 156,829 | |
| 1-year maturity | | | | | |
| Long-Term Obligations with public | Adjustable Ch\$ | 741,140 | 4.75 | 738,715 | |
| | Adjustable Ch\$ | 947,824 | 5.80 | 944,721 | |
| Dividend Payable | Non-adjust. Ch\$ | 651,595 | - | 509,838 | |
| Accounts Payable | Non-adjust. Ch\$ | 2,251,469 | - | 3,410,613 | |
| Documents Payable | Dollars | 2,575,956 | - | 2,760,113 | |
| Documents Payable | Other Currencies | 4,269 | - | 556,202 | |
| Miscellaneous Creditors | Non-adjust. Ch\$ | 222,426 | - | 218,512 | |
| Miscellaneous Creditors | Dollars | 613,151 | - | 789,627 | |
| Doc. and Accts. Payable rel Co | Non-adjust. Ch\$ | 939,803 | - | 672,972 | |
| Doc. and Accts. Payable rel Co | Adjustable Ch\$ | 1,761 | - | 3,549 | |
| Reserves | Adjustable Ch\$ | 367,771 | - | 311,482 | |
| Reserves | Non-adjust. Ch\$ | 4,619,150 | - | 3,633,176 | |
| Withholding | Non-adjust. Ch\$ | 661,448 | - | 390,574 | |
| Other Current Liabilities | Dollars | 1,718,914 | - | 0 | |
| Other Current Liabilities | Adjustable Ch\$ | 0 | - | 4,995,904 | |
| Reserves | Dollars | 0 | - | 0 | |
| Total Current Liabilities | | | | | |
| | Dollars | 5,047,521 | - | 3,706,569 | |
| | Adjustable Ch\$ | 2,058,496 | - | 6,994,371 | |
| | Non-adjust. Ch\$ | 9,345,891 | - | 8,835,685 | |
| | Other Currencies | 4,269 | - | 556,202 | |

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| ITEM | Currency | 90 Days to 1 Year | | | |
|-----------------------------------|------------------|-------------------|-----------|-----------|---|
| | | 06-30-2004 | | 06-30- | |
| | | Amount | Avg. | Amount | |
| | | Annual | | | |
| | | Thou Ch\$ | Int. Rate | Thou Ch\$ | I |
| ----- | | | | | |
| Current Liabilities | | | | | |
| Long-Term Obligations | Dollars | - | - | - | |
| 1-year maturity | | | | | |
| Long-Term Obligations with public | Adjustable Ch\$ | - | - | - | |
| | Adjustable Ch\$ | | | | |
| Dividend Payable | Non-adjust. Ch\$ | - | - | - | |
| Accounts Payable | Non-adjust. Ch\$ | - | - | - | |
| Documents Payable | Dollars | - | - | - | |
| Documents Payable | Other Currencies | - | - | - | |
| Miscellaneous Creditors | Non-adjust. Ch\$ | - | - | - | |
| Miscellaneous Creditors | Dollars | - | - | - | |
| Doc. and Accts. Payable rel Co | Non-adjust. Ch\$ | - | - | - | |
| Doc. and Accts. Payable rel Co | Adjustable Ch\$ | - | - | - | |
| Reserves | Adjustable Ch\$ | 185,502 | - | 183,430 | |
| Reserves | Non-adjust. Ch\$ | - | - | - | |
| Withholding | Non-adjust. Ch\$ | - | - | - | |
| Other Current Liabilities | Dollars | - | - | - | |
| Other Current Liabilities | Adjustable Ch\$ | - | - | - | |
| Reserves | Dollars | 1,997,982 | - | - | |
| Total Current Liabilities | | | | | |
| | Dollars | 1,997,982 | - | - | |
| | Adjustable Ch\$ | 185,502 | - | 183,430 | |
| | Non-adjust. Ch\$ | - | - | - | |
| | Other Currencies | - | - | - | |

Cristalerias de Chile S.A.

NOTE 37: LOCAL AND FOREIGN CURRENCY -

LONG-TERM LIABILITIES CURRENT PERIOD 06-30-2004

| ITEM | Currency | 1-3 Years | | |
|-------|----------|-----------|---------------|------|
| | | Amount | Average | Amo |
| | | Thou Ch\$ | Interest Rate | Thou |
| ----- | | | | |

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| | | | | |
|---|------------------|------------|------|--------|
| Obligations with Banks and Financial Institutions | Dollars | 7,953,750 | 205 | 23,861 |
| Obligations with public bond Serie C | Adjust. Ch\$ | - | - | |
| Obligations with public bond Serie D | Adjust. Ch\$ | - | - | |
| Deferred Custom Duties | Dollars | 123,473 | 1225 | |
| Long-term Creditors | Adjust. Ch\$ | 38,781 | - | |
| Long-term Reserves | Dollars | 2,196,952 | - | |
| Long-term Reserves | Adjust. Ch\$ | 4,220,678 | - | |
| Deferred Taxes | Non-adjust. Ch\$ | 2,756,681 | - | |
| Total Long-term Liabilities | Dollars | 10,274,175 | - | 23,861 |
| | Adjust. Ch\$ | 4,259,459 | - | |
| | Non-adjust. Ch\$ | 2,756,681 | - | |

| ITEM | Currency | 5-10 Years | | M Thou |
|---|------------------|---------------------|--------------------------|-----------|
| | | Amount Thou Ch\$ | Average Interest Rate | |
| Obligations with Banks and Financial Institutions | Dollars | - | - | |
| Obligations with public bond Serie C | Adjust. Ch\$ | 34,029,900 | 475 | |
| Obligations with public bond Serie D | Adjust. Ch\$ | - | - | 35,731 |
| Deferred Custom Duties | Dollars | - | - | |
| Long-term Creditors | Adjust. Ch\$ | - | - | |
| Long-term Reserves | Dollars | - | - | |
| Long-term Reserves | Adjust. Ch\$ | - | - | |
| Deferred Taxes | Non-adjust. Ch\$ | - | - | |
| Total Long-term Liabilities | Dollars | - | - | |
| | Adjust. Ch\$ | 34,029,900 | - | 35,731 |
| | Non-adjust. Ch\$ | - | - | |

Cristalerias de Chile S.A.

NOTE 37: LOCAL AND FOREIGN CURRENCY -

LONG-TERM LIABILITIES PREVIOUS PERIOD 06-30-2003

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| ITEM | Currency | 1-3 Years | | Amount Thou Ch\$ | Average Interest Rate | Amount Thou |
|---|------------------|---------------------|--------------------------|---------------------|--------------------------|----------------|
| | | Amount Thou Ch\$ | Average Interest Rate | | | |
| Obligations with banks and financial institutions | Dollars | 8,791,434 | 2.113 | | | 26,374 |
| Obligations with public bond Serie C | Adjust. Ch\$ | 0 | - | | | |
| Obligations with public bond Serie D | Adjust. Ch\$ | 0 | - | | | |
| Long-term Creditors | Dollars | 141,433 | 12.25 | | | |
| Long-term Creditors | Adjust. Ch\$ | 45,111 | - | | | |
| Long-term Reserves | Dollars | 3,441,104 | - | | | |
| Long-term Reserves | Adjustable Ch\$ | 4,137,196 | - | | | |
| Deferred Taxes | Non-adjust. Ch\$ | 2,329,590 | - | | | |
| Total Long-term Liabilities | | | | | | |
| - | Dollars | 12,373,971 | - | | | 26,374 |
| - | Adjust. Ch\$ | 4,182,307 | - | | | |
| - | Non-adjust. Ch\$ | 2,329,590 | - | | | |

| ITEM | Currency | 5-10 Years | | Amount Thou Ch\$ | Average Interest Rate | Amount Thou |
|---|------------------|---------------------|--------------------------|---------------------|--------------------------|----------------|
| | | Amount Thou Ch\$ | Average Interest Rate | | | |
| Obligations with banks and financial institutions | Dollars | - | - | | | |
| Obligations with public bond Serie C | Adjust. Ch\$ | 34,122,856 | 4.75 | | | |
| Obligations with public bond Serie D | Adjust. Ch\$ | | - | | | 35,828 |
| Long-term Creditors | Dollars | - | - | | | |
| Long-term Creditors | Adjust. Ch\$ | - | - | | | |
| Long-term Reserves | Dollars | - | - | | | |
| Long-term Reserves | Adjustable Ch\$ | - | - | | | |
| Deferred Taxes | Non-adjust. Ch\$ | - | - | | | |
| Total Long-term Liabilities | | | | | | |
| - | Dollars | - | - | | | |
| - | Adjust. Ch\$ | 34,122,856 | - | | | 35,828 |
| - | Non-adjust. Ch\$ | - | - | | | |

38. Penalties

In the 2004 and 2003 fiscal years no penalties have been applied to the

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Company, the members of the Board or Company Managers by the SVS or other administrative authorities.

39. Subsequent Events

On Jun 22, 2004 the Company agreed paying dividend N(degree) 158 of Ch\$ 20 per share over 64,000,000 shares (Th Ch\$ 1,280,000) which was made effective on July 15, 2004.

There have not been subsequent events recorded that could significantly affect the Company's economic and financial situation since the closing date of the financial statements and the issue of this report.

40. Environment

Following its permanent concern to preserve the environment, as of June 30, 2004 the Company has paid Th Ch\$ 2,644 for assessments for this concept, which have been charged to 2004 fiscal year result.

During fiscal year 2003 the Company made investments of Th Ch\$ 206,705 which correspond to the purchase of NOX emmissions treatment equipment for new Furnace B.

41. TIME DEPOSITS

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

| INSTITUTION | Currency | 2004 Th Ch\$ | 2003 Th Ch\$ |
|--------------------------------|----------|------------------------|-------------------------|
| ----- | ----- | ----- | ----- |
| Banco de A. Edwards (Chile) | US\$ | | 2,446,112 |
| Banco Santander | US\$ | | 4,510,021 |
| Banco Deutsche Bank Chile S.A. | US\$ | | 2,397,748 |
| Banco Santander N.Y. | US\$ | | 1,091,155 |
| Banco Santander | \$ | 5,004,267 | 0 |
| | | ----- | ----- |
| TOTAL | | 5,004,267 ===== | 10,445,036 ===== |

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42. STOCK TRANSACTIONS

During 2004 and 2003 fiscal years, the following stock transactions were carried out by members of the board, controlling stockholders, related individuals and entities.

TRANSACTIONS OF INDIVIDUALS 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 | 0 | 0 | 0 |

- o BSG related with Director Mr. Baltazar Sanchez
- o RCV related with the President Mr. Ricardo Claro

TRANSACTIONS OF DIRECTORS, MANAGEMENT AND ACCOUNT INSPECTORS

None.

TRANSACTIONS OF MAJORITY SHAREHOLDERS

None.

43. DISTRIBUTION OF SHAREHOLDERS

The distribution of stockholders as of June 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 | 65.84 | 65.83 | 276 | 269 |
| Less than 10% shareholding with investment lower than | | | | |

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| | | | | |
|------------------------------|--------|--------|-------|-------|
| 200 UF | 0.13 | 0.14 | 741 | 781 |
| TOTAL | 100.00 | 100.00 | 1,018 | 1,051 |
| CONTROLLER OF THE COMPANY | 52.14 | 52.14 | 3 | 3 |

44. BOARD COMPENSATION

As of June 30, 2004 and 2003 payments were made for compensation and profit sharing in the amount of Th Ch\$ 264,421 and Th Ch\$ 715,991, respectively, according to the following detail:

| | 2004 ThCh\$ | 2003 ThCh\$ |
|---|----------------|----------------|
| | ----- | ----- |
| Share of previous fiscal year profits | 257,061 | 710,664 |
| Compensation for assistance to sessions | 5,576 | 3,977 |
| Compensation for Board Committee | 1,784 | 1,350 |
| | ----- | ----- |
| TOTAL | 264,421 | 715,991 |
| | ===== | ===== |

On the other hand, reserves were made for participation in profits for fiscal year 2004 in the amount of Th Ch\$ 285,011 (Th Ch\$ 118,306 in 2003).

RELEVANT EVENTS

On June 23, 2004, the SVS was informed that in the previous day, the Board of the Company had approved a US\$ 210 million investment plan, in order to duplicate the production of glass containers in a 10 year period.

The first stage of the development plan considers the construction of a new plant, equipped with 4 new fabrication lines and a furnace with a production capacity of 360 tons per day, which supposes a US\$ 110 million investment and that would be financed by a combination of internal resources and credits. Start of operations is scheduled for 2006 and will allow to increase the present capacity of production by 35%.

The following stages of expansion imply adding 7 fabrication lines and 2 furnaces with production capacities over 400 tons per day, which will be materialized in successive stages, in line with market needs.

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Return on dividends: amortization, and extraordinary items.
Sum of dividends paid in the last twelve months
divided by market price of stock at closing of
period.

The main trends observed in the indicators of the first half of 2004 are the following:

LIQUIDITY INDICES

Despite an increase in current assets with respect to December 2003, liquidity indices decrease slightly due to higher provisions and notes payable.

INDEBTEDNESS INDICES

The indebtedness index remains almost unvaried for the analyzed period.

Indebtedness with banks, which corresponds to syndicated loan of US\$50 million, shows a slight increase in Chilean peso terms, due to the variation of the exchange rate that passed from Ch\$ 593,80 in December 2003 to Ch\$ 636,30 as of June 30, 2004.

The interest expenses coverage ratio shows an increase with respect to the previous year, due to higher net income during the first half of 2004.

ACTIVITY INDICES

Inventory turnover and permanence deteriorated slightly due to an increase in stock of finished products. This is the result of stationarity of the glass demand.

RESULTS

The operating result shows an increase with respect to June 2003 due to lower costs of sales.

Likewise, the non-operating result shows a decrease of the loss as a result of the positive exchange differences balance registered during the present semester.

PROFITABILITY INDICES

Profitability and equity indices show an increase with respect to March and December 2003, due to a higher net income during the present fiscal year.

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

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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 June 30, 2004, there were financial investments in stocks recorded according to their purchase price of Th Ch\$ 4,188 million, whose market value on the same date was Th Ch\$ 5,410 million.

3. RESULTS AS OF JUNE 2004

3a. Individual Result

The Company had non-consolidated sales of Ch\$ 33,298 million, compared to Ch\$ 33,524 million in the previous fiscal year. Volumes sold increased by 7.4%, reaching 120,393 tons., mainly due to higher sales of bottles for wine, the returnable beer and food markets; partially compensated by lower sales to the non-returnable beer, liquor and soft drinks markets. Average prices declined by 7.5%, mainly explained by the strong decrease in the US\$/Peso exchange rate that passed from Ch\$ 723,66 per dollar on average during the first semester of 2003 to Ch\$ 608,22 per dollar on average during the first semester of 2004. Operating income reached Ch\$ 10,135 million, 4.6% over 2003.

Non-operating result was a Ch\$ 1,449 million loss, which compares to a Ch\$ 5,986 million loss in 2003. The former is mainly explained by an income from exchange differences of Ch\$ 1,391 million in 2004, compared to a Ch\$ 3,617 million loss in 2003. During 2004 a higher loss in Cristalchile Comunicaciones (owner of 50% of Metropolis -Intercom) is registered and a lower income in Envases CMF. The former was partially compensated by higher income in CIECSA and Vina Santa Rita.

3b. Result in Subsidiaries

Santa Rita's net income reached Ch\$ 3,553 million, 23.3% over 2003. In the local market, prices increased by 10.0% in real terms, while volumes increased by 9.5%. Sales in this market increased by 20.4% reaching Ch\$ 17,383 million. During the period, export volume sales increased by 6.6%, representing 50.2% of total revenues, in the amount of US\$ 30.0 million (US\$ 26.8 million in 2003). Operating income reached Ch\$4,149 million compared with Ch\$ 4,997 million in 2003, fundamentally due to higher costs of musts and a decrease of the Peso/US\$ exchange rate that affects export returns. Santa Rita's average price in dollars per case for the export market reached US\$ 34.1 (US\$ 32.4 in 2003), while the average price for the industry was US\$ 24.3 per case (US\$ 23.7 in 2003). Santa Rita

had a Ch\$ 364 million non-operating income, compared to a Ch\$ 1,385 million loss in 2003, mainly due to a income from exchange differences of Ch\$ 965 million compared with Ch\$ 740 million loss in 2003.

Red Televisiva Megavision, CIECSA's main subsidiary, registered a Ch\$1,125 million operating income, compared with an Ch\$ 814 million operating income in 2003. MEGA reached the first place in audience with an audience viewership

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share of 25.4% during the period(1) (22.7% in 2003). Net sales increased by 8.3% reaching Ch\$ 12,341 million, due to an increase in live programming, which has resulted in higher audience levels. MEGA had an Ch\$ 811 million net income (Ch\$ 210 million income in 2003). CIECSA's net income was Ch\$ 927 million, compared to Ch\$ 75 million income the previous year.

Envases CMF S.A. registered a Ch\$ 298 million net income in 2004 compared with a Ch\$1,226 million net income in 2003. This is mainly explained by the non-operating result, which during 2003 registered a net income from price level restatement and exchange differences of Ch\$ 435 million, compared to a Ch\$ 205 million loss during the present period. Sales reached Ch\$ 14,941 million during the period compared with Ch\$ 16,375 million in 2003. Volume sales decreased by 4.1%, reaching 10,557 tons, due to a decline in pre forms exports and lower sales of one-way formats; while average prices decreased by 5.1% influenced by the decrease of the Peso/US\$ rate of exchange. As a result the aforementioned operating income reached Ch\$ 1,191 million, compared with Ch\$ 1,615 million in 2003.

In the cable TV area, 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\$ 22,186 million, compared with Ch\$ 22,408 million in 2003. Metropolis-Intercom had a net loss of Ch\$ 5,962 million, compared with a net loss of Ch\$ 4,845 million in 2003. This lower result is mainly due to a one-time Ch\$ 775 million charge, that affects the non-operating result of the company. Metropolis-Intercom's EBITDA reached Ch\$3,192 million during the period (Ch\$ 2,944 million in 2003). The latter includes a depreciation charge of Ch\$ 7,338 million (Ch\$ 6,672 million in 2003) corresponding to the HFC network acquired in July 2000. The company ended the period with 223,820 basic subscribers (237,324 in 2003), 28,970 premium service subscribers (33,440 in 2003), 38,503 broadband internet subscribers (31,5% over 2003) and 9,255 IP telephony subscribers.

As a result of the above mentioned and a negative goodwill amortization charge through Cordillera Comunicaciones of Ch\$ 2,088 million during the year (Ch\$ 2,095 million in 2003), Cristalchile Comunicaciones recorded a net loss of Ch\$ 4,041 million (net loss of Ch\$3,468 million in 2003).

INVESTMENTS

(1) Measured between 6:30 A.M. and 1:30 A.M. (i.e:19 hours a day) from Monday through Sunday.

On June 23, 2004, Cristalerías de Chile announced that it will invest US\$210 million in a development plan that will allow it to duplicate its glass production installed capacity - from 300 thousand tons per year to 600 thousand tons per year- and adequately attend the increasing demand of its customers.

The initiative, that would be materialized in a term of up to 10 years, was approved unanimously by the Board and contemplates materialization in successive stages, according to market needs.

The first stage of the development plan considers the construction of a new plant, equipped with 4 new fabrication lines and a furnace with production

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capacity of 360 tons per day, that supposes US\$ 110 million investment and that would be financed by a combination of internal resources and credits. Start up of operations is scheduled for 2006 and will allow to increase the present production capacity by 35%.

Following stages of the expansion imply adding 7 fabrication lines and 2 furnaces with production capacities over 400 tons per day.

4. CASH FLOW STATEMENT

As of June 30, 2004 a total net positive flow of Ch\$ 9,119 million was generated, which is explained by a positive flow generated by operating activities of Ch\$ 18,827 million, which was decreased by a negative financing flow of Ch\$2,595 million and a negative flow of investment activities for Ch\$7,113 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 financial interests.

