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GLASSWORKS OF CHILE
Form 6-K
August 19, 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

August 19, 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

[LOGO]

NYSE: CGW
Santiago: CRISTALES
www.cristalchile.com

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FOR IMMEDIATE RELEASE

CRISTALERIAS DE CHILE REPORTS ITS RESULTS FOR SECOND QUARTER AND FIRST HALF 2004

Santiago, Chile (August 19, 2004) - Cristalerias de Chile S.A. ("Cristalerias"), a Chilean conglomerate and the largest producer of glass containers in Chile, today announced its results for the second quarter and six-month periods ended June 30, 2004. All figures have been prepared according to Chilean GAAP and are stated in constant Chilean Pesos and in US Dollars at Ch\$636.30/US\$1, the exchange rate at the close of June 30, 2004.

2Q04 HIGHLIGHTS (vs. 2Q03):

- o Consolidated sales increased 12.5%
- o Operating income up 27.7%
- o EBITDA up 22.2%
- o Non-operating loss of Ch\$2,812 million in 2Q04 compared to an Ch\$8,755 million loss in 2Q03.
- o Net income of Ch\$4,559 million, compared to a Ch\$1,389 million net loss in 2Q03.
- o Earnings per ADR reached US\$0.34

YTD 2004 HIGHLIGHTS (vs. YTD 2003):

- o Consolidated sales increased 4.4%
- o Operating income up 0.8%
- o EBITDA up 3.6%
- o Non-operating loss of Ch\$4,239 million compared to a loss of Ch\$9,885 million in 2003.
- o Net income reached Ch\$7,125 million compared to Ch\$2,958 million income reported in 2003.
- o Earnings Per ADR reached US\$0.52

CONSOLIDATED REVENUE

| (in Ch\$ millions) | 2Q04 | 2Q03 | 2Q04 vs. 2Q03 | YTD04 |
|---------------------------------|--------|--------|------------------|--------|
| ----- | ---- | ---- | ---- | ----- |
| TOTAL REVENUE | 46,256 | 41,106 | 12.5% | 80,299 |
| Cristalchile (glass containers) | 17,711 | 15,849 | 11.7% | 33,298 |
| Vina Santa Rita (wine) | 22,212 | 19,540 | 13.7% | 36,988 |
| CIECSA (media) | 7,808 | 7,167 | 8.9% | 12,776 |
| Adjustments | 1,475 | 1,450 | N/A | 2,763 |

RELATED COMPANIES

| | | | | |
|----------------------------------|--------|--------|-------|--------|
| Metropolis-Intercom (cable TV) | 11,264 | 11,489 | -2.0% | 22,186 |
| Envases CMF (plastic containers) | 7,102 | 7,363 | -3.6% | 14,941 |

SECOND QUARTER 2004 RESULTS

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CONSOLIDATED RESULTS

During 2Q04, Cristalerias' total consolidated revenue reached Ch\$46,256 million (US\$72.7 million), a 12.5% increase compared to 2Q03. The main factors behind this increase were improved sales in Santa Rita (+13.7%), the glass container business (+11.7%) and CIECSA (+8.9%). Adjustments for factors such as intercompany sales reached Ch\$1,475 million during the quarter.

2004 Revenue Breakdown

Media 16%
Glass 37%
Wine 47%

Consolidated operating income increased by 27.7% during the quarter, totaling Ch\$10,290 million (US\$16.2 million). This includes Ch\$5,757 million from the glass container business (Ch\$3,744 million in 2Q03), Ch\$3,076 million from Santa Rita (Ch\$3,325 million in 2Q03) and Ch\$1,465 million from CIECSA (Ch\$924 million in 2Q03).

During the quarter, Cristalerias net income reached Ch\$4,559 million (US\$7.2 million), compared to a Ch\$1,389 million (US\$2.2 million) net loss in 2Q03. This is mainly explained by a lower non-operating loss, that passed from an Ch\$8,755 million (US\$13.8 million) loss in 2Q03, to a Ch\$2,812 million (US\$ 4.4 million) loss in 2Q04. The latter is mainly explained by a Ch\$1,036 million (US\$1.6 million) income from exchange differences in (Ch\$6,148 million loss in 2Q03); partially compensated by a lower Ch\$1,456 million net loss from subsidiaries that do not consolidate (Ch\$812 million loss in 2Q03). The net loss from subsidiaries includes a Ch\$1,048 million charge (Ch\$1,055 million charge in 2Q03) corresponding to goodwill amortization, which does not constitute cash flow.

EBITDA: Operating cash generation increased by 22.2% to reach Ch\$14,229 million (US\$22.4 million). EBITDA margin for 2Q04 was 30.8% (28.3% in 2Q03).

