



**INVESTOR RELATIONS
PRESS RELEASE**

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**MADECO S.A. ANNOUNCES RESOLUTIONS TAKEN AT ITS EXTRAORDINARY
BOARD OF DIRECTORS' MEETING**

(Santiago, Chile, October 17, 2002) Madeco S.A. ("Madeco") (NYSE ticker: MAD) notified the *Superintendencia de Valores y Seguros* (Superintendency of Securities and Insurance, or "SVS") of the agreements adopted at the Extraordinary Board of Directors' Meeting held today, October 17, 2002:

1. Madeco will continue with its financial restructuring process and negotiations with its creditors with the objective of finding and reaching an agreeable solution for all parties involved.
2. Next week, the Company will summon an Extraordinary Shareholders' Meeting, to be held as soon as possible, in order to submit for consideration a new capital increase for a total amount in Chilean pesos equivalent to US\$137 million, payable either in cash or the capitalization of existing debt. In accordance with allowances provided in the *Ley de Sociedades Anónimas* (Law of Chilean Corporations), US\$12 million of the proposed capital increase will be reserved for use in executive compensation stock option plans; a sum of US\$125 million will be offered to shareholders and third parties.
3. As a consequence of the aforementioned, the Board of Directors agreed to propose at the new Extraordinary Shareholders' Meeting the cancellation of the unsubscribed portion of the capital increase approved at the Extraordinary Shareholders' Meeting held on July 10, 2002.

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Madeco, formerly Manufacturas de Cobre MADECO S.A., was incorporated in 1944 as an open stock corporation under the laws of the Republic of Chile and currently has operations in Chile, Brazil, Peru and Argentina. Madeco is a leading Latin American manufacturer of finished and semi-finished non-ferrous products based on copper, copper alloys and aluminum. The Company is also a leading manufacturer of flexible packaging products for use in the packaging of mass consumer products such as food, snacks and cosmetics.

Readers are cautioned not to place undue reliance on the forward-looking statements included in the above text, which speak only as of the date hereof. The Company undertakes no obligation to release publicly the result of any revisions to these forward-looking statements which may be made to reflect events or circumstances after the date hereof, including, without limitation, changes in the Company's business strategy or planned capital expenditures, or to reflect the occurrence of unanticipated events.