The negative financing flow is especially explained by the payment of dividends.

The investment flow is mainly explained by the incorporation of fixed assets for Ch\$ 3,356 million, and loans granted to related companies for Ch\$ 3,805 million.

The above mentioned results in an increase in the final balance of cash and cash equivalent, which passed from Ch\$ 60,480 million as of December 31, 2003 to Ch\$ 69,016 million as of June 30, 2004.

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

5. RISKS ANALYSIS

a. Interest rates

The Company is exposed to the risk of fluctuations in interest rates on its long-term debt, corresponding to a US\$50 million loan, which was negotiated annual rate of Libor plus 0.8% percentage points. In addition, the Company issued bonds in two series for a total equivalent to UF 4.1 million, for a period of 6 and 21 years, and which pay a fixed rate of 4.75% and 5.8% respectively (the actual placement rate was 5.3% and 6.5% respectively).

As of June 30, 2004, the Company had available funds in the amount of Ch\$67,545 million, invested at different terms in financial instruments such as time deposits, bonds, fixed rate mutual funds and agreements with resale commitment. That amount does not include Ch\$ 8,539 million in bonds with maturity on September 15, 2005, and an investment in shares for Ch\$ 4,186 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.

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b. Exchange rate

The Company maintains liabilities in dollars of US\$64.7 million, which represent 11.3% of its assets, and which include a balance of a long-term syndicated loan of US\$50 million.

As of June 30, the Company has investments in dollars of US\$54.9 million in time deposits, bonds and fixed rate mutual funds. In addition, also has investments in EUROS 37.5 million in fixed rate and fixed rent instruments. Likewise it also has Dollar purchase future contracts of US\$37.6 million which are compensated by sale future contracts of US\$ 60.6 million.

On the other hand, approximately 35% of the Company's revenues are adjustment by the exchange rate variation. Costs in foreign currency represent approximately 27% of the total costs.

FECU (Standardized Quarterly Financial Report)

1. IDENTIFICATION

| | | |
|------------|------------------------------|----------------------------|
| 1.01.05.00 | Firm Name | |
| | | CRISTALERIAS DE CHILE S.A. |
| 1.01.04.00 | Company RUT | 90331000-6 |
| 1.00.01.10 | Starting date | 1/1/2004 |
| 1.00.01.20 | Closing date | 6/30/2004 |
| 1.00.01.30 | Type of Currency | Chilean Pesos |
| 1.00.01.40 | Type of Financial Statements | Consolidated |

Independent Auditors' Report
Referred to Interim Consolidated Financial Statements
As of June 30, 2004

To the Shareholders and Directors of
Cristalerias de Chile S.A.:

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We have revised the general consolidated balance sheets of Cristalerias de Chile S.A. and subsidiaries as of June 30, 2004 and 2003 and the corresponding consolidated statements of income and cash flows for the six months periods ended on those dates. These financial statements and their corresponding notes are the responsibility of Cristalerias de Chile S.A. and subsidiaries' management. The Ratio Analysis and Relevant Events attached are not part of these financial statements; therefore this report does not extend to them.

We have effected our revisions in accordance with audit norms established in Chile for a revision of interim financial information. A revision of interim financial information consists mainly in applying analytic revision procedures of the financial statements and effect inquiries to the responsible financial and accounting personnel. The extent of this revision is substantially lower than an audit effected according to generally accepted accounting principles in Chile, in which case the objective is to express an opinion on financial statements as a whole. Consequently, the interim consolidated financial statements as of June 30, 2004 and 2003 have not been audited and, therefore, we are not in condition for expressing, nor we express an opinion.

Based on our revision of the interim consolidated financial statements as of June 30, 2004 and 2003, we have no knowledge of significant adjustments needed to be made to them in order for them to be in accordance with generally accepted accounting principles in Chile.

Ruben Lopez D.
R.U.T.: 9.385.460-8

Ernst & Young Ltda.
Auditors' R.U.T.: 77.802.430-6

Santiago, July 28, 2004

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. | 06-30-04 | 06-30-03 |
|--|----------|-------------|-------------|
| | | | |
| 5.11.00.00 TOTAL CURRENT ASSETS | | 191,655,613 | 185,100,000 |
| 5.11.10.10 Cash | | 2,337,271 | 2,500,000 |
| 5.11.10.20 Time deposits | 41 | 5,384,461 | 12,100,000 |
| 5.11.10.30 Marketable securities (net) | 4 | 67,806,888 | 67,700,000 |
| 5.11.10.40 Debtors from sales (net) | 5 | 40,919,449 | 35,200,000 |
| 5.11.10.50 Documents receivable (net) | 5 | 4,765,988 | 4,500,000 |
| 5.11.10.60 Sundry debtors (net) | 5 | 3,013,052 | 1,700,000 |
| 5.11.10.70 Doc. & accts receivable related Co. | 6 | 3,691,705 | 5,000,000 |
| 5.11.10.80 Inventories (net) | 7 | 47,218,588 | 45,000,000 |
| 5.11.10.90 Recoverable taxes | 8 | 1,480,533 | 2,000,000 |
| 5.11.20.10 Prepaid expenses | | 1,985,130 | 1,700,000 |
| 5.11.20.20 Deferred taxes | 8 | 1,741,034 | 900,000 |
| 5.11.20.30 Other current assets | 10 | 11,311,514 | 10,600,000 |
| 5.11.20.40 Leasing contracts (net) | | 0 | |
| 5.11.20.50 Leasing assets (net) | | 0 | |

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| | | | | |
|------------|--|----|---------------|--------|
| 5.12.00.00 | TOTAL FIXED ASSETS | 12 | 135,583,958 | 140,8 |
| 5.12.10.00 | Land | 12 | 13,442,643 | 13,1 |
| 5.12.20.00 | High rises & infrastructure | 12 | 64,321,481 | 61,3 |
| 5.12.30.00 | Machinery & equipment | 12 | 148,348,627 | 143,3 |
| 5.12.40.00 | Other fixed assets | 12 | 11,729,704 | 10,5 |
| 5.12.50.00 | Positive goodwill from technical revaluation of fixed assets | 12 | 6,659,823 | 7,7 |
| 5.12.60.00 | Depreciation (minus) | 12 | (108,918,320) | (95,44 |
| 5.13.00.00 | TOTAL OTHER ASSETS | | 136,210,144 | 143,6 |
| 5.13.10.10 | Investment in related companies | 14 | 100,763,973 | 107,2 |
| 5.13.10.20 | Investment in other companies | 15 | 788,803 | 8 |
| 5.13.10.30 | Negative goodwill | 16 | 8,995,298 | 9,3 |
| 5.13.10.40 | Positive goodwill (minus) | | 0 | |
| 5.13.10.50 | Long-term debtors | 5 | 204,430 | 1 |
| 5.13.10.60 | Doc. & accts receivable related Co. | 6 | 1,106,556 | |
| 5.13.10.65 | Long-term deferred taxes | | 0 | |
| 5.13.10.70 | Intangibles | 17 | 11,913,536 | 11,8 |
| 5.13.10.80 | Amortization (minus) | 17 | (1,325,968) | (1,10 |
| 5.13.10.90 | Other | 18 | 13,763,516 | 15,3 |
| 5.13.20.10 | Long-term leasing contracts (net) | | 0 | |
| 5.10.00.00 | TOTAL ASSETS | | 463,449,715 | 469,6 |

LIABILITIES

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

| LIABILITIES | NOTE No. | 06-30-04 | 06-30-04 | |
|-------------|--|----------|------------|------|
| ----- | ----- | ----- | ----- | |
| 5.21.00.00 | TOTAL CURRENT LIABILITIES | | 52,198,981 | 56,2 |
| 5.21.10.10 | Short-term oblig. Banks & Fin. Inst. | 19 | 6,968 | |
| 5.21.10.20 | Short-term portion - Long-term oblig. Banks & Financial Institutions | 19 | 2,833,925 | 4,0 |
| 5.21.10.30 | Obligations with the public (notes) | | 0 | |
| 5.21.20.40 | Short-term portion oblig with public | 22 | 1,740,471 | 1,7 |
| 5.21.10.50 | Long-term oblig. due within 1 year | | 74,279 | 2 |
| 5.21.10.60 | Dividends payable | | 652,088 | 5 |
| 5.21.10.70 | Accounts payable | | 16,114,615 | 18,9 |
| 5.21.10.80 | Notes payable | | 3,184,042 | 4,0 |
| 5.21.10.90 | Sundry creditors | | 891,189 | 2,5 |
| 5.21.20.10 | Notes & accts payable related Co. | 6 | 1,104,714 | 7 |
| 5.21.20.20 | Provisions | 23 | 17,245,411 | 12,0 |
| 5.21.20.30 | Withholdings | | 2,293,589 | 1,4 |
| 5.21.20.40 | Income tax | | 0 | |

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| | | | | | |
|------------|-------------|--|----|-------------|-------|
| | 5.21.20.50 | Earned income | | 4,136,733 | 3,9 |
| | 5.21.20.60 | Deferred taxes | 8 | 0 | |
| | 5.21.20.70 | Other current liabilities | 20 | 1,920,957 | 5,9 |
| 5.22.00.00 | | TOTAL LONG-TERM LIABILITIES | | 136,721,197 | 144,9 |
| | 5.22.10.00 | Oblig with Banks & Financial Inst. | 21 | 35,266,974 | 42,0 |
| | 5.22.20.00 | Long-term oblig with public (bonds) | 22 | 90,179,235 | 90,4 |
| | 5.22.30.00 | Long-term notes payable | | 0 | |
| | 5.22.40.00 | Long-term sundry debtors | | 205,331 | 3 |
| | 5.22.50.00 | Long-term notes & accts. payable related companies | 6 | 0 | |
| | 5.22.60.00 | Long-term provisions | 23 | 6,417,630 | 7,5 |
| | 5.22.70.00 | Long-term deferred taxes | 8 | 4,652,027 | 4,5 |
| | 5.22.80.00 | Other long-term liabilities | | 0 | |
| 5.23.00.00 | | MINORITY INTEREST | 26 | 39,137,297 | 37,4 |
| 5.24.00.00 | | TOTAL EQUITY | 27 | 235,392,240 | 231,0 |
| | 5. 24.10.00 | Paid-in capital | 27 | 65,396,749 | 65,1 |
| | 5. 24.20.00 | Reserve capital revaluation | 27 | 523,174 | 7 |
| | 5. 24.30.00 | Premium in sale of own shares | 27 | 28,097,372 | 28,0 |
| | 5. 24.40.00 | Other reserves | 27 | 7,499,397 | 9,1 |
| | 5. 24.50.00 | Retained earnings (addition of codes 5.24.51.00 to 5.24.56.00) | | 133,875,548 | 127,9 |
| | 5.24.51.00 | Reserve future dividends | 27 | 128,030,273 | 125,9 |
| | 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 | 7,125,275 | 2,9 |
| | 5.24.55.00 | Prov. dividends (minus) | 27 | (1,280,000) | (96 |
| | 5.24.56.00 | Accr. deficit dev. period | 27 | 0 | |
| 5.20.00.00 | | TOTAL LIABILITIES | | 463,449,715 | 469,6 |

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. | 06-30-04 | 06-3 | |
|------------------|----------|-----------------------|--------------|--------|
| ----- | ----- | ----- | ----- | |
| 5.31.11.00 | | OPERATING INCOME | 15,734,425 | 15,6 |
| 5.31.11.10 | | Gross Margin | 28,924,101 | 27,6 |
| 5.31.11.11 | | Sales | 80,298,906 | 76,9 |
| 5.31.11.12 | | Costs (minus) | (51,374,805) | (49,27 |
| 5.31.11.20 | | Adm. & sales expenses | (13,189,676) | (12,04 |

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| | | | | |
|------------|-----------------------------------|----|-------------|-------|
| | (minus) | | | |
| 5.31.12.00 | NON-OPERATING RESULTS | | (4,239,480) | (9,88 |
| 5.31.12.10 | Interest income | | 989,141 | 1,6 |
| 5.31.12.20 | Income investments | 14 | 969,006 | 1,7 |
| | Rel. Co. | | | |
| 5.31.12.30 | Other non-operating | 28 | 667,949 | 4 |
| | income | | | |
| 5.31.12.40 | Loss investments Rel. | 14 | (4,135,296) | (3,67 |
| | Co. (-) | | | |
| 5.31.12.50 | Amortization | 16 | (322,921) | (31 |
| | neg.goodwill (-) | | | |
| 5.31.12.60 | Interest expenses | | (3,337,812) | (3,49 |
| | (minus) | | | |
| 5.31.12.70 | Other non-operat | 28 | (1,179,937) | (1,10 |
| | expenses (-) | | | |
| 5.31.12.80 | Price level | 29 | (307,756) | (66 |
| | restatement | | | |
| 5.31.12.90 | Exchange differences | 30 | 2,418,146 | (4,46 |
| 5.31.10.00 | RESULTS BEFORE INCOME TAX | | 11,494,945 | 5,7 |
| | AND EXTRAORDINARY ITEMS | | | |
| 5.31.20.00 | INCOME TAX | 8 | (2,670,024) | (1,43 |
| 5.31.30.00 | EXTRAORDINARY ITEMS | 31 | 0 | |
| 5.31.40.00 | PROFIT (LOSS) BEFORE | | 8,824,921 | 4,2 |
| | MINORITY INTEREST | | | |
| 5.31.50.00 | MINORITY INTEREST | 26 | (1,699,646) | (1,33 |
| 5.31.00.00 | NET INCOME (LOSS) | | 7,125,275 | 2,9 |
| 5.32.00.00 | Amortization of positive goodwill | | 0 | |
| 5.30.00.00 | INCOME (LOSS) FOR THE YEAR | | 7,125,275 | 2,9 |

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. | 06-30-04 | 06-30 |
|----------------------------|--------------------------------|--------------|--------|
| ----- | ----- | ----- | ----- |
| 5.41.11.00 | NET FLOW FROM OP. ACT. | 21,112,235 | 21,0 |
| 5.41.11.10 | Collection from sales debtors | 93,799,010 | 98,5 |
| 5.31.11.20 | Interests received | 4,272,766 | 2,2 |
| 5.31.11.30 | Dividends & other | 1,079,693 | 1 |
| | distributions funds received | | |
| 5.31.11.40 | Other income | 1,153,195 | 2,5 |
| 5.31.11.50 | Payments to suppliers & | (66,593,878) | (68,96 |
| | personnel (-) | | |
| 5.31.11.60 | Interest paid (minus) | (3,818,916) | (3,24 |
| 5.31.11.70 | Income tax paid (minus) | (1,559,357) | (2,79 |
| 5.31.11.80 | Other expenses paid (minus) | (714,629) | (2,68 |
| 5.31.11.90 | V.A.T. & other similar paid | (6,505,649) | (4,73 |
| | (minus) | | |
| 5.41.12.00 | CASH FLOW FINANCING ACTIVITIES | (3,929,584) | (10,17 |
| 5.41.12.05 | Proceeds from share issue | 0 | |

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| | | | | |
|------------|---|----|--------------|---------|
| 5.41.12.10 | Loans received | | 0 | |
| 5.41.12.15 | Obligations with the public | | 0 | |
| 5.41.12.20 | Secured loans from related companies | | 54,017 | |
| 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) | | (3,135,444) | (8,12) |
| 5.41.12.40 | Capital distributions (minus) | | 0 | |
| 5.41.12.45 | Repayment of loans (minus) | | (823,133) | (1,84) |
| 5.41.12.50 | Payment of obligations with the public (-) | | 0 | (21) |
| 5.41.12.55 | Repayment of secured loans from rel Co. (-) | | (25,024) | (7) |
| 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 | | (11,196,003) | (15,75) |
| 5.41.13.05 | Sale of fixed assets | | 69,055 | 2 |
| 5.41.13.10 | Sale of permanent investments | | 0 | |
| 5.41.13.15 | Sale of other investments | 33 | 398 | |
| 5.41.13.20 | Proceeds secured loans to related Comp. | | 0 | |
| 5.41.13.25 | Proceeds other loans to related companies | | 28,819 | 1,9 |
| 5.41.13.30 | Other investment income | 33 | 0 | 1,9 |
| 5.41.13.35 | Incorporation of fixed assets (minus) | | (7,252,623) | (19,57) |
| 5.41.13.40 | Capitalized interests payment (minus) | | 0 | |
| 5.41.13.45 | Permanent Investments (minus) | | (437) | |
| 5.41.13.50 | Investments in financial instruments (minus) | | 0 | (7) |
| 5.41.13.55 | Other loans to related companies (minus) | | (3,803,547) | |
| 5.41.13.60 | Other loans to related companies (minus) | | (2,465) | (|
| 5.41.13.65 | Other distrib of funds on invest activities (-) | 33 | (235,203) | (31) |
| 5.41.00.00 | TOTAL NET CASH FLOW FOR THE PERIOD | | 5,986,648 | (4,90) |
| 5.42.20.00 | EFFECT OF INFLATION ON CASH & CASH EQUIV. | | 82,812 | (1,63) |
| 5.41.00.00 | NET CHANGE IN & CASH EQUIVALENT | | 6,069,460 | (6,53) |
| 5.42.00.00 | CASH & CASH EQUI AT BEGINNING OF PERIOD | | 76,213,878 | 94,8 |
| 5.43.00.00 | CASH & CASH EQUIV BALANCE AT END OF PERIOD | | 82,283,338 | 88,3 |

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

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| CASH FLOW - INCOME STATEMENT RECONCILIATION | NOTE No. | 06-30-04 |
|--|----------|--------------|
| 5.50.10.00 Profit (Loss) for the year | | 7,125,275 |
| 5.50.20.00 Profit (Loss) in sale of assets | | 98,723 |
| 5.50.20.10 (Profit) Loss in sale of fixed assets | | 98,529 |
| 5.50.20.20 Profit in sale of investments (minus) | | 0 |
| 5.50.20.30 Loss in sale of investments | | 194 |
| 5.50.20.40 (Profit) Loss in sale of other assets | | 0 |
| 5.50.30.00 Non-cash charges (credits) to results | | 15,976,546 |
| 5.50.30.05 Depreciation for the year | 12 | 7,743,099 |
| 5.50.30.10 Amortization of intangibles | | 522,168 |
| 5.50.30.15 Write-offs and provisions | | 2,194,521 |
| 5.50.30.20 Accrued earnings from investments in related com. (minus) | 14 | (969,006) |
| 5.50.30.25 Accrued losses from investments in related Co. | 14 | 4,135,296 |
| 5.50.30.30 Negative goodwill amortization | 16 | 322,921 |
| 5.50.30.35 Positive goodwill amortization (minus) | | 0 |
| 5.50.30.40 Price level restatement | 29 | 307,756 |
| 5.50.30.45 Net exchange difference | 30 | (2,418,146) |
| 5.50.30.50 Other non-cash credits to results (minus) | | (769,854) |
| 5.50.30.55 Other non-cash debits to results | | 4,727,791 |
| 5.50.40.00 Changes in Assets affecting cash flow (incr) decreases | | (22,180,123) |
| 5.50.40.10 Debtors from sales | | (6,141,083) |
| 5.50.40.20 Inventory | | (15,364,501) |
| 5.50.40.30 Other assets | | (674,539) |
| 5.50.50.00 Changes in liabilities affecting cash flow increases (decr) | | 18,572,168 |
| 5.50.50.10 Accounts payable related to results for the year | | 17,758,985 |
| 5.50.50.20 Interests payable | | (760,016) |
| 5.50.50.30 Income tax payable (net) | | 1,446,716 |
| 5.50.50.40 Other accounts payable related to non-oper results | | 533,207 |
| 5.50.50.50 VAT and other taxes payable (net) | | (406,724) |
| 5.50.60.00 Profit (Loss) of minority interest | | 1,699,646 |
| 5.50.00.00 NET OPERATING CASH FLOW | | 21,112,235 |

01. Registration in the Securities Register

IDENTIFICATION OF THE COMPANY AND REGISTRATION IN THE SECURITIES REGISTER

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

The subsidiary S.A. Vina Santa Rita is registered in the Securities Register under number 390 of the S.V.S.