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

2

PACKAGING BUSINESS

Glass

Glass packaging sales increased by 11.7% during the quarter to Ch\$17,711 million (US\$27.8 million). Volume sales increased by 18.0%, totaling 63,538 tons. Wine bottle sales increased by 9.1%, mainly due an increase in export volumes. Beer bottle sales increased by 52.2%, due to clients' inventory build-up of returnable formats, partially compensated by lower sales of one-way formats. Liquor bottle sales increased by 4.2%, due to higher value-added sales of formats for pisco. Containers for the food industry increased by 37.7% due to an increase in market share of formats offered by the Company.

Soft-drink bottle sales decreased by 3.2%, mainly due to lower one-way formats sales that have been affected by higher sales of the 237cc returnable bottle; partially compensated by an increase in returnable formats sales, which in turn are due to clients' inventory build-up in order to back up a sales increase campaign in these formats.

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GLASS

| | 2Q04 | 2Q03 | 2Q04 vs. 2Q03 |
|------------------------------|--------|--------|------------------|
| | ---- | ---- | ---- |
| Net Sales (in Ch\$ millions) | 17,711 | 15,849 | 11.7% |
| Wine | 11,866 | 10,879 | 9.1% |
| Beer | 2,154 | 1,415 | 52.2% |
| Soft Drinks | 1,654 | 1,708 | -3.2% |
| Liquor | 1,534 | 1,472 | 4.2% |
| Food | 414 | 301 | 37.7% |
| Pharmaceutical | 88 | 75 | 16.8% |
| Volume in tons | 63,538 | 53,854 | 18.0% |

Operating income increased by 53.8% to reach Ch\$5,757 million (US\$9.0 million). Operating margin reached 32.5% in 2Q04 (23.6% in 2Q03).

Net earnings for 2Q04 include a non-operating loss of Ch\$121 million (US\$0.2 million), compared to a Ch\$5,427 million (US\$8.5 million) non-operating loss in 2Q03. The latter is mainly explained by a Ch\$651 million income from exchange differences in 2Q04, compared to a Ch\$4,970 million loss in 2Q03; in addition to a higher net income from subsidiaries, that reached Ch\$531 million in 2Q04 (Ch\$195 million in 2Q03).

EBITDA: Operating cash generation increased by 38.0% to reach Ch\$8,416 million (US\$13.2 million). EBITDA margin was 47.5% (38.5% in 2Q03).

3

Plastic

During 2Q04, Envases CMF posted a Ch\$74 million (US\$ 0.1 million) net loss, compared to a Ch\$670 million (US\$ 1.1 million) net income in 2Q03. The latter is mainly due to the non operating result, that registered a net loss of Ch\$123 million corresponding to price level restatements and exchange differences in 2Q04, compared to a Ch\$569 million income in 2Q03. Total sales reached Ch\$7,102 million (US\$11.2 million), compared to Ch\$7,363 million (US\$11.6 million) in 2Q03. Volumes decreased by 4.3%, reaching 4,713 tons, while prices increased by 0.5%. Operating income increased by 7.2% to reach Ch\$451 million, due to higher operating efficiencies and a more profitable sales mix.

EBITDA: Operating cash generation reached Ch\$1,541 million (US\$2.4 million) in 2Q04, compared to Ch\$1,566 million (US\$2.5 million) during 2Q03. EBITDA margin reached 21.7% (21.3% in 2Q03).

4

WINE BUSINESS

During 2Q04, Santa Rita's consolidated sales totaled Ch\$22,212 million (US\$34.9 million), 13.7% over 2Q03. The Company's profits came in at Ch\$2,171 million (US\$3.4 million), 30.0% over 2Q03, mainly due to an improved

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non-operating result, that registered a Ch\$378 million income from exchange differences (Ch\$1.040 million loss in 2Q03). The aforementioned was partially compensated by a lower operating result.

In the domestic market, Santa Rita's volumes grew by 19.7% over 2Q03. Prices increased by 11.0% in real terms. These conditions led net sales in the domestic market to grow by 32.8% to Ch\$10,748 (US\$16.9 million).

Sales volume in the export market rose by 7.5% reaching US\$17.1 million. In real peso terms, sales decreased by 2.1% (due to the Chilean peso/US dollar appreciation with respect to 2Q03) accounting for 48.9% of total revenues. The average price in Dollars per case in the export market reached US\$33.4 (US\$33.2 in 2Q03), compared with an industry average of US\$24.17 (US\$23.93 in 2Q03).

