



RESULTS

SEPTEMBER 30, 2017

Santiago de Chile, November 23, 2017 – Corporación Nacional del Cobre (CODELCO) reported September 30, 2017 operational and financial results:

- **Nine months ended September 30, 2017 revenues** were US\$ 9.8 billion, 20.3% over the reported US\$ 8.1 billion for the nine months of 2016, due to the 26.0% increase in the average LME copper price, partially offset by a decrease in the copper volume sold.
- **Adjusted EBITDA⁽¹⁾** for the nine months of 2017 was US\$ 3.7 billion (38.0% margin) compared to US\$ 1.9 billion (23.7% margin) in the same period of 2016 principally due to the increase of the average copper price in 2017 and cost contention efforts.
- **Net financial debt** decrease 3.3% to US\$13.5 billion as of September 30, 2017 compared to US\$13.9 billion in the same date of 2016 principally due to higher cash available. Therefore, the net debt reduction together with the increase in the adjusted EBITDA have positively impacted the net debt to last twelve month adjusted EBITDA ratio reaching 2.8x compared to 5.6x as of September 30, 2016.
- **Profit before tax** in the first nine months of 2017 was US\$ 905 million (9.3% of sales), compared to a loss of US\$ 622 million (-7.7% of sales) in the same period of 2016 basically due to a higher average copper price and lower impact of foreign exchange rate differences.
- **Operating cash flows** increased by 144.3% to US\$ 3.1 billion in the nine months of 2017 compared to US\$ 1.3 billion in the same period of 2016 primarily due to the increase in cash received from the sales of goods as a direct consequence of higher average prices for CODELCO's product portfolio, also helped by the cost contention program.
- **Capex program** of the three structural projects under construction, Chuquicamata Underground, El Teniente New Mine Level and Andina Mineral Transfer System, keeps progressing, while the feasibility study for the structural project of Inca Pit mine of El Salvador division is has been authorized. On the other hand, Andina Future Development project is still at the pre-feasibility study stage.
- **Total copper mine production**, including El Abra and Anglo American Sur attributable production to CODELCO, decreased 3.1% in the nine months of 2017 to 1,323 thousand tons compared to 1,366 thousand tons for the same period of 2016, especially due to lower production coming from Chuquicamata and Ministro Hales divisions.
- **Direct Cash Cost C1** per pound of copper was US¢ 131.8 in the nine months of 2017, compared to US¢ 127.1 in the same period of 2016. This increase of 3.7% is primarily attributable to lower



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copper production compared to the same period of 2016, increases in input prices and the unfavorable effect of the appreciation of the Chilean peso against the U.S. dollar.

- **Four Labor bargain agreements** have been negotiated during the nine months of 2017 without affecting production, encompassing no real salary increases and significant bonuses reduction compared to previous agreements.

(1) Adjusted EBITDA is calculated by adding finance cost, income tax expense, depreciation and amortization of assets plus export taxes and impairment charges to profit (loss) for the period.

SUMMARY FINANCIAL AND OPERATING DATA

	September 30,			
	2017	2016	Amount	Variation %
Total Copper Production ⁽¹⁾ ('000 mft)	1,323	1,366	(43)	(3.1)
Own Molybdenum Production ('000 mft)	21.3	23.0	(1.7)	(7.4)
Direct Cash Cost C1 (Usc/Pound)	131.8	127.1	4.7	3.7
Own Copper Sales ('000 mft)	1,268	1,367	(99)	(7.2)
Molybdenum Sales ('000 mft)	22.0	22.0	0.0	0.0
LME Copper Price (Usc/Pound)	270.0	214.3	55.7	26.0
Metals Week Molybdenum Price (US\$/Pound)	7.9	6.4	1.5	23.4
Average Exchange Rate (CLP/US\$)	654	680	(26)	(3.8)
Closing Exchange Rate (CLP/US\$)	638	679	(41)	(6.0)
Total Revenues (US\$ mn)	9,752	8,104	1,648	20.3
Gross Profit (US\$ mn)	2,552	1,062	1,490	140.3
Gross Margin (%)	26.2	13.1	13.1	100.0
Adjusted EBITDA ⁽²⁾ (US\$ mn)	3,706	1,922	1,784	92.8
Adjusted EBITDA Margin (%)	38.0	23.7	14.3	60.3
Net Financial Debt ⁽³⁾ (US\$ mn)	13,461	13,927	(466)	(3.3)
Net Interest Expense (US\$mn)	492	408	84	20.6
Net Debt to LTM Adjusted EBITDA	2.8	5.6	(2.8)	(50.0)
Adjusted EBITDA to Net Interest Expenses	7.5	4.7	2.8	59.6
Net Debt to total Capitalization (%)	54.0	58.2	(4.2)	(7.2)
Contribution to the Chilean Treasury (US\$ mn)	944	733	211	(28.8)

