



## RESULTS

### Year End 2013

Santiago de Chile, March 28, 2014 – Corporación Nacional del Cobre (CODELCO) reported December 31, 2013 operational and financial results:

- **Year end 2013 revenues** were US\$ 15.0 billion, 5.7% lower than US\$ 15.9 billion for the twelve months of 2012, principally due to a 8.0% decrease in the LME copper price.
- **ADJUSTED EBITDA** in the twelve months of 2013 was US\$ 6.0 billion (39.9% margin) compared to US\$ 9.8 billion (61.9% margin) in the same period of 2012 principally due to the inclusion of the accounting effect of the fair value of Anglo American Sur executed option in 2012 and the decrease of the average copper price in 2013. Excluding Anglo Effect, 2012 adjusted EBITDA should be US\$ 6.0 billion.
- **Net Income** in the twelve months of 2013 was US\$ 1.1 billion (7.5% of sales) compared to US\$ 4.0 billion (25.2% of sales) for the same period of 2012, basically due to the Anglo American Sur executed option accounted fair value in 2012.
- **Total copper mine production**, including El Abra and Anglo American Sur shares, increased by 1.9% in 2013 to 1,792 thousand tons, compared to 1,758 thousand tons in 2012, especially due to the new production coming from Anglo American Sur share, the increase at El Teniente Division and first tons produced by the new operation Ministro Hales partially offset by a decreases in Radomiro Tomic, Chuquicamata and Andina Divisions.
- **Direct Cash Cost C1** per pound of copper was US¢ 163.1 in 2013, compared to US¢ 163.5 in 2012. A decrease of 0.2% primarily attributable to savings in materials, services and input costs (especially energy), favorable exchange rate movements and lower labor costs due to a decrease in labor agreement expenses, partially offset by lower by-product credit.
- **Operating cash flows** totaled US\$ 3.1 billion in 2013 compared to US\$ 2.1 billion in the same period of 2012 resulted principally due to the decrease of goods and services vendors payments as a result of the cost control structural program, the decrease of the income tax paid, mainly due to the effect of the Anglo American business in 2012 and a lower average copper price, and the end of the copper price hedging in January 2013, partially offset by lower revenues due to lower average copper price.
- **Capital expenditures** increased 2.1% to US\$ 4.2 billion in the twelve months 2013 compared to US\$ 4.1 billion in the twelve months 2012, which includes maintenance and projects.



## RESULTS

### Year End 2013

#### SUMMARY FINANCIAL AND OPERATING DATA

December 31,

	2013	2012	Variation	
			Amount	%
Copper Production* ('000 mft)	1,792	1,758	34	1.9
Own Molybdenum Production ('000 mft)	23	20	4	15.0
Cash Cost (Usc/Pound)	163.1	163.5	0	(0.2)
Copper Sales ('000 mft)	1,723	1,740	(17)	(1.0)
Molybdenum Sales ('000 mft)	22	19	3	15.8
LME Copper Price (Usc/Pound)	332.1	360.6	(29)	(7.9)
Metals Week Molybdenum Price (US\$/Pound)	10.3	12.6	(2)	(18.3)
Average Exchange Rate (CLP/US\$)	495.0	486.7	8	1.7
Closing Exchange Rate (CLP/US\$)	524.8	478.6	46	9.7
Total Revenues (US\$ mn)	14,956	15,860	(904)	(5.7)
Gross Profit (US\$ mn)	4,154	5,253	(1,099)	(20.9)
Gross Margin (%)	27.8	33.1	(5)	(16.0)
Adjusted EBITDA (US\$ mn)	5,964	9,818	(3,852)	(39.3)
Adjusted EBITDA Margin (%)	39.9	61.9	(22)	(35.5)
Adjusted EBITDA (US\$ mn) w/o Anglo effect	5,964	6,027	(63)	(1.1)
Adjusted EBITDA Margin (%)w/o Anglo effect	39.9	38.0	(2)	5.0
Net Financial Debt** (US\$ mn)	11,075	8,639	2,436	28.2
Net Interest Expense (US\$mn)	298	347	(49)	(14.1)
Net Debt to LTM Adjusted EBITDA	1.86	0.88	1	111.4
Adjusted EBITDA to Net Interest Expenses	20.0	28.3	(8)	(29.3)
Net Debt to total Capitalization (%)	45.7	39.1	7	16.9
Capex (US\$ mn)	4,178	4,093	85	2.1
Contribution to the Chilean Treasury	2,856	3,177	(321)	(10.1)

\*Includes El Abra and Anglo American Sur shares of production relative to Codelco

