

CORPORACION NACIONAL DEL COBRE DE CHILE

INTERIM CONSOLIDATED BALANCE SHEETS

	As June 30th	
	2007	2006
	ThUS\$	ThUS\$
ASSETS		
Current Assets:	<u>4.705.237</u>	<u>4.019.859</u>
Cash	31.877	67.942
Time deposits	1.146.745	486.882
Marketable securities	2.560	398
Trade receivables, net	1.266.306	1.744.221
Notes receivable	142	12.612
Other receivable, net	255.602	137.975
Due from related companies	17.419	14.150
Inventories, net	1.672.755	1.286.480
Income taxes recoverable	88.209	76.939
Prepaid expenses	16.784	12.501
Deferred taxes	192.978	162.040
Other current assets	13.860	17.719
Property, Plant and Equipment:	<u>6.770.509</u>	<u>6.391.239</u>
Land	58.826	54.950
Buildings and infrastructure	7.654.866	7.097.712
Machinery and equipment	7.063.336	6.745.527
Other plant and equipment	115.968	102.387
Technical appraisal revaluation	368.457	368.900
Accumulated depreciation	(8.490.944)	(7.978.237)
Other Assets:	<u>1.700.253</u>	<u>1.853.176</u>
Investments in related companies	874.603	1.065.820
Investments in other companies	1.193	3.311
Goodwill	21.082	24.957
Negative Goodwill	(371)	0
Long-term receivables	188.468	158.047
Due from related companies	53.743	55.441
Intangibles	15.957	23.209
Accumulated amortization	(6.680)	(6.742)
Other assets	552.258	529.133
Total Assets	<u><u>13.175.999</u></u>	<u><u>12.264.274</u></u>

INTERIM CONSOLIDATED BALANCE SHEETS

	As June 30th	
	<u>2007</u>	<u>2006</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>
LIABILITIES AND EQUITY		
Current Liabilities:	<u>2.196.936</u>	<u>3.080.987</u>
Banks and financial institutions:		
Current	133.855	67.016
Current portion of long-term debt	8.006	307.570
Current portion of bonds payable	36.114	30.425
Dividends payable	0	420.692
Accounts payable	650.852	565.148
Notes payable	10	14
Miscellaneous payables	70.582	89.045
Due to related companies	110.702	105.091
Accruals	490.685	431.163
Withholdings	86.503	109.947
Income taxes payable	518.066	807.069
Deferred income	85.844	121.525
Other current liabilities	5.717	26.282
Long-Term Liabilities:	<u>6.573.630</u>	<u>5.767.017</u>
Due to banks and financial institutions	600.000	600.000
Bonds payable	3.226.356	2.702.716
Notes payable	80.290	83.710
Miscellaneous payables	106.837	96.679
Due to related companies	484.323	510.275
Accruals	1.290.659	1.030.695
Deferred taxes	700.539	658.779
Other long-term liabilities	84.626	84.163
Minority interest	<u>3.925</u>	<u>2.501</u>
Equity:	<u>4.401.508</u>	<u>3.413.769</u>
Paid-in capital	1.524.423	1.524.423
Other reserves	1.654.361	1.333.401
Retained earnings	<u>1.222.724</u>	<u>555.945</u>
Accumulated earnings	400.000	0
Net income for the period	1.640.487	1.691.423
Profits distribution to the Chilean Treasury	(817.763)	(1.135.478)
Total Liabilities and Equity	<u><u>13.175.999</u></u>	<u><u>12.264.274</u></u>

CORPORACION NACIONAL DEL COBRE DE CHILE

INTERIM CONSOLIDATED INCOME STATEMENTS

Six months ended June 30th

	<u>2007</u> ThUS\$	<u>2006</u> ThUS\$
Operating Income :	4.631.144	4.700.538
Sales of own copper	6.374.091	5.798.554
Sales of copper acquired from third parties	399.010	729.943
Sales of own moly	922.367	774.705
Sales of moly acquired from third parties	19.366	38.977
Sales of by-products	715.000	678.447
Sales	<u>8.429.834</u>	<u>8.020.626</u>
Cost of own copper	(2.637.087)	(1.790.898)
Cost of copper acquired from third parties	(411.917)	(719.125)
Cost of own moly	(66.494)	(97.949)
Cost of moly acquired from third parties	(18.056)	(52.077)
Cost of by-products	(520.224)	(504.960)
Cost of sales	<u>(3.653.778)</u>	<u>(3.165.009)</u>
Gross profit	4.776.056	4.855.617
Administrative and selling expenses	(144.912)	(155.079)
Non-Operating Income and expense:	(641.276)	(691.330)
Interest income	40.092	19.859
Equity in income of related companies	250.576	201.739
Other income	58.999	66.867
Equity in losses of related companies	(1.967)	(9.529)
Amortization of goodwill	(588)	(588)
Interest expenses	(118.282)	(115.906)
Other expenses	(859.460)	(908.834)
Price-level restatement	(334)	(122)
Foreign exchange differences	(10.312)	55.184
Income before income taxes and minority interest	3.989.868	4.009.208
Income taxes	<u>(2.350.221)</u>	<u>(2.318.383)</u>
Income before minority interest	1.639.647	1.690.825
Minority interest	<u>820</u>	<u>598</u>
Net income	1.640.467	1.691.423
Amortization of negative goodwill	<u>20</u>	<u>0</u>
Net income for the period	<u><u>1.640.487</u></u>	<u><u>1.691.423</u></u>

