

CORPORACION NACIONAL DEL COBRE DE CHILE

INTERIM CONSOLIDATED BALANCE SHEETS

	As of March 31th	
	<u>2006</u>	<u>2005</u>
	<u>ThU.S.\$</u>	<u>ThU.S.\$</u>
ASSETS		
Current:	<u>3.280.743</u>	<u>2.202.116</u>
Cash	36.732	20.721
Time deposits	241.642	268.462
Marketable securities	1.263	637
Trade receivables, net	1.005.006	817.196
Notes receivable	9.988	5.864
Other receivable, net	447.349	126.210
Due from related companies	4.888	1.667
Inventories, net	1.228.116	807.598
Income taxes recoverable	73.857	70.220
Prepaid expenses	21.592	19.323
Deferred taxes	98.986	52.504
Other current assets	111.324	11.714
Property, Plant and Equipment:	<u>6.326.945</u>	<u>5.572.088</u>
Land	56.333	31.042
Buildings and infrastructure	6.918.397	6.370.408
Machinery and equipment	6.741.798	5.994.247
Other plant and equipment	95.907	54.724
Technical appraisal revaluation	368.901	370.926
Accumulated depreciation	(7.854.391)	(7.249.259)
Other Assets:	<u>1.757.136</u>	<u>1.267.242</u>
Investments in related companies	923.999	586.912
Investments in other companies	3.160	3.599
Goodwill	25.335	0
Long-term receivables	157.240	151.738
Due from related companies	53.374	85.327
Intangibles	23.716	17.756
Accumulated amortization	(2.137)	(819)
Other assets	572.449	422.729
Total Assets	<u><u>11.364.824</u></u>	<u><u>9.041.446</u></u>

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	As of March 31th	
	<u>2006</u>	<u>2005</u>
	<u>ThU.S.\$</u>	<u>ThU.S.\$</u>
LIABILITIES AND EQUITY		
Current Liabilities:	<u>2.252.799</u>	<u>1.281.878</u>
Banks and financial institutions:		
Current	61.354	26.074
Current portion of long-term debt	311.099	6.832
Current portion of bonds payable	43.865	42.664
Dividends payable	121.555	189.690
Accounts payable	463.719	319.801
Notes payable	157	836
Miscellaneous payables	115.630	215.451
Due to related companies	70.741	54.120
Accruals	281.854	277.674
Withholdings	119.294	86.103
Income taxes payable	632.408	60.113
Deferred income	12.064	2.174
Other current liabilities	19.059	346
Long-Term Liabilities:	<u>6.145.116</u>	<u>4.909.811</u>
Due to banks and financial institutions	600.000	900.000
Bonds payable	2.708.275	.940.471
Notes payable	85.057	91.015
Miscellaneous payables	649.153	54.741
Accruals	983.860	803.030
Deferred taxes	719.963	.093.245
Other long-term liabilities	398.808	27.309
Minority interest	<u>3.642</u>	<u>2.529</u>
Equity:	<u>2.963.267</u>	<u>2.847.228</u>
Paid-in capital	1.524.423	1.524.423
Other reserves	1.334.575	1.320.492
Retained earnings	104.269	2.313
Net income for the period	623.909	389.079
Profits distribution to the Chilean Treasury	(519.640)	(386.766)
Total Liabilities and Equity	<u><u>11.364.824</u></u>	<u><u>9.041.446</u></u>

