

## CORPORACION NACIONAL DEL COBRE DE CHILE

## INTERIM CONSOLIDATED BALANCE SHEETS

	As of June 30th	
	<u>2006</u>	<u>2005</u>
	ThUS\$	ThUS\$
<b>ASSETS</b>		
<b>Current Assets:</b>	<u>4.019.859</u>	<u>2.390.800</u>
Cash	67.942	27.174
Time deposits	486.882	300.397
Marketable securities	398	1.721
Trade receivables, net	1.744.221	766.647
Notes receivable	12.612	3.531
Other receivable, net	137.975	115.982
Due from related companies	14.150	41.642
Inventories, net	1.286.480	966.001
Income taxes recoverable	76.939	64.598
Prepaid expenses	12.501	28.231
Deferred taxes	162.040	69.729
Other current assets	17.719	5.147
<b>Property, Plant and Equipment:</b>	<u>6.391.239</u>	<u>6.078.262</u>
Land	54.950	55.701
Buildings and infrastructure	7.097.712	6.616.863
Machinery and equipment	6.745.527	6.333.308
Other plant and equipment	102.387	91.580
Technical appraisal revaluation	368.900	369.004
Accumulated depreciation	(7.978.237)	(7.388.194)
<b>Other Assets:</b>	<u>1.853.176</u>	<u>1.294.466</u>
Investments in related companies	1.065.820	628.820
Investments in other companies	3.311	3.443
Goodwill	24.957	27.341
Long-term receivables	158.047	140.338
Due from related companies	55.441	45.400
Intangibles	23.209	17.612
Accumulated amortization	(6.742)	(1.148)
Other assets	529.133	432.660
<b>Total Assets</b>	<u><u>12.264.274</u></u>	<u><u>9.763.528</u></u>

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	As of June 30th	
	<u>2006</u>	<u>2005</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities:</b>	<u>3.080.987</u>	<u>1.658.584</u>
Banks and financial institutions:		
Current	67.016	374.872
Current portion of long-term debt	307.570	4.783
Current portion of bonds payable	30.425	20.822
Dividends payable	420.692	163.479
Accounts payable	565.148	443.999
Notes payable	14	499
Miscellaneous payables	208.051	57.479
Due to related companies	105.091	52.401
Accruals	431.163	301.264
Withholdings	109.947	81.662
Income taxes payable	807.069	151.866
Deferred income	2.519	3.177
Other current liabilities	26.282	2.281
<b>Long-Term Liabilities:</b>	<u>5.767.017</u>	<u>5.201.568</u>
Due to banks and financial institutions	600.000	900.000
Bonds payable	2.702.716	2.154.921
Notes payable	83.710	88.616
Miscellaneous payables	96.679	88.815
Due to related companies	510.275	0
Accruals	1.030.695	802.163
Deferred taxes	658.779	1.108.688
Other long-term liabilities	84.163	58.365
<b>Minority interest</b>	<u>2.501</u>	<u>2.315</u>
<b>Equity:</b>	<u>3.413.769</u>	<u>2.901.061</u>
Paid-in capital	1.524.423	1.524.423
Other reserves	1.333.401	1.321.102
Retained earnings	555.945	55.536
Net income for the period	1.691.423	807.178
Profits distribution to the Chilean Treasury	(1.135.478)	(751.642)
<b>Total Liabilities and Equity</b>	<u><u>12.264.274</u></u>	<u><u>9.763.528</u></u>

**CORPORACION NACIONAL DEL COBRE DE CHILE**

**INTERIM CONSOLIDATED INCOME STATEMENTS**

	<b>Six months ended June 30th</b>	
	<b><u>2006</u></b>	<b><u>2005</u></b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
<b>Operating Income :</b>	4.702.683	2.452.177
Sales of own copper	5.798.554	2.686.869
Sales of copper acquired from third parties	729.943	544.445
Sales of own moly	774.705	1.149.535
Sales of moly acquired from third parties	38.977	46.544
Sales of by-products	<u>678.447</u>	<u>324.909</u>
 Sales	 8.020.626	 4.752.302
Cost of own copper	(1.790.898)	(1.306.423)
Cost of copper acquired from third parties	(719.125)	(535.538)
Cost of own moly	(97.949)	(49.248)
Cost of moly acquired from third parties	(52.077)	(42.274)
Cost of by-products	<u>(504.960)</u>	<u>(238.353)</u>
 Cost of sales	 (3.165.009)	 (2.171.836)
 <b>Gross profit</b>	 4.855.617	 2.580.466
 Administrative and selling expenses	 (152.934)	 (128.289)
 <b>Non-Operating Income and expense:</b>	 (693.475)	 (583.036)
Interest income	19.859	7.871
Equity in income of related companies	201.739	46.946
Other income	74.628	74.823
Equity in losses of related companies	(9.529)	(4.272)
Amortization of goodwill	(588)	(230)
Interest expenses	(115.906)	(84.795)
Other expenses	(918.740)	(634.356)
Price-level restatement	(122)	(27)
Foreign exchange differences	55.184	11.004
 <b>Income before income taxes and minority interest</b>	 4.009.208	 1.869.141
 Income taxes	 <u>(2.318.383)</u>	 <u>(1.067.909)</u>
 <b>Income before minority interest</b>	 1.690.825	 801.232
 <b>Minority interest</b>	 <u>598</u>	 <u>5.946</u>
 <b>Net income for the period</b>	 <u><u>1.691.423</u></u>	 <u><u>807.178</u></u>