\*\*Net of swaps effects, leasing and cash and cash equivalents. Includes the loan from Mitsui, non-recourse to Codelco, to execute the Anglo American Sur Option

#### OPERATION: PRODUCTION, REVENUES & COST

**Consolidated Production.-** Twelve months of 2013 consolidated copper mine production, including El Abra and Anglo American Sur shares, increased 1.9% to 1,792 thousand tons from 1,758 thousand tons in the same period of 2012 principally due to the additional production coming from Anglo American Sur, the production increase at El Teniente Division due to an improvement in the ore grade and first tons produced by the new operation Ministro Hales. The mentioned increased was partially offset by a decrease in Radomiro Tomic Division, as a



## RESULTS

### Year End 2013

consequence of lower oxide production partially offset by an increase of sulfide production. Three other divisions also presented production decreases: Chuquicamata one is related to lower ore mined, Salvador one is explained by lower recovery and Andina Division decrease is mainly due to lower ore grade.

On the other hand, molybdenum production in the twelve months of 2013 increased by 17.1% to 23,043 tons from 19,676 tons in the same period of 2012 especially due to higher production in Andina Division, increased by 45.2%, and El Teniente Division, increased by 11.0%.

### CodeLco Total Copper Production

	Year ended December 31,				
	2009	2010	2011	2012	2013
CODELCO Norte Division <sup>(1)</sup> .....	875	904	–	–	–
Chuquicamata Division .....	–	–	443	356	339
Radomiro Tomic Division.....	–	–	470	428	380
Ministro Hales .....	–	–	–	–	34
Gabriela Mistral Division .....	148	117	118	133	128
El Teniente Division .....	404	404	400	417	450
Andina Division.....	210	188	234	250	237
Salvador Division .....	65	76	69	63	54
El Abra <sup>(2)</sup> .....	80	71	61	75	76
Anglo American Sur <sup>(3)</sup> .....	–	–	–	36	94
<b>CODELCO Total Production.....</b>	<b>1,782</b>	<b>1,760</b>	<b>1,796</b>	<b>1,758</b>	<b>1,792</b>

(1) In December 2010, CODELCO divided the CODELCO Norte Division into the Chuquicamata and Radomiro Tomic Divisions.

(2) CODELCO's figures presented for El Abra include 49% of the mine's total production (the share of production which corresponds to CODELCO's 49% ownership interest in the mine).

(3) CODELCO's figures presented for Anglo American Sur include 20% of the mine's total production (the share of production which corresponds to CODELCO's 20% ownership interest in the mine).

**Consolidated Revenues.-** The twelve months of 2013 revenues decreased 5.7% to US\$ 15.0 billion from US\$ 15.9 billion in the same period of 2012 principally due to lower copper revenues of 3.8%, as a direct consequence of a 7.9% decreased in the LME copper price. On the other hand, revenues from molybdenum



## RESULTS

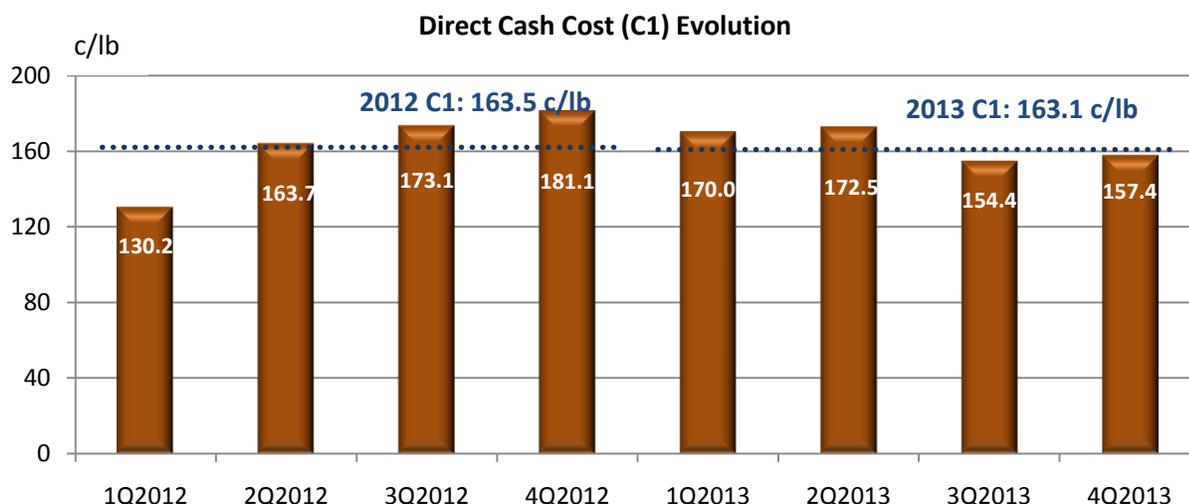
### Year End 2013

decreased 9.3% between the mentioned periods due to a decrease of 18.3% in molybdenum price, partially offset by an increase of 9.5% in the quantity sold. Finally, other by-products and services revenues diminished 36.3% up to December 31, 2013 compared to the same period for 2012 mainly due to a 37.4% reduction in the sulfuric acid price.

