

CORPORACION NACIONAL DEL COBRE DE CHILE

INTERIM CONSOLIDATED BALANCE SHEETS

	As of September 30th	
	<u>2006</u>	<u>2005</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>
ASSETS		
Current Assets:	<u>4.200.457</u>	<u>2.778.204</u>
Cash	52.016	24.625
Time deposits	637.202	582.333
Marketable securities	212	1.620
Trade receivables, net	1.440.218	839.440
Notes receivable	8.234	8.201
Other receivable, net	198.920	141.526
Due from related companies	16.890	1.636
Inventories, net	1.521.432	966.304
Income taxes recoverable	98.002	76.937
Prepaid expenses	30.173	14.493
Deferred taxes	190.670	110.605
Other current assets	6.488	10.484
Property, Plant and Equipment:	<u>6.468.080</u>	<u>6.195.391</u>
Land	54.951	55.781
Buildings and infrastructure	7.283.288	6.810.111
Machinery and equipment	6.790.562	6.406.319
Other plant and equipment	102.233	94.244
Technical appraisal revaluation	368.754	369.004
Accumulated depreciation	(8.131.708)	(7.540.068)
Other Assets:	<u>1.999.867</u>	<u>1.426.037</u>
Investments in related companies	1.215.772	660.037
Investments in other companies	1.251	3.136
Goodwill	21.964	26.967
Long-term receivables	166.673	156.092
Due from related companies	46.700	45.400
Intangibles	21.625	22.628
Accumulated amortization	(6.744)	(1.481)
Other assets	532.626	513.258
Total Assets	<u><u>12.668.404</u></u>	<u><u>10.399.632</u></u>

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INTERIM CONSOLIDATED BALANCE SHEETS

	As of September 30th	
	<u>2006</u>	<u>2005</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>
LIABILITIES AND EQUITY		
Current Liabilities:	<u>2.678.300</u>	<u>1.652.509</u>
Banks and financial institutions:		
Current	79.820	66.054
Current portion of long-term debt	313.333	9.043
Current portion of bonds payable	44.195	44.322
Dividends payable	0	300.000
Accounts payable	604.733	426.693
Notes payable	125	634
Miscellaneous payables	153.127	85.508
Due to related companies	168.283	64.991
Accruals	458.211	383.100
Withholdings	90.764	82.444
Income taxes payable	750.617	175.974
Deferred income	2.918	10.075
Other current liabilities	12.174	3.671
Long-Term Liabilities:	<u>5.842.383</u>	<u>5.829.311</u>
Due to banks and financial institutions	600.000	900.000
Bonds payable	2.711.279	2.696.455
Notes payable	83.424	88.441
Miscellaneous payables	96.708	97.647
Due to related companies	501.103	0
Accruals	1.122.010	904.179
Deferred taxes	646.257	1.063.115
Other long-term liabilities	81.602	79.474
Minority interest	<u>3.265</u>	<u>3.350</u>
Equity:	<u>4.144.456</u>	<u>2.914.462</u>
Paid-in capital	1.524.423	1.524.423
Other reserves	1.332.909	1.323.974
Retained earnings	1.287.124	66.065
Net income for the period	2.655.167	1.188.328
Profits distribution to the Chilean Treasury	(1.368.043)	(1.122.263)
Total Liabilities and Equity	<u>12.668.404</u>	<u>10.399.632</u>