Mario Allende Gallardo
Manager of Administration and Controller

Gonzalo Zamorano Martínez
Chief Accounting

CORPORACION NACIONAL DEL COBRE DE CHILE

INTERIM CONSOLIDATED CASH FLOW STATEMENTS

Six months ended June 30th

	<u>2007</u> ThUS\$	<u>2006</u> ThUS\$
CASH FLOWS FROM OPERATING ACTIVITIES :		
Collections of accounts receivable	8.917.967	8.515.594
Interest income collected	33.394	16.010
Dividends and other distributions collected	372.027	0
Other income collected	452.682	399.253
Payments to suppliers and personnel	(3.809.271)	(3.667.370)
Interest paid	(30.402)	(32.168)
Income taxes paid	(1.739.494)	(2.059.623)
Law 13,196 and other expenses paid	(805.760)	(621.324)
Value added tax and other similar taxes paid	(408.516)	(365.775)
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Net cash provided by operating activities	<u>2.982.627</u>	<u>2.184.597</u>
CASH FLOWS FROM FINANCING ACTIVITIES :		
Loans obtained	50.500	150.000
Profits distribution to the Chilean Treasury	(2.067.800)	(1.203.752)
Loan payments	0	(163.900)
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Net cash used in financing activities	<u>(2.017.300)</u>	<u>(1.217.652)</u>
CASH FLOWS FROM INVESTING ACTIVITIES :		
Proceeds from sales of property, plant and equipment	0	391
Proceeds from sales of other investments	0	1.420
Other investments	32.936	36.747
Purchases of property, plant and equipment	(619.711)	(518.551)
Investments in related companies	(40)	(120.293)
Loans to related companies	(8.010)	(11.950)
Other investment disbursements	(22.463)	(17.129)
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Net cash used in investing activities	<u>(617.288)</u>	<u>(629.365)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>348.039</u>	<u>337.580</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>833.143</u>	<u>217.642</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>1.181.182</u>	<u>555.222</u>

CORPORACION NACIONAL DEL COBRE DE CHILE

INTERIM CONSOLIDATED CASH FLOW STATEMENTS

Six months ended June 30th

2007

2006

	<u>ThUS\$</u>	<u>ThUS\$</u>
RECONCILIATION BEWEEN NET INCOME AND CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	1.640.487	1.691.423
Income from sale of assets	<u>(1.038)</u>	<u>(1.377)</u>
Proceeds from sales of property, plant and equipment	(1.038)	(1.377)
Debits (credits) to income which do not represent Cash flows :	<u>404.004</u>	<u>(75.278)</u>
Depreciation	269.532	258.600
Amortization of assets	118.106	128.016
Write-offs and provisions	265.694	(179.965)
Equity in income of related companies	(250.576)	(201.739)
Equity in losses of related companies	1.967	9.529
Amortization of goddwill	588	588
Amortization of negative goddwill	(20)	0
Price-level restatement	334	122
Foreign exchange differences	10.312	(55.184)
Other credits to income which do not represent cash flows	(11.933)	(35.245)
(Increase) in assets that affect operating cash flows :	<u>590.028</u>	<u>(872.214)</u>
Accounts receivable	201.905	(581.906)
Inventories	(150.228)	(265.880)
Other assets	538.351	(24.428)
Increase in liabilities that affect operating cash flows :	<u>350.416</u>	<u>1.442.641</u>
Accounts payable associated whith operating activies	(23.838)	670.548
Interest payable	(17.420)	18.146
Income tax payable	407.744	647.792
Value added tax and other similar taxes payable	(16.070)	106.155
Minority interest	(1.270)	(598)
Net cash flows provided by operating activities	<u><u>2.982.627</u></u>	<u><u>2.184.597</u></u>