SANTA RITA

| | 2Q04 | 2Q03 | 2Q04 vs. 2Q03 |
|--|--------|--------|------------------|
| | ---- | ---- | ---- |
| Net Sales (in Ch\$ millions) | 22,212 | 19,540 | 13.7% |
| Domestic | 10,748 | 8,092 | 32.8% |
| Exports | 10,856 | 11,090 | -2.1% |
| Others | 608 | 358 | 69.8% |
| Volume | | | |
| Exports (Th cases) | 513 | 477 | 7.5% |
| Domestic (Th liters) | 19,513 | 16,303 | 19.7% |
| Price per case - Export Mkt. (US\$) | 33.4 | 33.2 | 0.8% |
| Avg. price per case - Domestic Mkt. (Ch\$) | 4,959 | 4,464 | 11.0% |

Operating income reached Ch\$3,076 million (US\$4.8 million), compared to Ch\$3,325 million (US\$5.2 million) in 2Q03, due to higher costs of wine musts, as well as a lower peso/US\$ exchange rate that affected export returns. Operating margin was 13.9% (17.0% in 2Q03).

EBITDA: Operating cash generation was Ch\$4,138 million (US\$6.5 million), compared to Ch\$4,345 million (US\$6.8 million) in 2Q03. EBITDA margin was 18.6% (22.2% in 2Q03).

5

MEDIA BUSINESS

Television Broadcasting, Financial Printed Press, and Other Media

During 2Q04, CIECSA reported a net income of Ch\$1,227 million (US\$1.9 million), compared to Ch\$523 million (US\$0.8 million) income in 2Q03.

Media Subsidiaries

| CGW | |
|--------|----------------|
| 98.5% | 99.9% |
| | |
| | |
| CIECSA | Cristalchile |
| | Comunicaciones |
| | |

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| | | | | | |
|-------|--|------------|--|----------------|-------------|
| 99.9% | | 37.4% | | | 50.0% |
| | | | | | |
| MEGA | | | | Cordillera | |
| | | | | Comunicaciones | |
| | | | | | |
| | | Diario | | | 99.9% |
| | | Financiero | | | |
| | | | | | Metropolis- |
| | | | | | Intercom |

MEGA, CIECSA's main subsidiary, reached the first place in audience share with an average viewership share of 25.5% in 2Q04 (22.9% in 2Q03)FN1. Net sales increased by 6.2% in 2Q04 to reach Ch\$7,442 million (US\$11.7 million). MEGA had a Ch\$1,188 million (US\$1.9 million) operating income, compared to Ch\$904 million (US\$1.4 million) in 2Q03. Therefore, MEGA posted a Ch\$1,049 million (US\$1.6 million) net income, compared to Ch\$460 million (US\$0.7 million) in 2Q03.

EBITDA: CIECSA's operating cash generation reached Ch\$1,665 million (US\$2.6 million), 47.6% over 2Q03. EBITDA margin was 21.3% (15.7% in 2Q03).

Cable Television

Cristalchile Comunicaciones S.A. (Cristaleras' wholly-owned subsidiary), owner of 50% of Cordillera Comunicaciones Ltda., had a net loss of Ch\$1,890 million (US\$3.0 million), compared to Ch\$1,954 (US\$3.1 million) in 2Q03. Similarly, Cordillera Comunicaciones Ltda. (owner of 99% of Metropolis-Intercom S.A.) had a net loss of Ch\$3,643 million (US\$5.7 million), compared to Ch\$3,908 million (US\$6.1 million) in 2Q03. The aforementioned result includes a goodwill amortization charge of Ch\$1,048 million (Ch\$1,055 million in 2Q03).

 FN1 Measured between 6:30 and 1:30AM (i.e.: 19 hours daily) from Monday through Sunday.

6

During 2Q04 Metropolis-Intercom S.A. posted a net loss of Ch\$2,859 million (US\$4.5 million), flat compared with 2Q03. The Company posted sales of Ch\$11,264 million (US\$17.7 million), compared to Ch\$11,489 million in 2Q03. EBITDA reached Ch\$1,529 million (US\$2.4 million), 16.8% over 2Q03. The latter includes a Ch\$3,750 million (US\$5.9 million) depreciation charge, compared to a Ch\$3,449 million (US\$5.4 million) charge in 2Q03, mainly coming from the HFC network acquired in July 2000. The Company ended the period with 223,820 basic subscribers (237,324 in 2Q03), 28,970 premium subscribers (33,440 in 2Q03) and 38,503 broad-band internet subscribers (29,286 in 2Q03). Internet Protocol Telephone customers reached 9,255.