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02. Applied Accounting Criteria

APPLIED ACCOUNTING CRITERIA

a) Accounting Period

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

b) Preparation basis of financial statements:

These consolidated financial statements as of June 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

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 June 30, 2004 by 0.6%.

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.

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 of 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, Vina Centenaria S.A., with 100% stake, Vina Dona Paula S.A. with 100% stake and Sur Andino S.A., with a 100% stake in 2004 and 2003.

Amounts and effects of transactions between consolidated companies have been eliminated and the stake of minority investors is presented in the balance sheet as Minority Interest.

e) Adjustment for Currency Devaluation (Price Level Restatement)

Consolidated financial statements have been restated considering the variation in the purchasing power of the currency, occurred in the first half of 2004, that reached 0.8% (1.1% in 2003).

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

f) Conversion Basis

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Balances in foreign currency and indexed currency units (unidades de fomento) have been converted to pesos at the indicated parities:

| | 2004 | 2003 |
|-------------------|-----------|-----------|
| | ----- | ----- |
| | Ch\$ | Ch\$ |
| U.S. Dollar | 636.30 | 699.12 |
| Pound Sterling | 1,157.12 | 1,157.48 |
| Swedish Crown | 509.16 | 517.18 |
| EURO | 775.88 | 803.86 |
| Unidad de Fomento | 17,014.95 | 16,959.67 |

g) Marketable Securities and Time Deposits

Transactions in short-term fixed income instruments are shown at the return value of the investment, which does not exceed the market value as of June 30, 2004 and 2003.

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

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

Investments carried out by the Company in Celulosa Arauco bonds are registered under "Other" in the long-term, and are presented at investment value plus accrued interests up to the closing date of the fiscal year of the financial statements, without adjusting to the market value because there is the intention of keeping the bonds until their maturity.

h) Inventory

Inventory of finished products has been valued as of June 30, 2004 and 2003 at the direct production cost, duly updated, 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.

Television programs inventories at the closing of each fiscal year represent the value of contracted films and videos and the proportion of repetitions that are pending exhibition. The actual cost of the programs is charged to results as they are broadcasted.

i) Bad Debts (Non-collectable)

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

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j) Fixed Assets

The property in fixed assets is shown at the purchase cost plus legal and regulatory revaluations accumulated up until June 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 in Leasing

None.

m) Sales Transactions with Leaseback

None.

n) Intangibles

The corrected purchase value of trademarks of the subsidiary S.A. Vina Santa Rita, that are amortized for a period of 40 years, and the costs for trademark registration, that are amortized for a period equivalent to the maturity of the renovation, are presented as intangibles. The subsidiary Ciecsa consolidated includes the frequency of TV channel 9, which has an amortization period of 40 years, and the amortization method is that of "Increasing Digits".

o) Investments in Related Companies

According to Circular No. 1697 of the SVS, the Equity Method (Valor Patrimonial Proporcional - V.P.P.) has been used for the valuation of investments in related companies effected prior to January 01, 2004. This method consists in assigning the investment an equivalent value to the percentage of the holding that corresponds to the Company in the book value of the issuer, and acknowledge proportionally the variations that the latter experiments. Investments abroad have been valued according to the 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 June 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

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purchase value plus interest and adjustments accrued at the closing of the fiscal year, and they are

classified under "Other Current Assets", in the terms established in Circular No. 768 of the Securities and Insurance Commission.

r) Obligations with public

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

s) Deferred Taxes and Income Tax

The Company and its subsidiaries have complied with deferred taxes, in accounting terms, as established in Technical Bulletin No. 60 and 71 of The Accountants Association of Chile A.G. and the norms indicated in circular 1,466 of the S.V.S.

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

t) Severance payment

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

u) Sales

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

v) Derivative Contracts

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

x) Research and development expenses

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The companies show any expenses in this item directly as a charge to results as they generate.

y) Cash flow statement:

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

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

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

CRISTALERIAS DE CHILE S.A.

NOTE 2 - ACCOUNTING CRITERIA USED

COMPANIES INCLUDED IN THE CONSOLIDATED REPORT

| R.U.T. | Company Name | Percentage of Shareh | | |
|--------------|----------------------------------|----------------------|----------|-------|
| | | 06.30.2004 | | |
| | | Direct | Indirect | Tot |
| 96.721.580-5 | Cristalchile Comunicaciones S.A. | 99.9980 | 0.0000 | 99.9 |
| 96.767.580-6 | Constructora Apoger S.A. | 80.0000 | 0.0000 | 80.0 |
| 96.608.270-4 | Ciecsa S.A. | 98.4458 | 0.0000 | 98.4 |
| 86.547.900-K | S.A. Vina Santa Rita | 54.0970 | 0.0000 | 54.0 |
| 96.972.440-5 | Cristalchile Inversiones S.A. | 99.9900 | 0.0100 | 100.0 |

03. Accounting Changes

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

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04. Marketable Securities

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

- a) Th Ch\$ 55,251,502 in bonds and fixed rate instruments equivalent to US\$41,048,455 and 37,547,521 EUROS, which mainly correspond to investments in state bonds and financial institutions of USA, Germany and Holland, Collateralized Bonds of Private Companies in USA (guaranteed with accounts receivable) and USA Mortgage Bonds with state guarantee.
- b) Th Ch\$ 8,191,207 in investment fund quotas in US\$
- c) Th Ch\$ 4,187,786 in shares
- d) Th Ch\$ 176,393 for accrued interest of Celulosa Arauco S.A. bonds.

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

- e) Th Ch\$ 54,372,053 in bonds and fixed rate instruments, which mainly correspond to investments in Treasury Bills bonds, Collateralized Bonds of Private Companies in USA (guaranteed with accounts receivable) and USA Mortgage Bonds with state guarantee.
- f) Th Ch\$ 8,968,712 in investment fund quotas in US\$
- g) Th Ch\$ 4,183,939 in shares.
- h) Th Ch\$ 194,134 for accrued interest of Celulosa Arauco S.A. bonds.

CRISTALERIAS DE CHILE S.A.

NOTE 4 -MARKETABLE SECURITIES

BALANCE COMPOSITION

| Type of Security | Book Value | |
|--------------------------------------|------------|------------|
| | 06-30-2004 | 06-30-2003 |
| Shares | 4,187,786 | 4,183,939 |
| Bonds | 0 | 0 |
| Shares in mutual funds | 0 | 0 |
| Shares in investment funds | 8,191,207 | 8,968,712 |
| Public tender notes | 0 | 0 |
| Mortgage commitments | 0 | 0 |
| Bonds and fixed rate instruments | 55,251,502 | 54,372,053 |
| Interest Celulosa Arauco S.A. bonds. | 176,393 | 194,134 |
| Total Marketable Securities | 67,806,888 | 67,718,838 |

CRISTALERIAS DE CHILE S.A.

NOTE 4 - MARKETABLE SECURITIES

SHARES

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| R.U.T. | Company Name | Number of Shares | Participation Percentage | Unit Market Value | In |
|----------------------------------|---------------------------------------|------------------|--------------------------|-------------------|----|
| 96.512.200-1 | Bodegas y Vinedos Santa Emiliana S.A. | 63,642,856 | 9.9980 | 85 | 5 |
| Value Investment Portfolio | | | | | |
| Adjustment Provision | | | | | |
| Book value, Investment Portfolio | | | | | |

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

| Type of Security | Par Value | Book Value | |
|---|------------|------------|------|
| | | Amount | Rate |
| Financial Institutions bonds (USA, Germany and Holland) (1) | 29,132,371 | 29,132,371 | |
| US treasury bonds (2) | 20,555,448 | 20,555,448 | |
| Collateralized Bonds USA (2) | 5,549,780 | 5,549,780 | |
| Call Deposit (2) | 13,903 | 13,903 | |
| Celulosa Arauco bonds (interest) (2) | 176,393 | 176,393 | |
| BBH U.S. Money Market Portfolio (2) | 8,191,207 | 8,191,207 | |
| TOTAL | 63,619,102 | 63,619,102 | |

Note:

- (1) The investements have been done in EUROS
- (2) Investments in U.S. Dollars
- (3) Rate for Period from 01-01-2004 to 06-30-2004.
- (4) These investments can be recovered within 48 hrs. notice.

05. Short-Term and Long-Term Debtors

As of June 30, 2004 and 2003, there are balances for short-term debtors in the amount of Th \$48,674,933 (Th \$ 41,541,224 in 2003).

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The bad debt reserve that amounted Th \$ 706,185 in 2004 (Th \$708,162 in 2003) is shown deducting the balances of Debtors from Sales and Documents receivable.

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

In addition, there is a balance of Th Ch\$ 204,430 in Long-Term Debtors (Th Ch\$ 173,463 in 2003).

Under "sales debtors", exports made by the subsidiary S.A. Vina Santa Rita amounting Th Ch\$ 9,881,314 as of June 30, 2004 (61.71% of the total), and Th Ch\$ 9,275,695 as of June 30, 2003 (64.83% of the total) are included.

CRISTALERIAS DE CHILE S.A.

NOTE 5 -SHORT AND LONG TERM DEBTORS

| Item | Current Assets Over 90 days | | | |
|-------------------------|-----------------------------|------------|-------------------------|------------|
| | Up to 90 days | | Over 90 days up to 1 | |
| | 06-30-2004 | 06-30-2003 | 06-30-2004 | 06-30-2003 |
| Debts from Sales | 39,426,955 | 33,708,403 | 1,953,474 | 2,000,000 |
| Estimate of bad debtors | - | - | - | - |
| Documents receivable | 4,963,105 | 4,685,547 | 48,088 | - |
| Estimate of bad debtors | - | - | - | - |
| Misc. Debtors | 2,580,540 | 1,723,996 | 432,512 | - |
| Estimate of bad debtors | - | - | - | - |
| | | | | |
| Item | Total Current (net) | | | |
| | Subtotal | 06-30-2004 | 06-30-2003 | 06-30-2003 |
| Debts from Sales | 41,380,429 | 40,919,449 | 35,240,688 | - |
| Estimate of bad debtors | 460,980 | - | - | - |
| Documents receivable | 5,011,193 | 4,765,988 | 4,541,128 | - |
| Estimate of bad debtors | 245,205 | - | - | - |
| Misc. Debtors | 3,013,052 | 3,013,052 | 1,759,508 | 204,430 |
| Estimate of bad debtors | - | - | - | - |
| | | | | |
| | | | Total Long Term Debtors | 204,430 |

06. Balances and Transactions with related entities

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Balances receivable in the Short-Term as of June 30, 2004 totaled Th Ch\$ 3,715,261 (Th Ch\$ 575,881 in 2003) which correspond mainly to a loan granted by the parent company to Metropolis-Intercom for Th Ch\$ 2,704,725 at an annual interest rate of 3%, In addition to a loan granted by the subsidiary Ciecsa to Editorial Zig Zag for Th Ch\$ 108,909 (Th Ch\$ 164,226 in 2003) including interests, with maturity on June 2004 at an annual interest rate of 1%, and advertising sold by Red Televisiva Megavision S.A. to Metropolis-Intercom for Th Ch\$ 120,361 (Th Ch\$ 65,025 in 2003). The balance corresponds to invoicing receivable for Th Ch\$ 781,266 (Th Ch\$ 346,628 in 2003).

Balances payable in the short term totaled Th Ch\$ 1,104,714 at June 30, 2004 (Th Ch\$ 745,904 in 2003) mainly corresponding to commercial transactions under 90 days for Th Ch \$ 297,574 (Th Ch\$ 231,726 in 2003), and dividends payable to Majority shareholders for Th Ch\$ 807,140 (Th Ch\$ 514,178 in 2003).

In 2004 there is a balance registered under long-term accounts receivables for Th Ch\$ 1,106,556 (Th CH\$ 2,883 in 2003) corresponding to a loan granted by the parent company to Metropolis-Intercom S.A. for Th Ch\$ 855,171 and to Inmobiliaria Monte Azul S.A. for Th Ch\$ 247,128, the balance correspond to invoices totaling Ch Th\$ 4,257 (Ch Th\$ 2,883 in 2003).

CRISTALERIAS DE CHILE S.A.

NOTE 6 - BALANCE AND TRANSACTIONS WITH RELATED COMPANIES DOCUMENTS AND ACCOUNTS RECEIVABLE

| R.U.T. | Company | Short Term | |
|--------------|---------------------------------------|------------------|----------------|
| | | 06-30-2004 | 06-30-2003 |
| 89.150.900-6 | Vina Los Vascos S.A. | 205,021 | 184,174 |
| 83.032.100-4 | Serv. Y Consultorias Hendaya S.A. | 3,308 | 0 |
| 90.684.000-6 | Editorial Zig-Zag S.A. | 108,909 | 164,226 |
| 86.881.400-4 | Envases CMF S.A. | 18,587 | 37,381 |
| 90.320.000-6 | Cia. Electro Metalurgica S.A. | 2,683 | 81 |
| 96.539.380-3 | Ediciones Financieras S.A. | 0 | 4,739 |
| 79.753.810-8 | Claro y Cia. | 0 | 376 |
| 96.787.775-1 | Metropolis Intercom S.A. | 2,825,086 | 65,025 |
| 90.160.000-7 | Sudamericana de Vapores S.A. | 1,769 | 125 |
| 96793770-3 | Ediciones Chiloe S.A. | 0 | 0 |
| 86963200-7 | Forus S.A. | 0 | 34,228 |
| 78936090-1 | Inmob. Y Constructora Monte Azul S.A. | 0 | 0 |
| 77489120-K | Soc. Agr. Vinedos Collipeumo Ltda. | 1,144 | 0 |
| 0-E | Rayen Cura SAIC | 525,198 | 85,526 |
| | Total | 3,691,705 | 575,881 |

CRISTALERIAS DE CHILE S.A.

NOTE 6 - BALANCES AND TRANSACTIONS WITH RELATED COMPANIES

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DOCUMENTS AND ACCOUNTS PAYABLE

| R.U.T. | Company | Short Term | |
|--------------|---------------------------------------|------------|------------|
| | | 06-30-2004 | 06-30-2003 |
| 90.320.000-6 | Cia. Electro Metalurgica S.A. | 443,096 | 339,257 |
| 83.032.100-4 | Serv. Y Consultorias Hendaya S.A. | 245,793 | 85,701 |
| 89.150.900-6 | Vina Los Vascos S.A. | 4,048 | 10,587 |
| 79.753.810-8 | Claro y Cia. | 27,703 | 36,098 |
| 96.539.380-3 | Ediciones Financieras S.A. | 102 | 1,603 |
| 86.881.400-4 | Envases CMF S.A. | 183,909 | 174,279 |
| 90.160.000-7 | Cia. Sudamericana de Vapores S.A. | 2,930 | 8,768 |
| 77.658.870-9 | Marketing Meter Ltda. | 0 | 391 |
| 86.755.600-1 | Inversiones Bayona S.A. | 118,251 | 89,220 |
| 92048000-4 | Sud Americana Agencias Maritimas S.A. | 53,630 | 0 |
| 96787750-6 | Metropolis Intercom S.A. | 97 | 0 |
| 77489120-K | Soc. Agr. Vinedos Collipeumo Ltda. | 25,155 | 0 |
| | Total | 1,104,714 | 745,904 |

CRISTALERIAS DE CHILE S.A.

NOTE 6 - BALANCES AND TRANSACTIONS WITH RELATED COMPANIES
TRANSACTIONS

| Company | R.U.T. | Relationship | Description of Transaction | Amount |
|-----------------------------------|--------------|----------------------|------------------------------|--------|
| Serv. Y Consultorias Hendaya S.A. | 83.032.100-4 | Majority shareholder | Services received | 648,3 |
| | | - | Dividends paid | 228,3 |
| | | - | Services supplied | 9,5 |
| | | - | Products sold | 1 |
| | | - | Services provided | 36,8 |
| | | - | Payment made for own account | |
| Quemchi S.A. | 96.640.360-8 | Same Parent | Services rendered | 5,0 |
| Rayen Cura S.A.I.C. | 0-E | Indirect affiliate | Direct sales | 115,7 |
| Navarino S.A. | 96.566.900-0 | Same Parent | Services supplied | 5,0 |
| Ediciones Financieras S.A. | 96.793.77-3 | Indirect affiliate | Products sold | |
| | | - | Services purchased | 2,3 |
| | | - | Services received | |
| | | - | Advertising hired | 6 |
| | | - | Advertising | 5,5 |
| | | - | Advertising hired | 6 |
| Envases CMF S.A. | 86.881.400-4 | Affiliate | Materials purchased | 291,2 |
| | | - | Products sold | 1 |
| | | - | Other sales | 32,8 |

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| | | | | |
|--|--------------|----------------------|------------------------------|---------|
| Forus S.A. | 86.963.200-7 | Indirect affiliate | Advertising hired | 4,3 |
| | | Indirect affiliate | Advertising hired | 4,3 |
| Vina Los Vascos S.A. | 89.150.900-6 | Indirect affiliate | Direct sales | 394,4 |
| | | - | Materials purchased | 27,9 |
| Cia. Sud-Americana de Vapores S.A. | 90.160.000-7 | Same Parent | Freight services received | 110,5 |
| | | - | Other Sales | 1 |
| | | - | Product sold | 1,0 |
| Cia. Electro Metalurgica S.A. | 90.320.000-6 | Majority shareholder | Dividends paid | 875,5 |
| | | - | Materials purchased | 4,6 |
| | | - | Other Sales | 4 |
| | | - | Product sold | 2,3 |
| | | - | Payment Made for own Account | |
| Claro y Cia. | 79.753.810-8 | With the Chairman | Advice received | 69,4 |
| | | - | Expenses reimbursement | |
| | | - | Product sold | 1 |
| Inversiones Bayona S.A. | 86.755.600-1 | Majority shareholder | Dividends paid | 237,6 |
| | | | | |
| Metropolis Intercom S.A. | 96.787.750-6 | Indirect affiliate | Advertising hired | 228,6 |
| | | - | Payment Made for own Account | |
| | | - | Long Term Loan granted | 855,1 |
| | | - | Short Term Loan granted | 2,704,7 |
| | | - | Service Purchased | 1 |
| | | - | Building Rent | 7 |
| | | - | Advertising services | 15,1 |
| | | - | Product sold | |
| Soc Agric. Cullipeumo Ltda. | 77489120-K | Indirect | Raw Material Purchased | 46,0 |
| | | - | Product sold | 5 |
| | | - | Expenses reimbursement | 9 |
| Sudamericana Agencias Aereas y Maritimas S.A | 92048000-4 | Indirect | Freight services | 92,9 |
| | | - | Other Purchases | 10,8 |
| Carmen Luz Sanchez Guzman | 5781266-4 | Indirect | Raw Material Purchased | 37,2 |
| | | - | Expenses reimbursement | 1,3 |
| Inmob. Y Constructora Monte Azul S.A. | 78936090-1 | Affiliate | Loan granted | 247,1 |
| Empresa Editora S.A. | 90684000-6 | Indirect | Services Purchased | 2,0 |

07. Inventory

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

CRISTALERIAS DE CHILE S.A.

