



RESULTS 1H 2015

Santiago de Chile, August 28, 2015 – Corporación Nacional del Cobre (CODELCO) reported June 30, 2015 operational and financial results:

- **1H 2015 revenues** were US\$ 5.9 billion, 10.8% lower than US\$ 6.6 billion for the first half of 2014, principally due to a 14.3% decrease in LME average copper price.
- **ADJUSTED EBITDA** in the first half of 2015 was US\$ 2.1 billion (35.3% margin) compared to US\$ 2.5 billion (38.5% margin) in the same period of 2014 principally due to the decrease of the LME average copper price in 2015. Nonetheless, if the trading business is isolated the Adjusted Mining EBITDA Margin for the first six month of 2015 improves to 43% compared to 45% for the same period of 2014.
- **Profit before tax** in the first half of 2015 was US\$ 441.6 million (7.5% of sales) compared to US\$ 819.6 million (12.5% of sales) for the same period of 2014, basically due to a lower LME average copper price, which diminished Codelco's revenues as well as the share profit of associates and joint ventures, partially offset by lower cost of sales.
- **Total copper mine production**, including El Abra and Anglo American Sur shares, increased 3.8% in the first half of 2015 to 910 thousand tons compared to 877 thousand tons in the same period of 2014, especially due to the new production coming from the new operation Ministro Hales and higher production of El Teniente Division which offset the decreased production of Chuquicamata Division. Moreover, Codelco's own production increase 5.5% to 831 thousand tons compared to 788 thousand tons.
- **Direct Cash Cost C1** per pound of copper was US\$ 140.0 in the first half of 2015, compared to US\$ 158.1 in the same period of 2014. A decrease of 11.4% was primarily attributable to favorable exchange rate movements, lower energy and fuel costs, the cost control program implemented in 2013 and the non-recurrence of El Teniente collective bargaining agreement bonuses that occurred in February 2014.
- **Operating cash flows** totaled US\$ 1.40 billion in the first half of 2015 diminishing from the US\$ 1.47 billion in the same period of 2014 due to lower revenues and dividends received from associates and joint ventures partially offset by the decrease in the payments to suppliers and those on behalf of employees.
- **Capital expenditures** was US\$ 1.9 billion in the first half of 2015 showing a stable behavior compared to US\$ 1.9 billion in the same period of 2014, which includes maintenance and projects in both years.



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SUMMARY FINANCIAL AND OPERATING DATA

	June 30,			
	2015	2014	Amount	Variation %
Copper Production* ('000 mft)	910	877	33	3.8
Own Molybdenum Production ('000 mft)	15.7	15.9	(0.2)	(1.3)
Cash Cost (Usc/Pound)	140.0	158.1	(18.1)	(11.4)
Own Copper Sales ('000 mft)	810	779	31	4.0
Molybdenum Sales ('000 mft)	13.3	12.5	0.8	6.3
LME Copper Price (Usc/Pound)	268.9	313.7	(44.8)	(14.3)
Metals Week Molybdenum Price (US\$/Pound)	7.9	11.7	(3.8)	(32.5)
Average Exchange Rate (CLP/US\$)	621	553	68	12.3
Closing Exchange Rate (CLP/US\$)	635	551	84	15.2
Total Revenues (US\$ mn)	5,867	6,578	(711)	(10.8)
Gross Profit (US\$ mn)	1,145	1,614	(469)	(29.1)
Gross Margin (%)	19.5	24.5	(5.0)	(20.4)
Adjusted EBITDA (US\$ mn)	2,070	2,534	(464)	(18.3)
Adjusted EBITDA Margin (%)	35.3	38.5	(3.2)	(8.4)
Adjusted Mining EBITDA Margin (%)***	43%	45%	2%	(4.4)
Net Financial Debt** (US\$ mn)	12,226	11,127	1,099	9.9
Net Interest Expense (US\$m)	220	225	(5)	(2.0)
Net Financial Debt** to LTM Adjusted EBITDA	2.45	1.95	0.5	25.6
Adjusted EBITDA to Net Interest Expenses	9.4	11.3	(1.9)	(16.6)
Net Financial Debt** to total Capitalization (%)	50.3	45.6	4.7	10.3
Capex (US\$ mn)	1,890	1,880	10	0.5
Contribution to the Chilean Treasury	571	759	(188)	(24.8)

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

**Net of cash and cash equivalents. Excludes Mitsui debt to acquire 20% of Anglo American Sur asset, because is non-recourse to CODELCO

*** Adjusted Mining EBITDA Margin (%) = $\frac{\text{EBITDA} - \text{Trading Margin}}{\text{Total Revenues} - \text{Revenues from Sales of copper bought to third parties}}$

OPERATION: PRODUCTION, REVENUES & COST

Consolidated Production.- The first half of 2015 consolidated copper mine production, including El Abra and Anglo American Sur shares, increased 3.8% to 910 thousand tons compared to 877 thousand tons for the same period in 2014 principally due to the additional production coming from the new operation Ministro Hales and the increased production of El Teniente Division, mainly due to higher ore grade. Nonetheless, this effect has been partially offset by the diminished production coming from Chuquicamata, especially due to lower ore



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mined. El Teniente and Salvador divisions show slightly increases in their production, while Andina shows a slightly decrease.

