

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

GLASSWORKS OF CHILE

Form 6-K

May 11, 2004

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15b-16
of the Securities Exchange Act of 1934

May 11, 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 /X/ 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 /X/

CRISTALERIAS DE CHILE (THE "COMPANY")
REPORT ON FORM 6-K

TABLE OF CONTENTS

1. A free English translation of a press release dated May 11, 2004.

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

[GRAPHIC OMITTED]

FOR IMMEDIATE RELEASE

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

CRISTALERIAS DE CHILE REPORTS ITS RESULTS FOR FIRST QUARTER 2004

Santiago, Chile (May 10th, 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 first quarter ended March 31st, 2004. All figures have been prepared according to Chilean GAAP and are stated in constant Chilean Pesos and in US Dollars at Ch\$616.41/US\$1, the exchange rate at the close of March 31st, 2004.

1Q04 HIGHLIGHTS (vs. 1Q03):

- o Consolidated sales decreased 5.0%
- o Operating income down 28.4%
- o EBITDA down 16.1%
- o Non-operating loss of Ch\$1,317 million in 1Q04, compared to a loss of Ch\$1,052 million in 1Q03.
- o Net income reached Ch\$2,567 million, compared to Ch\$4,321 million income reported in 1Q03.
- o Earnings Per ADR reached US\$0.20

CONSOLIDATED REVENUE

(in Ch\$ millions)	1Q04	1Q03	1Q04vs.1Q03
	----	----	-----
TOTAL REVENUE	33,606	35,372	-5.0%
Cristalchile (glass containers)	15,387	17,448	-11.8%
Vina Santa Rita (wine)	14,586	14,928	-2.3%
CIECSA (media)	4,904	4,355	12.6%
Adjustments	1,271	1,359	N/A

RELATED COMPANIES

Metropolis-Intercom (cable)	10,782	10,780	0%
Envases CMF (plastic containers)	7,839	8,857	-11.5%

FIRST QUARTER 2004 RESULTS

CONSOLIDATED RESULTS

Operating Results

During 1Q04, Cristalerias' total consolidated revenue reached Ch\$33,606

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

million (US\$54.5 million), a 5.0% decrease compared to 1Q03. The factors behind this decrease were lower sales in the glass container business (-11.8%) and Santa Rita (-2.3%); partially offset by higher sales at CIECSA (+12.6%). Adjustments for factors such as intercompany sales reached Ch\$1,271 million during the quarter.

1Q04 Revenue Breakdown

Glass	44.1%
Wine	41.8%
Media	14.1%

Consolidated operating income decreased by 28.4% during the quarter, totaling Ch\$5,325 million (US\$8.6 million). This includes Ch\$4,289 million from the glass container business (Ch\$5,850 million in 1Q03) and Ch\$1,059 million from Santa Rita (Ch\$1,650 million in 1Q03). CIECSA, in turn, had a Ch\$50 million operating loss (Ch\$161 million loss in 1Q03).

During the quarter, Cristalerias' consolidated net income was Ch\$2,567 million (US\$4.2 million), compared with Ch\$4,321 million (US\$7.0 million) in 1Q03. This is explained by the abovementioned lower operating results in the glass business and Santa Rita, in addition to a higher non-operating loss, that passed from Ch\$1,052 million (US\$1.7 million) in 1Q03 to Ch\$1,317 million (US\$2.1 million) in 1Q04. The latter is mainly explained by a higher net loss from subsidiaries that do not consolidate. It reached Ch\$1,710 million in 1Q04, compared to Ch\$1,101 million loss in 1Q03, mainly due to a lower result at Metropolis-Intercom and Envases CMF. The net loss from subsidiaries includes a Ch\$1,040 million charge (Ch\$1,034 million charge in 1Q03) corresponding to goodwill amortization, which does not constitute cash flow.

EBITDA: Operating cash generation decreased by 16.1% reaching Ch\$9,130 million (US\$14.8 million). EBITDA margin for the period was 27.2% (30.8% in 1Q03).