NOTE 7 - INVENTORY (Consolidated)

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| | 2004 | 2003 |
|--|------------|------------|
| | Th Ch\$ | Th Ch\$ |
| | ----- | ----- |
| Finished Products | | |
| * Cristalerias de Chile S.A. | 3,785,034 | 3,373,595 |
| * S.A. Vina Santa Rita | 10,224,256 | 9,864,726 |
| Subtotal Finished Products | 14,009,290 | 13,238,321 |
| Raw Materials and Fuel | | |
| * Cristalerias de Chile S.A. | 1,195,803 | 2,031,456 |
| * S.A. Vina Santa Rita | 27,645,841 | 23,396,665 |
| Subtotal Raw Materials and Fuel | 28,841,644 | 25,428,121 |
| Supply Materials and Parts | | |
| * Cristalerias de Chile S.A. | 899,181 | 1,054,862 |
| * S.A. Vina Santa Rita | 1,133,231 | 1,251,235 |
| Subtotal Supply Materials and Parts | 2,032,412 | 2,306,097 |
| Materials in Transit | 1,098,711 | 146,142 |
| Red Televisiva Megavision S.A. (CIECSA S.A.) | | |
| * Foreign, taped, for broadcast | 813,230 | 3,095,915 |
| * Domestic programming, to be broadcast | 423,301 | 827,211 |
| Subtotal Red Televisiva Megavision S.A. | 1,236,531 | 3,923,126 |
| Total | 47,218,588 | 45,041,807 |

08. Deferred taxes and income taxes

A) DEFERRED TAXES.

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

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

B) INCOME TAX

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

The other consolidated subsidiaries maintain negative taxable income, therefore have not provisioned for this concept.

Credits against taxes are shown deducting the payable obligation.

The detail is the following:

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| | 2004 | 2003 |
|----------------------------------|-------------|-----------|
| | Th Ch\$ | Th Ch\$ |
| | ----- | ----- |
| Fiscal year income tax reserve | (2,713,307) | (910,536) |
| Single tax reserve | (7,024) | (4,880) |
| | ----- | ----- |
| SUB TOTAL | (2,720,331) | (915,416) |
| Credits: | | |
| Monthly reserve payments | 1,431,423 | 2,104,392 |
| Training expenditures | 52,589 | 39,352 |
| Fixed Assets credit | 28,286 | 32,196 |
| Donations | 1,128 | 4,332 |
| | ----- | ----- |
| CREDIT SUB TOTAL | 1,513,426 | 2,180,272 |
| Total Income Tax | (1,206,905) | 1,264,856 |
| Income Tax to be Recovered | 0 | 0 |
| Other Taxes to be recovered: | | |
| VAT Fiscal Credit | 594,268 | 550,651 |
| Income tax credit, previous year | 2,093,170 | 233,536 |
| | ----- | ----- |
| TOTAL TAXES TO BE RECOVERED | 1,480,533 | 2,049,043 |

C) TAXABLE INCOME FUND

The Company registered the following income balances to be distributed:

| | 2004 Th Ch\$ | 2003 Th Ch\$ |
|----------------------------------|--------------|--------------|
| | ----- | ----- |
| Generated as of 12.31.1983: | 1,930,833 | 1,930,833 |
| Generated since 01.01.1984: | | |
| Without Credit | 1,943,098 | 1,080,718 |
| With 10% First Category Credit | 22,785 | 22,875 |
| With 15% First category Credit | 84,552,274 | 87,651,560 |
| With 15% Additional rate Credit | 722 | 728 |
| With 16% First Category Credit | 14,535,934 | 16,256,265 |
| With 16.5% First Category Credit | 6,972,963 | 3,571,625 |
| With 17% First Category Credit | 10,955,060 | 0 |
| | ----- | ----- |
| SUB-TOTAL TAX INCOME | 118,982,836 | 108,583,771 |
| Non-income revenues | 6,852,415 | 6,879,852 |
| | ----- | ----- |
| TOTAL INCOME TO BE DISTRIBUTED | 125,835,251 | 115,463,623 |

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CRISTALERIAS DE CHILE S.A.

NOTE 8 - DEFERRED TAXES AND INCOME TAX
DEFERRED TAXES

| Item | 06-30-2004 | | |
|--------------------------------------|--------------------|-----------|------------|
| | Asset Deferred Tax | | Liability |
| | Short term | Long Term | Short Term |
| Temporary Differences | | | |
| Reserve non-collectable accounts | 120,052 | 0 | 0 |
| Prepaid Income | 594,765 | 0 | 0 |
| Vacation provision | 165,972 | 0 | 0 |
| Intangible Amortization | 0 | 0 | 0 |
| Leased assets | 0 | 0 | 0 |
| Manufacturing expenses | 0 | 0 | 0 |
| Depreciations fixed assets | 0 | 0 | 0 |
| Severance payments | 2,088 | 155,299 | 0 |
| Other events | 104,236 | 20,991 | 0 |
| Packaging reserve | 215,059 | 0 | 0 |
| Furnace repair provision | 339,507 | 358,000 | 0 |
| Stock obsolescence provision | 82,354 | 0 | 0 |
| Spare parts obsolescence provision | 103,850 | 0 | 0 |
| Lower value sale of bonds | 97,863 | 0 | 0 |
| Non realized profits | 38,988 | 10,836 | 0 |
| Other provisions | 125,445 | 0 | 0 |
| Direct labor | 85,619 | 0 | 0 |
| Accumulated depreciation automobiles | 0 | 19,288 | 0 |
| Tax losses | 0 | 4,070,873 | 0 |
| Goodwill bond placement | 0 | 0 | 53,803 |
| Prepaid expenses | 0 | 0 | 50,645 |
| Banking reserve | 11,337 | 0 | 0 |
| Fixed assets, molds | 0 | 0 | 0 |
| Commercial brands | 1,560 | 0 | 0 |
| Amortization commercial brands | 0 | 0 | 0 |
| Expenses assetted | 0 | 0 | 238,918 |
| Deferred customs duties | 0 | 0 | 0 |
| Refractory Obsolence provision | 0 | 0 | 0 |
| Other Expenses provision | 0 | 0 | 0 |
| Complementary accounts-net of amort. | 4,215 | 2,996,439 | 0 |
| Valuation provision | 0 | 0 | |
| Total | 2,084,400 | 1,638,848 | 343,366 |

| Item | 06-30-2003 | |
|------|--------------------|--|
| | Asset Deferred Tax | |
| | Liability | |

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| | Short Term | Long Term | Short Term |
|--------------------------------------|------------|-----------|------------|
| ----- | | | |
| Temporary Differences | | | |
| Reserve non-collectable accounts | 119,668 | 0 | 0 |
| Prepaid Income | 678,804 | 0 | 0 |
| Vacation provision | 143,682 | 0 | 0 |
| Intangible Amortization | 0 | 0 | 0 |
| Leased assets | 0 | 0 | 0 |
| Manufacturing expenses | 0 | 0 | 0 |
| Depreciations fixed assets | 0 | 0 | 0 |
| Severance payments | 1,973 | 37,924 | 0 |
| Other events | 0 | 0 | 0 |
| Packaging reserve | 189,513 | 0 | 0 |
| Furnace repair provision | 0 | 568,415 | 0 |
| Stock obsolescence provision | 61,997 | 0 | 0 |
| Spare parts obsolescence provision | 97,887 | 0 | 0 |
| Lower value sale of bonds | 0 | 0 | 0 |
| Non realized profits | 84,333 | 2,840 | 0 |
| Other provisions | 75,533 | 110,194 | 0 |
| Direct labor | 21,631 | 0 | 0 |
| Accumulated depreciation automobiles | 0 | 15,888 | 0 |
| Tax losses | 0 | 4,324,563 | 0 |
| Goodwill bond placement | 74,901 | 0 | 54,019 |
| Prepaid expenses | 0 | 0 | 40,250 |
| Banking reserve | 0 | 0 | 0 |
| Fixed assets, molds | 0 | 0 | 0 |
| Commercial brands | 0 | 0 | 0 |
| Amortization commercial brands | 35,562 | 0 | 0 |
| Expenses assetted | 0 | 0 | 343,167 |
| Deferred customs duties | 2,708 | 485 | 0 |
| Refractory Obsolence provision | 0 | 0 | 0 |
| Other Expenses provision | 0 | 0 | 0 |
| Complementary accounts-net of amort. | 170,633 | 3,635,942 | 0 |
| Valuation provision | 0 | 0 | |
| Total | 1,417,559 | 1,424,367 | 437,436 |

CRISTALERIAS DE CHILE S.A.

NOTE 8 - DEFERRED TAXES AND INCOME TAX
INCOME TAX

| | |
|--|-------|
| Current tax expense (tax provision) | 06/ |
| Adjustment tax expense (previous year) | ----- |
| Effects from assets or liabilities, deferred year's tax | ----- |
| Tax benefit from tax losses | -2, |
| Effect of amortiz. of supplementary accounts for deferred assets and liabilities | |

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Effect on assets or liabilities from deferred tax from changes in assessment provision
Other charges or credits to the account

Total

-2,

09. Short and Long-term Leasing Contracts and Assets for Leasing
(Note required only for leasing companies defined in
Circular No.939 of 1990)

As of June 30, 2004 and 2003, no balances are included under this item.

10. Other current assets

As of June 30, 2004, this item includes investments in:

- a) Financial instruments with resale agreements for Th Ch\$ 10,942,806
valued according to note 2 q).
- b) Deferred expenses for bond placement of Th Ch\$ 360,469
- c) Th Ch\$ 7,691 for bank reserve.
- d) Th Ch\$ 848 for other assets.

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

- a) Financial instruments with resale agreements for Th Ch\$ 10,300,334
valued according to note 2 q)
- b) Deferred expenses for bonds placement for Th Ch\$ 366,554
- c) Th Ch\$ 28,681 for bank reserve

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

Information about these transactions is presented in attached charts.

NOTE 11 - INFORMATION ON PURCHASE COMMITMENT, SALE COMMITMENT, SALE WITH
REPURCHASE AGREEMENTS AND PURCHASE WITH RESALE AGREEMENTS OPERATIONS OF
TITLES AND BEARER SECURITIES

SALE WITH REPURCHASE OPERATIONS (VRC) AND PURCHASE WITH SALE (CRV) COMMITMENT
OPERATIONS

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| Code | Dates | | Counterpart | Original Currency | Price Set | Rate |
|------|------------|------------|-------------------------------|----------------------|--------------|------|
| | Start | End | | | | |
| CRV | 06.25.2004 | 07.01.2004 | BCI CB | Pesos | 1,000,000 | 0.15 |
| CRV | 06.25.2004 | 07.02.2004 | BCI CB | Pesos | 1,650,000 | 0.15 |
| CRV | 06.29.2004 | 07.05.2004 | BCI CB | Pesos | 450,000 | 0.15 |
| CRV | 06.30.2004 | 07.05.2004 | Santander Investment | Pesos | 760,000 | 0.16 |
| CRV | 06.30.2004 | 07.06.2004 | Santander Investment | Pesos | 1,500,000 | 0.16 |
| CRV | 06.30.2004 | 07.07.2004 | Santander Investment | Pesos | 1,490,000 | 0.16 |
| CRV | 06.30.2004 | 07.07.2004 | Santander Agente de Valores | Dollars | 261,775 | 1.50 |
| CRV | 06.30.2004 | 07.01.2004 | BCI CB | Pesos | 250,000 | 0.16 |
| CRV | 06.30.2004 | 07.01.2004 | BCI CB | Pesos | 500,000 | 0.16 |
| CRV | 06.30.2004 | 07.02.2004 | Inversiones Boston Corredores | Pesos | 162,702 | 0.18 |
| CRV | 06.30.2004 | 07.02.2004 | Inversiones Boston Corredores | Pesos | 113,112 | 0.18 |
| CRV | 06.30.2004 | 07.02.2004 | Inversiones Boston Corredores | Pesos | 23,186 | 0.18 |
| CRV | 06.30.2004 | 07.01.2004 | BCI CB | Pesos | 249,000 | 0.16 |
| CRV | 06.30.2004 | 07.01.2004 | BCI CB | Pesos | 144,000 | 0.16 |
| CRV | 06.29.2004 | 07.23.2004 | Banco Chile | Pesos | 280,000 | 0.15 |
| CRV | 06.29.2004 | 07.23.2004 | Banco Chile | Pesos | 280,000 | 0.15 |
| CRV | 06.03.2004 | 07.15.2004 | Banco Chile | Pesos | 315,000 | 0.15 |
| CRV | 06.03.2004 | 07.15.2004 | BCI | Pesos | 315,000 | 0.14 |
| CRV | 06.29.2004 | 07.19.2004 | Banco Santander | Pesos | 100,000 | 0.15 |
| CRV | 06.30.2004 | 07.08.2004 | Banco Santander | Pesos | 315,000 | 0.14 |
| CRV | 06.30.2004 | 07.26.2004 | Banco Santander | Pesos | 280,000 | 0.15 |
| CRV | 02.27.2004 | 07.19.2004 | Banco Santander | Pesos | 200,000 | 0.18 |
| CRV | 06.03.2004 | 07.05.2004 | Banco Santander | Pesos | 300,000 | 0.15 |

12. Fixed Assets

Cristalerias de Chile S.A.:

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

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

S.A.Vina Santa Rita

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

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 piece of land of 30,983.35 m2, both located in Buin. The parts agreed the exchange price of Ch\$ 269,000 (Two hundred and sixty nine million pesos).

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Technical Reappraisal and Adjustment of Accounting Values:

The Company carried out a technical reappraisal of its fixed assets in 1979. On 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 Th Ch\$ 7,743,099 in 2004 and Th Ch\$ 7,057,014 in 2003.

The detail is shown on an attached chart.

CRISTALERIAS DE CHILE S.A. AND SUBSIDIARIES

NOTE 12 - FIXED ASSETS

| | 2004 | 2003 |
|---|--------------|--------------|
| | ThCh\$ | Th Ch\$ |
| | ----- | ----- |
| Land | | |
| Land and Mining Properties | 13,442,643 | 13,175,721 |
| Subtotal Lands | 13,442,643 | 13,175,721 |
| Buildings and Infrastructure Projects | | |
| Hi rises and industrial buildings | 31,431,451 | 30,446,106 |
| Installations | 32,863,607 | 30,897,019 |
| Residences | 26,423 | 26,396 |
| Subtotal | 64,321,481 | 61,369,521 |
| Depreciations | | |
| Accumulated | (21,914,857) | (18,943,856) |
| Fiscal year | (1,531,160) | (1,484,511) |
| Subtotal Depreciations | (23,446,017) | (20,428,367) |
| Subtotal Constructions and Projects | 40,875,464 | 40,941,154 |
| Machinery and Equipment | | |
| Machinery | 97,261,628 | 92,830,513 |
| Furnaces | 46,747,917 | 46,597,914 |
| Furniture and Furnishings | 2,691,788 | 2,489,424 |
| Tools | 723,600 | 631,308 |
| Rolling Stock | 923,694 | 823,703 |
| Subtotal | 148,348,627 | 143,372,862 |
| Depreciations | | |
| Accumulated | (74,159,239) | (63,440,551) |
| Fiscal year | (6,106,813) | (5,467,480) |
| Subtotal Depreciations | (80,266,052) | (68,908,031) |

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| | | |
|----------------------------------|--------------|--------------|
| Subtotal Machinery and Equipment | 68,082,575 | 74,464,831 |
| Other Fixed Assets | | |
| Spare parts | 5,917,908 | 5,373,156 |
| Imports in transit | 891,470 | 87,308 |
| Work in progress | 2,226,701 | 2,130,332 |
| Lots in Pirque and Leyda | 413,529 | 466,610 |
| Deferred Customs Duties | 98,012 | 340,223 |
| Packages and Bundling | 237,598 | 237,361 |
| Other | 1,944,486 | 1,952,826 |
| Subtotal Other Fixed Assets | 11,729,704 | 10,587,816 |
| Total Fixed Assets | 237,842,455 | 228,505,920 |
| Total Accumulated Depreciation | (96,074,096) | (82,384,407) |
| Total Depreciation of the Period | (7,637,973) | (6,951,991) |
| Total Net Fixed Assets | 134,130,386 | 139,169,522 |

TECHNICAL REVALUATION AND ADJUSTMENT TO ACCOUNTING VALUES

| | 2004 ThCh\$ | 2003 Th Ch\$ |
|---|----------------|-----------------|
| | ----- | ----- |
| Land | | |
| Land | 315,506 | 321,069 |
| Subtotal net land and mining properties | 315,506 | 321,069 |
| Buildings and Infrastructure Projects | | |
| High rises and industrial buildings | 6,302,652 | 6,290,431 |
| Installations | 41,665 | 41,614 |
| Subtotal Buildings | 6,344,317 | 6,332,045 |
| Accumulated Depreciation | (5,101,125) | (4,886,002) |
| Fiscal year depreciation | (105,126) | (105,022) |
| Subtotal depreciation | (5,206,251) | (4,991,024) |
| Subtotal Net Buildings | 1,138,066 | 1,341,021 |
| Machinery and Equipment | | |
| Machinery and Equipment | 0 | 1,114,736 |
| Depreciations | 0 | (1,114,736) |
| Subtotal Machinery and Equipment | 0 | 0 |
| Subtotal Net Technical Revaluation | 1,453,572 | 1,662,090 |
| TOTAL REVALUED ASSETS | 6,659,823 | 7,767,850 |
| TOTAL ACCUMULATED DEPRECIATION | (5,101,125) | (6,000,738) |
| TOTAL DEPRECIATION OF THE PERIOD | (105,126) | (105,022) |
| TOTAL NET | 1,453,572 | 1,662,090 |

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13. Sales transactions with leaseback

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

14. Investments in related companies

According to Circular N. 1697 of the SVS, valuations of investments in related companies effected prior to January 2004 have been done using the Equity Method (VPP).

On the other hand, for investments in which participation is lower than 20%, the Equity Method (VPP) has been used, since they correspond to companies within the same business conglomerate and therefore significant influence over those companies exists.

This method consists in assigning the investment an equivalent value to the proportion that corresponds to the company in book value net worth of the issuer, and acknowledge proportionally the variations that this value experiments.

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

METROPOLIS INTERCOM S.A.

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

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

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

CIECSA S.A.

On August 26, 2003 the shareholders of this subsidiary agreed to increase capital of the company by issuing 36,400,000 shares, equivalent to Th Ch\$ 910,000, which were subscribed and paid in their totality by Cristalerias de Chile S.A.

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

MEGAVISION S.A.

On August 27, 2002, the subsidiary CIECSA purchased from Televisa S.A. 7,885,472 shares of Megavision, corresponding to the totality of the participation that Televisa S.A. held in that company.

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

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

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

EDICIONES CHILOE S.A.

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

From the latter are 135,030 subscribed shares outstanding payment, for which the final date expires on September 2004.

INMOBILIARIA MONTE AZUL S.A.

On May 14, 2004, Cristalchile S.A. paid its subsidiary Constructora Apoger the sum of Th Ch\$ 196 corresponding to 49% of the rights of the company; with this contribution the participation in the affiliate reached to 50% as of June 30, 2004 (no effect on results).

INVESTMENTS ABROAD

RAYEN CURA S.A.I.C.

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

On June 30, 2004 the Board of Rayen Cura approved the reimbursement of part of the irrevocable contributions subscribed and paid on April 29, 2002. The amount of that reimbursement was US\$ 1,500,000, of which US\$ 600,000 will be received by Cristalchile Inversiones S.A., equivalent to 40% of its contribution (provisioned and paid on July 1, 2004).

As of June 30, 2004 the financial statements of Rayen Cura S.A.I.C. recognize an exchange rate of \$ 2.94 Argentine pesos per US Dollar. CristalChile Inversiones S.A., in turn, has adjusted the financial statements of Rayen Cura S.A.I.C. in order to recognize the variation from \$2.91 (exchange rate at December 31, 2003) and \$2.94 (exchange rate at June 30, 2004) Argentine pesos per US dollar.

For the effect of results of this affiliate and the conversion of financial statements of Rayen Cura S.A.I.C., according to the Chilean normative, CristalChile Inversiones S.A., has recognized a Th Ch\$ 548,441 income during

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the first half of 2004 and a Th Ch\$ 742,704 income as of June 30, 2003.