(1) Includes El Abra and Anglo American Sur attributable production to CODELCO

(2) Adjusted Ebitda is defined as Net Income plus Income Tax, Royalty, Export Tax, Interest Expenses and Depreciation and Amortization

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



OPERATION: PRODUCTION, REVENUES & COST (CONSOLIDATED)

Production.- Consolidated copper mine production, including El Abra and Anglo American Sur attributable production to CODELCO, decreased 3.1% in the nine months of 2017 to 1,323 thousand tons compared to 1,366 thousand tons for the same period of 2016, due to lower production mostly from Chuquicamata and Ministro Hales divisions and at a lesser extent from Radomiro Tomic and El Teniente. Moreover, the decrease in the joint venture El Abra contributed to CODELCO's total output reduction. CODELCO's own production decreased 2.6%. Main decrease occurred at Chuquicamata division primarily explained by lower oxide production together with a lower sulphide mineral ore grade as a consequence of the change in the planned mining sequence to stabilize the pit. The decrease experienced by Ministro Hales division is related to lower ore processed together with a decline in the ore grade. Radomiro Tomic decrease is mainly due to lower sulphide production partially offset by higher oxide one. On the other hand, the decrease showed in the El Teniente division during the first quarter of 2017, has been partially recovered during the two consecutive quarters. In opposition, Andina division increased its production by 13.0% due to higher mineral ore processed. Joint venture in El Abra also reported a decreased production.

Molybdenum production decreased by 7.4% in the nine months of 2017 mainly due to the decreased production of Chuquicamata followed by El Teniente and partially offset by the increase output coming from Andina and Radomiro Tomic divisions.

	DIVISION	2017	2016
Copper Production (K ton)	Chuquicamata	205	229
	Radomiro Tomic	227	235
	Ministro Hales	163	184
	Gabriela Mistral	92	92
	El Teniente	346	353
	Andina	164	141
	Salvador	44	43
	El Abra ⁽¹⁾	28	38
	Anglo American Sur ⁽²⁾	53	53
	CODELCO Total	1,323	1,366

(1) CODELCO's figures presented for El Abra include 49% of the mine's total production (attributable production 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 (attributable production to CODELCO's 20% ownership interest in the mine).