CORPORACION NACIONAL DEL COBRE DE CHILE

INTERIM CONSOLIDATED INCOME STATEMENTS

Nine months ended September 30th

	<u>2006</u> ThUS\$	<u>2005</u> ThUS\$
Operating Income :	7.321.873	3.723.740
Sales of own copper	9.091.809	4.279.714
Sales of copper acquired from third parties	1.303.041	841.827
Sales of own moly	1.193.114	1.612.556
Sales of moly acquired from third parties	44.879	77.501
Sales of by-products	<u>1.021.564</u>	<u>551.182</u>
Sales	12.654.407	7.362.780
Cost of own copper	(2.785.053)	(2.045.169)
Cost of copper acquired from third parties	(1.281.205)	(813.432)
Cost of own moly	(222.033)	(76.660)
Cost of moly acquired from third parties	(58.113)	(76.920)
Cost of by-products	<u>(758.784)</u>	<u>(428.676)</u>
Cost of sales	(5.105.188)	(3.440.857)
Gross profit	7.549.219	3.921.923
Administrative and selling expenses	(227.346)	(198.183)
Non-Operating Income and expense:	(1.045.605)	(968.631)
Interest income	36.506	14.069
Equity in income of related companies	346.441	69.260
Other income	116.893	99.146
Equity in losses of related companies	(5.536)	(7.618)
Amortization of goodwill	(882)	(574)
Interest expenses	(172.527)	(136.574)
Other expenses	(1.409.759)	(939.039)
Price-level restatement	(335)	(99)
Foreign exchange differences	43.594	(67.202)
Income before income taxes and minority interest	6.276.268	2.755.109
Income taxes	<u>(3.622.767)</u>	<u>(1.575.291)</u>
Income before minority interest	2.653.501	1.179.818
Minority interest	<u>1.666</u>	<u>8.510</u>
Net income for the period	<u><u>2.655.167</u></u>	<u><u>1.188.328</u></u>

CORPORACION NACIONAL DEL COBRE DE CHILE

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

Nine months ended September 30th

	<u>2006</u>	<u>2005</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>
CASH FLOWS FROM OPERATING ACTIVITIES :		
Collections of accounts receivable	13.845.966	7.740.901
Interest income collected	29.272	46.073
Dividends and other distributions collected	0	735
Other income collected	545.608	494.909
Payments to suppliers and personnel	(6.061.855)	(3.935.731)
Interest paid	(49.977)	(21.521)
Income taxes paid	(3.465.347)	(1.416.821)
Law 13,196 and other expenses paid	(1.081.649)	(692.072)
Value added tax and other similar taxes paid	(557.050)	(449.253)
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Net cash provided by operating activities	3.204.968	1.767.220
CASH FLOWS FROM FINANCING ACTIVITIES :		
Loans obtained	150.000	350.000
Bonds payable	0	718.737
Other financing obtained	0	7.870
Profits distribution to the Chilean Treasury	(1.857.009)	(930.122)
Loan payments	(153.200)	(340.700)
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Net cash used in financing activities	(1.860.209)	(194.215)
CASH FLOWS FROM INVESTING ACTIVITIES :		
Proceeds from sales of property, plant and equipment	391	0
Proceeds from sales of other investments	9.619	0
Other investments	51.578	72.243
Purchases of property, plant and equipment	(754.879)	(1.263.826)
Investments in related companies	(10.517)	(1.274)
Loans to related companies	(138.860)	(1.550)
Other investment disbursements	(30.303)	(25.048)
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Net cash used in investing activities	(872.971)	(1.219.455)
NET INCREASE IN CASH AND CASH EQUIVALENTS	471.788	353.550
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	217.642	255.028
CASH AND CASH EQUIVALENTS AT END OF PERIOD	689.430	608.578

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM CONSOLIDATED CASH FLOW STATEMENTS

	Nine months ended September 30th	
	2006	2005
	ThUS\$	ThUS\$
RECONCILIATION BEWEEN NET INCOME AND CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	2.655.167	1.188.328
Income from sale of assets	(1.384)	(1.929)
Debits (credits) to income which do not represent Cash flows :	<u>398.674</u>	<u>414.216</u>
Depreciation	389.641	338.968
Amortization of assets	192.474	122.654
Write-offs and provisions	222.506	7.138
Equity in income of related companies	(346.441)	(69.260)
Equity in losses of related companies	5.536	7.618
Amortization of goddwill	882	574
Price-level restatement	335	99
Foreign exchange differences	(43.594)	67.202
Other credits to income which do not represent cash flows	(22.665)	(60.777)
(Increase) in assets that affect operating cash flows :	<u>(918.604)</u>	<u>(386.026)</u>
Accounts receivable	(277.903)	(175.896)
Inventories	(500.832)	(212.673)
Other assets	(139.869)	2.543
Increase in liabilities that affect operating cash flows :	<u>1.072.781</u>	<u>561.141</u>
Accounts payable associated whith operating activies	845.240	67.988
Interest payable	18.146	21.059
Income tax payable	591.340	175.623
Value added tax and other similar taxes payable	(381.945)	296.471
Minority interest	(1.666)	(8.510)
Net cash flows provided by operating activities	<u><u>3.204.968</u></u>	<u><u>1.767.220</u></u>