METROPOLIS-INTERCOM

| | 06/30/04 | 03/31/04 | 2Q04 vs. 1Q04 |
|-----------------------|----------|----------|------------------|
| | ----- | ----- | ---- |
| Basic Subscribers (1) | 223,820 | 223,957 | 0% |
| Premium customers | 28,970 | 35,514 | -18.4% |
| Internet customers | 38,503 | 36,883 | 4.4% |

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| | | | |
|----------------------------------|-----------|-----------|------------------|
| IP Telephony customers | 9,255 | 6,376 | 45.2% |
| Home Passed | 1,198,054 | 1,195,479 | 0.2% |
| | 2Q04 | 2Q03 | 2Q04 vs. 2Q03 |
| | ----- | ----- | ----- |
| Sales (Ch\$ Million) | 11,264 | 11,489 | -2.0% |
| EBITDA (Ch\$ Million) | 1,529 | 1,309 | 16.8% |
| Net Income (Loss) (Ch\$ Million) | (2,859) | (2,860) | 0% |

(1) Includes Premium and Internet customers.

7

FIRST HALF 2004 RESULTS

CONSOLIDATED RESULTS

The Company consolidates its results with those of Vina Santa Rita, CIECSA, Cristalchile Comunicaciones, Cristalchile Inversiones and Apoger. During the first half of 2004, Cristalerias' total consolidated revenue reached Ch\$80,299 million (US\$126.2 million), a 4.4% increase over 2003. The main factors behind this growth include improved sales in the wine (+6.7%), and media (+10.3%) businesses; partially compensated by lower sales in the glass container business (-0.7%).

YTD04 Revenue Breakdown

Media 15%
Glass 40%
Wine 45%

Consolidated operating income increased by 0.8% during the period, totaling Ch\$15,734 million (US\$24.7 million). This includes Ch\$10,135 million from the glass container business (Ch\$9,685 million in 2003), Ch\$4,149 million from Santa Rita (Ch\$4,997 million in 2003) and Ch\$1,417 million from CIECSA (Ch\$808 million in 2003).

For the six-month period ended on June 30, 2003, Cristalerias' net income was Ch\$7,125 million (US\$11.2 million), compared to Ch\$2,958 million (US\$4.6 million) in 2003. This is mainly explained by a lower non-operating loss, that passed from a Ch\$9,885 million (US\$15.5 million) loss in 2003 to a Ch\$4,239 million (US\$6.7 million) loss in 2004. The latter is mainly explained by income from exchange differences of Ch\$2,418 million in 2004, compared to a Ch\$4,464 million loss in 2003. This is partially compensated by a higher net loss from subsidiaries that do not consolidate, that reached Ch\$3,166 million (compared to a Ch\$1,920 million loss in 2003), mainly due to lower results at Metropolis-Intercom and Envases CMF. The net loss from subsidiaries includes Ch\$2,088 million charge (Ch\$2,095 million charge in 2003) corresponding to goodwill amortization, which does not constitute cash flow.

EBITDA: Operating cash generation increased by 3.6% to reach Ch\$23,478 million (US\$36.9 million). EBITDA margin was 29.2% (29.5% in 2003).

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

PACKAGING BUSINESS

Glass

The Company had non-consolidated sales of Ch\$33,298 million (US\$52.3 million), compared to Ch\$33,524 million (Ch\$52.7 million) in 2003. Volume sales increased by 7.4%, reaching 120,393 tons. Wine bottle sales increased by 5.8% during the period mainly due to higher bottled wine export volumes. Sales of containers for the food industry increased due to an increase in market share of formats offered by the Company.

Beer bottle sales decreased by 27.0%, mainly due to changes in clients' pricing policy for beer sold in one-way formats, partially compensated by higher sales of returnable formats. Liquor bottle sales decreased by 6.1%, mainly because during 1H03 clients build-up inventories for a new pisco brand. Soft drink bottle sales decreased by 4.6% due to lower sales of one-way formats that have been affected by higher sales of the 237cc returnable bottle.

| | GLASS | | |
|------------------------------|---------|---------|--------------------|
| | YTD04 | YTD03 | YTD04 vs. YTD03 |
| | ----- | ----- | ----- |
| Net Sales (in Ch\$ millions) | 33,298 | 31,524 | -0.7% |
| Wine | 22,665 | 21,424 | 5.8% |
| Soft Drinks | 3,736 | 3,914 | -4.6% |
| Beer | 3,275 | 4,483 | -27.0% |
| Liquor | 2,593 | 2,761 | -6.1% |
| Food | 876 | 755 | 16.0% |
| Pharmaceutical | 153 | 187 | -18.4% |
| Volume in tons | 120,393 | 112,121 | 7.4% |

Operating income increased by 4.6%, reaching \$10,135 million (US\$15.9 million), due to the increased sales volume and lower costs of sales, partially compensated by a 7.5% decrease in average prices, mainly as a consequence of the appreciation of the Chilean peso against the US dollar during 1H04 when compared to 1H03. Operating margin was 30.4% (28.9% in 2003).

