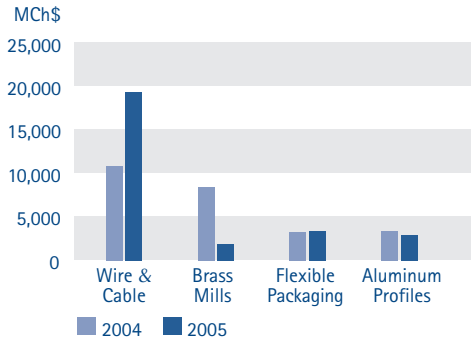
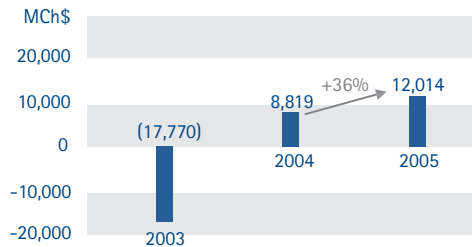


OPERATING INCOME
MCh\$27,840 in 2005



NET INCOME
MCh\$12,014 in 2005



Manufacturing



MADECO is a leading conglomerate in the manufacture of copper and aluminum products in Latin America. The company has a wide range of products and markets which has enabled it to develop commercial leadership in its different businesses and in the countries in which it operates.

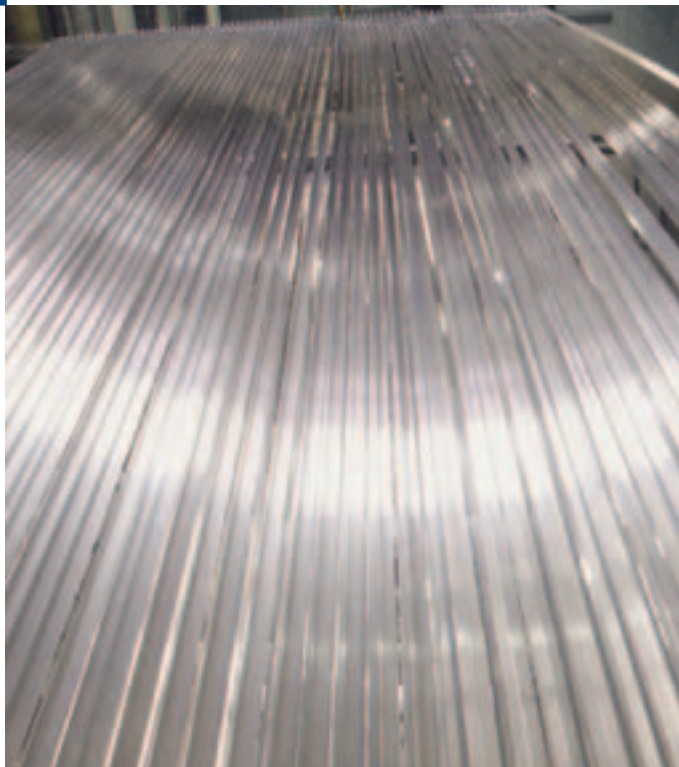
Madeco's main business is the production of copper and aluminum cables for important sectors of the economy like construction, industry, electricity transmission and distribution, mining and telecommunications. Madeco also has an important presence in the manufacture of brass mills products, flexible packaging for mass consumer products and aluminum profiles.

Madeco has 18 manufacturing plants in Chile, Brazil, Peru and Argentina where it also operates as a marketing platform for products made at its principal plants. The company exports a large variety of products to more than 20 countries, mainly Latin America, USA and Europe, supported by seven sales representatives abroad.

Madeco's strategic plan, implemented in 2003, met its expectations for 2005, which consisted of increasing sales through a better commercial organization, greater exports and the recovery of its market share, as well as achieving greater operating efficiencies and a reduction in its cost structure. The success of these actions is reflected in the company's profitability and market positioning.

In April 2005, Madeco bought from Corning International Corporation the remaining 50% of Optel Ltda., an optic fiber cable manufacturer in Brazil and Argentina. With this, the company plans to reinforce the business in order to meet market needs.

In order to strengthen its financial structure to allow it to adequately face economic cycles, in late 2005, Madeco completed a capital increase, raising close to Ch\$44,000 million. It is expected that profitability levels will benefit as new capital will serve to further reduce the company's debt load and provide it with additional working capital requirements as a result of the sharp rise in copper prices.





2005 RESULTS

Madeco's sales rose by 8.9% to Ch\$365,488 million in 2005. The growth in sales during the year was mainly attributable to an increase in the volume sold and higher average prices of cables products in Brazil, Chile and Peru. Price increases were related to the increase in the price of copper during the period. The rise in consolidated sales was partially offset by lower sales corresponding to the brass mills, flexible packaging and aluminum profiles business units.

Sales corresponding to the cable business unit were up by Ch\$39,806 million or 23.1% to Ch\$212,062 million as a consequence of strong demand for copper wire and copper and aluminum cables in Madeco's main markets of Brazil, Chile and Peru. The increase in sales was price driven (+12.6%), although a 9.3% increase in the volume sold also contributed to the boost in sales.

Brass mill sales fell by 8.2% to Ch\$79,908 million due to a reduction in the volume sold in Chile and abroad. The flexible packaging unit also reported a decline in sales from Ch\$46,742 million in 2004 to Ch\$44,159 million in 2005, mainly due to reduced sales in Chile as a consequence of the closure of a subsidiary in 2004. Sales of the aluminum profiles unit remained in line with those of 2004, decreasing slightly to Ch\$29,358 million due to lower average prices.

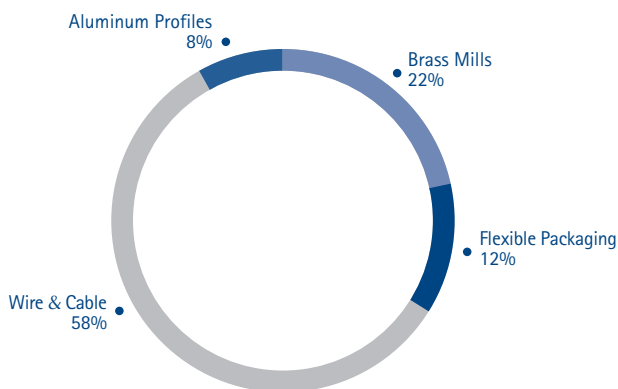
In spite of higher costs associated with raw materials, particularly copper and aluminum, as well as a 4.6% increase in SG&A expenses, mostly related to one-time expenses in the Brazilian cable operations, the strong sales performance of the cable business unit led to an increase in operating profits for the period. Operating income rose by 6.7% to Ch\$27,840 million, almost entirely attributable to the 78.3% growth experienced by the cable unit during the year.

Madeco reported non-operating losses of Ch\$13,642 million, down by 7.9% from the Ch\$14,816 million reported in 2004, mostly explained by a 17.9% reduction in interest expense and a decline in non-operating expenses (net).

Madeco reported net income of Ch\$12,014 million in 2005. This represented an increase of 36.2% compared to 2004, attributable to the significantly stronger operating and non-operating performance of the company during the year.

2005 SALES COMPOSITION

MCh\$365,488



Market share	2004	2005
Wire & Cable		
Chile	37%	38%
Brazil	18%	19%
Peru	65%	73%
Argentina	5%	6%
Brass Mills		
Chile	59%	58%
Argentina	14%	12%
Coin banks	4%	4%
Flexible Packaging		
Chile	26%	28%
Argentina	8%	7%
Aluminum Profiles		
	71%	69%