



## RESULTS 1Q 2013

Santiago de Chile, May 30, 2013 – Corporación Nacional del Cobre (CODELCO) reported first quarter 2013 operational and financial results:

- **First quarter 2013 revenues** were US\$ 3.3 billion, 17.3% lower than US\$ 4.0 billion first quarter 2012, principally due to a 4.5% decrease in the LME copper price and 8.4% decrease in the copper sales volume. Lower sales in copper are related to the 21 days Chilean Ports stoppage in March. Nonetheless, the ports closure effect will be offset by a sales increase in the following months.
- **ADJUSTED EBITDA** in first quarter 2013 was US\$ 1.4 billion (41.3% margin) compared to US\$ 2.0 billion (49.8% margin) in first quarter 2012 principally due to lower revenues.
- **Net Income** in first quarter 2013 was US\$ 257 million (7.9% of sales) and US\$ 482 million (12.2% of sales) in first quarter 2012, basically due lower revenues as a consequence of a decrease in the copper price and the copper volume sold.
- **Copper mine production**, including El Abra and Anglo American Sur shares, increased by 9.5% in first quarter 2013 to 428 thousand tons, compared to 391 thousand tons in first quarter 2012, especially due to a production increase in Chuquicamata and Rodomiro Tomic Divisions and the new production from Anglo American Sur share that did not exist for the mentioned period of 2012.
- **Direct Cash Cost C1** per pound of copper was US¢ 170.0 in first quarter 2013, compared to US¢ 130.2 in first quarter 2012, an increase of 30.6% was primarily attributable to higher third party services and maintenance expenses, lower by-product credit and the appreciation of the Chilean peso against the U.S. dollar.
- **Operating cash flows** totaled US\$ 1.2 billion in first quarter 2013 compared to US\$ 527 million in first quarter 2012 resulted principally from the decrease in the income tax paid and dividends received from Anglo American Sur acquisition.
- **Capital expenditures** increased to US\$ 955 million in first quarter 2013 compared to US\$ 617 million in first quarter 2012, which includes maintenance and projects.



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### SUMMARY FINANCIAL AND OPERATING DATA

	March 31,			
	2013	2012	Variation	
			Amount	%
Copper Production ('000 mft)	428	391	37	9.5
Cash Cost (Usc/Pound)	170.0	130.2	40	30.6
LME Copper Price (Usc/Pound)	359.8	376.9	(17)	(4.5)
Average Exchange Rate (CLP/US\$)	472	489	(17)	(3.5)
Total Revenues (US\$ mn)	3,278	3,964	(686)	(17.3)
Gross Profit (US\$ mn)	1,028	1,656	(628)	(37.9)
Gross Margin (%)	31.4	41.8	(10)	(24.9)
Adjusted EBITDA (US\$ mn)	1,354	1,973	(619)	(31.4)
Adjusted EBITDA Margin (%)	41.3	49.8	(8)	(17.0)
Financial Debt (US\$ mn)	9,963	7,115	2,848	40.0
Net Interest Expense (US\$mn)	77	59	18	30.5
Capex (US\$ mn)	955	617	338	54.8

### OPERATION: PRODUCTION, REVENUES & CASH COST

**Consolidated Production.-** First quarter 2013 consolidated copper mine production, including El Abra and Anglo American Sur shares, increased 9.5% to 428 thousand tons from 391 thousand tons in the same period 2012 due to the increase of own production, especially in Chuquicamata and Radomiro Tomic, and the addition of Anglo American Sur production. Chuquicamata higher production was related to a higher ore grade in the first quarter of 2013 compared to the same period 2012. The increase in Radomiro Tomic Division was related to a higher amount of ore mined. The increase of own production was partially offset by a decrease production in Andina and Gabriela Mistral Divisions.

Molybdenum production in First quarter 2013 increased by 41.0% to 5,401 tons from 3,830 tons in the same period of 2012 especially due to higher production in Chuquicamata and Andina Divisions, partially offset by Radomiro Tomic and Salvador Divisions.

**Consolidated Revenues.-** First quarter 2013 revenues decreased 9.5% to US\$ 3.3 billion from US\$ 4.0 billion in the same period 2012 principally due to a 4.5% decrease in the LME copper price and 8.4% decrease in the copper sales volume, despite of the production increase. Lower sales are related to the Chilean Ports stoppage for 21 days since March 16. Nonetheless, the port closure effect will be offset by sales increases in the following months. Revenues from by-products have also diminished especially due to a lower molybdenum price and a lower sulphuric acid price and volume sold.