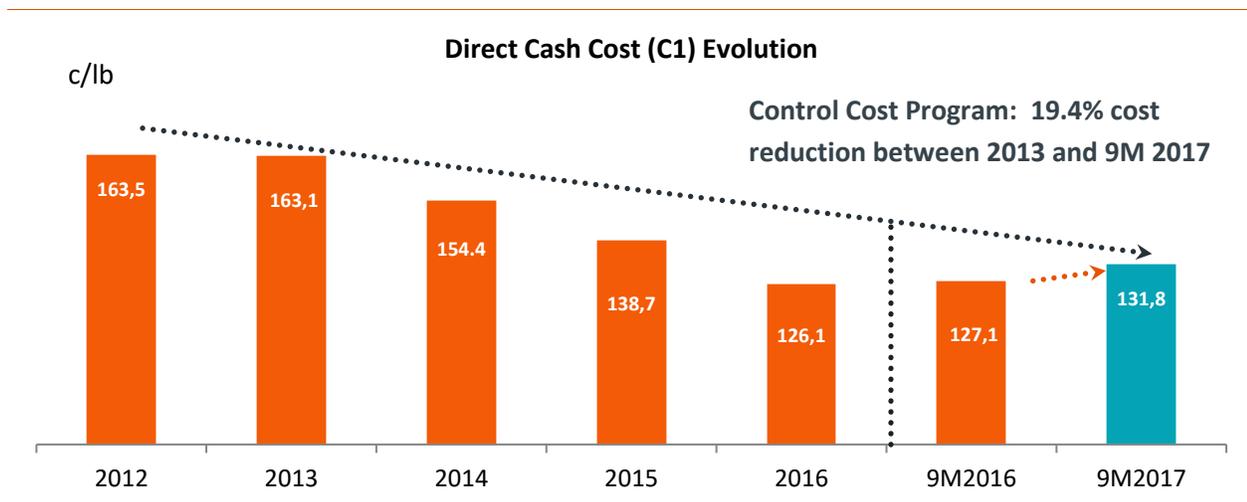


Revenues.- The revenues for the nine months of 2017 increased 20.3% to US\$ 9.8 billion compared to US\$ 8.1 billion in the same period of 2016 mainly due to 21.6% higher revenues from own copper sales as the result of 26.0% higher average LME copper price partially offset by a decrease of 7.2% of the own copper volume sold. Copper tonnage sold reduction is related to lower production in 2017 and some delayed sales due to logistics that should be offset in the fourth quarter. On the molybdenum side, revenues increased by 26.7% due to an average price increase of 24.5% per ton while the volume sold increased by 0.3%. Finally other by-products revenues have declined 7.9% mainly due to decreased sales volumes of sulphuric acid, gold and silver in addition to the decline of sulphuric acid prices.

Costs.- Unit cash costs will vary with the fluctuations in payable production and average realized prices for by-products. In the nine months of 2017, CODELCO's cash cost was 131.8 cents per pound, compared to 127.1 cents per pound in the same period of 2016. An increase of 3.7% primarily attributable to:

- 1) Lower production
- 2) Fuel and energy expenses increase
- 3) Unfavorable exchange rate movements due to the appreciation of the Chilean peso against the U.S. dollar impacting CODELCO's input prices (9M 2017 average exchange rate of CLP 654 per dollar compared to CLP 680 per dollar for the same period of 2016)

The cash cost reduction trend evidence the consolidation of the control cost program, despite the appreciation of the Chilean peso against the US dollar.





CAPITAL EXPENDITURE: PROJECTS PROGRESS

Chuquicamata Underground: Under construction with a total progress of 55.7% as of September 2017. Access tunnel has been completed and connected with mine interior works. 85 kilometers of tunnels have been built from a total of 140 kilometers. Under operation by 2019.

Andina Mineral Transfer System: Under construction with a total progress of 42.5% as of September 2017. Contract to install the primary crusher dome was awarded. Under operation by 2020.

El Teniente New Mine Level: Under construction with a total progress of 44.0% as of September 2017. 39 kilometers of tunnels have been built from a total of 80 kilometers. Under operation by 2023.

Salvador Inca Pit projects: The feasibility study has been authorized.

Andina Development: Completing the pre-feasibility study.

New Emission Standards for Smelters (DS N°28): Total capex of US\$1.9 bilion to comply with the regulation:

- **Ventanas:** 100% progress - Project completed.
 - **Salvador:** 67% progress.
 - **Chuquicamata:** 33% progress.
 - **El Teniente:** 29% progress.
- } To be completed by
 December 2018

AVERAGE METAL PRICE

	LME Copper (US\$/lb.)	COMEX Copper (US\$/lb.)	Molybdenum (US\$/lb.)
1Q 2017	2.65	2.65	7.74
2Q 2017	2.57	2.58	8.00
3Q 2017	2.88	2.89	8.05
9M 2017	2.70	2.71	7.93
1Q 2016	2.12	2.11	5.27
2Q 2016	2.15	2.13	6.89
3Q 2016	2.17	2.16	6.94
4Q 2016	2.40	2.39	6.58
9M 2016	2.14	2.13	6.37
Average 2016	2.21	2.20	6.42
Variation: 3Q 2017 vs. 3Q 2016	32.7%	33.8%	16.0%
Variation: 3Q 2017 vs. 2Q 2017	12.1%	12.0%	0.6%
Variation: 9M 2017 vs. 9M 2016	26.2%	27.2%	24.5%



CASH FLOWS

For the nine months of 2017, net cash flow from operating activities increased by 144.3% to US\$ 3.1 billion compared to US\$ 1.3 billion in the same period of 2016. This increase in cash flow resulted primarily from the increase in cash received from the sales of goods as a direct consequence of higher average prices for CODELCO’s product portfolio and the cost contention measures.