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

2

PACKAGING BUSINESS

Glass

The Company's glass packaging sales decreased by 11.8% compared with 1Q03 reaching Ch\$15,387 million (US\$25.0 million). Volume sales decreased by 2.4%, totaling 56,856 tons. Wine bottle sales increased by 2.4%, mainly due to an increase in export volumes. Soft-drink bottle sales decreased by 5.7%, mainly due to inventory build-up of returnable formats during year 2003 (237cc crown-top bottle), partially compensated by an increase of one-way formats sales. Beer bottle sales decreased by 63.5%, mainly due to changes in clients' pricing policy for one-way formats, as well as clients' inventory build up during late 2003. Liquor bottle sales decreased by 17.9% compared to 1Q03 mainly because during that quarter clients made inventory build up for the launching of a 700cc format for pisco. Containers for the food industry posted a 1.7% increase due to an increase in market share of formats offered by the Company.

GLASS

1Q04	1Q03	1Q04 vs. 1Q03
------	------	---------------

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

	-----	-----	-----
Net Sales (in Ch\$ millions)	15,387	17,448	-11.8%
Wine	10,660	10,410	2.4%
Soft Drinks	2,055	2,178	-5.7%
Beer	1,107	3,029	-63.5%
Liquor	1,045	1,273	-17.9%
Food	456	448	1.7%
Pharmaceutical	64	110	-42.0%
Volume in tons	56,856	58,267	-2.4%

Operating income decreased by 26.7%, totaling Ch\$4,289 million (US\$7.0 million), due to the lower sales volume as well as a 9.6% decrease in average prices, which is mainly explained by the strong appreciation of the Chilean Peso against the American Dollar, that passed from an average of Ch\$736.99/US\$1 in 1Q03 to Ch\$587.29/US\$1 in 1Q04. Operating margin was 27.9% (33.5% in 1Q03).

Non-consolidated net earnings for 2004 include a non-operating loss of Ch\$1,239 million (US\$2.0 million), compared to a non-operating loss of Ch\$499 million (US\$0.8 million) in 1Q03. During the quarter the Company registered a higher net loss from subsidiaries that reached Ch\$1,325 million, compared to an Ch\$888 million loss in 1Q03. The latter is mainly explained by a higher loss from Cristalchile Comunicaciones (50% owner of Metropolis-Intercom) and a lower income from Envases CMF; partially compensated by a higher income from Vina Santa Rita and Cristalchile Inversiones (40% owner of Rayen Cura) and a lower loss from CIECSA.

EBITDA: Operating cash generation reached Ch\$6,879 million (US\$11.2 million), compared to Ch\$8,151 million (US\$13.2 million) in 1Q03. EBITDA margin was 44.7% (46.7% in 1Q03).

3

Plastic

During the first quarter of 2004, Envases CMF posted a net income of Ch\$372 million (US\$0.6 million), compared to Ch\$546 million (US\$0.9 million) in 1Q03. Total sales reached Ch\$7,839 million (US\$12.7 million), compared to Ch\$8,857 million (US\$14.4 million) in 1Q03. Volumes reached 5,844 tons (6,079 tons in 1Q03), due to lower preforms exports and lower one-way formats sales; while average prices decreased by 7.9% influenced by the exchange rate variation. Operating income reached Ch\$740 million (US\$1.2 million), compared to Ch\$1,174 million (US\$1.9 million) in 1Q03.

EBITDA: Operating cash generation was Ch\$1,809 million (US\$2.9 million) in 1Q04, compared to Ch\$2,302 million (US\$3.7 million) in 1Q03. EBITDA margin was 23.1% (26.0% in 1Q03).

4

WINE BUSINESS

During 1Q04, Santa Rita's consolidated sales totaled Ch\$14,586 million (US\$23.7 million), compared to Ch\$14,928 million (US\$24.2 million) in 1Q03. The Company's profits came in at Ch\$1,383 million (US\$2.2 million), 14.7% over 1Q03, due to an improved non-operating result.

In the domestic market, Santa Rita's prices increased by 8.2% in real terms,

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

while volumes decreased by 3.4%. These conditions led net sales in the domestic market to grow by 4.5%.