On the other hand, the variation of the dollar exchange rate in Chile during the first half of 2004, originated in the investment in Rayen Cura S.A.I.C. and for the negative goodwill

produced by the purchase of shares of that company, a Th Ch\$ 1,026,122 credit. In 2004 (Th Ch\$ 723,786 charge in 2003), to Other Equity Reserves account.

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

| | 2004 Th\$ ----- | 2003 Th\$ ----- |
|---|-----------------------|-----------------------|
| CristalChile Inversiones's stake in Rayen Cura S.A.I.C. | 12,955,478 | 13,724,552 |
| Negative goodwill (net of amortization) | 4,373,151 | 5,150,694 |
| | ----- | ----- |
| TOTAL | 17,328,629 | 18,875,246 |
| | ===== | ===== |
| Devaluation loss | (2,319,270) | (1,754,398) |
| Accrued Income (loss) | 548,441 | 742,704 |
| Potentially remesable income | 0 | 0 |

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 that have been specifically designated and accounted as coverage instruments of the investment abroad.

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

BREAKDOWN OF INVESTMENTS

| | | | Investment | | Shareholder (Percentage) | |
|--------|---------|-------------------------|---------------------|---------------------|-----------------------------|------------|
| R.U.T. | COMPANY | Country of Origin | Control Currency | Number of Shares | 06-30-2004 | 06-30-2003 |
| ----- | ----- | ----- | ----- | ----- | ----- | ----- |

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| | | | | | | |
|--------------|---------------------------------------|-----------|--------|-------------|----------|----------|
| 78.619.410-5 | Cordillera Comunicaciones Holding | Chile | Peso | 0 | 50.00000 | 50.00000 |
| 78.619.370-2 | Cordillera Comunicaciones Ltda. | Chile | Peso | 0 | 0.00000 | 0.00000 |
| 89.150.900-6 | Vina Los Vascos S.A. | Chile | Peso | 60,000,000 | 43.00000 | 43.00000 |
| 90.684.000-6 | Editorial Zig-Zag S.A. | Chile | Peso | 114,596,213 | 49.00000 | 49.00000 |
| 96.793.770-3 | Ediciones Chiloe S.A. | Chile | Peso | 1,570,146 | 50.00000 | 50.00000 |
| 96.826.870-8 | Inmobiliaria Don Alberto S.A. | Chile | Peso | 3,817 | 0.00000 | 38.00000 |
| 86.881.400-4 | Envases CMF S.A. | Chile | Peso | 28,000 | 50.00000 | 50.00000 |
| 96806690-0 | Proser S.A. | Chile | Peso | 50 | 0.00000 | 0.00000 |
| 96787750-6 | Metropolis Intercom S.A. | Chile | Peso | 1,961,918 | 2.00000 | 0.00000 |
| 78936090-1 | Inmob. Y Constructora Monte Azul S.A. | Chile | Peso | 50 | 50.00000 | 0.00000 |
| 0-E | Rayen Cura S.A.I.C | Argentina | Dollar | 1,376,000 | 40.00000 | 40.00000 |

| R.U.T. | COMPANY | Net Income | | Result of Accrual | | 06- |
|--------------|-----------------------------------|------------|------------|-------------------|------------|-----|
| | | 06-30-2004 | 06-30-2003 | 06-30-2004 | 06-30-2003 | |
| 78.619.410-5 | Cordillera Comunicaciones Holding | -7,740,034 | -6,898,348 | -3,870,016 | -3,449,175 | 62, |
| 78.619.370-2 | Cordillera Comunicaciones Ltda. | -7,778,929 | -6,933,013 | -19,447 | -17,332 | |
| 89.150.900-6 | Vina Los Vascos S.A. | 631,177 | 928,960 | 271,406 | 399,452 | 6, |
| 90.684.000-6 | Editorial Zig-Zag S.A. | -80,434 | -222,992 | -42,208 | -111,268 | |
| 96.793.770-3 | Ediciones Chiloe S.A. | -142,724 | -184,682 | -71,362 | -92,340 | |
| 96.826.870-8 | Inmobiliaria Don Alberto S.A. | 0 | 2 | 0 | 1 | |
| 86.881.400-4 | Envases CMF S.A. | 298,319 | 1,216,701 | 149,159 | 608,349 | 16, |
| 96806690-0 | Proser S.A. | 98 | 135 | 0 | 0 | |

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| | | | | | | |
|------------|---------------------------------------|------------|------------|----------|---------|------|
| 96787750-6 | Metropolis Intercom S.A. | -5,961,766 | -4,843,208 | -131,436 | 0 | 1, |
| 78936090-1 | Inmob. Y Constructora Monte Azul S.A. | -1,654 | 0 | -827 | 0 | |
| 0-E | Rayen Cura S.A.I.C | 1,371,101 | 1,856,761 | 548,441 | 742,704 | 12, |
| | TOTAL | | | | | 100, |

| R.U.T. | COMPANY | Not Realized Result | | Investment Book value | |
|--------------|---------------------------------------|---------------------|------------|-----------------------|-------------|
| | | 06-30-2004 | 06-30-2003 | 06-30-2004 | 06-30-2003 |
| 78.619.410-5 | Cordillera Comunicaciones Holding | 0 | 0 | 62,786,316 | 69,911,067 |
| 78.619.370-2 | Cordillera Comunicaciones Ltda. | 0 | 0 | 315,509 | 351,312 |
| 89.150.900-6 | Vina Los Vascos S.A. | 0 | 0 | 6,114,801 | 5,543,096 |
| 90.684.000-6 | Editorial Zig-Zag S.A. | 0 | 0 | 375,220 | 279,239 |
| 96.793.770-3 | Ediciones Chiloe S.A. | 157,314 | 197,757 | 514,070 | 530,116 |
| 96.826.870-8 | Inmobiliaria Don Alberto S.A. | 0 | 0 | 0 | 14 |
| 86.881.400-4 | Envases CMF S.A. | 0 | 0 | 16,138,193 | 6,876,710 |
| 96806690-0 | Proser S.A. | 0 | 0 | -61 | -61 |
| 96787750-6 | Metropolis Intercom S.A. | 0 | 0 | 1,564,973 | 0 |
| 78936090-1 | Inmob. Y Constructora Monte Azul S.A. | 0 | 0 | -526 | 0 |
| 0-E | Rayen Cura S.A.I.C | 0 | 0 | 12,955,478 | 13,724,552 |
| | TOTAL | 157,314 | 197,757 | 100,763,973 | 107,216,045 |

15. Investments in other companies

Investments in other companies that totaled Th Ch\$ 788,803 as of June 30, 2004 (Th Ch\$ 831,373 in 2003) are shown on attached charts.

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

| R.U.T. | Company Name | Number of Shares | Shareholding (Percentage) | Book Value 06-30-2004 | Book Value |
|--------------|-----------------------|------------------|---------------------------|-----------------------|------------|
| 96.895.100-9 | Internet Holding S.A. | 57,104 | 7.4200 | 180,457 | 2 |
| 0-E | Bazuca.com Inc. | 266,500 | 7.8900 | 608,346 | 6 |

16. Goodwill Amortization

NEGATIVE GOODWILL

Stock purchases made in different periods of S.A. Vina Santa Rita, Vina Los Vascos S.A., Ciecsa S.A., Ediciones Financieras S.A., and Rayen Cura S.A.I.C. have produced negative goodwill whose net balance to be amortized as of June 30, 2004 reached Th Ch 8,995,298 (Th Ch\$ 9,364,453 in 2003).

POSITIVE GOODWILL

As of June 30, 2004 and 2003 the Company and subsidiaries do not show any balance for this item.

More detail is shown in the attached chart.

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

| NEGATIVE GOODWILL | | 06-30-2004 | |
|-------------------|--------------------------------|-----------------------------|------------------|
| R.U.T. | Company Name | Amount Amortiz. this period | Goodwill Balance |
| 99.999.999-9 | Rayen Cura S.A. | 143,382 | 4,373,151 |
| 86.547.900-K | S.A. Vina Santa Rita | 25,288 | 538,221 |
| 96.608.270-4 | Ciecsa S.A. | 61,103 | 1,283,153 |
| 89.150.900-6 | Vina Los Vascos S.A. | 44,792 | 1,133,275 |
| 90.684.000-6 | Empresa Editoria Zig-Zag S.A. | 3,201 | 100,020 |
| 79.952.350-7 | Red Televisiva Megavision S.A. | 26,844 | 862,487 |

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| | | | |
|------------|--------------------------|---------|-----------|
| 96787750-6 | Metropolis Intercom S.A. | 18,311 | 704,991 |
| | TOTAL | 322,921 | 8,995,298 |

17. Intangibles

The following values are included in this item:

| | Th Ch\$ 2004 ---- | Th Ch\$ 2003 ---- |
|---|-------------------------|-------------------------|
| Concession of Channel 9 frequency and regional network | 10,261,701 | 10,251,480 |
| Trademarks | 1,651,835 | 1,622,598 |
| TOTAL INTANGIBLES | 11,913,536 ===== | 11,874,078 ===== |
| ACCUMULATED AMORTIZATIONS | | |
| From Channel 9 Frequency | (1,057,456) | (900,130) |
| From Trademarks | (268,512) | (209,189) |
| TOTAL AMORTIZATIONS | (1,325,968) ===== | (1,109,319) ===== |

18. Other (Assets)

As of June 30, 2004 and 2003 its composition is the following:

| | 2004 Th Ch\$ ----- | 2003 Th Ch\$ ----- |
|--|--------------------------|--------------------------|
| Celulosa Arauco bonds (*) | 8,539,146 | 9,375,162 |
| Price differential bond acquisition(*) | 22,801 | 199,477 |
| Negative goodwill Bond Placement (Net) | 2,971,837 | 3,316,538 |
| Expenses of bond placement | 971,261 | 1,141,134 |
| Bank Reserve | 0 | 9,627 |
| Foreign programs to be exhibited over a year from the present | 649,332 | 791,556 |
| Long-Term Tax VAT Vina Dona Paula (**) | 535,423 | 395,738 |
| Presumed Minimum Income Tax | 45,885 | 40,928 |
| Other | 27,831 | 62,409 |

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| | | |
|-------|------------------------------|------------------------------|
| Total | ----- 13,763,516 ===== | ----- 15,332,569 ===== |
|-------|------------------------------|------------------------------|

(*) Investment in Celulosa Arauco bonds equivalent to US\$13,420,000 at an annual rate of 6.95% and maturity on September 15, 2005. Th Ch\$ 22,801 correspond to price differential paid in the acquisition of Celulosa Arauco bonds which will be amortized in the same term of the bonds due date.

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

(**) Corresponds to long term taxes to recover of Vina Dona Paula S.A., Mendoza, Argentina.

19. Short-term obligations with banks and financial institutions

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

CRISTALERIAS DE CHILE S.A.

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

| R.U.T. | Bank or Financial Institution | Type of Currency and | | | | |
|---|-------------------------------|----------------------|------------|------------|------------|-----------|
| | | Dollars | | Euros | | |
| | | 06-30-2004 | 06-30-2003 | 06-30-2004 | 06-30-2003 | 6-30-2004 |
| Short term (code: 5.21.10.10) | | | | | | |
| 0-E | Banco Regional de Cuyo | 0 | 0 | 0 | 0 | 0 |
| | Other | 0 | 0 | 0 | 0 | 0 |
| | TOTAL | 0 | 0 | 0 | 0 | 0 |
| | Amount capital due | 0 | 0 | 0 | 0 | 0 |
| | Annual average interest rate | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Long Term - Short Term (code: 5.21.10.20) | | | | | | |
| 97.008.000-7 | Citibank NA | 987,097 | 1,947,699 | 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 Santander Chile | 0 | 0 | 0 | 0 | 0 |
| 0-E | JP Morgan Chase Bank | 139,500 | 156,829 | 0 | 0 | 0 |
| 0-E | Banco Argentaria | 233,517 | 258,989 | 0 | 0 | 0 |

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| | | | | | |
|-------------------------------------|-----------|-----------|------|------|------|
| Other | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 1,360,114 | 2,363,517 | 0 | 0 | 0 |
| Amount capital due | 1,214,986 | 1,222,276 | 0 | 0 | 0 |
| Average annual interest rate | 1.91 | 1.85 | 0.00 | 0.00 | 0.00 |
| Percentage oblig. foreign curr. (%) | | 48.0000 | | | |
| Percentage oblig. localcurr. (%) | | 52.0000 | | | |

| R.U.T. | Bank or Financial Institution | Type of Currency and Readjustment Index | | | |
|---|-------------------------------|---|------------|-------------------|------------|
| | | U.F. | | Non adjustable \$ | |
| | | 06-30-2004 | 06-30-2003 | 06-30-2004 | 06-30-2003 |
| Short term (code: 5.21.10.10) | | | | | |
| 0-E | Banco Regional de Cuyo | 0 | 0 | 0 | 0 |
| | Other | 0 | 0 | 0 | 0 |
| | TOTAL | 0 | 0 | 0 | 0 |
| | Amount capital due | 0 | 0 | 0 | 0 |
| | Annual average interest rate | 0.00 | 0.00 | 0.00 | 0.00 |
| Long Term - Short Term (code: 5.21.10.20) | | | | | |
| 97.008.000-7 | Citibank NA | 0 | 0 | 0 | 0 |
| 97.030.000-5 | Banco Estado | 0 | 0 | 265,573 | 267,166 |
| 97.018.000-1 | Scotiabank Sudamericano | 0 | 0 | 0 | 0 |
| 97.006.000-6 | Banco Credito e Inversiones | 0 | 0 | 0 | 0 |
| 97.004.000-4 | Banco de Chile | 0 | 0 | 0 | 0 |
| 97.036.000-K | Banco Santander Chile | 0 | 0 | 0 | 0 |
| 0-E | JP Morgan Chase Bank | 0 | 0 | 0 | 0 |
| 0-E | Banco Argentaria | 0 | 0 | 0 | 0 |
| | Other | 0 | 0 | 0 | 0 |
| | TOTAL | 0 | 0 | 265,573 | 267,166 |
| | | | | 264,375 | 265,961 |
| | Amount capital due | | | | 0 |
| | Average annual interest rate | 0.00 | 0.00 | 4.94 | 4.94 |

20. Other Current Liabilities

As of June 30, 2004 and 2003 there is a balance of Th Ch\$ 1,920,957 and Th Ch\$ 5,945,646 respectively under "Other Current Assets", corresponding to differences in favor of financial institutions for foreign currency future contracts subscribed by the Parent Company and the subsidiaries S.A. Vina Santa Rita and Ciecsa S.A. (see note No. 34).

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21. Long-term obligations with banks and financial institutions

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

CRISTALERIAS DE CHILE S.A.

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

| R.U.T. | Institution | Currency adjustment index | Years of Maturity | | |
|---|-----------------------------|---------------------------|-------------------------------|-------------------------------|-------------------------------|
| | | | More than 1 up to 2 Thou Ch\$ | More than 2 up to 3 Thou Ch\$ | More than 3 up to 4 Thou Ch\$ |
| 0-E | Banco Regional de Cuyo | Other currency | 18,244 | 29,843 | 10,000 |
| 97.030.000-7 | Banco Estado | Non-adjustment | 266,172 | 132,188 | |
| 97.036.000-K | Banco Santander Santiago | UF | 460,538 | 460,538 | 230,000 |
| 97.018.000-1 | Banco Scotiabank | UF | 408,324 | 408,324 | 408,000 |
| 0-E | J.P. Morgan Chase Bank | Dollars | 7,953,750 | 15,907,500 | 7,953,750 |
| 90.008.000-K | Citibank N.A. | Dollars | 0 | 0 | |
| 97.006.000-6 | Banco Credito e Inversiones | UF | 127,612 | 0 | |
| 97.004.000-5 | Banco de Chile | UF | 122,773 | 122,773 | 245,000 |
| 0-E | Banco Argentaria | Dollars | 0 | 0 | |
| Total | | | 9,357,413 | 17,061,166 | 8,848,000 |
| Percentage of obligations in foreign currency | | | 90.0000% | | |
| Percentage of obligations in local currency | | | 10.0000% | | |

| R.U.T. | Institution | Years of Maturity | | Closing date Current period | |
|--------------|--------------------------|--------------------|------------------|--|------------------------------|
| | | More than 10 years | Amount Thou Ch\$ | Total Long-Term at closing of Financial Statements | Annual average interest rate |
| 0-E | Banco Regional de Cuyo | 0 | 0 | 58,593 | 2.48 |
| 97.030.000-7 | Banco Estado | 0 | 0 | 398,360 | 4.94 |
| 97.036.000-K | Banco Santander Santiago | 0 | 0 | 1,151,345 | TAB 180+1.05 |

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| | | | | | |
|--------------|-----------------------------|---|---|------------|--------------|
| 97.018.000-1 | Banco Scotiabank | 0 | 0 | 1,224,972 | TAB 180+1.1 |
| 0-E | J.P. Morgan Chase Bank | 0 | 0 | 31,815,000 | 2.05 |
| 90.008.000-K | Citibank N.A. | 0 | 0 | 0 | 0 |
| 97.006.000-6 | Banco Credito e Inversiones | 0 | 0 | 127,612 | TAB 90+1.05 |
| 97.004.000-5 | Banco de Chile | 0 | 0 | 491,092 | TAB 180+1.05 |
| 0-E | Banco Argentaria | 0 | 0 | 0 | 0 |
| | Total | 0 | | 35,266,974 | |

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

The balance for the short-term as of June 30 2004 was Th Ch\$ 1,740,471 (Th Ch\$ 1,735,084 in 2003), corresponding to accrued interests for bonds issued by the Parent Company and the subsidiary S.A. Vina Santa Rita.

As of June 30, 2004, there are long-term obligations with the public for Th Ch\$ 90,179,235 (Th Ch\$ 90,425,569 in 2003), of which Th Ch\$ 69,761,295 (Th Ch\$ 69,951,855 in 2003) correspond to bonds issued in UF's, by the Company, series C1, C2, D1, D2 and Th Ch\$ 20,417,940 (Th Ch\$ 20,473,714 in 2003) correspond to bonds series C and D issued by the subsidiary S.A. Vina Santa Rita.

This liability is shown in detail in the annex.

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 | FINAL MATURITY | INSTALLMENTS | |
| | | | | | | INTEREST PAYMENT | AMORTIZAT PAYMENT |
| LONG-TERM BONDS-CURRENT PORTION | | | | | | | |
| 296-09.07.02 | C1 Interests | 0 | UF | 4.75 | 07-15-2004 | SEMI-ANNUAL | SEMI-ANN |
| 296-09.07.02 | C2 Interests | 0 | UF | 4.75 | 07-15-2004 | SEMI-ANNUAL | SEMI-ANN |
| 296-09.07.02 | D1 Interests | 0 | UF | 5.80 | 07-15-2004 | SEMI-ANNUAL | SEMI-ANN |
| 296-09.07.02 | D2 Interests | 0 | UF | 5.80 | 07-15-2004 | SEMI-ANNUAL | SEMI-ANN |
| 241-15.12.00 | C1 Interests | 0 | UF | 6.29 | 12-15-2004 | SEMI-ANNUAL | SEMI-ANN |
| 241-15.12.00 | D1 Interests | 0 | UF | 6.29 | 12-15-2004 | SEMI-ANNUAL | SEMI-ANN |
| 241-15.12.00 | D2 Interests | 0 | UF | 6.29 | 12-15-2004 | SEMI-ANNUAL | SEMI-ANN |
| TOTAL CURRENT PORTION | | | | | | | |

LONG-TERM BONDS

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| | | | | | | | |
|-----------------|----|-----------|----|------|------------|-------------|----------|
| 296-09.07.02 | C1 | 1,500,000 | UF | 4.75 | 07-15-2008 | SEMI-ANNUAL | SEMI-ANN |
| 296-09.07.02 | C2 | 500,000 | UF | 4.75 | 07-15-2008 | SEMI-ANNUAL | SEMI-ANN |
| 296-09.07.02 | D1 | 1,900,000 | UF | 5.80 | 07-15-2023 | SEMI-ANNUAL | SEMI-ANN |
| 296-09.07.02 | D2 | 200,000 | UF | 5.80 | 07-15-2023 | SEMI-ANNUAL | SEMI-ANN |
| 241-15.12.00 | C1 | 200,000 | UF | 6.29 | 12-15-2005 | SEMI-ANNUAL | SEMI-ANN |
| 241-15.12.00 | D1 | 100,000 | UF | 6.29 | 12-15-2021 | SEMI-ANNUAL | SEMI-ANN |
| 241-15.12.00 | D2 | 900,000 | UF | 6.29 | 12-15-2021 | SEMI-ANNUAL | SEMI-ANN |
| LONG-TERM TOTAL | | | | | | | |

23. Provisions and Write-Offs

Provisions:

As of June 30, 2004 the balance for short-term provisions amounted to Th Ch\$ 17,245,411, and Th Ch\$ 12,045,713 in 2003.