**Consolidated Costs.-** Unit cash costs will vary with the fluctuations in payable production and average realized prices for by-products. In the twelve months of 2013, CODELCO's cash cost was 163.1 cents per pound, compared to 163.5 cents per pound in the same period of 2012. A decrease of 0.2% primarily attributable to:

- 1) Lower operational costs: savings in materials, services and input costs (especially energy)
- 2) Exchange rate differences due to and increase of 9.7% in the period closing exchange rate.
- 3) Lower collective bargain agreements and retirement plans, especially influenced by the 2012 anticipated collective bargain agreement of Chuquicamata Unions.
- 4) Lower by-product credit partially offset the benefit of the above factors: This decrease is primarily attributable to lower prices of main by-products (molybdenum, sulfuric acid and anodic slimes).

Fourth quarter 2013 direct cash cost was 157.4 cents per pound, a reduction of 13.1% compared to 181.1 cents per pound direct cash cost in the same period of 2012, evidencing the consolidation of the control cost program results.





## RESULTS

### Year End 2013

#### CAPITAL EXPENDITURE: STRUCTURAL PROJECTS

**Mina Ministro Hales.-** Progressed to 99.9% and it is in the construction final execution stage. The new operation has already delivered its first production while it is doing the load tests.

**El Teniente New Mine Level.-** Continuing the execution progress (20.2%) with the construction of main and ventilation tunnels, interior mine development and Maitenes road. The new level will begin operating in 2017.

**Chuquicamata Underground.-** Early works advance developing main and ventilation tunnels and interior mine works (72.7%) and the new mine will begin operating in 2018.

**Andina Phase II.-** Continues proceeding the environmental impact study, preparing responses to the requirements set by the authority and the community.

**RT Sulphides Phase II.-** Proceeding the environmental impact study, submitted on May 31 to the competent authority of Antofagasta.

#### 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>2Q 2013</b>	3.24	3.25	10.80
<b>3Q 2013</b>	3.21	3.23	9.36
<b>4Q 2013</b>	3.24	3.28	9.60
<b>Average 2013</b>	3.32	3.34	10.26
<b>1Q 2012</b>	3.77	3.78	14.10
<b>2Q 2012</b>	3.57	3.55	13.65
<b>3Q 2012</b>	3.50	3.53	11.67
<b>4Q 2012</b>	3.59	3.60	11.05
<b>Average 2012</b>	3.61	3.61	12.62
<b>Variation: 4Q 2013 vs. 4Q 2012</b>	(9.7)%	(8.9)%	(13.1)%
<b>Variation: 4Q 2013 vs. 3Q 2013</b>	0.9%	1.5%	2.6%
<b>Variation: 2013 vs. 2012</b>	(8.0)%	(7.5)%	(18.7)%

#### CASH FLOWS

CODELCO generated operating cash flows of totaled US\$ 3.1 billion in 2013 compared to US\$ 2.1 billion in the same period of 2012 resulted principally due to the decrease of goods and services vendors payments as a result of the cost control structural program, the decrease of the income tax paid, mainly due to the effect of the



## RESULTS

### Year End 2013

Anglo American business in 2012 and a lower average copper price, and the end of the copper price hedging in January 2013, partially offset by lower revenues due to lower average copper price.

#### CASH AND DEBT

At December 31, 2013, CODELCO had consolidated cash and cash equivalents of US\$751 million compared to US\$ 1.3 billion at the same date of 2012. At December 31, 2013, CODELCO's financial debt achieved US\$ 11.8 billion compared to US\$ 9.9 billion at December 31, 2012. CODELCO's financial debt includes the loan from Mitsui, non-recourse to CODELCO, to execute the Anglo American Sur option. 2013 Debt movements includes the 10 year and 30 year bonds issued in 2013 for US\$750 million and US\$950 million respectively, two bilateral loans of US\$300 million each, another US\$300 million short term loan and the first US\$29 million related to the loan for the development, construction and operation of a metals processing plant to be constructed in Mejillones.



