



Insight beyond the rating.

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DBRS Releases Report on the Corporación Nacional del Cobre de Chile (Codelco)

Bloomberg: DBRS Releases Codelco Report

Issuer: Corporación Nacional del Cobre de Chile

Industry Group: Corporates

Sub-Industry: Natural Resources

Region: Canada/U.S.

DBRS Limited (DBRS) has today released a report on Corporación Nacional del Cobre de Chile (Codelco or the Company) that supports the recent confirmation of Codelco's Issuer Rating and Senior Unsecured Debt rating at "A" with Stable trends. The rating confirmations and Stable trends reflect the credit strength of Codelco's owner, the Republic of Chile (rated AA (low) by DBRS), as well as Codelco's position as a world-leading and cost-competitive copper producer with large reserve and resource bases.

The sharp decline in copper prices from record levels in 2011 and rapidly escalating costs (now stabilized) have significantly weakened the Company's credit metrics, which are now well below those of an independent "A"-rated company. The Company's weak credit metrics are expected to be further challenged: copper prices are currently well below \$3.00 per pound and are expected to remain weak throughout 2015. In addition, Codelco has more than \$23 billion of investments planned for 2014 to 2018 to modernize operations and to access new mining zones in order to maintain level copper output.

Accordingly, DBRS's ratings for Codelco are based on the expectation of ongoing support from the Chilean government.

Today's report and the February 3, 2015, press release are available at www.dbrs.com or by contacting us at info@dbrs.com.

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Press Release



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Notes:

All figures are in U.S. dollars unless otherwise noted.

The applicable methodology is Rating Companies in the Mining Industry (September 2014), which can be found on our website under Methodologies.

For more information on this credit or on this industry, visit www.dbrs.com or contact us at info@dbrs.com.

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