



**INVESTOR RELATIONS
PRESS RELEASE**

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**MADECO S.A. ESTIMATES THE EFFECTS OF THE
MACROECONOMIC SITUATION IN BRAZIL, ARGENTINA AND PERU ON ITS RESULTS**

(Santiago, Chile, October 25, 2002) Madeco S.A. (“Madeco”) (NYSE ticker: MAD) advised the *Superintendencia de Valores y Seguros* (Superintendency of Securities and Insurance, or “SVS”), pursuant to an official written request made by the regulatory body to all open stock corporations in Chile with foreign assets, of the effects the Company expects to reflect on its financial statements for the period ended September 30, 2002 as a consequence of changes in the macroeconomic environments of the Latin American countries in which the Company maintains operations. The determination of effects on the Company’s financial results included analysis of macroeconomic factors such as exchange rates and inflation as well as additional regulations and restrictions.

The accumulated year-to-date losses stemming from the Company’s Argentine, Brazilian and Peruvian operations to be recognized in Madeco’s individual and consolidated financial statements for the period ended September 30, 2002 are estimated to total approximately Ch\$18,696 million. For the January – September period in 2001, the Company recognized a loss of Ch\$10,623 million.

The impact of the macroeconomic situation in Latin America on the Company’s consolidated results is broken down by country in the following table:

Madeco’s Proportional Gain/Loss from its Equity Investments	As of Sept 30, 2002 (Ch\$ MM)	As of Sept 30, 2001 (Ch\$ MM)	Change (Ch\$ MM)
Brazil	(2,951)	481	(3,432)
Peru	742	832	(90)
Argentina	(16,487)	(11,936)	(4,551)
Total effects	(18,696)	(10,623)	(8,073)

Brazilian and Peruvian Subsidiaries:

The estimated Ch\$2,951 million loss for the January – September 2002 period stemming from the Company’s Brazilian investments reflect both reduced operating results as well as non-operating losses. The operation’s lower operating results are the consequence of the dramatic drop-off in telecom cable demand. The Brazilian operation’s non-operating losses associated with currency translation for the January - September 2002 period reflect both the devaluation of the Brazilian Real against the US dollar as well as the



greater amount of assets versus liabilities held in the Brazilian currency; the total currency translation loss is expected to total Ch\$2,046 million for the period ended September 30, 2002, versus a Ch\$415 million gain recorded in the same period of the previous year.

With respect to the Company's Peruvian investment (Indeco S.A.), Madeco expects to include in its financial results for the period ended September 30, 2002 a gain of Ch\$742 million, lower than the Ch\$832 million gain recorded for the nine-month period of 2001. The gains reflect the Company's proportion of the Peruvian unit's operating results (Ch\$2,048 million in 2001 and Ch\$1,726 million in 2002), partially offset by non-operating losses which include losses from the Peruvian sol devaluation against the US dollar (Ch\$214 million in the January-September 2002 period, versus Ch\$113 million for the same period in 2001).

Argentine Subsidiaries:

The Company's significant losses stemming from its Argentine operations principally reflect non-operating losses derived from the temporary closure of its Wire and Cable and Brass Mills production facilities (Quilmes, Barracas, Avellaneda and San Luis facilities) as well as currency translation losses associated with the Argentine peso devaluation and the Company holding a greater amount of assets versus liabilities in Argentine pesos.

It is expected that the Company's Argentine operation will register a significant non-operating loss associated with the currency devaluation of the Argentine peso against the US dollar for the January – September 2002 period. While the estimated net amount for currency translation losses totals Ch\$6,544 million, this figure includes the reversal of a portion of a non-recurring provision registered in the Company's financial statements for the period ended December 31, 2001. The reversal was explained and reflected in the financial statements for the period ended June 30, 2002.

The Company estimates that as a result of Argentina's continued economic and political turmoil, its Argentine subsidiaries could be exposed to further negative effects on the value of its assets, liabilities and/or operations in the future, over and above those that which has already been recorded.

The Company expects to publish its results and financial statements for the nine-month period ended September 30, 2002 during the first half of November.

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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.