## RESULTS

### Year End 2013

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit (loss)	1/1/2013 12/31/2013	1/1/2012 12/31/2012	Var Amnt	%
Revenue	14,956,283	15,860,432	(904,149)	(5.7)
Cost of sales	(10,801,815)	(10,607,900)	(193,915)	1.8
<b>Gross profit</b>	<b>4,154,468</b>	<b>5,252,532</b>	<b>(1,097,064)</b>	<b>(20.9)</b>
Other Income, by function	162,552	4,092,339	(3,929,787)	(96.0)
Distribution costs	(11,057)	(12,654)	1,597	(12.6)
Administrative expenses	(471,562)	(543,531)	71,969	(13.2)
Other expenses	(1,513,434)	(2,232,631)	719,197	(32.2)
Other gains (losses)	52,249	35,400	16,849	47.6
<b>Profit (losses) from operating activities</b>	<b>2,373,216</b>	<b>6,591,455</b>	<b>(4,218,239)</b>	<b>(64.0)</b>
Finance income	28,851	59,023	(30,172)	(51.1)
Finance costs	(327,113)	(406,278)	79,165	(19.5)
Share of profit of associates and joint ventures accounted for using the equity method	444,133	457,230	(13,097)	(2.9)
Foreign exchange differences	212,823	(165,801)	378,624	(228.4)
<b>Profit for the period before tax</b>	<b>2,731,910</b>	<b>6,535,629</b>	<b>(3,803,719)</b>	<b>(58.2)</b>
Income tax expense	(1,617,339)	(2,545,468)	928,129	(36.5)
<b>Profit for the period</b>	<b>1,114,571</b>	<b>3,990,161</b>	<b>(2,875,590)</b>	<b>(72.1)</b>
Profit (loss) attributable to:				
Profit attributable to owners of the parent	1,073,204	3,982,801	(2,909,597)	(73.1)
Loss attributable to non-controlling interests	41,367	(7,360)	48,727	(662.1)
<b>Profit for the period</b>	<b>1,114,571</b>	<b>3,990,161</b>	<b>(2,875,590)</b>	<b>(72.1)</b>



**RESULTS**  
Year End 2013

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<b>12/31/2013</b>	<b>12/31/2012</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	750,670	1,263,823
Other current financial asset	5,627	8,709
Other current non-financial assets	27,108	24,015
Trade and other current receivables	2,186,182	2,376,013
Accounts receivables due from related companies, current	30,883	29,442
Inventory	2,244,011	2,431,965
Current tax asset	179,759	400,660
<b>Total current assets</b>	<b>5,424,240</b>	<b>6,534,627</b>
<b>Non-current asset</b>		
Other non-current financial assets	93,707	132,999
Other non-current non-financial assets	39,662	37,680
Non-current receivables	138,896	171,699
Accounts receivables due from related companies, non-current	224	41,305
Investment accounted for using the equity method	7,494,982	7,636,636
Intangible assets other than goodwill	18,623	19,178
Property, Plant and Equipment, net	20,126,811	17,067,949
Investment property	18,018	18,004
<b>Total non-current asset</b>	<b>27,930,923</b>	<b>25,125,450</b>
<b>TOTAL ASSETS</b>	<b>33,355,163</b>	<b>31,660,077</b>



**RESULTS**  
Year End 2013

**Liabilities**

	<b>12/31/2013</b>	<b>12/31/2012</b>
<b>Current liabilities</b>		
Other current financial liabilities	1,160,301	864,779
Trade and other current payables	1,572,697	2,245,592
Accounts payables to related companies, current	153,949	143,364
Other current provisions	221,392	209,895
Current tax liabilities	15,723	50,205
Current employee benefit accruals	567,555	549,975
Other current non- financial liabilities	87,139	75,162
<b>Total current liabilities</b>	<b>3,778,756</b>	<b>4,138,972</b>
<b>Non-current liabilities</b>		
Other non-current financial liabilities	10,847,842	9,262,324
Other non-current payables	-	-
Accounts payables to related companies, non-current	230,692	275,011
Other non-current provisions and accrued expenses	1,387,890	1,554,167
Deferred tax liabilities	3,398,044	2,922,907
Non-current employee benefit accruals	1,298,367	1,323,294
Other non-current non-financial liabilities	5,952	4,390
<b>Total non-current liabilities</b>	<b>17,168,787</b>	<b>15,342,093</b>
<b>Total liabilities</b>	<b>20,947,543</b>	<b>19,481,065</b>
<b>Equity</b>		
Issued Capital	2,524,423	2,524,423
Retained earnings	2,590,388	4,293,246
Other Reserves	5,245,707	3,261,937
<b>Equity attributable to owners of the parent</b>	<b>10,360,518</b>	<b>10,079,606</b>
Non-controlling interests	2,047,102	2,099,406
<b>Total equity</b>	<b>12,407,620</b>	<b>12,179,012</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>33,355,163</b>	<b>31,660,077</b>