Sales volume in the export market grew by 5.2%, mainly due to higher sales to the European and Latin American markets. During the quarter, exports at US\$12.9 million accounted for 52.2% of total revenues. The average price in Dollars per case in the export market for Santa Rita was US\$34.9 (US\$31.4 in 1Q03), compared with an industry average of US\$24.4 (US\$23.5 in 1Q03).

By markets, the export increase breakdown is as follows: Europe, 33.7%; Latin America, 35.1%; Asia plus Africa, 14.5%; partially offset by lower sales to USA, -29.8% and Canada, -29.5%.

SANTA RITA

	1Q04 ----	1Q03 ----	1Q04 vs. 1Q03 -----
Net Sales (in Ch\$ millions)	14,586	14,928	-2.3%
Exports	7,615	8,137	-6.4%
Domestic	6,549	6,266	4.5%
Others	422	525	-19.6%
Volume			
Exports (Th cases)	368	350	5.2%
Domestic (Th liters)	12,483	12,927	-3.4%
Price_ per case - Export Mkt. (US\$)	34.9	31.4	11.2%
Avg. price per case - Domestic Mkt. (Ch\$)	4,725	4,365	8.2%

Operating income decreased by 35.8% to Ch\$1,059 million (US\$1.7 million) in 1Q04. Operating margin was 7.3% (11.1% in 1Q03), mainly due to higher costs of musts and higher expenses for marketing support.

EBITDA: Operating cash generation reached Ch\$2,081 million (US\$3.4 million) during the quarter, compared to Ch\$2,606 million (US\$4.2 million) in 1Q03. EBITDA margin was 14.3% (17.5% in 1Q03).

5

MEDIA BUSINESS

Television Broadcasting, Financial Printed Press and Other Media

Media Subsidiaries

CGW			

98.5%			99.9%
-----		-----	
CIECSA		Cristalchile Comunicaciones	
-----		-----	
99.9%			50.0%
MEGA		Cordillera Comunicaciones	
-----		-----	
			99.95%

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

Diario Financiero	Metropolis Intercom
-------------------	---------------------

During 1Q04, CIECSA reported a net loss of Ch\$300 million 98.5% ;US\$0.5 million) compared to a net loss of Ch\$445 million (US\$0.7 million) in 1Q03.

MEGA, CIECSA's main subsidiary, reached the first place in audience share with an average viewership share of 25.3% during the quarter (22.9% in 1Q03) (1). Net sales increased by 11.7% over 1Q03 reaching Ch\$4,837 million (US\$7.8 millin), as a higher viewership share has resulted in higher revenues. MEGA had a Ch\$65 million operating loss compared to a Ch\$90 million operating loss in 1Q03. Mega posted a Ch\$238 million net loss, compared with a net loss of Ch\$248 million in 1Q03.

EBITDA: CIECSA's operating cash generation reached Ch\$142 million (US\$0.2 million) in 1Q04, compared to Ch\$76 million (US\$0.1 million) in 1Q03. EBITDA margin reached 2.9% (1.8% in 1Q03).

Cable Television

Cristalchile Comunicaciones S.A., (Cristaleras' wholly-owned subsidiary), owner of 50% of Cordillera Comunicaciones Ltda. had a net loss of Ch\$2,151 million (US\$3.5 million) during the quarter compared to a net loss of Ch\$1,505 million (US\$2.4 million) recorded during 1Q03. Similarly, Cordillera Comunicaciones Ltda. (owner of 99.9% of MetropolisIntercom S.A.) had a net loss of Ch\$4,136 million (US\$6.7 million), compared to a net loss of Ch\$3,007 million (US\$4.9 million) in 1Q03. The aforementioned result includes a goodwill amortization charge of Ch\$1,040 million (Ch\$1,034 million charge in 1Q03).