Net earnings for the period include a non-operating loss of Ch\$1,449 million (US\$2.3 million), compared to a non-operating loss of Ch\$5,986 million (US\$9.4 million) in 2003. This is mainly explained by a Ch\$1,391 million income from exchange differences (Ch\$3,617 million loss in 2003) and higher income from Vina Santa Rita and CIECSA. The aforementioned was partially compensated by a higher loss at Cristalchile Comunicaciones (50% owner of Metropolis-Intercom) and a lower income from Envases CMF.

EBITDA: Operating cash generation increased by 7.2% to reach Ch\$15,384 million (US\$24.2 million). EBITDA margin was 46.2% (42.8% in 2003).

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Plastic

During the first half of 2004, Envases CMF posted a Ch\$298 million (US\$0.5 million) net income (Ch\$1,226 million net income in 2003). This is mainly explained by the non-operating result, that during 2003 registered as of this date a net income from price level restatements and exchange differences of Ch\$435 million, compared to a Ch\$205 million loss in 2004. Total sales reached Ch\$14,941 million (US\$23.5 million), compared to Ch\$16,375 million (US\$25.7 million) in 2003. Volumes decreased by 4.1%, reaching 10,557 tons, due to lower pre-forms exports and lower one-way formats sales; while prices decreased by 5.1% influenced by a lower exchange rate. Operating income reached Ch\$1,191 million (US\$1.9 million), compared to Ch\$1,615 million (US\$2.5 million) income in 2003.

EBITDA: Operating cash generation was Ch\$3,350 million (US\$5.3 million), compared to Ch\$3,908 million (US\$6.1 million) in 2003. EBITDA margin was 22.4% (23.9% in 2003).

10

WINE BUSINESS

During the first half of 2004, Santa Rita's consolidated sales totaled Ch\$36,988 million (US\$58.1 million), a 6.7% increase over 2003. The Company's profits came in at Ch\$3,553 million (US\$5.6 million), 23.3% over 2003, due to an improved non-operating result.

In the domestic market, Santa Rita's volumes increased by 9.5% over 2003. Prices rose by 10.0% in real terms. These conditions led net sales in the domestic market to grow by 20.4%, reaching Ch\$17,383 million (US\$27.3 million).

Sales volume in the export market grew by 6.6%, reaching US\$30.0 million (US\$26.8 million in 2003), representing 50.2% of revenues. The average price in dollars per case reached US\$34.1 (US\$32.4 in 2003), compared with an industry average of US\$24.3 (US\$23.7 in 2003).

By markets, the export increase breakdown is as follows: Europe, +14.0%; Asia+Africa, +42.0%; Latin America, +3.0%; partially offset by lower sales to Canada, -15.9%; and USA, -1.8%.

| SANTA RITA | | | YTD04 vs. |
|--|--------|--------|-----------|
| | YTD04 | YTD03 | YTD03 |
| | ----- | ----- | ----- |
| Net Sales (in Ch\$ millions) | 36,988 | 34,663 | 6.7% |
| Domestic | 17,383 | 14,440 | 20.4% |
| Export | 18,571 | 19,334 | -3.9% |
| Others | 1,034 | 889 | 16.3% |
| Volume | | | |
| Exports (Th cases) | 881 | 827 | 6.6% |
| Domestic (Th liters) | 31,996 | 29,230 | 9.5% |
| Price per case - Export Mkt. (US\$) | 34.1 | 32.4 | 5.0% |
| Avg. price per case - Domestic Mkt. (Ch\$) | 4,887 | 4,446 | 10.0% |

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Operating income reached Ch\$4,149 million (US\$6.5 million), compared to Ch\$4,997 million (US\$7.9 million) in 2003, due to higher costs of musts, as well as a lower peso/US\$ exchange rate that affected export returns. Operating margin reached 11.2% (14.4% in 2003).

EBITDA: Operating cash generation reached Ch\$6,247 million (US\$9.8 million), compared to Ch\$6,985 million (US\$11.0 million) in 2003. EBITDA margin was 16.9% (20.2% in 2003).

11

MEDIA BUSINESS

Television Broadcasting, Financial Printed Press and Other Media

During 2004, CIECSA reported a net income of Ch\$927 million (US\$1.5 million) compared to Ch\$75 million (US\$0.1 million) in 2003.

MEGA, CIECSA's main subsidiary, reached the first place in audience share with an average viewership share of 25.4% during the period (22.7% in 2003)FN2. Net sales increased by 8.3% reaching Ch\$12,341 million (US\$19.4 million), as higher audience share has resulted in better sales. MEGA's operating income increased by 38.2%, reaching Ch\$1,125 million (US\$1.8 million). Net income reached Ch\$811 million (US\$1.3 million), compared to Ch\$210 million (US\$0.3 million) in 2003.