On the other hand, molybdenum production in the first half of 2015 slightly decreased by 1.1% to 15,708 tons from 15,874 tons in the same period of 2014.

Codelco Total Copper Production

	June 30,	
	2015	2014
Chuquicamata Division.....	131	166
Radomiro Tomic Division.....	156	156
Ministro Hales	108	66
Gabriela Mistral Division	62	54
El Teniente Division	239	214
Andina Division.....	112	109
Salvador Division	23	23
El Abra ⁽¹⁾	38	41
Anglo American Sur ⁽²⁾	42	48
CODELCO Total Production.....	910	877

(1) 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).

(2) 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 first half of 2015 revenues decreased 10.8% to US\$ 5.9 billion from US\$ 6.6 billion in the same period of 2014 principally due to lower copper revenues of 10.6%, as a direct consequence of a 14.3% decrease in the LME average copper price. Revenues from molybdenum decreased 22.5% between the mentioned periods mainly due to a decrease of 32.5% in molybdenum price. Finally, other by-products and services revenues decreased 1.5% up to June 30, 2015 compared to the same period in 2014 mainly due to lower volume and price of anodic slimes sold.

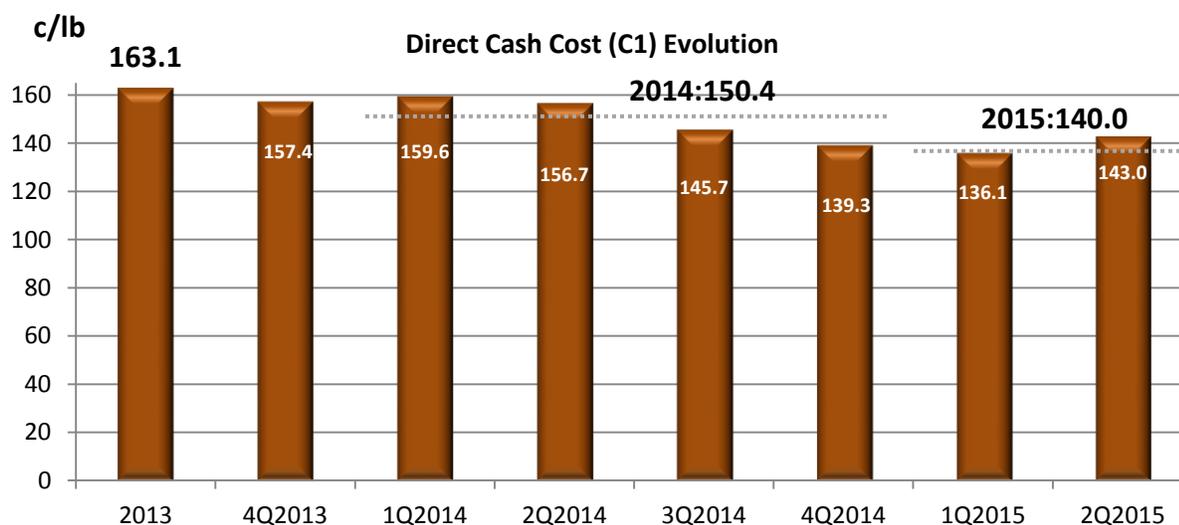


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Consolidated Costs.- Unit cash costs will vary with the fluctuations in payable production and average realized prices for by-products. In the first half of 2015, CODELCO's cash cost was 140.0 cents per pound, compared to 158.1 cents per pound in the same period of 2014. A decrease of 11.4% primarily attributable to:

- 1) Lower operational costs: savings mainly in energy and fuel.
- 2) Exchange rate differences.

The cash cost reduction trend started in the first quarter of 2013 and quarter after quarter evidence the consolidation of the control cost program results.



Second quarter 2015 cash cost shows a slightly increased compared to prior quarter due to the appreciation of the Chilean Peso against the US Dollar, and the weather disruption in Salvador Division.