 1 Measured between 7:30AM and 1:30AM (i.e.: 18 hours daily) from Monday through Sunday.

In 1Q04 Metropolis-Intercom S.A. posted sales of Ch\$10,782 million (US\$17.5 million), flat compared with 1Q03. The Company posted a net loss of Ch\$3,103 million (US\$5.0 million) compared to a net loss of Ch\$1,973 million (US\$3.2 million) in 1Q03. This lower result is mainly due to a Ch\$775 million (US\$1.3 million) one-time expense that affects the non-operating result of the company. EBITDA reached Ch\$1,641 million (US\$2.7 million) in 1Q04 (Ch\$1,614 million in 1Q03). The latter includes a Ch\$3,587 million (US\$5.8 million) depreciation charge in 1Q04 (Ch\$3,204 million depreciation charge in 1Q03), mainly coming from the HFC network acquired in July 2000. Metropolis-Intercom ended the period with 223,957 basic subscribers (6.7% below 1Q03). However, during 1Q04 premium subscribers increased by 5.2% with respect to 1Q03, reaching 35,514. Broad Band Internet customers reached 36,883, 42.3% over 1Q03. Internet Protocol Telephone customers reached 6,376 at the end of the period.

METROPOLIS-INTERCOM

	03/31/04 -----	12/31/03 -----	1Q04 vs. 1Q03 -----
Basic Subscribers (1)	223,957	231,925	-3.4%
Premium customers	35,514	31,499	12.8%
Internet customers	36,883	34,462	7.0%

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

IP Telephone customers	6,376	3,639	75.2%
Home Passed	1,195,479	1,192,891	0.2%
	1Q04	1Q03	1Q04 vs.1Q03
	----	----	-----
Sales (Ch\$ Million)	10,782	10,780	0%
EBITDA (Ch\$ Million)	1,641	1,614	1.7%
Net Income (Loss) (Ch\$ Million)	(3,103)	(1,973)	-57.3%

(1) Includes Premium, Internet and IP Telephone customers

#####

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 Cr/stalerias 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. 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.

7

[LOGO] Cristachile

CRISTALERIAS DE CHILE S.A.
CONSOLIDATED FINANCIAL STATEMENTS
(Restated for general price-level changes and expressed in millions of
Chilean Pesos as of March 31, 2004)

1 US Dollar = 616.41 Chilean Pesos

BALANCE SHEET

	As of March 31	
	2004	2003
	MCh\$	MCh\$
	----	----
ASSETS		

Cash, time deposits, marketable securities	90,272	106,549
Receivables	36,770	38,546
Inventories, net	38,988	41,119
Other current assets	7,331	3,781
	-----	-----
TOTAL CURRENT ASSETS	173,361	189,996
	-----	-----
NET P.P.&E.	134,559	131,657
	-----	-----
Investment in related companies	101,013	108,430
Long-term receivables	9,162	9,867
Goodwill on investments	805	822
Accounts receivable, related companies	4	2
Others	24,067	27,011

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

TOTAL OTHER ASSETS	135,051	146,131
TOTAL ASSETS	442,971	467,783
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current portion of long-term & short-term debt	5,290	5,973
Dividends payable	41	79
Accounts and notes payable	17,668	27,083
Provisions, withholdings, income taxes	15,452	12,536
Advances from customers	2,738	2,534
TOTAL CURRENT LIABILITIES	41,190	48,205
Long-term bank liabilities and bonds payable	123,075	133,410
Miscellaneous creditors	208	1,215
Provisions and others	9,938	10,397
TOTAL LONG-TERM LIABILITIES	133,220	145,023
MINORITY INTEREST	38,120	37,469
TOTAL SHAREHOLDERS' EQUITY	230,441	237,087
TOTAL LIAB. & SHAREHOLDERS' EQUITY	442,971	467,783