CORPORACION NACIONAL DEL COBRE DE CHILE

INTERIM CONSOLIDATED INCOME STATEMENTS

	Three months ended March 31th	
	<u>2006</u>	<u>2005</u>
	ThU.S.\$	ThU.S.\$
Operating Income :	.681.639	1.149.664
Sales of own copper	2.103.963	1.254.244
Sales of copper acquired from third parties	326.738	281.363
Sales of own moly	373.930	529.728
Sales of moly acquired from third parties	23.674	26.517
Sales of by-products	<u>282.496</u>	<u>163.587</u>
Sales	3.110.801	2.255.439
Cost of own copper	(780.579)	(630.148)
Cost of copper acquired from third parties	(312.962)	(282.366)
Cost of own moly	(25.124)	(21.872)
Cost of moly acquired from third parties	(31.851)	(23.152)
Cost of by-products	<u>(211.380)</u>	<u>(93.464)</u>
Cost of sales	(1.361.896)	(1.051.002)
Gross profit	1.748.905	.204.437
Administrative and selling expenses	(67.266)	(54.773)
Non-Operating Income and expense:	(230.034)	(243.261)
Interest income	6.693	3.367
Equity in income of related companies	65.097	20.908
Other income	39.961	24.336
Equity in losses of related companies	(1.955)	(7.885)
Amortization of goodwill	(294)	0
Interest expenses	(53.914)	(40.937)
Other expenses	(310.346)	(267.649)
Price-level restatement	(8)	47
Foreign exchange differences	24.732	24.552
Income before income taxes and minority interest	1.451.605	906.403
Income taxes	<u>(828.178)</u>	<u>(517.458)</u>
Income before minority interest	623.427	388.945
Minority interest	<u>482</u>	<u>134</u>
Net income for the period	<u><u>623.909</u></u>	<u><u>389.079</u></u>

Mario Allende Gallardo
Manager of Administration and Controller

Luis Oyaneder Riquelme
Chief Accounting Dept.

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31th	
	<u>2006</u>	<u>2005</u>
	ThU.S.\$	ThU.S.\$
CASH FLOWS FROM OPERATING ACTIVITIES :		
Collection of accounts receivable	3.388.093	2.191.324
Interest income collected	6.031	1.289
Other income collected	247.842	148.911
Payments to suppliers and personnel	(1.669.004)	(1.173.178)
Interest paid	(15.411)	(8.390)
Income taxes paid	(461.316)	(281.017)
Law 13,196 and other expenses paid	(390.486)	(194.787)
Value added tax and other similar taxes paid	(189.250)	(120.283)
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Net cash provided by operating activities	<u>916.499</u>	<u>563.869</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans obtained	150.000	0
Other financing obtained	550.000	0
Profits distribution to the Chilean Treasury	(1.045.232)	(304.935)
Loan payments	(139.600)	(22.300)
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Net cash used in financing activities	<u>(484.832)</u>	<u>(327.235)</u>
CASH FLOWS FROM INVESTING ACTIVITIES :		
Proceeds from sales of property, plant and equipment	391	0
Proceeds from sales of other investments	1.420	0
Other investments	19.564	11.185
Purchases of property, plant and equipment	(265.218)	(205.359)
Investments in related companies	(110.000)	0
Loans to related companies	(6.480)	0
Other investment disbursements	(9.349)	(7.668)
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Net cash used in investing activities	<u>(369.672)</u>	<u>(201.842)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>61.995</u>	<u>34.792</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>217.642</u>	<u>255.028</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>279.637</u>	<u>289.820</u>

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM CONSOLIDATED CASH FLOW STATEMENTS

	Three months ended March 31th	
	2006 ThU.S.\$	2005 ThU.S.\$
RECONCILIATION BETWEEN NET INCOME AND CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	623.909	389.079
Income from sale of assets	(335)	(94)
Proceeds from sales of property, plant and equipment	(272)	(94)
Losses from sales of investmens	12	0
Proceeds from sales of other assets	(75)	0
Debits (credits) to income which do not represent Cash flows :	103.203	181.247
Depreciation	128.480	104.487
Amortization of assets	63.410	37.869
Write-offs and provisions	16.020	88.625
Equity in income of related companies	(65.097)	(20.908)
Equity in losses of related companies	1.955	7.885
Amortization of goodwill	294	0
Price-level restatement	8	(47)
Foreign exchange differences	(24.732)	(24.552)
Other credits to income which do not represent cash flows	(17.135)	(12.112)
(Increase) decrease in assets that affect operating cash flows :	(408.683)	(128.704)
Accounts receivable	157.309	(153.652)
Inventories	(207.516)	(53.967)
Other assets	(358.476)	78.915
Increase (decrease) in liabilities that affect operating cash flows :	598.887	122.475
Accounts payable related to operating activities	(28.956)	71.444
Interest payable	18.149	21.059
Income taxes payable	473.131	59.762
Value added tax and other similar taxes payable	136.563	(29.790)
Minority interest	(482)	(134)
Net cash provided by operating activities	916.499	563.869