

# CODELCO

## Results January - June 2006

Press Release

August 14, 2006



# RESULTS 2006 – 2005

January- June

		2006	2005	2006-2005
Total Copper production	(Th. tmf)	835	813	22
Molybdenum production	(Th. tmf)	13.7	15.6	-1.9
Own copper sales	(Th. tmf)	811	810	1
Total Cost	(c/lb)	108.3	96.2	12.1
Net cathode cost	(c/lb)	64.6	22.4	42.2
Income before taxes	(US \$mil)	4,625	2,246	2,385

Copper price LME	cUS\$/lb	275.3	151.2	124.1
Molybdenum price, “Metal’s Week”	US\$/kg	52.2	73.6	-21.4
Exchange rate	US\$/Ch\$	526.8	580.0	-53.2

# Income before taxes



## Income before taxes (US\$ millions)

	Jan - June 2006	Jan - June 2005
Export tax law	615	371
Income tax	2,318	1,068
Net profit	1,691	807
<b>TOTAL</b>	<b>4,625</b>	<b>2,246</b>

# Income Statements

(US\$ Millions)

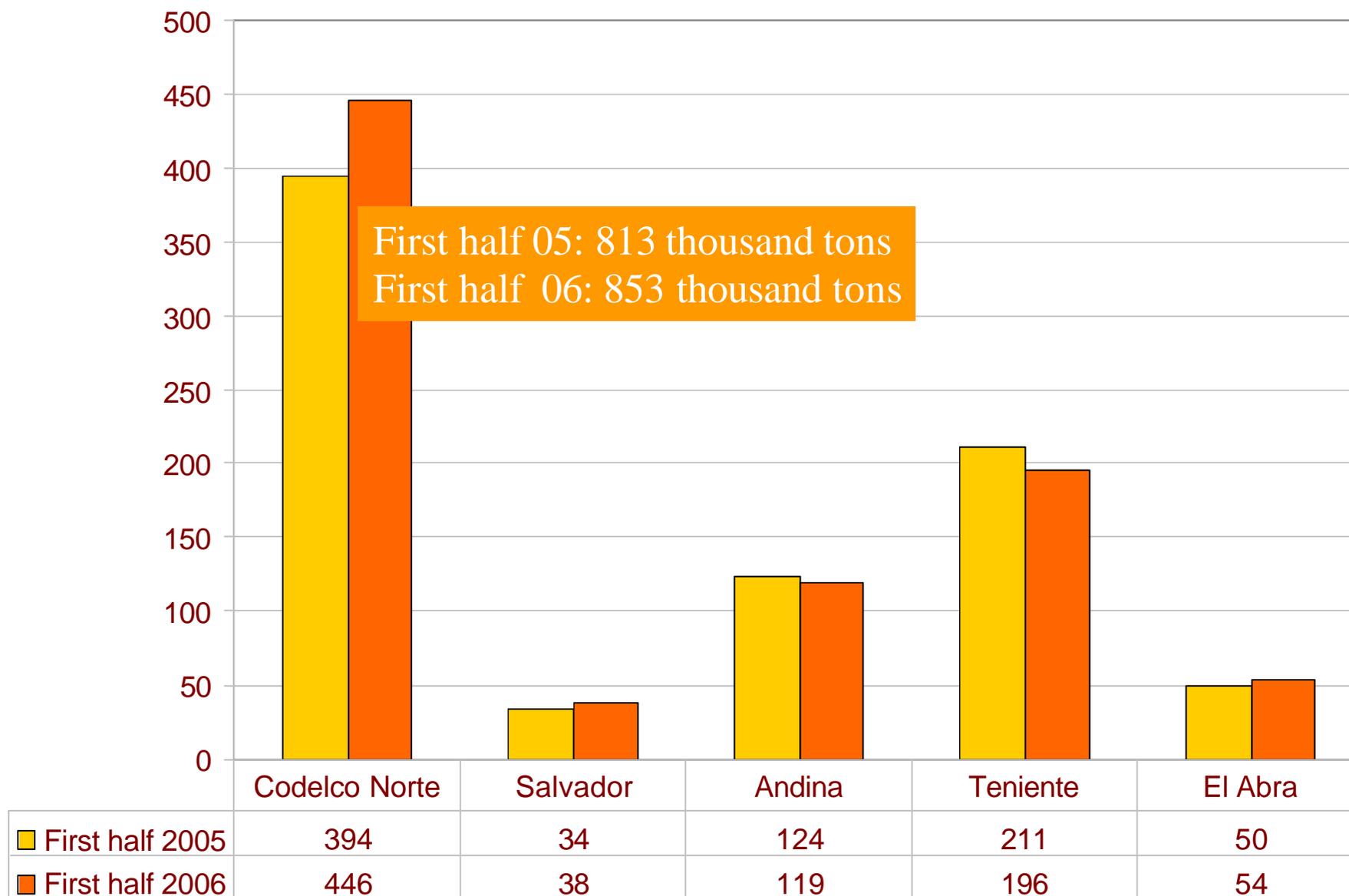
	Jan - June 2006	Jan - June 2005
Total sales	8,020	4,752
Cost of sales	-3,165	-2,172
Gross profit	4,856	2,580
Administrative and selling expenses	-153	-128
Operating income	4,703	2,452
Non-operating income	-78	-206
<b>INCOME BEFORE TAXES</b>	<b>4,625</b>	<b>2,246</b>
Copper sales – Th. TMF		
Sales of own copper	811	810
Third parties copper	168	179
Copper price (c/lb) BML	275.3	151.2