**Consolidated Cash Cost net of by-product credits.-** Unit cash costs will vary with the fluctuations in payable production and average realized prices for by-products. In First quarter 2013, CODELCO's cash cost was 170.0



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cents per pound, compared to 130.2 cents per pound in the same period in 2012. This increase is primarily attributable to higher third party services and maintenance expenses, the appreciation of the Chilean peso against the U.S. dollar and lower by-product credit resulting principally from lower prices of molybdenum.

### CAPITAL EXPENDITURE: STRUCTURAL PROJECTS

**Mina Ministro Hales.-** Progressed to 87.5% and it is in the final execution of prestripping and plants construction. The new mine is expected to begin operating in the last quarter of 2013.

**El Teniente New Mine Level.-** Continuing the execution progress (10.7%) with the construction of main and ventilation tunnels, interior mine development and Maitenes road. The new level will begin operating in 2017.

**Chuquicamata Underground.-** In November, finished the feasibility study. Chuquicamata early works advance as expected (45.6%) and the new mine will begin operating in 2018.

**Andina Phase II and RT Sulfides Phase II.-** Finished the feasibility and continue transacting its environmental impact study, with the citizen involvement process.

### AVERAGE METAL PRICE

	LME Copper (US\$/lb.)	COMEX Copper (US\$/lb.)	Molybdenum (US\$/lb.)
<b>1Q 2013</b>	3.60	3.60	11.28
<b>1Q 2012</b>	3.77	3.78	14.10
<b>Variation: 1Q 2013 vs. 1Q 2012</b>	(4.5)%	(4.8)%	(20.0)%

### CASH FLOWS

CODELCO generated operating cash flows of US\$ 1.20 billion in first quarter 2013 compared to US\$ 527 million in the same period in 2012. The operating cash flow has been increased mainly as a consequence of the lower income tax paid and higher dividends received due to Anglo American Sur share acquisition in August 2012.

### CASH AND DEBT

At March 31, 2013, CODELCO had consolidated cash and cash equivalents of US\$1.33 billion compared to US\$ 1.20 billion at the same date of 2012. At March 31, 2013, CODELCO's financial debt achieved US\$ 9.96 billion compared to US\$ 7.15 at March 31, 2012. First quarter 2013 debt includes US\$ 865 million loan from Mitsui, non-recourse to CODELCO, to execute the Anglo American Sur option.



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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

<b>Profit (loss)</b>	<b>1/1/2013 3/31/2013</b>	<b>1/1/2012 3/31/2012</b>	<b>Var Amnt</b>	<b>%</b>
Revenue	3,277,676	3,963,855	(686,179)	(17.3)
Cost of sales	(2,250,103)	(2,307,848)	57,745	(2.5)
<b>Gross profit</b>	<b>1,027,573</b>	<b>1,656,007</b>	<b>(628,434)</b>	<b>(37.9)</b>
Other Income, by function	31,975	25,568	6,407	25.1
Distribution costs	(3,373)	(3,533)	160	(4.5)
Administrative expenses	(127,283)	(112,103)	(15,180)	13.5
Other expenses	(301,424)	(352,329)	50,905	(14.4)
Other gains (losses)	10,759	8,504	2,255	26.5
<b>Profit (losses) from operating activities</b>	<b>638,227</b>	<b>1,222,114</b>	<b>(583,887)</b>	<b>(47.8)</b>
Finance income	11,757	10,129	1,628	16.1
Finance costs	(89,245)	(69,594)	(19,651)	28.2
Share of profit of associates and joint ventures accounted for using the equity method	99,223	116,129	(16,906)	(14.6)
Foreign exchange differences	(60,158)	(72,971)	12,813	(17.6)
<b>Profit for the period before tax</b>	<b>599,804</b>	<b>1,205,807</b>	<b>(606,003)</b>	<b>(50.3)</b>
Income tax expense	(342,314)	(723,485)	381,171	(52.7)
<b>Profit for the period</b>	<b>257,490</b>	<b>482,322</b>	<b>(224, 832)</b>	<b>(46.6)</b>
Profit (loss) attributable to:				
Profit attributable to owners of the parent	246,594	482,521	(235,927)	(48.9)
Loss attributable to non-controlling interests	10,896	(199)	11,095	(5,575.4)
<b>Profit for the period</b>	<b>257,490</b>	<b>482,322</b>	<b>(224, 832)</b>	<b>(46.6)</b>