CAPITAL EXPENDITURE: STRUCTURAL PROJECTS

El Teniente New Mine Level.- The execution progress reaches 34.8% with the construction of main and ventilation tunnels, interior mine development and Maitenes road. Nonetheless, in order to successfully overcome the project challenges, the development is being reformulating to better respond to the geo-mechanical conditions encountered in its implementation, incorporating the latest knowledge in mining project development.

Chuquicamata Underground.- Works advance (21.2%) developing ventilation tunnels and interior mine works as well as main entrance tunnels.



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RT Sulphides Phase II.- Progressing the detail engineering studies (39% advance) and proceeding the environmental impact study, submitted to the competent authority of Antofagasta. Currently, developing the early works stage to prepare the land for the construction of future facilities.

Andina Plant Reallocation.- Under construction with an advance of 16.2%.

Salvador Inca Pit.- Proceeding with the prefeasibility study.

Andina Expansion.- The project will be reformulated to create an alternative to require less investment, minimize impacts on the environment and prolong the life of the Andina Division for another 50 years.

AVERAGE METAL PRICE

	LME Copper (US\$/lb.)	COMEX Copper (US\$/lb.)	Molybdenum (US\$/lb.)
1Q 2015	2.64	2.66	8.47
2Q 2015	2.75	2.77	7.45
Average 2015	2.69	2.72	7.93
1Q 2014	3.19	3.24	9.98
2Q 2014	3.08	3.10	13.45
3Q 2014	3.17	3.16	12.62
4Q 2014	3.00	2.98	9.22
1H 2014	3.14	3.17	11.69
Average 2014	3.11	3.12	11.30
Variation: 2Q 2015 vs. 2Q 2014	(10.7)%	(10.6)%	(44.6)%
Variation: 2Q 2015 vs. 1Q 2015	4.2%	4.1%	(11.4)%
Variation: 1H 2015 vs. 1H 2014	(14.3)%	(14.2)%	(32.2)%

CASH FLOWS

For the first half of 2015, Codelco's operating Cash Flow totaled US\$ 1.40 billion in the first half of 2015, diminishing from the US\$ 1.47 billion in the same period of 2014 due to lower revenues partially offset by the decrease in the payments to suppliers and those on behalf of employees.

CASH AND DEBT

At June 30, 2015, CODELCO had consolidated cash and cash equivalents of US\$638 million compared to US\$ 933 million at the same date of 2014. At June 30, 2015, CODELCO's net financial debt* reached US\$ 12.2 billion compared to US\$ 11.1 in June 30, 2014. First half 2015 main debt movements compared to the same period of 2014, include the issuance of CODELCO's first Euro bond, 2024, for EUR 600 million and the issuance of CODELCO 2044 bond for US\$980 million in the international capital markets. Regarding the bank market, after



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the second quarter of 2014 debt increase considers withdraws of two existing bilateral loans for a total of US\$52.5 million and a US\$122.5 million, each, for the molybdenum project. On the other hand, in the second part of 2014 CODELCO had paid debt maturities for US\$633 million, which include the US\$500 million 2014 bond and US\$134 million of the third and last installment of a syndicated credit.

* Net of cash and cash equivalents. Excludes Mitsui debt to acquire 20% of Anglo American Sur asset, because is non-recourse to CODELCO

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit (loss)	1/1/2015	1/1/2014	Var	
	06/30/2015	06/30/2014	Amnt	%
Revenue	5,867,322	6,578,406	(711,084)	(10.8)
Cost of sales	(4,722,678)	(4,964,894)	242,216	(4.9)
Gross profit	1,144,644	1,613,512	(468,868)	(29.1)
Other Income, by function	54,809	76,146	(21,337)	(28.0)
Distribution costs	(5,031)	(5,361)	330	(6.2)
Administrative expenses	(198,043)	(232,257)	34,214	(14.7)
Other expenses	(594,850)	(759,801)	164,951	(21.7)
Other gains (losses)	12,903	24,016	(11,113)	(46.3)
Profit (losses) from operating activities	414,432	716,255	(301,823)	(42.1)
Finance income	7,528	9,012	(1,484)	(16.5)
Finance costs	(227,560)	(233,607)	6,047	(2.6)
Share of profit of associates and joint ventures accounted for using the equity method	54,566	183,056	(128,490)	(70.2)
Foreign exchange differences	192,646	144,923	47,723	32.9
Profit for the period before tax	441,612	819,639	(378,027)	(46.1)
Income tax expense	(504,200)	(479,798)	(24,402)	5.1
Profit for the period	(62,588)	339,841	(402,429)	(118.4)
Profit (loss) attributable to:				
Profit attributable to owners of the parent	(53,668)	326,884	(380,552)	(116.4)
Loss attributable to non-controlling interests	(8,920)	12,957	(21,887)	(168.8)
Profit for the period	(62,588)	339,841	(402,429)	(118.4)