# Production

# Production

Thousand metric fine tons



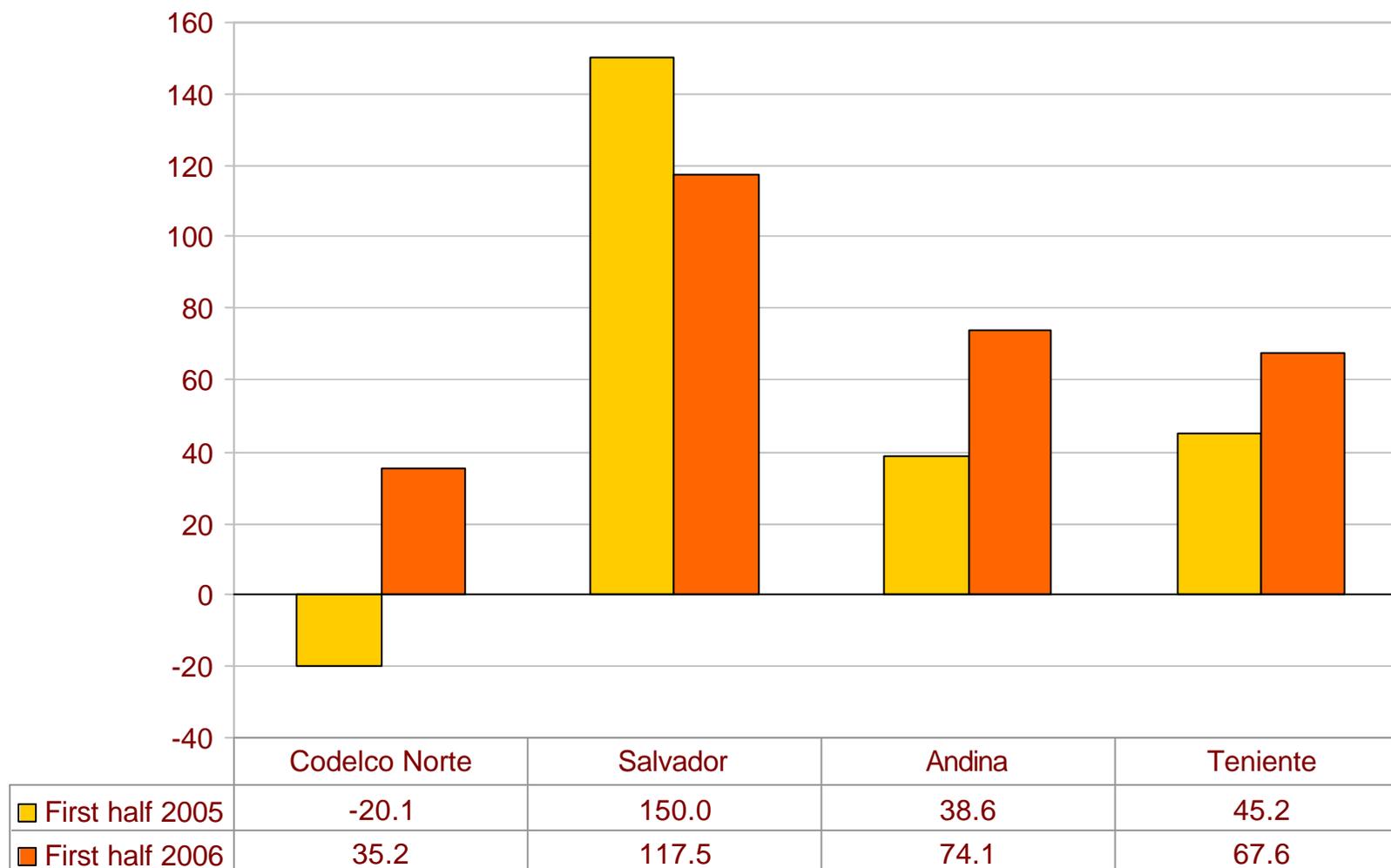


# Costs and Productivity

## Costs

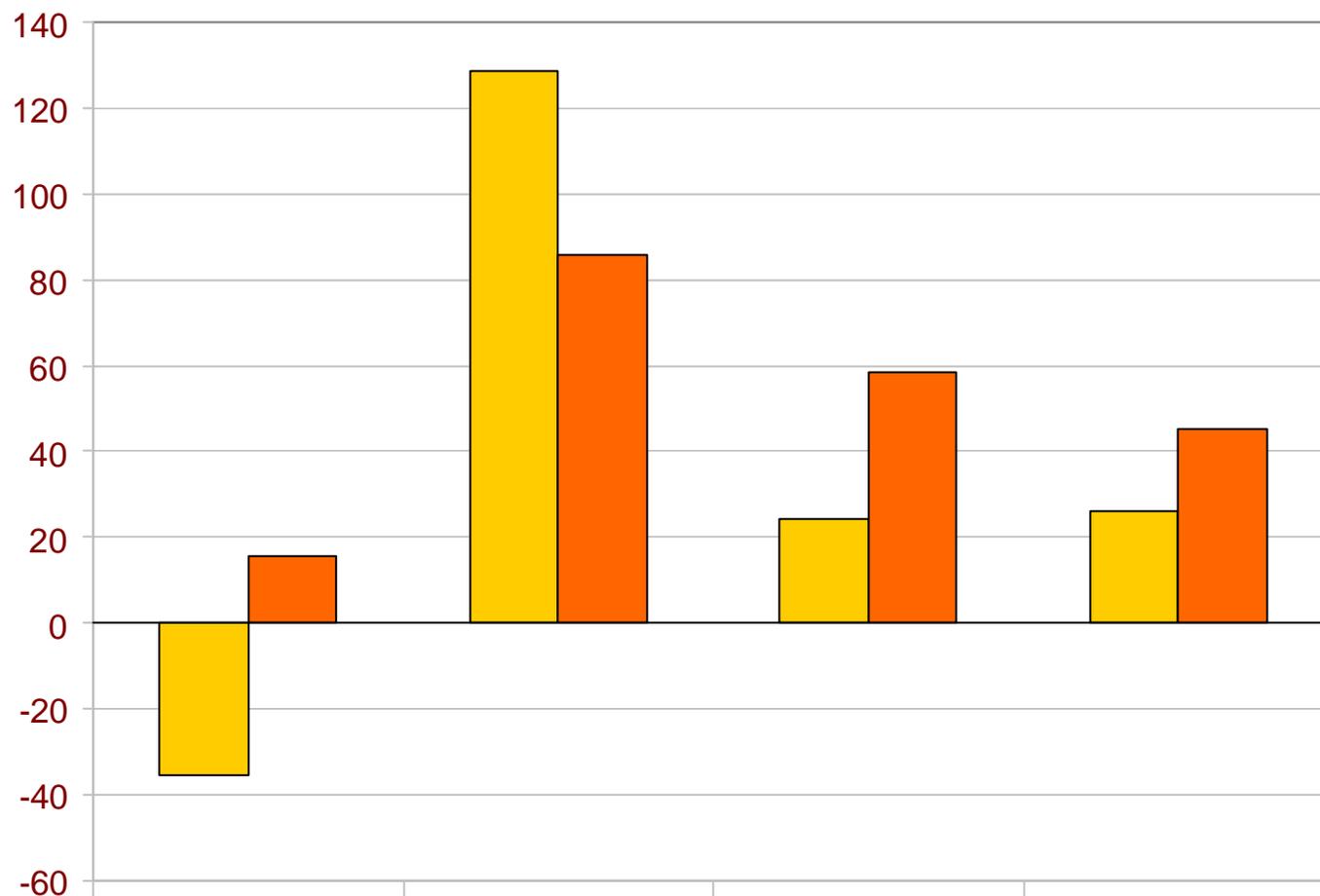
	Jan – Jun 2006	Jan – Jun 2005
<b>Total costs and expenses</b>	<b>108,3</b>	<b>96,2</b>
+ Cathode imputation	4,3	1,9
- By-products credit	-48,0	-75,7
<hr/>	<hr/>	<hr/>
<b>Net cathode costs</b>	<b>64,6</b>	<b>22,4</b>
- Depreciations y amortizations	-21,0	-17,1
- Provisions, write-offs and financial exp	-6,1	-3,8
- Headquarters expenses	-4,3	-3,2
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<b>Cash costs</b>	<b>33,1</b>	<b>-1,7</b>