**CORPORACION NACIONAL DEL COBRE DE CHILE**

**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Six months ended June 30th</b>	
	<u><b>2006</b></u>	<u><b>2005</b></u>
	<u><b>ThUS\$</b></u>	<u><b>ThUS\$</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES :</b>		
Collections of accounts receivable	8.515.594	4.874.987
Interest income collected	16.010	3.922
Dividends and other distributions collected	0	735
Other income collected	399.253	303.384
Payments to suppliers and personnel	(3.667.370)	(2.466.301)
Interest paid	(32.168)	(8.615)
Income taxes paid	(2.059.623)	(840.804)
Law 13,196 and other expenses paid	(621.324)	(456.511)
Value added tax and other similar taxes paid	(365.775)	(275.657)
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<b>Net cash provided by operating activities</b>	<u><b>2.184.597</b></u>	<u><b>1.135.140</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES :</b>		
Loans obtained	150.000	350.000
Bonds payable	0	229.652
Other financing obtained	0	32.870
Profits distribution to the Chilean Treasury	(1.203.752)	(696.022)
Loan payments	(163.900)	(28.600)
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<b>Net cash used in financing activities</b>	<u><b>(1.217.652)</b></u>	<u><b>(112.100)</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES :</b>		
Proceeds from sales of property, plant and equipment	391	0
Proceeds from sales of other investments	1.420	0
Other investments	36.747	60.932
Purchases of property, plant and equipment	(518.551)	(965.939)
Investments in related companies	(120.293)	(1.274)
Loans to related companies	(11.950)	(1.550)
Other investment disbursements	(17.129)	(40.945)
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<b>Net cash used in investing activities</b>	<u><b>(629.365)</b></u>	<u><b>(948.776)</b></u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u><b>337.580</b></u>	<u><b>74.264</b></u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u><b>217.642</b></u>	<u><b>255.028</b></u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><b>555.222</b></u>	<u><b>329.292</b></u>

**CORPORACION NACIONAL DEL COBRE DE CHILE**

**INTERIM CONSOLIDATED CASH FLOW STATEMENTS**

	<b>Six months ended June 30th</b>	
	<b>2006</b>	<b>2005</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
<b>RECONCILIATION BEWEEN NET INCOME AND CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net income for the period</b>	1.691.423	807.178
<b>Income from sale of assets</b>	(1.377)	(1.395)
<b>Debits (credits) to income which do not represent Cash flows :</b>	<u>(75.278)</u>	<u>317.984</u>
Depreciation	258.600	213.037
Amortization of assets	128.016	80.934
Write-offs and provisions	(179.965)	126.031
Equity in income of related companies	(201.739)	(46.946)
Equity in losses of related companies	9.529	4.272
Amortization of goddwill	588	230
Price-level restatement	122	27
Foreign exchange differences	(55.184)	(11.004)
Other credits to income which do not represent cash flows	(35.245)	(48.597)
<b>(Increase) in assets that affect operating cash flows :</b>	<u>(872.214)</u>	<u>(277.908)</u>
Accounts receivable	(581.906)	(103.103)
Inventories	(265.880)	(212.370)
Other assets	(24.428)	37.565
<b>Increase in liabilities that affect operating cash flows :</b>	<u>1.442.641</u>	<u>295.227</u>
Accounts payable associated whith operating activies	670.548	48.342
Interest payable	18.146	21.059
Income tax payable	647.792	151.515
Value added tax and other similar taxes payable	106.155	74.311
<b>Minority interest</b>	(598)	(5.946)
<b>Net cash flows provided by operating activities</b>	<u><u>2.184.597</u></u>	<u><u>1.135.140</u></u>