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**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<b>3/31/2013</b>	<b>3/31/2012</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	1,330,758	1,201,781
Other current financial asset	23,708	163,930
Other current non-financial assets	52,263	47,349
Trade and other current receivables	1,120,201	1,971,920
Accounts receivables due from related companies,		
current	13,085	42,495
Inventory	2,838,743	2,333,295
Current tax asset	302,021	269,564
<b>Total current assets</b>	<b>5,680,779</b>	<b>6,030,334</b>
<b>Non-current asset</b>		
Other non-current financial assets	141,100	142,891
Other non-current non-financial assets	37,826	207,357
Non-current receivables	169,856	142,465
Accounts receivables due from related companies,		
non-current	21,356	75,738
Investment accounted for using the equity method	7,452,599	1,012,049
Intangible assets other than goodwill	19,282	12,664
Property, Plant and Equipment, net	17,463,983	13,656,757
Investment property	18,004	17,789
<b>Total non-current asset</b>	<b>25,324,006</b>	<b>15,267,710</b>
<b>TOTAL ASSETS</b>	<b>31,004,785</b>	<b>21,298,044</b>



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**Liabilities**

**Current liabilities**

Other current financial liabilities	905,882	1,587,673
Trade and other current payables	1,650,331	1,662,298
Accounts payables to related companies, current	108,743	109,628
Other current provisions	158,315	188,175
Current tax liabilities	11,742	407,594
Current employee benefit accruals	424,942	288,106
Other current non- financial liabilities	58,823	62,249

<b>Total current liabilities</b>	<b>3,318,778</b>	<b>4,305,723</b>
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**Non-current liabilities**

Other non-current financial liabilities	9,271,192	6,420,208
Other non-current payables	-	326
Accounts payables to related companies, non-current	268,901	299,443
Other non-current provisions and accrued expenses	1,564,444	995,124
Deferred tax liabilities	2,839,463	1,608,097
Non-current employee benefit accruals	1,331,318	1,129,303
Other non-current non-financial liabilities	6,521	3,679

<b>Total non-current liabilities</b>	<b>15, 281,830</b>	<b>10,456,180</b>
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<b>Total liabilities</b>	<b>18,600,608</b>	<b>14,761,903</b>
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**Equity**

Issued Capital	2,524,423	2,524,423
Retained earnings	4,482,654	2,163,286
Other Reserves	3,287,301	1,846,106

<b>Equity attributable to owners of the parent</b>	<b>10,294,378</b>	<b>6,533,815</b>
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Non-controlling interests	2,109,799	2,326
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<b>Total equity</b>	<b>12,404,177</b>	<b>6,536,141</b>
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<b>TOTAL LIABILITIES AND EQUITY</b>	<b>31,004,785</b>	<b>21,298,044</b>
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**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>1/1/2013 3/31/2013</b>	<b>1/1/2012 3/31/2012</b>
<b>Cash flow provided by (used in) operating activities:</b>		
Cash receipts provided by operating activities		
Cash flows provided by sales of goods and rendering of services	4,264,192	4,278,925
Other cash flows provided by operating activities	594,462	512,894
Types of cash payments		
Payments to suppliers for goods and services	(2,447,661)	(2,411,677)
Payments to and on behalf of employees	(643,313)	(557,635)
Other cash flows used in operating activities	(735,407)	(927,886)
Dividends received	269,940	35,910
Income taxes paid	(103,220)	(403,767)
<b>Net cash flows provided by operating activities</b>	<b>1,198,993</b>	<b>526,764</b>
<b>Cash flows provided by (used in) investing activities:</b>		
Other payments to acquire equity or debt instruments of other entities	(1,547)	-
Purchases of property plant and equipment	(1,150,192)	(693,218)
Collections from related Companies	27,429	16,650
Interest received	14,334	7,164
Other inflows (outflows) of cash	10,806	73,096
<b>Net cash flows from (used in) investing activities</b>	<b>(1,099,170)</b>	<b>(596,308)</b>
<b>Cash flows used in financing activities:</b>		
Proceeds from current borrowings	236,606	203,636
Repayments of borrowings	(201,265)	(204,276)
Interest paid	(68,229)	(110,911)
<b>Net cash flows used in financing activities</b>	<b>(32,888)</b>	<b>(111,551)</b>
<b>Net increase (decrease) in cash and cash equivalents before foreign exchange difference</b>	<b>66,935</b>	<b>(181,095)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>66,935</b>	<b>(181,095)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,263,823</b>	<b>1,382,876</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,330,758</b>	<b>1,201,781</b>



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### COMPANY PROFILE

CODELCO is the world's largest copper producer engaging primarily in the exploration, development and extraction of ores bearing copper and by-products, the processing of ore into refined copper and the international sale of refined copper and by-products. CODELCO is 100% owned by the Republic of Chile and controls approximately 9% of the world proven and probable copper reserves; as such term is defined by the U.S. Geological Survey. In 2012, CODELCO had an estimated 10% share of the total world copper production, with production of approximately 1.76 million metric tons (including CODELCO's share of the El Abra deposit, which is mined by Sociedad Contractual Minera El Abra and its share in Anglo American Sur) and an estimated 8% share of the world's molybdenum production with production of approximately 19,625 metric tons.

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