Long-term provisions amounted to Th Ch\$ 6,417,630 and Th Ch\$ 7,578,301 in 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\$ 706,185 and Th Ch\$ 708,162 as of June 30, 2004 and 2003, respectively.

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

Vacation Provision:

The Company and its subsidiaries have established provisions for the totality of the cost of vacations pending as of June 30, 2004 and 2003, as established in Technical Bulletin No. 47 of the Accountants Association of Chile A.G.

The net balance for this item is Th Ch\$ 979,703 as of June 30, 2004 (Th Ch\$ 861,509 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\$ 4,194,934 and Th Ch\$ 3,441,104 as of June 30, 2004 and 2003, respectively.

Detail is shown in the attached chart.

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| | 06-30-2004 | 06-30-2003 |
|--------------------------------|------------|------------|
| | Thou Ch\$ | Thou Ch\$ |
| | ----- | ----- |
| Short Term | | |
| Commissions and Fees | 2,630,469 | 2,629,348 |
| Furnace reconstruction | 1,997,982 | 0 |
| Share of Board of Directors | 356,078 | 166,756 |
| Legal holidays | 979,703 | 861,509 |
| Local and foreign suppliers | 896,398 | 1,357,361 |
| Packing return to clients | 1,265,054 | 1,125,820 |
| Spareparts reserve | 438,189 | 449,065 |
| Informative services | 12,599 | 0 |
| Advertising and marketing | 1,026,940 | 320,093 |
| Copyright | 55,836 | 53,677 |
| Severance payments | 185,502 | 183,430 |
| Advertising Agency Commission | 624,677 | 605,547 |
| Reserve indirect cost | 492,914 | 463,355 |
| Severance Legal provision | 77,432 | 67,575 |
| Loss Reserve exported products | 86,749 | 105,497 |
| Grape harvest expenses | 4,891,034 | 2,742,564 |
| Other reserves | 1,227,855 | 914,116 |
| | | |
| TOTAL | 17,245,411 | 12,045,713 |
| | | |
| Long Term | | |
| Severance payment | 4,220,678 | 4,137,197 |
| Furnace reconstruction | 2,196,952 | 3,441,104 |
| | | |
| TOTAL | 6,417,630 | 7,578,301 |

24. Severance Payment

The Parent Company has effected a severance provision which is included at its current value, as expressed in note 2 t). As of June 30, 2004 the provision amounts to Th Ch\$ 4,406,180 (Th Ch\$ 4,320,627 in 2003).

As of June 30, 2004, the Parent Company paid severance payments with charge to the provision of Th Ch\$ 135,042 (Th Ch\$ 34,375 in 2003).

25. Other long-term liabilities

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

26. Minority interest

The subsidiaries that generate minority interests as of June 30, 2004 and 2003

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are shown on the attached chart.

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

| SUBSIDIARY COMPANY | NET WORTH | | RESULTS | |
|--------------------------------------|------------|------------|-------------|-------------|
| | Thou Ch\$ | Thou Ch\$ | Thou Ch\$ | Thou Ch\$ |
| | 2004 | 2003 | 2004 | 2003 |
| S.A.Vina Santa Rita and subsidiaries | 38,751,342 | 37,139,291 | (1,631,768) | (1,323,956) |
| CIECSA and subsidiaries | 384,027 | 280,101 | (68,169) | (9,172) |
| Apoger S.A. | 730 | 1,098 | 216 | 142 |
| Cristalchile Comunicaciones S.A. | 1,198 | 1,388 | 75 | 68 |
| TOTAL | 39,137,297 | 37,421,878 | (1,699,646) | (1,332,917) |

27. Changes in Equity

a. Activity in 2004 and 2003

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

b. Other Reserves

The detail of this item is as follows:

| | 2004 ThCh\$ | 2003 ThCh\$ |
|--|----------------|----------------|
| Future capital increases | 4,564,803 | 4,376,765 |
| Reserve for adjustment to the value of fixed assets | 1,453,572 | 1,635,616 |
| Adjustment for conversion difference in the investment in Rayen Cura S.A.I.C. | 1,481,022 | 3,142,699 |
| TOTAL OTHER RESERVES | 7,499,397 | 9,155,080 |

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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 | Reserve Future Dividends | Accumulat Results |
|---|--------------------|-----------------------------------|---------------------------------|-------------------|--------------------------------|----------------------|
| Balances as of 06/30/2004 | | | | | | |
| Initial balance | 65,396,749 | 0 | 27,874,377 | 6,421,900 | 123,160,119 | 6,426, |
| Distribution result previous fiscal year | 0 | 0 | 0 | 0 | 5,468,440 | -6,426, |
| Final dividend previous fiscal year | 0 | 0 | 0 | 0 | -1,612,800 | |
| Capital increases with cash stock issue | 0 | 0 | 0 | 0 | 0 | |
| Reserves and/or Profits Capitalization | 0 | 0 | 0 | 0 | 0 | |
| Development period Accumulated deficit | 0 | 0 | 0 | 0 | 0 | |
| Accumulated conversion difference adjustment | 0 | 0 | 0 | 1,026,122 | 0 | |
| Owner's equity Revaluation | 0 | 523,174 | 222,995 | 51,375 | 1,014,514 | |
| Fiscal Year Result | 0 | 0 | 0 | 0 | 0 | |
| Interim Dividends | 0 | 0 | 0 | 0 | 0 | |
| Final balances as of 06/30/2004 | 65,396,749 | 523,174 | 28,097,372 | 7,499,397 | 128,030,273 | |
| Initial balance as of 06/30/2003 | 64,749,257 | 0 | 27,598,393 | 9,713,099 | 114,912,655 | 17,660, |
| Distribution result previous fiscal year | 0 | 0 | | 0 | 14,356,726 | -17,660, |
| Final dividend previous fiscal year | 0 | 0 | 0 | 0 | -5,526,400 | |
| Capital increases with cash stock issue | 0 | 0 | 0 | 0 | 0 | |
| Reserves and/or profit Capitalization | 0 | 0 | 0 | 0 | 0 | |
| Development period accumulated deficit | 0 | 0 | 0 | 0 | 0 | |
| Accumulated conversion difference adjustment | 0 | 0 | 0 | -719,466 | 0 | |
| Owner's equity revaluation | 0 | 712,242 | 303,583 | 106,844 | 1,449,595 | |
| Fiscal Year Result | 0 | 0 | 0 | 0 | 0 | |
| Interim Dividends | 0 | 0 | 0 | 0 | 0 | |
| Final balances | 64,749,257 | 712,242 | 27,901,976 | 9,100,477 | 125,192,576 | |
| Updated Final Balances as of 06/30/2003 | 65,137,753 | 716,515 | 28,069,388 | 9,155,080 | 125,943,731 | |

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

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

CRISTALERIAS DE CHILE S.A.

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

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

28. Other Non-Operating Income and Expenses

As of June 30, 2004 and 2003 non-operating income totals Th Ch\$ 667,949 and Th Ch\$ 416,672 respectively.

Non-operating Expenses were Th Ch\$ 1,179,937 in 2004 and Th Ch\$ 1,100,513 in 2003 respectively.

More detail is shown on the attached chart.

CRISTALERIAS DE CHILE S.A.

NOTE 28: OTHER NON-OPERATING INCOME AND EXPENSES

| | 2004 Th Ch\$ | 2003 Th Ch\$ |
|-----------------------------------|-----------------|-----------------|
| | ----- | ----- |
| INCOME | | |
| Miscellaneous Income | 77,578 | 26,717 |
| Tax exemptions | 124,473 | 85,010 |
| Offices and establishments rental | 88,289 | 112,692 |
| Sale of fixed assets | 8,588 | 3,687 |
| Indemnity for claims | 0 | 67,258 |
| Land granted | 206,378 | 0 |
| Sale of materials | 6,084 | 7,157 |
| Agricultural Division | 15,519 | 0 |
| Other various income | 141,040 | 114,151 |
| TOTAL NON-OPERATING INCOME | 667,949 | 416,672 |
| EXPENSES | | |
| Professional advice | 381,294 | 384,170 |
| Soap opera charge and others | 0 | 191 |
| Personnel Finished Contracts | 49,767 | 27,990 |
| Suppliers and eventualities | 70,149 | 136,523 |
| Share of Board of Directors | 71,067 | 57,962 |

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| | | |
|-------------------------------------|------------------|------------------|
| Trademarks amortization | 27,864 | 26,019 |
| Frequency amortization | 81,343 | 75,010 |
| Audit fees | 2,317 | 0 |
| Higher income Tax previous year | 146,290 | 36,436 |
| Loss in sales of fixed assets | 106,212 | 30,154 |
| Licenses | 349 | 6,064 |
| Other expenses | 190,008 | 272,473 |
| Insurance | 24,917 | 21,968 |
| ADR expenses | 28,360 | 25,553 |
| TOTAL NON-OPERATING EXPENSES | 1,179,937 | 1,100,513 |

29. Price Level Restatements

As a result of the application of the adjustment for price level restatement as described in Note 2 e), there was a net charge to results in 2004 and 2003 in the amount of Th Ch\$ 307,756 and Th Ch\$ 668,200, respectively.

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

Cristalerias de Chile S.A.

NOTE 29: ADJUSTMENT FOR PRICE LEVEL RESTATEMENTS

| ASSETS (CHARGES)/CREDITS | ADJUSTABILITY | | |
|---------------------------------------|---------------|-------------------|-------------------|
| | INDEX | 06-30-2004 | 06-30-2003 |
| ----- | ----- | ----- | ----- |
| INVENTORY | CPI | 213,970 | 148,100 |
| FIXED ASSETS | CPI | 1,416,455 | 1,384,662 |
| INVESTMENTS IN RELATED COMPANIES | CPI | 837,914 | 416,073 |
| MARKETABLE SECURITIES | CPI | 33,236 | 42,494 |
| SHORT-TERM DEBTORS | CPI | 61,107 | 34,666 |
| LONG-TERM DEBTORS | UF | 2,543 | 2,167 |
| ACCOUNTS RECEIVABLE RELATED COMPANIES | CPI | 117,495 | 1,314,695 |
| OTHER NON-MONETARY ASSETS | CPI | 97,309 | 353,383 |
| EXPENSE AND COST ACCOUNTS | CPI | 525,143 | 1,076,604 |
| TOTAL (CHARGES)/CREDITS | | 3,305,172 | 4,772,844 |
| | | | |
| LIABILITIES (CHARGES)/ CREDITS | | | |
| NET WORTH | CPI | -1,812,057 | -2,587,697 |
| ACCOUNTS PAYABLE RELATED COMPANIES | UF | 13 | -49 |
| BANK LOANS | UF | 0 | -18,578 |
| SHORT-TERM RESERVES | CPI | -96,579 | -18,884 |
| LONG-TERM BANK LOANS | UF | 0 | -60,607 |
| LONG-TERM RESERVES | CPI | -79,482 | -54,666 |
| LONG-TERM CREDITORS | CPI | -18,273 | -578 |
| OBLIGATIONS WITH THE PUBLIC | CPI | -502,785 | -1,152,628 |
| MINORITY INTEREST | CPI | -121,451 | -402,955 |
| OTHER LIABILITIES | CPI | -3,014 | -135,090 |
| SHORT-TERM CREDITORS | CPI | -4,826 | 0 |
| NON-MONETARY LIABILITIES | CPI | -136,842 | -99,079 |
| INCOME ACCOUNTS | CPI | -837,632 | -910,234 |
| TOTAL (CHARGES)/ CREDITS | | -3,612,928 | -5,441,045 |
| | | | |
| (LOSS) INCOME FROM ADJUSTMENT | | | |

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FOR PRICE LEVEL RESTATEMENT

-307,756

-668,200

30. Exchange Differences

There is a net credit to results in the 2004 fiscal year of Th Ch\$ 2,418,146 and a net charge to results of Th Ch\$ 4,463,986 in 2003, as a consequence of exchange differences.

According to dispositions set by Circular No. 1560 of the SVS, the net effect on results of the adjustment of assets and liabilities adjustable in foreign currency discounting inflationary effects is presented on this item.

More information is shown on the attached chart.

Cristalerias de Chile S.A.

NOTE 30: EXCHANGE DIFFERENCES

| ITEM | CURRENCY | AMOUNT | |
|---|------------|------------|------------|
| | | 06-30-2004 | 06-30-2003 |
| ASSETS (CHARGES) / CREDITS | | | |
| CURRENT ASSETS | DOLLARS | 716,428 | -408,199 |
| CURRENT ASSETS | OTHER CUR. | 76,766 | -44,809 |
| CLIENTS | DOLLARS | 173,052 | -205,334 |
| CLIENTS | OTHER CUR | 182,686 | 302,485 |
| TIME DEPOSITS | DOLLARS | 0 | -158,938 |
| INVENTORY | DOLLARS | 85,459 | -114,669 |
| LONG TERM PLACEMENTS | DOLLARS | 573,673 | -588,092 |
| FUTURE CONTRACT EFFECT | DOLLARS | -12,768 | -295,465 |
| OTHER ASSETS | DOLLARS | 616,227 | -21,066 |
| OTHER ASSETS | OTHER CUR. | 26,300 | -15,061 |
| INFLATIONARY EFFECT | DOLLARS | -194,685 | -124,018 |
| MARKETABLE SECURITIES | DOLLARS | 1,742,267 | -1,508,055 |
| MARKETABLE SECURITIES | EUROS | 1,157,849 | 0 |
| LONG-TERM FIXED | DOLLARS | 43,370 | 0 |
| MISCELLANEOUS CREDITORS | DOLLARS | 7,036 | 0 |
| TOTAL (CHARGES) CREDITS | | 5,193,660 | -3,181,221 |
| LIABILITIES (CHARGES) CREDITS | | | |
| ACCOUNT PAYABLE | DOLLARS | -55,086 | 84,982 |
| DOCUMENTS PAYABLE | DOLLARS | -79,098 | 153,141 |
| DOCUMENTS PAYABLE | OTHER CUR. | -6,397 | -19,095 |
| MISCELLANEOUS CREDITORS SHORT TERM | DOLLARS | -40,954 | 15,151 |
| SHORT TERM RESERVES | DOLLARS | -137,927 | 2,353 |
| LONG-TERM BANK CREDITS | DOLLARS | 2,125,000 | 980,347 |
| LONG TERM RESERVES | DOLLARS | -127,586 | 61,448 |
| OTHER LONG-TERM LIABILITIES | DOLLARS | -248,295 | -193,499 |
| OTHER LONG-TERM LIABILITIES | OTHER CUR. | -92,978 | -53,160 |
| MISCELLANEOUS LONG-TERM CREDITORS | DOLLARS | -9,994 | 3,943 |
| FUTURE CONTRACT EFFECT | DOLLARS | 30,112 | -2,754,341 |
| INFLATIONARY EFFECT | DOLLARS | 118,428 | 435,965 |
| SHORT-TERM BANK CREDITS | DOLLARS | -739 | - |
| TOTAL (DEBITS) CREDITS | | -2,775,514 | -1,282,765 |
| (LOSS) PROFIT FROM EXCHANGE DIFFERENCES | | 2,418,146 | -4,463,986 |

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31. Extraordinary Items

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

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

The Parent Company and the subsidiary S.A. Vina Santa Rita carried out bond placements in August 2002 and March 2001 respectively, which produced placement expenses, which as of June 30, 2004 totaled Th Ch\$ 3,526,957 (Th Ch\$ 3,911,833 in 2003).

The charge to results for the amortization of these expenses is Th Ch\$ 232,779 in 2004 (Th Ch\$ 183,706 in 2003), and is realized according to the maturity of each series.

Detail of expenses is as follows:

| DETAILS | 2004 Th Ch\$ | | 2003 Th Ch\$ | |
|---------------------------------------|-----------------|---------------|-----------------|---------------|
| | Short- Term | Long- Term | Short- Term | Long- Term |
| Placement rate differential | 198,933 | 2,195,227 | 199,477 | 2,404,145 |
| Stamp and Seal Tax | 143,460 | 904,588 | 143,992 | 1,043,401 |
| Bonds placement Commission and others | 18,076 | 66,673 | 23,085 | 97,733 |
| Total | 360,469 | 3,166,488 | 366,554 | 3,545,279 |

33. Cash Flow Statement

CASH FLOW STATEMENT

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

| | 2004 Th Ch\$ | | 2003 Th Ch\$ | |
|--|-----------------|--|-----------------|--|
| 541.11.40 Other Income Received | | | | |
| Treasury Refund Income Tax and other taxes | 15,000 | | 981,808 | |

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| | | | |
|-----------|-------------------------------------|-----------|-----------|
| | Recover VAT exportation | 672,946 | 975,801 |
| | Insurance Severance | 0 | 67,258 |
| | Discount for paid of customs duties | 54,737 | 0 |
| | Exchange difference | 100,216 | 293,398 |
| | Loan Adjustment | 42,646 | 0 |
| | Tax exemption | 124,473 | 0 |
| | Other income | 143,177 | 220,725 |
| | Total | 1,153,195 | 2,538,990 |
| | | | |
| 541.11.80 | Other expenses paid | | |
| | Exchange difference | 149,150 | 2,084,888 |
| | Donations | 41,663 | 25,849 |
| | Personnel contracts Finished | 49,767 | 27,990 |
| | Advice Services | 71,750 | 69,840 |
| | Shareholder's bonds | 78,303 | 57,962 |
| | Other expenses | 323,996 | 419,560 |
| | Total | 714,629 | 2,686,089 |
| | | | |
| 541.13.30 | Other income from investments | | |
| | Maturity of future contracts | 0 | 1,965,366 |
| | Total | 0 | 1,965,366 |
| | | | |
| 541.13.65 | Other investment disbursements | | |
| | Purchase of shares | 0 | 319,759 |
| | Future contracts | 235,203 | 0 |
| | Others | 0 | 0 |
| | Total | 235,203 | 319,759 |

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

| ITEM | Amount Th Ch \$ | Due Date |
|----------------------------|-----------------|-------------------|
| Dividend 158 payable | (1,280,000) | July 2004 |
| Investment imports payable | (537,365) | 2nd semester 2004 |
| Total | (1,817,365) | |

34. Derivative Contracts

FUTURE CONTRACTS IN FOREIGN CURRENCY

As of June 30 2004 the Parent Company and its subsidiaries S.A. Vina Santa Rita have signed future sale contracts in foreign currency of Th US\$ 81,600 and future purchase contracts of Th US\$ 42,600 in 2004 (purchase contracts for Th US\$ 131,200 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 by the companies as of June 30, 2004 and 2003 have been taken both to shelter from variations of the exchange rate of the

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American dollar (contracts of existing transactions) as well as investment.

Forward contracts taken in order to cover existing items are related, according to management, with covering the Company's obligations in dollars. According to Bulletin No.57 of the Accountants Association of Chile, A.G., results generated by these contracts are recognized in results as long as effects from items subject to coverage are recognized.