**RESULTS**  
Year End 2013

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>1/1/2013</b> <b>12/31/2013</b>	<b>1/1/2012</b> <b>12/31/2012</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	15,106,688	16,932,810
Other cash flows provided by operating activities	2,139,686	2,161,881
Types of cash payments		
Payments to suppliers for goods and services	(9,092,233)	(10,002,524)
Payments to and on behalf of employees	(2,049,725)	(1,945,274)
Other cash flows used in operating activities	(2,684,856)	(3,562,098)
Dividends received	604,854	276,672
Income taxes paid	(887,094)	(1,777,896)
<b>Net cash flows provided by operating activities</b>	<b>3,137,320</b>	<b>2,083,571</b>
<b>Cash flows provided by (used in) investing activities:</b>		
Cash flows (used in) the purchase of non-controlled shares	-	(2,799,795)
Other payments to acquire equity or debt instruments of other entities	(14,999)	-
Other payments to acquire shares of related Companies	-	(31,408)
Purchases of property plant and equipment	(4,437,366)	(3,687,182)
Purchases of intangible asset	(9,983)	-
Interest received	22,743	43,137
Other inflows (outflows) of cash	(34,184)	(3,795)
<b>Net cash flows from (used in) investing activities</b>	<b>(4,473,789)</b>	<b>(6,479,043)</b>
<b>Cash flows used in financing activities:</b>		
Proceeds from shares issue	-	1,100,000
Proceeds from current borrowings	4,038,608	5,481,146
Repayments of borrowings	(2,053,841)	(1,505,414)
Dividends paid	(775,801)	(106,000)
Interest paid	(363,410)	(541,988)
Other inflows (outflows) of cash	(37,610)	(151,006)
<b>Net cash flows used in financing activities</b>	<b>807,946</b>	<b>4,276,737</b>
<b>Net increase (decrease) in cash and cash equivalents before foreign exchange difference</b>	<b>(528,523)</b>	<b>(118,735)</b>
Foreign Exchange Rate Net increase (decrease) in cash and cash equivalents	15,370	(318)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(513,153)</b>	<b>(119,053)</b>
Cash and cash equivalents at beginning of period	<b>1,263,823</b>	<b>1,382,876</b>
Cash and cash equivalents at end of period	<b>750,670</b>	<b>1,263,823</b>



## RESULTS

### Year End 2013

#### 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 2013, CODELCO had an estimated 10% share of the total world copper production, with production of approximately 1.79 million metric tons (including CODELCO's share in the El Abra deposit, which is mined by Sociedad Contractual Minera El Abra and its share in Anglo American Sur) and an estimated 9% share of the world's molybdenum production with own production of approximately 23,043 metric tons.

#### CODELCO CORPORATE ADDRESS

1270 Huerfanos St.  
P.O. Box 150 – D  
Santiago, CHILE  
Phone: (56-2) 690 3000

#### INVESTOR CONTACT

Lucila Siskind  
Director of Investor Relations  
Phone: (56-2) 392 2337  
FAX: (56-2) 690 3641  
e-mail: [lsiskind@codelco.cl](mailto:lsiskind@codelco.cl)

This new release has been prepared by Corporación Nacional del Cobre de Chile ("CODELCO" or the "Company") This news release does not constitute or form part of an offer or any solicitation to any other person or to the general public to subscribe for or otherwise acquire securities issued by CODELCO in any jurisdiction or an inducement to enter into investment activity, nor shall it (or any part of it) or the fact of its distribution or availability, form the basis of, or be relied on in connection with, or act as any inducement to enter into, any contract or commitment or investment decision.

The information contained in this independently news release has not been verified and is subject to change without notice. No representation or warranty express or implied is made as to and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. None of the Company, any of its respective affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with the presentation.

This news release is only for persons having professional experience in matters relating to investments and must not be acted or relied on by people who are not relevant persons.

This news release contains forward-looking statements as that term is defined in the Private Security Litigation Reform Act of 1995. In addition to the risks and uncertainties noted in this news release, there are certain factors that could cause results to differ materially from those anticipated by some of the statements made. The Company expressly disclaims any obligation to release publicly any update or revisions for any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.