EBITDA: CIECSA's operating cash generation increased by 50.1%, reaching Ch\$1,809 million (US\$2.8 million). EBITDA margin was 14.2% (10.4% in 2003).

Cable Television

Cristalchile Comunicaciones S.A. (Cristalerias wholly-owned subsidiary), owner of 50.0% of Cordillera Comunicaciones Ltda. had a net loss of Ch\$4,041 million (US\$6.4 million), compared to a Ch\$3,468 million (US\$5.5 million) net loss in 2003. Similarly, Cordillera Comunicaciones Ltda. (owner of 99.9% of Metropolis-Intercom S.A.) posted a net loss of Ch\$7,779 million (US\$12.2 million), compared to a net loss of Ch\$6,933 million (US\$10.9 million) in 2003. The aforementioned result includes a goodwill amortization charge of Ch\$2,088 million (Ch\$2,095 million in 2003).

During the first half of 2004 Metropolis-Intercom S.A. posted sales of Ch\$22,186 million (US\$34.9 million), compared to Ch\$22,408 million (US\$35.2 million) in 2003. The Company posted a net loss of Ch\$5,962 million (US\$9.4 million), compared to a net loss of Ch\$4,845 million (US\$7.6 million) in 2003. This lower result is mainly due to a Ch\$775 million (US\$1.2 million) one-time expense that affects the Company's non-operating result. EBITDA reached Ch\$3,192 million (US\$5.0 million), 8.4% over 2003. The latter includes a depreciation charge of Ch\$7,338 million (US\$11.5 million), compared to Ch\$6,672 million (US\$10.5 million) in 2003; mainly coming from the HFC network acquired in July 2000. Metropolis-Intercom ended the period with 223,820 basic subscribers (237,324 in 2003), 28,970 premium subscribers (33,440 in 2003), 38,503 broad-band internet subscribers (29,286 in 2003) and 9,255 IP Telephone subscribers.

FN2 Measured between 6:30AM and 1:30AM (i.e.: 19 hours daily) from Monday through Sunday.

METROPOLIS-INTERCOM

| | 06/30/04 | 12/31/03 | % Change |
|----------------------------------|-----------|-----------|--------------------|
| | ----- | ----- | ----- |
| Basic Subscribers (1) | 223,820 | 231,925 | -3.5% |
| Premium customers | 28,970 | 31,499 | -8.0% |
| Internet customers | 38,503 | 34,462 | 11.7% |
| IP Telephony customers | 9,255 | 3,639 | 154.3% |
| Home Passed | 1,198,054 | 1,192,891 | 0.4% |
| | | | |
| | YTD04 | YTD03 | YTD04 vs. YTD03 |
| | ----- | ----- | ----- |
| Sales (Ch\$ Million) | 22,186 | 22,408 | -1.0% |
| EBITDA (Ch\$ Million) | 3,192 | 2,944 | 8.4% |
| Net Profit (loss) (Ch\$ Million) | (5,962) | (4,845) | -23.0% |

(1) Includes Premium and Internet customers.

INVESTMENTS

Over the next decade, Cristalerias de Chile will invest US\$210 MM in line with a development plan that will allow the Company to duplicate its glass packaging production capacity going from 300,000 to 600,000 annual tons.

The initiative was approved by the Company's Board, and contemplates its materialization in successive stages according to market demand.

The first stage considers construction of a new glass plant, equipped with four production lines and a furnace with capacity of 360 tpd, which will increase current production capacity by 35%. This stage implies an investment of approximately US\$110 million, that will be financed with a combination of internal resources and credits. Start-up of operations is scheduled for year 2006.

Next expansion stages imply adding seven production lines and two additional furnaces with production capacities over 400 tpd.

It is worth mentioning that in line with Cristalerias de Chile's avant-garde technological policy; the plant, production lines and furnaces will have state of the art production and quality control systems, that will allow an important productivity increase as well as efficiently satisfy customers' growing requirements.

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This release may contain certain forward-looking statements (as that term is used in U.S. securities laws) regarding anticipated results of operations, financial condition, business operations or strategy of Cristalerias de Chile or its consolidated subsidiaries. Forward-looking statements may be identified by the use of words such as "anticipates," "believes," "expects," "predicts," "intends," "estimates," "should" or "may" or similar expressions relating to statements that are not of historical facts. Such forward-looking statements are believed to be reasonable, but are not guarantees of future performance.

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Actual results could vary from our objectives or expectations due to many factors including, among others, changes in consumer beverage preferences, new technologies, a downturn in the Chilean wine industry, significant disruption of the Chilean media market, the macroeconomic performance of Chile and the behavior of Latin American markets more generally.