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NOTE 34: DERIVATIVE CONTRACTS

| TYPE OF DERIVATIVE | TYPE OF CONTRACT | VALUE OF CONTRACT | MATURITY OR EXPIRATION DATE | SPECIFIC ITEM | PURCHASE/ SALE POSITION | DESCRIPTION OF CONTRACTS | | VALUE OF PROTECTED ITEM | ASSET LIABILITY |
|-----------------------|---------------------|----------------------|-----------------------------------|------------------|-------------------------------|--|-----------|-------------------------------|--------------------|
| | | | | | | PROTECTED ITEM OR TRANSACTION NAME | AMOUNT | | |
| FR | CI | 25,992,590 | THIRD 2004 | EXCH RATE | P | - | - | - | LIABIL |
| FR | CI | 36,977,320 | THIRD 2004 | EXCH RATE | S | - | - | - | ASSETS |
| FR | CI | 1,931,256 | FOURTH 2004 | EXCH RATE | S | - | - | - | ASSETS |
| FR | CCPE | 1,384,520 | THIRD 2004 | EXCH RATE | P | DOLLAR LOAN | 1,384,520 | 1,272,600 | LIABIL |
| FR | CI | 2,076,780 | THIRD 2004 | EXCH RATE | P | - | - | - | LIABIL |
| FR | CI | 11,472,970 | THIRD 2004 | EXCH RATE | S | - | - | - | ASSETS |
| FR | CI | 3,216,050 | FOURTH 2004 | EXCH RATE | S | - | - | - | ASSETS |

35. Contingencies and Restrictions

CONTINGENCIES AND COMMITMENTS

As of June 30, 2004, there are guarantees delivered in the amount of Th Ch\$ 16,857,739 (Th Ch\$ 18,486,174 in 2003), according to the detail in the attached chart.

LAWSUITS OR OTHER LEGAL ACTIONS THE COMPANY IS INVOLVED IN

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

RESTRICTIONS

I) SYNDICATED LOAN

In relation to the syndicated loan subscribed with JP Morgan Chase Bank and

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other 8 creditor banks for US\$ 50 million, the following specific financial obligations exist:

a) TOTAL CONSOLIDATED DEBT TO CAPITALIZATION RATIO

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

Consolidated EBITDA is described as the sum of 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 aggregated 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 4.0 ratio at any time.

Interest coverage is defined as interests at the day of the respective determination, the ratio between non consolidated EBITDA for the period of 4 consecutive fiscal quarters that ends on, or most recently ended before, that date, and interest expenses for that period.

d) NET EQUITY

Cristalerias de Chile S.A. will maintain a minimum of UF 10,000,000.

As of June 30, 2004 Cristalerias de Chile S.A. complies with 100% of restrictions agreed with the lending banks.

II) BOND ISSUE

The contract of bonds issue with date May 29, 2002 signed with Banco Chile as the bond owner's representative, established, among others the following financial obligations:

a) Financial Indicators

Individual Balance: Leverage not higher than 1.2 times.
Consolidate Balance: Leverage not higher than 1.4 times.

b) Insurances for assets of the company and its subsidiaries.

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

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

As of June 30, 2004 and 2003 Cristalerias de Chile S.A. complies with 100% of

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the restrictions imposed by the bonds creditors.

OTHER CONTINGENCIES

As of the closing date of financial statements, management is not aware of any other contingencies that could affect the company.

CRISTALERIAS DE CHILE S.A.

NOTE 35: CONTINGENCIES AND RESTRICTIONS - DIRECT GUARANTEES

| CREDITOR OF GUARANTEE | DEBTOR NAME | RELATION- SHIP | TYPE OF GUARANTEE | ASSETS COMMITTED | | BALANCES PENDING PAYMENT AS OF CLOSING DATE OF FINANCIAL STATEMENTS | | | |
|-----------------------------------|-------------------------------|-------------------|----------------------|---------------------|---------------|--|------------|----------------|---|
| | | | | TYPE | BOOK VALUE | 06/30/2004 | 06/30/2003 | 06/30/ 2005 | A |
| EDIFICIO METROPOLIS AGF | CRISTALERIAS DE CHILE S.A. | COMMERCIAL | TIME DEPOSIT | FLOOR | 15,822 | 15,822 | 7,999 | 0 | |
| BANCO SANTANDER CHILE | RED TELEVISIVA MEGAVISION | COMMERCIAL | MORTGAGE | LAND | 3,408,506 | 1,654,262 | 2,129,203 | 502,917 | |
| SCOTIABANK | RED TELEVISIVA MEGAVISION | COMMERCIAL | PLEDGE | TV EQUIP | 157,162 | 1,636,386 | 2,061,863 | 411,414 | |
| BANCO CREDITO E INVERSIONES | RED TELEVISIVA MEGAVISION | COMMERCIAL | MORTGAGE | TV EQUIP | 31,385 | 297,929 | 470,695 | 170,317 | |
| SUNDRY CLIENTS | RED TELEVISIVA MEGAVISION | COMMERCIAL | ADVERTIS- ING | - | 0 | 13,253,340 | 13,816,414 | 0 | |

CRISTALERIAS DE CHILE S.A.

NOTE 35: CONTINGENCIES AND RESTRICTIONS - INDIRECT GUARANTEES

| DEBTOR | ASSETS COMMITTED | BALANCES PENDING PAYMENT AS OF CLOSING DATE OF FINANCIAL STATEMENTS | | |
|--------|---------------------|--|------------|----------------|
| ----- | ----- | 06/30/2004 | 06/30/2003 | 06/30/ 2005 |

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| CREDITOR OF GUARANTEE | NAME | RELATION- SHIP | TYPE OF GUARANTEE | BOOK TYPE | BOOK VALUE | 06/30/2004 | 06/30/2003 | 06/30/ 2005 | AS |
|--|-------------------------------|-------------------|----------------------|--------------|---------------|------------|------------|----------------|----|
| Societe des Participations Financieres et Industrielles | RAYEN CURA S.A.I.C. | AFFILIATE | SOLIDARY | | 0 0 | 1,832,545 | 2,835,765 | 733,018 | |
| Envases CMF guarantee P.I.A.S | CRISTALERIAS DE CHILE S.A. | AFFILIATE | SOLIDARY | | 0 0 | 207,423 | 331,333 | | 0 |

CRISTALERIAS DE CHILE S.A.
NOTE 35: Trials

| Court | Cause Rol No. | Origin | Stage | Committed amount (approximately Th Ch\$) |
|------------------|---------------|--------|---|---|
| 12 | 3025-1997 | Civil | Given sentence in first verdict in favor of Megavision | 100,000 |
| 16 | 4822-1999 | Civil | Given sentence in first verdict against Megavision | 10,000 |
| 1 | 1242-2000 | Labor | First verdict pending | 10,000 |
| 5 | 3468-2001 | Labor | First verdict pending | 3,000 |
| 1 | 4391-2003 | Labor | First verdict | 2,100 |
| C. of Appeals | 7643-2000 | CNTV | Verdict pending | 900 |

36. Guarantees obtained from third parties

As of June 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:

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| Concept | 2004 ThCh\$ | 2003 ThCh\$ |
|---|----------------|----------------|
| Rental of Property Cafe Sur Andino (UF 260) | 4,424 | 0 |
| Rental of Property Banco Security | 5,173 | 5,186 |
| Rental of Property to Telecomunicaciones Cono Sur Ltda. (UF 130) | 0 | 2,218 |
| Rental of Property Office AGF Building (UF 365.9) | 6,226 | 6,242 |
| Rental of Property Office Metropolis (UF 189.2) | 3,219 | 3,228 |
| Sight drafts suppliers | 1,674 | 1,684 |
| Installation of Buin Tanks (Tersanoix S.A.) | 0 | 157,127 |
| Grape purchase (contracts) | 928,011 | 1,061,681 |
| Mortgages (grape purchase) | 138,523 | 0 |
| C y CPO Constructora (Salon Andino Sta. Rita) | 162,860 | 0 |
| Purchase of vine stem cuttings and plants (Intelmaq) | 0 | 36,856 |
| Transporters Guarantee Check | 42,000 | 0 |
| Underground materials storehouse Buin Salfa Montajes | 0 | 33,474 |
| | ----- | ----- |
| | 1,292,110 | 1,307,696 |
| | ===== | ===== |

37. Local and Foreign Currency

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

--
Cristaleras de Chile S.A.

NOTE 37: LOCAL AND FOREIGN CURRENCY - ASSETS

| Items | Currency | Amount | |
|-----------------------|------------------|------------|------------|
| | | 06-30-2004 | 06-30-2003 |
| Available funds | Non-adjust. Ch\$ | 1,776,757 | 1,845,203 |
| | Other currencies | 0 | 11,590 |
| | Dollars | 507,374 | 702,002 |
| | Euros | 38,068 | 4,837 |
| | Argentine Peso | 12,036 | 24,844 |
| Time deposits | Dollars | 0 | 11,046,647 |
| | Non-adjust Ch\$ | 5,353,974 | 1,105,088 |
| Marketable Securities | Adjustable Ch\$ | 4,187,786 | 4,183,939 |
| | Dollars | 34,310,339 | 63,534,899 |
| Sales receivable | Non-adjust Ch\$ | 31,002,822 | 25,604,815 |
| | Dollars | 4,004,413 | 4,523,946 |
| | Euros | 2,775,176 | 3,013,788 |
| | Other currencies | 2,808,254 | 1,860,252 |
| | Argentine Peso | 328,784 | 237,887 |
| Documents Receivable | Non-adjust. Ch\$ | 4,752,368 | 4,522,443 |
| | Argentine Peso | 13,620 | 18,685 |
| Sundry Debtors | Euros | 0 | 1,844 |
| | Non-adjust. Ch\$ | 2,201,758 | 785,656 |

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| | | | |
|---------------------------------------|------------------|-------------|-------------|
| | Adjustable Ch\$ | 108,547 | 93,486 |
| | Dollars | 672,560 | 657,154 |
| | Argentine Peso | 30,187 | 221,268 |
| Documentos and Accts. Receivable | Dollars | 447,698 | 0 |
| | Non-adjust. Ch\$ | 3,134,306 | 560,059 |
| | Adjustable Ch\$ | 109,701 | 15,822 |
| Inventory | Adjustable Ch\$ | 43,194,598 | 38,645,382 |
| | Dollars | 2,898,907 | 5,696,404 |
| | Argentine Peso | 701,782 | 700,021 |
| Taxes Receivable | Argentine Peso | 148,675 | 19,032 |
| | Non-adjust. Ch\$ | 41,871 | 1,306,305 |
| | Adjustable Ch\$ | 1,289,987 | 696,695 |
| | Dollars | 0 | 27,011 |
| Prepaid expenses | Adjustable Ch\$ | 786,123 | 1,104,642 |
| | Non-adjust. Ch\$ | 876,359 | 283,441 |
| | Dollars | 322,648 | 363,627 |
| | Argentine Peso | 0 | 27,373 |
| Deferred Taxes | Non-adjust. Ch\$ | 829,545 | 726,850 |
| | Adjustable Ch\$ | 911,489 | 253,273 |
| Other Current Assets | Non-adjust. Ch\$ | 10,415,727 | 5,963,131 |
| | Adjustable Ch\$ | 634,012 | 1,345,974 |
| | Dollars | 261,775 | 3,386,464 |
| Available funds | Adjustable Ch\$ | 3,036 | 0 |
| Time Deposit | Adjustable Ch\$ | 30,487 | 0 |
| Marketable Securities | Euros | 29,132,370 | 0 |
| | Non-adjust. Ch\$ | 176,393 | 0 |
| Inventory | Non-adjust. Ch\$ | 423,301 | 0 |
| FIXED ASSETS | Adjustable Ch\$ | 135,583,958 | 140,831,612 |
| Investments in related companies | Adjustable Ch\$ | 87,808,495 | 93,491,493 |
| Investments in other companies | Adjustable Ch\$ | 788,803 | 831,373 |
| Negative Goodwill | Adjustable Ch\$ | 4,622,147 | 4,213,759 |
| | Dollars | 4,373,151 | 5,150,694 |
| Long-term debtors | Adjustable Ch\$ | 140,800 | 173,463 |
| Documents receivable in rel.companies | Non-adjust. Ch\$ | 855,171 | 2,883 |
| Intangibles | Adjustable Ch\$ | 11,913,536 | 11,874,078 |
| Amortization | Adjustable Ch\$ | -1,325,968 | -1,109,319 |
| Other | Adjustable Ch\$ | 2,971,838 | 4,469,809 |
| | Non-adjust. Ch\$ | 999,814 | 496,565 |
| | Dollars | 9,210,430 | 10,366,195 |
| | Argentine Peso | 581,434 | 0 |
| Long-term debtors | Dollars | 63,630 | 0 |
| Documents receivable in rel.companies | Adjustable Ch\$ | 251,385 | 0 |
| Investments in related companies | Dollars | 12,955,478 | 13,724,552 |
| Total Assets | Non-adjust. Ch\$ | 62,840,166 | 43,202,439 |
| | Other currencies | 2,808,254 | 1,871,842 |
| | Dollars | 70,028,403 | 119,179,595 |
| | Euros | 31,945,614 | 3,020,469 |
| | Argentine Pesos | 1,816,518 | 1,249,110 |
| | Adjustable Ch\$ | 294,010,760 | 301,115,481 |

Cristalerias de Chile S.A.

NOTE 37: LOCAL AND FOREIGN CURRENCY - CURRENT LIABILITIES

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| ITEM | Currency | Up to 90 days | | | |
|--|------------------|---------------------|--------------------------------|---------------------|--------------------------------|
| | | 06.30.2004 | | 06.30.2003 | |
| | | Amount Thou Ch\$ | Avg. Annual Int. Rate | Amount Thou Ch\$ | Avg. Annual Int. Rate |
| Current Liabilities | | | | | |
| Short-term obligations with banks and financial institutions | Adjust. Ch\$ | 0 | - | 0 | - |
| | Argentine Peso | 0 | - | 19,951 | 2.370 |
| | Other currencies | 0 | - | 0 | - |
| Long-term obligations with banks and financial institutions | Other currencies | 316,169 | 2.88 | 326,448 | 5.390 |
| | Dollars | 233,400 | 1.72 | 260,323 | 2.20 |
| | Non-adjust. Ch\$ | 0 | - | 0 | - |
| | Dollars | 139,500 | 2.05 | 156,829 | 2.113 |
| | Adjust. Ch\$ | 0 | - | 0 | - |
| | Dollars | 2,157 | 10.42 | 31,914 | 11.14 |
| Obligations with the public | Adjust. Ch\$ | 741,140 | 4.75 | 738,715 | 4.75 |
| Obligations with the public | Adjust. Ch\$ | 947,824 | 5.80 | 944,722 | 5.80 |
| Dividends payable | Non-adjust. Ch\$ | 652,088 | - | 510,759 | - |
| Accounts payable | Dollars | 344,429 | - | 1,018,180 | - |
| | Non-adjust. Ch\$ | 15,330,404 | - | 15,985,851 | - |
| | Other currencies | 5,920 | - | 3,493 | - |
| | Euros | 19,707 | - | 16,221 | - |
| | Argentine Peso | 198,055 | - | 135,631 | - |
| Documents Payable | Adjust. Ch\$ | 0 | - | 0 | - |
| | Dollars | 2,905,546 | - | 2,990,306 | - |
| | Argentine Peso | 48,486 | - | 54,017 | - |
| | Euros | 215,111 | - | 106,418 | - |
| | Other currencies | 4,269 | - | 556,203 | - |
| Sundry Creditors | Non-adjust. Ch\$ | 277,800 | - | 280,025 | - |
| | Dollars | 613,151 | - | 2,266,588 | - |
| | Adjust. Ch\$ | 238 | - | 295 | - |
| Docts and accts payable to rel co. | Adjust. Ch\$ | 1,761 | - | 3,549 | - |
| | Non-adjust. Ch\$ | 813,161 | - | 460,068 | - |
| | Argentine Peso | 0 | - | 266,464 | - |
| | Dollars | 289,792 | - | 0 | - |
| Provisions | Adjust. Ch\$ | 376,567 | - | 317,019 | - |
| | Non-adjust. Ch\$ | 11,762,814 | - | 9,224,782 | - |
| | Dollars | 1,177,895 | - | 1,222,852 | - |
| | Argentine Peso | 90,197 | - | 39,582 | - |
| | Euros | 726,836 | - | 398,799 | - |
| | Other currencies | 702,084 | - | 470,847 | - |
| Withholdings | Non-adjust. Ch\$ | 2,282,069 | - | 1,433,397 | - |
| | Dollars | 0 | - | 19,068 | - |
| | Argentine Peso | 11,520 | - | 19,419 | - |

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| | | | | |
|---------------------------|------------------|------------|------------|---|
| Prepaid income | Non-adjust. Ch\$ | 4,136,733 | 3,992,961 | |
| Other Current Liabilities | Adjust. Ch\$ | 0 | 4,995,904 | |
| | Dollars | 1,920,957 | 909,776 | |
| Total Current Liabilities | | | | |
| - | Argentine Pesos | 348,258 | 535,064 | - |
| - | Other currencies | 1,028,442 | 1,356,991 | - |
| - | Dollars | 7,626,827 | 8,875,836 | - |
| - | Non-adjust Ch\$ | 35,255,069 | 31,887,843 | - |
| - | Adjust. Ch\$ | 2,067,530 | 7,000,204 | - |
| - | Euros | 961,654 | 521,438 | - |

Cristalerias de Chile S.A.

NOTE 37: LOCAL AND FOREIGN CURRENCY - LONG-TERM LIABILITIES CURRENT PERIOD
06-30-2004

| ITEM | Currency | 1-3 Years | | 3-5 years | | 5- |
|--|------------------|---------------------|-----------------------------|---------------------|-----------------------------|--------------|
| | | Amount Thou Ch\$ | Average Interest Rate | Amount Thou Ch\$ | Average Interest Rate | Amou Thou |
| Obligations with Banks and Financial Institutions | Dollars | 7,953,750 | 2.05 | 23,861,250 | 2.05 | |
| | Argentine Peso | 48,087 | 2.48 | 10,506 | 2.48 | |
| | Non-adjust. Ch\$ | 398,360 | 4.94 | 0 | - | |
| | Adjustable Ch\$ | 2,872,248 | 2.88 | 122,773 | 2.88 | |
| Obligations with the public | Adjustable Ch\$ | 3,403,490 | 6.29 | 0 | - | 34,029 |
| | Adjustable Ch\$ | 0 | - | 0 | - | |
| Sundry creditors | Dollars | 123,743 | 12.25 | 0 | - | |
| | Adjustable Ch\$ | 38,781 | - | 0 | - | |
| | Dollars | 20,930 | 11.02 | 3,991 | 6.07 | |
| | Adjustable Ch\$ | 1,190 | 7.00 | 0 | - | |
| | Dollars | 16,966 | - | 0 | - | |
| Long-term provisions | Dollars | 2,196,952 | - | 0 | - | |
| | Adjustable Ch\$ | 4,220,678 | - | 0 | - | |
| Deferred taxes | Adjustable Ch\$ | 2,773,948 | - | 0 | - | |
| | Non-adjust. Ch\$ | 1,878,079 | - | 0 | - | |
| Total long-term liabilities | | | | | | |
| - | Dollars | 10,312,071 | - | 23,865,241 | - | |
| - | Argentine Peso | 48,087 | - | 10,506 | - | |
| - | Non-adjust. Ch\$ | 2,276,439 | - | 0 | - | |
| - | Adjustable Ch\$ | 13,310,335 | - | 122,773 | - | 34,029 |

Cristalerias de Chile S.A.