STATEMENT OF INCOME

	First quarter	
	2004	2003
	MCh\$	MCh\$
	----	----
OPERATING RESULTS:		
Net sales	33,606	35,372
Cost of sales	(22,385)	(22,553)
Selling and administrative expenses	(5,896)	(5,384)
OPERATING INCOME	5,325	7,435
NON-OPERATING RESULTS:		
Cordillera Comunicaciones Ltda	(2,140)	(1,504)
Editorial Zig-Zag	50	(31)
Vinn" a Los Vascos S.A.	50	109
Raven Cura S.A.I.C.	237	167
Envases CMF	186	273
Ediciones Chiloe	(94)	(115)
Others	-	-
Equity in net income related companies (net)	(1,710)	(1,101)
Interest income (expense) net	(1,074)	(1,209)
Other nonrecurring income (net)	(82)	(399)
Amortization of goodwill	(159)	(162)
Price-level restatement	345	156
Exchange Rate Variations	1,364	1,662
NON-OPERATING INCOME	(1,317)	(1,052)

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

Income tax	(815)	(1,521)
Extraordinary Items	-	-
Minority interest	(626)	(541)
NET INCOME	2,567	4,321

8

[LOGO] Cristachile

CRISTALERIAS DE CHILE S.A.
INDIVIDUAL FINANCIAL STATEMENTS
(Restated for general price-level changes and expressed in millions of
Chilean Pesos as of March 31, 2004)
1 US Dollar = 616.41 Chilean Pesos

BALANCE SHEET

	As of March 31	
	2004	2003
	MCh\$	MCh\$
ASSETS		
-----	-----	-----
Cash, time deposits, marketable securities	71,878	82,702
Receivables	19,988	20,856
Inventories, net	5,995	5,944
Other current assets	2,681	1,726
	-----	-----
TOTAL CURRENT ASSETS	100,542	111,228
	-----	-----
NET P.P.&E.	75,151	72,896
	-----	-----
Investment in related companies	143,881	144,225
Long-term receivables	122	161
Goodwill on investments	1,841	2,011
Accounts receivable, related companies	20,667	22,598
Others	11,394	13,385
	-----	-----
TOTAL OTHER ASSETS	177,904	182,381
	-----	-----
TOTAL ASSETS	353,597	366,505
	-----	-----
LIABILITIES AND SHAREHOLDERS' EQUITY		

Current portion of long-term debt	889	1,194
Dividends payable	40	77
Accounts and notes payable	4,404	7,775
Provisions, withholdings, income taxes	9,534	6,296
	-----	-----
TOTAL CURRENT LIABILITIES	14,8681	15,3421
	-----	-----
Long-term bank liabilities and bonds payable	99,786	105,391
Miscellaneous creditors	153	242
Provisions	6,002	6,063
Others	2,347	2,380
	-----	-----
TOTAL LONG-TERM LIABILITIES	108,288	114,076

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

TOTAL SHAREHOLDERS' EQUITY	230,441	237,0871
TOTAL LIAB. & SHAREHOLDERS' EQUITY	353,597	366,505

STATEMENT OF INCOME

	First quarter	
	2004	2003
	MCh\$	MCh\$
OPERATING RESULTS:		
Net sales	15,387	17,448
Cost of sales	(9,791)	(10,363)
General and administrative expenses	(1,307)	(1,236)
OPERATING INCOME	4,289	5,850
NON-OPERATING RESULTS:		
CristalChile Corn unicaciones	(2,151)	(1,505)
S.A. Vina Santa Rita	748	652
Envases CMF S.A.	185	273
Ciecsa S.A.	(296)	(437)
Cristalchile Inversiones S.A.	187	130
Others	(0)	(0)
Equity in net income related companies (net)	(1,325)	(888)
Interest income (net)	(635)	(801)
Other nonrecurring income (net)	(120)	(141)
Amortization of goodwill	(43)	(43)
Price-level restatement	154	38
Exchange Rate Variations	730	1,336
NON-OPERATING INCOME	(1,239)	(499)
Income tax	(484)	(1,029)
Amortization of negative goodwill	-	-
Extraordinary Items	-	-
NET INCOME	2,567	4,321
SALES VOLUME	Th Tons	Th Tons
Glass sales in Th tons	56.9	58.3

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 in the city of Santiago, Chile.

Glassworks of Chile

Edgar Filing: GLASSWORKS OF CHILE - Form 6-K

(Registrant)

By: /s/ Benito Bustamante C.

Benito Bustamante C.
Controller

Date: May 11, 2004