CASH AND DEBT

At September 30, 2017, CODELCO had consolidated cash and cash equivalents for US\$ 1.1 billion compared to US\$ 576 million at the same date of 2016. As of September 30, 2017, CODELCO’s financial debt⁽¹⁾ remained at US\$ 14.5 billion equal to September 30, 2016. CODELCO’s net financial debt⁽¹⁾ reached US\$ 13.5 billion as of September 30, 2017 compared to US\$ 13.9 as of September 30, 2016. Nine months 2017 debt movements include the issuance of CODELCO 2027 for US\$ 1.50 billion and CODELCO 2047 for US\$ 1.25 billion to buy-back short and medium term debt for US\$ 2.4 billion (Any & All tender offer for 2019, 2020 and 2021 notes and maximum tender offer for 2022, 2023 and 2025 notes). Since October 1, 2016, CODELCO has done rollovers for US\$1.15 billion bilateral loan maturities and repaid loans for US\$ 356 million.

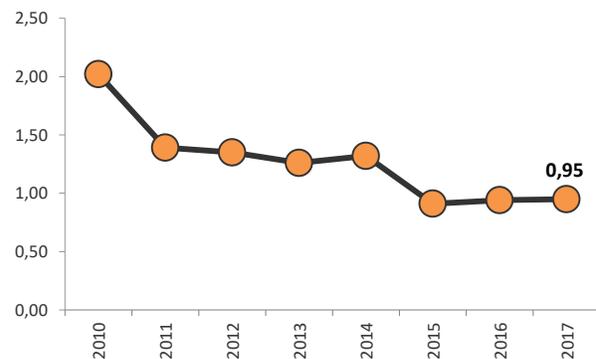
SUSTAINABILITY FOCUS: ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Safety.- The accident severity rate registered a decrease of 33.1%, the second lowest in the company's history frequency rate remained stable in relation to the two previous years and within the maximum tolerable for 2017.

Severity Rate – Own Staff & Contractors
(Days lost & days charged / Million hours worked)



Frequency Rate- Own Staff & Contractors
(Lost time injury / Million hours worked)



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



Transparency and Reputation.- During 2017 CODELCO has been recognized with national and international awards, highlighting:



2° place of Corporate Sustainability Index (CSI)



1° place of Corporate Transparency Index, among public companies



1° place among mining companies



100% compliance with the Chilean Transparency Law

Environmental achievements.- The recently finished project of cooling towers and hose filters of Ventanas refinery division eliminated black smoke and allowed to lower the particulate material by more than 90%. The black smoke that was emitted as the result of the copper fire refining process is now filtered and converted into steam. The capex for this project exceeded US\$ 20 million.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (US\$ Th)

Profit (loss)	Nine month ended September 30,	
	2017	2016
Revenue	9,751,638	8,103,522
Cost of sales	(7,200,096)	(7,041,990)
Gross profit	2,515,542	1,061,532
Other Income, by function	94,099	95,150
Distribution costs	(7,330)	(8,764)
Administrative expenses	(304,942)	(257,237)
Other expenses	(1,008,455)	(814,715)
Other gains (losses)	27,426	21,602
Profit (loss) from operating activities	1,352,340	97,568
Finance income	21,537	18,157
Finance costs	(513,961)	(426,075)
Share of profit of associates and joint ventures accounted for using the equity method	140,023	(54,051)
Foreign exchange differences	(95,247)	(257,456)
Profit (loss) for the period before tax	904,692	(621,857)
Income tax expense	(589,251)	308,228
Profit (loss) for the period	315,441	(313,629)
Profit (loss) attributable to:		
Profit (loss) attributable to owners of the parent	273,332	(297,305)
Loss attributable to non-controlling interests	42,109	(16,324)
Profit for the period	315,441	(313,629)



CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (US\$ Th)