13

[LOGO]

CRISTALERIAS DE CHILE S.A.
 CONSOLIDATED FINANCIAL STATEMENTS
 (Restated for general price-level changes and expressed
 in millions of Chilean Pesos as of June 30, 2004)
 1 US Dollar = 636.30 Chilean Pesos

BALANCE SHEET

| | As of June 30 | |
|--|---------------|---------|
| | 2004 | 2003 |
| | MCh\$ | MCh\$ |
| | ----- | ----- |
| ASSETS | | |
| ----- | | |
| Cash, time deposits, marketable securities | 86,840 | 93,155 |
| Receivables | 52,390 | 42,117 |
| Inventories, net | 47,219 | 45,042 |
| Other current assets | 5,207 | 4,808 |
| | ----- | ----- |
| TOTAL CURRENT ASSETS | 191,656 | 185,122 |
| | ----- | ----- |
| NET P.P.&E. | 135,584 | 140,832 |
| | ----- | ----- |
| Investment in related companies | 100,764 | 107,216 |
| Long-term receivables | 9,200 | 9,538 |
| Goodwill on investments | 789 | 831 |
| Accounts receivable, related companies | 1,107 | 3 |
| Others | 24,351 | 26,097 |
| | ----- | ----- |
| TOTAL OTHER ASSETS | 136,210 | 143,686 |
| | ----- | ----- |
| TOTAL ASSETS | 463,450 | 469,639 |
| | ----- | ----- |
| | | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| ----- | | |
| Current portion of long-term & short-term debt | 4,656 | 6,035 |
| Dividends payable | 652 | 511 |
| Accounts and notes payable | 21,295 | 26,295 |
| Provisions, withholdings, income taxes | 21,460 | 19,463 |
| Advances from customers | 4,137 | 3,993 |
| | ----- | ----- |
| TOTAL CURRENT LIABILITIES | 52,199 | 56,297 |
| | ----- | ----- |
| Long-term bank liabilities and bonds payable | 125,446 | 132,465 |
| Miscellaneous creditors | 205 | 352 |
| Provisions and others | 11,070 | 12,088 |
| | ----- | ----- |
| TOTAL LONG-TERM LIABILITIES | 136,721 | 144,905 |

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| | | |
|------------------------------------|---------|---------|
| MINORITY INTEREST | 39,137 | 37,422 |
| TOTAL SHAREHOLDERS' EQUITY | 235,392 | 231,014 |
| TOTAL LIAB. & SHAREHOLDERS' EQUITY | 463,450 | 469,639 |

STATEMENT OF INCOME

| | 6 month period ended June 30 | | Second quarter | |
|---|---------------------------------|---------------|-------------------|---------------|
| | 2004 MCh\$ | 2003 MCh\$ | 2004 MCh\$ | 2003 MCh\$ |
| OPERATING RESULTS: | | | | |
| Net sales | 80,299 | 76,938 | 46,256 | 41,106 |
| Cost of sales | (51,375) | (49,280) | (28,749) | (26,457) |
| Selling and administrative expenses | (13,190) | (12,046) | (7,217) | (6,592) |
| OPERATING INCOME | 15,734 | 15,613 | 10,290 | 8,057 |
| NON-OPERATING RESULTS: | | | | |
| Cordillera Comunicaciones Ltda | (4,021) | (3,467) | (1,881) | (1,954) |
| Editorial Zig-Zag | (42) | (111) | (92) | (80) |
| Vina Los Vascos S.A. | 271 | 399 | 222 | 290 |
| Rayen Cura S.A.I.C. | 548 | 743 | 311 | 575 |
| Envases CMF | 149 | 608 | (37) | 334 |
| Ediciones Chiloe | (71) | (92) | 22 | 24 |
| Others | (1) | 0 | (1) | 0 |
| Equity in net income related companies (net) | (3,166) | (1,920) | (1,456) | (812) |
| Interest income (expense) net | (2,349) | (1,830) | (1,261) | (605) |
| Other nonrecurring income (net) | (512) | (684) | (429) | (280) |
| Amortization of goodwill | (323) | (320) | (162) | (155) |
| Price-level restatement | (308) | (668) | (541) | (754) |
| Exchange Rate Variations | 2,418 | (4,464) | 1,036 | (6,148) |
| NON-OPERATING INCOME | (4,239) | (9,885) | (2,812) | (8,755) |
| Income tax | (2,670) | (1,437) | (1,855) | 93 |
| Extraordinary Items | - | - | - | - |
| Minority interest | (1,700) | (1,333) | (1,065) | (785) |
| NET INCOME | 7,125 | 2,958 | 4,559 | -1,389 |

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in millions of Chilean Pesos as of June 30, 2004)