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NOTE 37: LOCAL AND FOREIGN CURRENCY - LONG-TERM LIABILITIES PREVIOUS PERIOD
06-30-2003

| ITEM | Currency | 1-3 Years | | 3-5 years | | 5- |
|--|------------------|---------------------|-----------------------------|---------------------|-----------------------------|--------|
| | | Amount Thou Ch\$ | Average Interest Rate | Amount Thou Ch\$ | Average Interest Rate | Thou |
| Obligations with banks and financial institutions | Dollars | 8,791,434 | 2.113 | 26,374,302 | 2.113 | |
| | Dollars | 73,391 | 2.58 | 0 | - | |
| | Argentine Peso | 1,348,302 | 1.94 | 0 | - | |
| | Non-adjust. Ch\$ | 534,333 | 4.94 | 133,583 | 4.94 | |
| | Adjustable Ch\$ | 4,143,357 | 5.39 | 640,337 | 5.49 | |
| Obligations with public | Adjustable Ch\$ | 3,412,286 | 6.25 | 0 | - | 34,122 |
| | Adjustable Ch\$ | 0 | - | 0 | - | |
| Long-term creditors | Adjustable Ch\$ | 45,111 | - | 0 | - | |
| | Dollars | 141,433 | 12.25 | 0 | - | |
| | Dollars | 95,376 | 11.28 | 4,574 | 9.42 | |
| | Adjustable Ch\$ | 2,378 | 7.00 | 0 | - | |
| | Non-adjust. Ch\$ | 63,472 | - | 0 | - | |
| Long-Term provisions | Dollars | 3,441,104 | - | 0 | - | |
| | Adjustable Ch\$ | 4,137,197 | - | 0 | - | |
| Deferred taxes | Adjustable Ch\$ | 2,473,049 | - | 0 | - | |
| | Non-adjust. Ch\$ | 2,036,947 | - | 0 | - | |
| Total long-term liabilities | | | | | | |
| - | Dollars | 12,542,738 | - | 26,378,876 | - | |
| - | Argentine Peso | 1,348,302 | - | 0 | - | |
| - | Non-adjust. Ch\$ | 2,634,752 | - | 133,583 | - | |
| - | Adjustable Ch\$ | 14,213,378 | - | 640,337 | - | 34,122 |

38. Penalties

As of June 30, 2004 and 2003 the SVS and other administrative authorities have not imposed any penalties to the company, its directors or its management.

39. Subsequent Events

On June 22, 2004, the Parent Company agreed to pay interim dividend No. 158 of

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Ch\$ 20 per share over 64,000,000 shares (Th Ch\$ 1,280,000), which was made effective on July 15, 2004.

At the closing date of financial statements and the date of issue of the present report there were no subsequent events that could significantly affect the economic and financial situation of the Company.

40. COMPANIES UNDER SPECIAL NORM

Not applicable.

41. ENVIRONMENT

In line with its permanent commitment with environment preservation the Company has effected as of June 2004 payments for advisories for this concept of Th Ch\$ 2,644, that have been charged to results of the fiscal year 2004.

During fiscal year 2003 the Parent Company carried out investments of ThCh\$ 206,705, which corresponded to the purchase of NOX emission treatment equipment installed at new Furnace B.

The subsidiary S.A. Vina Santa Rita has invested Th Ch\$ 40,286 during the period January - June 2004 (Th Ch\$ 7,961 in 2003) in order to comply with ordinances and laws related to Industrial Process and Installations.

42. STOCK TRANSACTIONS

As of June 30, 2004 and 2003 the following stock transactions were carried out by members of the board, majority stockholders and related individuals:

TRANSACTIONS OF INDIVIDUALS 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 | 0 | 0 | 0 |

- o BSG related with Director Mr. Baltazar Sanchez
- o RCV related with the President Mr. Ricardo Claro

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TRANSACTIONS OF DIRECTORS, MANAGEMENT AND ACCOUNT INSPECTORS

None.

TRANSACTIONS OF MAJORITY SHAREHOLDERS

None.

43. DISTRIBUTION OF SHAREHOLDERS

The distribution of stockholders as of June 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 | 65.84 | 65.83 | 265 | 270 |
| Less than 10% shareholding with investment lower than 200 UF | 0.13 | 0.14 | 762 | 787 |
| TOTAL | 100.00 | 100.00 | 1,028 | 1,058 |
| CONTROLLER OF THE COMPANY | 52.14 | 52.14 | 3 | 3 |

44. BOARD OF DIRECTORS REMUNERATIONS

As of June 30, 2004 and 2003 Th Ch\$ 343,910 and Th Ch\$ 901,660 were paid and provisioned by the Parent Company and the subsidiary S.A. Vina Santa Rita, respectively, according to the following detail:

| | 2004 ThCh\$ | 2003 ThCh\$ |
|---|----------------|----------------|
| Participation of previous fiscal year profits | 336,073 | 896,098 |
| Compensations for assistance to sessions | 5,576 | 4,212 |
| Board Committee compensation | 2,261 | 1,350 |
| | - | - |
| | ----- | ----- |

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| | | |
|-------|---------|---------|
| TOTAL | 343,910 | 901,660 |
| | ===== | ===== |

On the other hand, Th Ch\$ 356,078 and Th Ch\$ 166,756 respectively have been provisioned for participation of year 2004 and 2003.

45. TIME DEPOSITS

As of June 30, 2004 and 2003 the company presents the following information:

| INSTITUTION | CURRENCY | 2004 Th\$ | 2003 Th\$ |
|--------------------------------|----------|--------------|--------------|
| ----- | ----- | ----- | ----- |
| Banco Santander New York | US\$ | 0 | 1,091,155 |
| Banco Deutsche Bank Chile S.A. | US\$ | 0 | 2,397,748 |
| Banco de Santander | US\$ | 0 | 4,510,021 |
| Banco Chile | US\$ | 0 | 2,446,112 |
| Banco de Credito e Inversiones | US\$ | 0 | 601,611 |
| Banco de Santander | \$ | 5,004,267 | 433,451 |
| Banco de Chile | \$ | 380,194 | 302,806 |
| BankBoston | \$ | 0 | 368,831 |
| | | - | - |
| | | ----- | ----- |
| TOTAL | | 5,384,461 | 12,151,735 |
| | | ===== | ===== |

RELEVANT EVENTS

On June 23, 2004, the SVS was informed that in the previous day, the Board of the Company had approved a US\$ 210 million investment plan, in order to duplicate the production of glass containers in a 10 year period.

The first stage of the development plan considers the construction of a new plant, equipped with 4 new fabrication lines and a furnace with a production capacity of 360 tons per day, which supposes a US\$ 110 million investment and that would be financed by a combination of internal resources and credits. Start of operations is scheduled for 2006 and will allow to increase the present capacity of production by 35%.

The following stages of expansion imply adding 7 fabrication lines and 2 furnaces with production capacities over 400 tons per day, which will be materialized in successive stages, in line with market needs.

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CRISTALERIAS DE CHILE S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2004

1.- CONSOLIDATED FINANCIAL INDICATORS

| | | 06-30-2004 | 06-30-2003 | 12-31-2003 |
|----------------------------|---------|------------|------------|------------|
| | | ----- | ----- | ----- |
| LIQUIDITY | | | | |
| Current liquidity | times | 3.67 | 3.29 | 4.44 |
| Acid ratio | times | 2.67 | 2.40 | 3.40 |
| INDEBTEDNESS | | | | |
| Leverage ratio | times | 0.80 | 0.87 | 0.75 |
| Short-term debt | % | 27.63 | 27.98 | 21.59 |
| Long-term debt | % | 72.37 | 72.02 | 78.41 |
| Interest expenses Coverage | times | 4.15 | 2.16 | 2.03 |
| ACTIVITY | | | | |
| Total assets | MM Ch\$ | 463,450 | 469,639 | 441,449 |
| Investments | MM Ch\$ | 6,454 | 18,083 | 27,805 |
| Disposal of property | MM Ch\$ | 69 | 287 | 372 |
| Inventory turnover | Times | n.a. | n.a. | n.a. |
| Inventory permanence | Days | n.a. | n.a. | n.a. |
| RESULTS | | | | |
| Sales | MM Ch\$ | 80,299 | 76,938 | 171,301 |
| Cost of sales | MM Ch\$ | 51,375 | 49,280 | 106,531 |
| Operating income | MM Ch\$ | 15,734 | 15,613 | 37,943 |
| Interest expenses | MM Ch\$ | 3,338 | 3,498 | 6,884 |
| Non-operating results | MM Ch\$ | (4,239) | (9,885) | (28,251) |
| E.B.I.T.D.A. | MM Ch\$ | 21,905 | 14,934 | 29,388 |
| After-tax income | MM Ch\$ | 7,125 | 2,958 | 6,478 |
| PROFITABILITY | | | | |
| Return on equity | % | 3.1 | 1.3 | 2.8 |
| Return on assets | % | 1.5 | 0.6 | 1.5 |
| Return on operating assets | % | 6.4 | 6.6 | 16.4 |
| Profit per share | \$ | 111.3 | 46.2 | 101.2 |
| Return on dividends | % | 1.4 | 2.6 | 2.4 |

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

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

LIQUIDITY INDICES

An increase in the index can be observed with respect to June 2003 in the liquidity index as a consequence the payment of current portion of the long-term bank debt and an increase sales debtors due to higher sales.

INDEBTEDNESS INDICES

Indebtedness index shows a decrease with respect to June 2003 due to a decrease of liabilities. The distribution of the short-term and long-term debt remains stable.

The interest expenses coverage ratio shows an increase with respect to the previous year, due to higher net income during the first half of 2004.

PROFITABILITY INDICES

Equity and assets profitability indices show an increase with respect to first half 2003, due to a higher net income during the present fiscal year.

In spite of the increase of the operating income of the profitability indices of the operating assets decreases slightly, due to an increase of these assets.

Income per share shows an increase with respect to the previous period due to the higher income during the present semester with respect to the first semester of year 2003.

On the other hand, return of dividends 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 June 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 includes adjustment for currency devaluation, provisions, and technical revaluations. We believe the foregoing is a reasonable way to value the Company's permanent investments.

As of June 30, 2004 there were financial investments in stocks recorded in the accounting according to their purchase price at Ch\$ 4,188 million whose market value on the same date was Ch\$ 5,410 million.

3. RESULTS FOR THE PERIOD

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.

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Cristaleras' consolidated sales reached Ch\$ 80,299 million, 4.4% over 2003. Higher sales result fundamentally from higher sales at Santa Rita (6.7%) and CIECSA (10.3%), partially compensated by lower sales in the glass container business (-0.7%). Consolidated operating income reached Ch\$ 15,734 million, compared with Ch\$ 15,613 million in 2003, of which the glass container business contributed Ch\$ 10,135 million (Ch\$ 9,685 million in 2003), Santa Rita Ch\$ 4,149 million (Ch\$ 4,997 million in 2003) and CIECSA Ch\$ 1,417 million (Ch\$ 808 million in 2003).

The Company's net income was Ch\$ 7,125 million, compared with Ch\$ 2,958 million in 2003. This result is mainly explained by a better non-operating result.

During 2004 the Company registered a consolidated non-operating loss of Ch\$ 4,239 million, compared with a Ch\$ 9,885 million non-operating loss in 2003. The former is mainly explained by an income from exchange differences of Ch\$ 2,418 million in 2004 vs. a Ch\$ 4,464 million loss in 2003; partially compensated by a higher net loss from subsidiaries that do not consolidate, that passed from Ch\$ 1,920 million in 2003 to Ch\$ 3,166 million in 2004, fundamentally due to lower results at Metropolis-Intercom and Envases CMF. The net loss from subsidiaries includes a Ch\$ 2,088 million charge in 2004 (Ch\$ 2,095 million in 2003) corresponding to goodwill amortization, which does not constitute cash flow.

The following analysis explains Cristaleras' 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\$ 33,298 million, compared to Ch\$ 33,524 million in the previous fiscal year. Volumes sold increased by 7.4%, reaching 120,393 tons., mainly due to higher sales of bottles for wine, the returnable beer and food markets; partially compensated by lower sales to the non-returnable beer, liquor and soft drinks markets. Average prices declined by 7.5%, mainly explained by the strong decrease in the US\$/Peso exchange rate that passed from Ch\$ 723,66 per to dollar on average during the first semester of 2003 to Ch\$ 608,22 per dollar on average during the first semester of 2004. Operating income reached Ch\$ 10,135 million, 4.6% over 2003.

Non-operating result was a Ch\$ 1,449 million loss, which compares to a Ch\$ 5,986 million loss in 2003. The former is mainly explained by an income from exchange differences of Ch\$ 1,391 million in 2004, compared to a Ch\$ 3,617 million loss in 2003. During 2004 a higher loss in Cristalchile Comunicaciones (owner of 50% of Metropolis -Intercom) is registered and a lower income in Envases CMF. The former was partially compensated by higher income in CIECSA and Vina Santa Rita.

3c. Result in Subsidiaries

Santa Rita's net income reached Ch\$ 3,553 million, 23.3% over 2003. In the local market, prices increased by 10.0% in real terms, while volumes increased by 9.5%. Sales in this market increased by 20.4% reaching Ch\$ 17,383 million. During the period, export volume sales increased by 6.6%, representing 50.2% of total revenues, in the amount of US\$ 30.0 million (US\$ 26.8 million in 2003). Operating income reached Ch\$ 4,149 million compared with Ch\$ 4,997 million in 2003, fundamentally due to higher costs of musts and a decrease of the Peso/US\$ exchange rate that affects export returns. Santa Rita's average price in dollars per case for the export market reached US\$ 34.1 (US\$ 32.4 in 2003), while the average price for the industry was US\$ 24.3 per case (US\$ 23.7 in 2003). Santa Rita had a Ch\$ 364 million non-operating income, compared to a Ch\$ 1,385 million loss in

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2003, mainly due to a income from exchange differences of Ch\$ 965 million compared with Ch\$ 740 million loss in 2003.

Red Televisiva Megavisión, CIECSA's main subsidiary, registered a Ch\$1,125 million operating income, compared with an Ch\$ 814 million operating income in 2003. MEGA reached the first place in audience with an audience viewership share of 25.4% during the period(1) (22.7% in 2003). Net sales increased by 8.3% reaching Ch\$ 12,341 million, due to an increase in live programming, which has resulted in higher audience levels. MEGA had an Ch\$ 811 million net income (Ch\$ 210 million income in 2003). CIECSA's net income was Ch\$ 927 million, compared to Ch\$ 75 million income the previous year.

Envases CMF S.A. registered a Ch\$ 298 million net income in 2004 compared with a Ch\$1,226 million net income in 2003. This is mainly explained by the non-operating result, which during 2003 registered a net income from price level restatement and exchange differences of Ch\$ 435 million, compared to a Ch\$ 205 million loss during the present period. Sales reached Ch\$ 14,941 million during the period compared with Ch\$ 16,375 million in 2003. Volume sales decreased by 4.1%, reaching 10,557 tons, due to a decline in pre forms exports and lower sales of one-way formats; while average prices decreased by 5.1% influenced by the decrease of the Peso/US\$ rate of exchange. As a result the aforementioned operating income reached Ch\$ 1,191 million, compared with Ch\$ 1,615 million in 2003.

In the cable TV area, 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\$ 22,186 million, compared with Ch\$ 22,408 million in 2003. Metropolis-Intercom had a net loss of Ch\$ 5,962 million, compared with a net loss of Ch\$ 4,845 million in 2003. This lower result is mainly due to a one-time Ch\$ 775 million charge, that affects the non-operating result of the company. Metropolis-Intercom's EBITDA reached Ch\$3,192 million during the period (Ch\$ 2,944 million in 2003). The latter includes a depreciation charge of Ch\$ 7,338 million (Ch\$ 6,672 million in 2003) corresponding to the HFC network acquired in July 2000. The company ended the period with 223,820 basic subscribers (237,324 in 2003), 28,970 premium service subscribers (33,440 in 2003), 38,503 broadband internet subscribers (31,5% over 2003) and 9,255 IP telephony subscribers.

As a result of the above mentioned and a negative goodwill amortization charge through Cordillera Comunicaciones of Ch\$ 2,088 million during the year (Ch\$ 2,095 million in 2003), Cristalchile Comunicaciones recorded a net loss of Ch\$ 4,041 million (net loss of Ch\$3,468 million in 2003).

INVESTMENTS

On June 23, 2004, Cristalerías de Chile announced that it will invest US\$210 million in a development plan that will allow it to duplicate its glass production installed capacity -from 300 thousand tons per year to 600 thousand tons per year- and adequately attend the increasing demand of its customers.

The initiative, that would be materialized in a term of up to 10 years, was approved unanimously by the Board and contemplates materialization in successive stages, according to market needs.

(1) Measured between 6:30 A.M. and 1:30 A.M. (i.e:19 hours a day) from

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Monday through Sunday.

The first stage of the development plan considers the construction of a new plant, equipped with 4 new fabrication lines and a furnace with production capacity of 360 tons per day, that supposes US\$ 110 million investment and that would be financed by a combination of internal resources and credits. Start up of operations is scheduled for 2006 and will allow to increase the present production capacity by 35%.

Following stages of the expansion imply adding 7 fabrication lines and 2 furnaces with production capacities over 400 tons per day.

4. CASH FLOW STATEMENT

As of June 30, 2004 a total net positive flow of Ch\$ 5,987 million was generated, which is explained by a positive flow generated by operating activities of Ch\$ 21,112 million which were partially offset by a negative financing flow of Ch\$ 3,929 million, and a negative flow of investment activities of Ch\$11,196 million.

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

The negative financing flow can be explained mainly by dividends paid of Ch\$ 3,135 million and loans payments for Ch\$ 648 million.

The negative investment flow is mainly explained by the incorporation of fixed assets of Ch\$ 7,253 million, and loans to related companies for Ch\$ 3,804 million.

The foregoing results in an increase in the final balance of cash and cash equivalent, once included the inflationary effect, which passed from Ch\$ 76,214 million as of December 31, 2003 to Ch\$ 82,283 million as of June 30, 2004.

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

5. INTEREST RATES AND EXCHANGE RATE RISK ANALYSIS

a. Interest rates

Cristalerias and its subsidiaries are exposed to the risk of fluctuations in interest rates on its short-term and long-term debts. As of June 30, 2004 Short-Term and Long-Term bank liabilities and obligations with the public totaled Ch\$ 130,028 million, which represents 28% of the Company's consolidated assets.

Bank loans totaled Ch\$ 38,108 million, of which Ch\$34,449 million correspond to credits in foreign currency agreed at variable rates related to the six-month Libor and 0.8% percentages point per year, Ch\$ 2,995 million correspond to credits in pesos adjustable in unidades de fomento (indexed currency units) are exposed to changes in the six-month TAB rate and Ch\$ 664 million correspond to credits in pesos at an annual rate of 4.94%.

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Of total obligations with the public of Ch\$ 91,920, Ch\$ 71,450 million correspond to bonds issued by the Company and Ch\$ 20,470 million to bonds issued by the subsidiary Vina Santa Rita, both a fixed interest rate.

As of June 30, 2004, the Company had funds available of Ch\$ 79,946 million invested in instruments at different tenors like term deposits, bonds, fixed-rate mutual funds and resale

agreements. Such amount does not includes bonds for a total of Ch\$8,539 million with maturity on September 15, 2005 and investments in shares for Ch\$ 4,188 million.

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

b) Exchange rate

The Company and its Subsidiaries maintain liabilities in foreign currency for the equivalent to US\$ 74.1 million, which represents 10.2% of its consolidated assets, and include a long-term syndicated loan of US\$ 50 million in Cristalchile.

As of June 30 the Company and its Subsidiaries maintain investments in Dollars of US\$ 68.3 million; in time deposits, bonds and fixed rate mutual funds. In addition it also has investments in EUROS 37.5 million in fixed rate and fixed rent instruments. Likewise it also has Dollar purchase future contracts of US\$42.6 million which are more than compensated by sale future contracts of US\$ 81.6 million.

On the other hand, aproximately 37.5% of consolidated income is indexed to the exchange rate variation. At the same time, the consolidated cost in foreign currency represents aproximately 29.6% of total costs.

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: October 20, 2004