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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	06/30/2015	06/30/2014
Assets		
Current Assets		
Cash and cash equivalents	638,435	933,179
Other current financial asset	16,758	24,313
Other current non-financial assets	71,643	87,079
Trade and other current receivables	1,767,883	1,952,474
Accounts receivables due from related companies, current	25,451	13,825
Inventory	2,582,968	2,655,625
Current tax asset	39,113	260,217
Total current assets	5,142,251	5,926,713
Non-current asset		
Other non-current financial assets	52,111	93,088
Other non-current non-financial assets	31,376	42,865
Non-current receivables	104,969	139,548
Accounts receivables due from related companies, non-current	224	224
Investment accounted for using the equity method	6,744,052	7,378,005
Intangible assets other than goodwill	18,893	18,690
Property, Plant and Equipment, net	22,475,294	20,867,127
Investment property	5,842	17,944
Total non-current asset	29,432,761	28,557,492
TOTAL ASSETS	34,575,012	34,484,204



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Liabilities

	06/30/2015	06/30/2014
Current liabilities		
Other current financial liabilities	1,106,191	1,527,560
Trade and other current payables	1,007,928	1,429,130
Accounts payables to related companies, current	186,943	125,631
Other current provisions	295,046	340,900
Current tax liabilities	3,475	285,213
Current employee benefit accruals	356,027	406,398
Other current non- financial liabilities	101,274	130,124
Total current liabilities	3,056,884	4,244,956
Non-current liabilities		
Other non-current financial liabilities	12,853,776	11,534,109
Accounts payables to related companies, non-current	175,364	212,026
Other non-current provisions and accrued expenses	1,269,641	1,352,052
Deferred tax liabilities	4,518,129	3,472,702
Non-current employee benefit accruals	1,264,507	1,329,444
Other non-current non-financial liabilities	4,170	4,550
Total non-current liabilities	20,085,587	17,904,883
Total liabilities	23,142,471	22,149,839
Equity		
Issued Capital	2,524,423	2,524,423
Retained earnings	1,473,026	2,377,562
Other Reserves	5,553,640	5,389,812
Equity attributable to owners of the parent	9,551,089	10,291,797
Non-controlling interests	1,881,452	2,042,568
Total equity	11,432,541	12,334,365
TOTAL LIABILITIES AND EQUITY	34,575,012	34,484,204



CONSOLIDATED STATEMENTS OF CASH FLOWS

	1/1/2015 06/30/2015	1/1/2014 06/30/2014
Cash flow provided by (used in) operating activities:		
Cash receipts provided by operating activities		
Cash flows provided by sales of goods and rendering of services	6,246,640	7,087,009
Other cash flows provided by operating activities	906,665	886,904
Types of cash payments		
Payments to suppliers for goods and services	(3,780,167)	(4,321,694)
Payments to and on behalf of employees	(944,308)	(1,266,581)
Other cash flows used in operating activities	(1,099,458)	(1,078,697)
Dividends received	107,741	298,627
Income taxes paid	(41,330)	(131,845)
Net cash flows provided by operating activities	1,395,783	1,473,723
Cash flows provided by (used in) investing activities:		
Other payments to acquire equity or debt instruments of other entities	(1,830)	(13,548)
Purchases of property plant and equipment	(1,889,617)	(1,880,127)
Interest received	3,208	2,431
Other inflows (outflows) of cash	(2,211)	(2,965)
Net cash flows from (used in) investing activities	(1,890,450)	(1,894,209)
Cash flows used in financing activities:		
Proceeds from current borrowings	290,660	1,440,523
Repayments of borrowings	(248,291)	(412,678)
Dividends paid	-	(202,103)
Interest paid	(216,331)	(220,450)
Net cash flows used in financing activities	(173,962)	605,292
Net increase (decrease) in cash and cash equivalents before foreign exchange difference	(668,629)	184,806
Foreign Exchange Rate Net increase (decrease) in cash and cash equivalents	(3,552)	(2,297)
Net increase (decrease) in cash and cash equivalents	(672,181)	182,509
Cash and cash equivalents at beginning of period	1,310,616	750,670
Cash and cash equivalents at end of period	638,435	933,179



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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 8% of the world proven and probable copper reserves; as such term is defined by the U.S. Geological Survey. In 2014, CODELCO had an estimated 10% share of the total world copper production, with production of approximately 1.84 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 30,628 metric tons.

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