1 US Dollar = 636.30 Chilean Pesos

BALANCE SHEET

| | As of June 30 | |
|--|---------------|---------|
| | 2004 | 2003 |
| | MCh\$ | MCh\$ |
| | ----- | ----- |
| ASSETS | | |
| Cash, time deposits, marketable securities | 73,530 | 75,975 |
| Receivables | 25,482 | 19,213 |
| Inventories, net | 6,979 | 6,683 |
| Other current assets | 2,310 | 1,973 |
| | ----- | ----- |
| TOTAL CURRENT ASSETS | 108,301 | 103,844 |
| | ----- | ----- |
| NET P.P.&E. | 75,449 | 80,614 |
| | ----- | ----- |
| Investment in related companies | 145,666 | 144,971 |
| Long-term receivables | 119 | 152 |
| Goodwill on investments | 1,821 | 1,992 |
| Accounts receivable, related companies | 22,008 | 21,995 |
| Others | 11,580 | 12,935 |
| | ----- | ----- |
| TOTAL OTHER ASSETS | 181,195 | 182,045 |
| | ----- | ----- |
| TOTAL ASSETS | 364,945 | 366,503 |
| | ----- | ----- |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| | ----- | ----- |
| Current portion of long-term debt | 1,828 | 1,840 |
| Dividends payable | 652 | 510 |
| Accounts and notes payable | 6,609 | 8,412 |
| Provisions, withholdings, income taxes | 9,551 | 9,515 |
| | ----- | ----- |
| TOTAL CURRENT LIABILITIES | 18,640 | 20,276 |
| | ----- | ----- |
| Long-term bank liabilities and bonds payable | 101,576 | 105,118 |
| Miscellaneous creditors | 162 | 187 |
| Provisions | 6,418 | 7,578 |
| Others | 2,757 | 2,330 |
| | ----- | ----- |
| TOTAL LONG-TERM LIABILITIES | 110,913 | 115,212 |
| | ----- | ----- |
| TOTAL SHAREHOLDERS' EQUITY | 235,392 | 231,014 |
| | ----- | ----- |
| TOTAL LIAB. & SHAREHOLDERS' EQUITY | 364,945 | 366,503 |
| | ----- | ----- |

STATEMENT OF INCOME

| | 6 month period | | Second | |
|-------------------------------------|----------------|----------|----------|----------|
| | ended June 30 | | quarter | |
| | 2004 | 2003 | 2004 | 2003 |
| | MCh\$ | MCh\$ | MCh\$ | MCh\$ |
| | ----- | ----- | ----- | ----- |
| OPERATING RESULTS: | | | | |
| Net sales | 33,298 | 33,524 | 17,711 | 15,849 |
| Cost of sales | (20,400) | (21,318) | (10,516) | (10,836) |
| General and administrative expenses | (2,762) | (2,521) | (1,438) | (1,269) |
| | ----- | ----- | ----- | ----- |

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| | | | | |
|--|---------|---------|---------|---------|
| OPERATING INCOME | 10,135 | 9,685 | 5,757 | 3,744 |
| | ----- | ----- | ----- | ----- |
| NON-OPERATING RESULTS: | | | | |
| CristalChile Comunicaciones | (4,041) | (3,468) | (1,890) | (1,954) |
| S.A. Vina Santa Rita | 1,922 | 1,559 | 1,174 | 903 |
| Envases CMF S.A. | 149 | 608 | (37) | 334 |
| Ciecsa S.A. | 912 | 74 | 1,208 | 514 |
| Cristalchile Inversiones S.A. | 264 | 529 | 77 | 399 |
| Others | (2) | (1) | (2) | (0) |
| | ----- | ----- | ----- | ----- |
| Equity in net income related companies (net) | (794) | (698) | 531 | 195 |
| Interest income (net) | (1,487) | (944) | (843) | (133) |
| Other nonrecurring income (net) | (196) | (251) | (74) | (108) |
| Amortization of goodwill | (86) | (86) | (43) | (43) |
| Price-level restatement | (277) | (389) | (342) | (367) |
| Exchange Rate Variations | 1,391 | (3,617) | 651 | (4,970) |
| | ----- | ----- | ----- | ----- |
| NON-OPERATING INCOME | (1,449) | (5,986) | (121) | (5,427) |
| | ----- | ----- | ----- | ----- |
| Income tax | (1,561) | (742) | (1,077) | 294 |
| Amortization of negative goodwill | - | - | - | - |
| Extraordinary Items | - | - | - | - |
| | ----- | ----- | ----- | ----- |
| NET INCOME | 7,125 | 2,958 | 4,559 | (1,389) |
| | ----- | ----- | ----- | ----- |
| SALES VOLUME | Th Tons | Th Tons | Th Tons | Th Tons |
| | ----- | ----- | ----- | ----- |
| Glass sales in Th tons | 120.4 | 112.1 | 63.5 | 53.9 |
| | ----- | ----- | ----- | ----- |

15

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: August 19, 2004