	9/30/2017	9/30/2016
Assets		
Current Assets		
Cash and cash equivalents	1,072,126	576,024
Other current financial asset	1,565	4,517
Other current non-financial assets	38,420	46,551
Trade and other current receivables	2,182,056	1,712,169
Accounts receivables due from related companies, current	33,244	1,885
Inventory	2,029,769	1,935,590
Current tax asset	5,128	259,439
Total current assets	5,362,308	4,536,175
Non-current asset		
Non-current inventories	437,392	332,598
Other non-current financial assets	120,173	65,496
Other non-current non-financial assets	12,127	19,625
Non-current receivables	86,014	124,604
Accounts receivables due from related companies, non-current	22,473	22,915
Investment accounted for using the equity method	3,680,252	3,908,412
Intangible assets other than goodwill	201,159	195,921
Property, Plant and Equipment, net	24,685,657	23,123,025
Investment property	981	5,893
Non-current tax asset	233,772	-
Diferred tax assets	32,096	-
Total non-current asset	29,512,096	27,798,489
TOTAL ASSETS	34,874,404	32,334,664



CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (US\$ Th)

Liabilities	9/30/2017	9/30/2016
Current liabilities		
Other current financial liabilities	889,143	1,147,133
Trade and other current payables	1,284,343	919,579
Accounts payables to related companies, current	135,738	99,019
Other current provisions	203,168	200,051
Current tax liabilities	20,844	4,904
Current employee benefit accruals	393,239	368,736
Other current non- financial liabilities	62,635	124,404
Total current liabilities	2,989,110	2,863,826
Non-current liabilities		
Other non-current financial liabilities	14,680,938	14,462,546
Other non-current liabilities	49,867	68,160
Accounts payables to related companies, non-current	-	-
Other non-current provisions and accrued expenses	1,660,862	1,307,083
Deferred tax liabilities	3,725,872	2,925,062
Non-current employee benefit accruals	1,364,344	1,288,521
Other non-current non-financial liabilities	4,191	4,553
Total non-current liabilities	21,486,074	20,055,925
Total liabilities	24,475,184	22,919,751
Equity		
Issued Capital	4,099,423	2,524,423
Retained earnings	(35,696)	(47,689)
Other Reserves	5,323,419	5,912,201
Equity attributable to owners of the parent	9,387,146	8,388,935
Non-controlling interests	1,012,074	1,025,978
Total equity	10,399,220	9,414,913
TOTAL LIABILITIES AND EQUITY	34,874,404	32,334,664



CONSOLIDATED STATEMENTS OF CASH FLOWS (US\$ Th)

	Nine months ended September 30,	
	2017	2016
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	10,137,091	8,427,151
Other cash flows provided by operating activities	1,320,430	1,118,562
Types of cash payments		
Payments to suppliers for goods and services	(5,710,712)	(5,576,271)
Payments to and on behalf of employees	(1,240,117)	(1,237,992)
Other cash flows used in operating activities	(1,644,559)	(1,503,301)
Dividends received	214,551	49,509
Income taxes paid	(17,412)	(25,630)
Net cash flows provided by operating activities	3,059,272	1,252,028
Cash flows provided by (used in) investing activities:		
Other payments to acquire equity or debt instruments of other entities	(5,055)	(5,030)
Purchases of property plant and equipment	(2,445,793)	(2,486,471)
Interest received	9,831	10,246
Other inflows (outflows) of cash	(88,926)	138,787
Net cash flows from (used in) investing activities	(2,529,943)	(2,342,468)
Cash flows used in financing activities:		
Proceeds from current borrowings	3,050,000	856,682
Repayments of borrowings	(2,723,423)	(500,145)
Dividend paid	(169,863)	-
Interest paid	(461,984)	(437,049)
Other cash inflow	268,257	-
Net cash flows used in financing activities	(37,013)	(80,512)
Net increase (decrease) in cash and cash equivalents before foreign exchange difference	492,316	(1,170,952)
Foreign Exchange Rate Net increase (decrease) in cash and cash equivalents	3,084	(742)
Net increase (decrease) in cash and cash equivalents	495,400	(1,171,694)
Cash and cash equivalents at beginning of period	576,726	1,747,718
Cash and cash equivalents at end of period	1,072,126	576,024



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 7% of the world proven and probable copper reserves; as such term is defined by the U.S. Geological Survey. In 2016, CODELCO had an estimated 9% share of the total world copper production, with production of approximately 1.83 million metric tons (including CODELCO's attributable production in the El Abra deposit, which is mined by Sociedad Contractual Minera El Abra, and Anglo American Sur) and an estimated 10% share of the world's molybdenum production with own production of approximately 30,641 metric tons.

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