# Net Cathode cost (cents per pound)



# Cash Cost

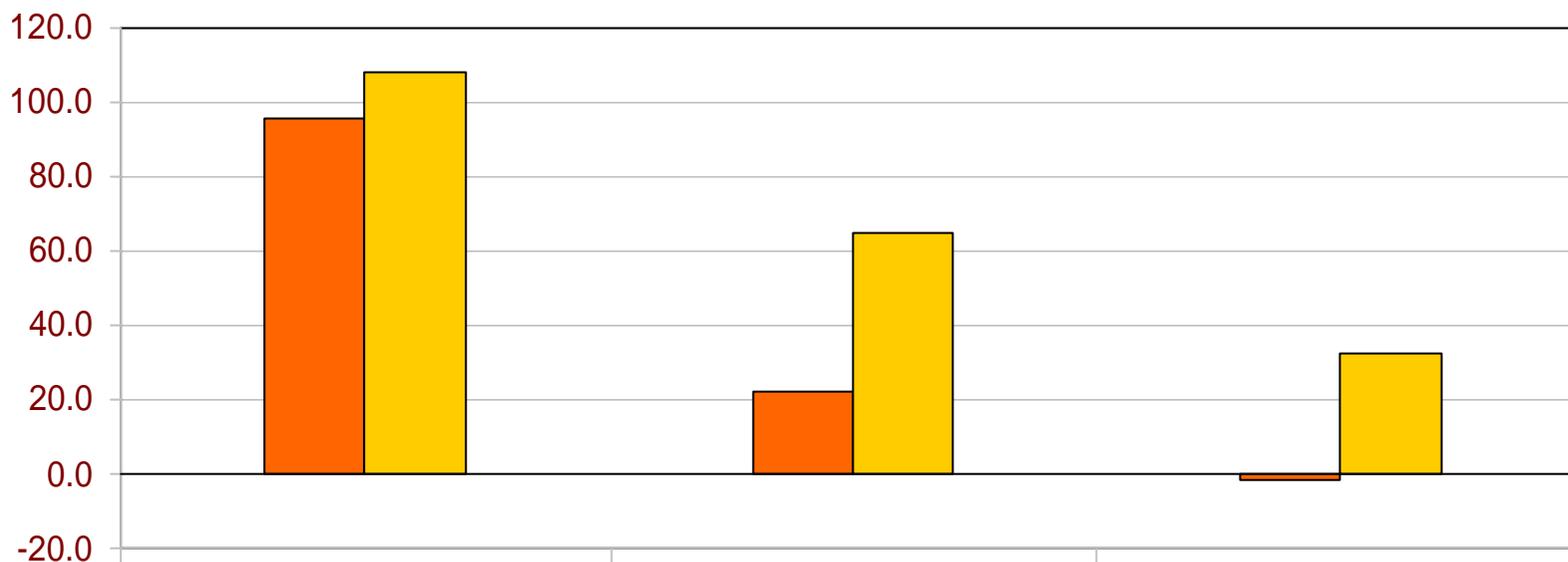
(cents per pound)



	Codelco Norte	Salvador	Andina	Teniente
First half 2005	-35.8	128.8	24.2	26.3
First half 2006	15.6	85.9	58.4	45.0

# Corporate Costs

(cents per pound)



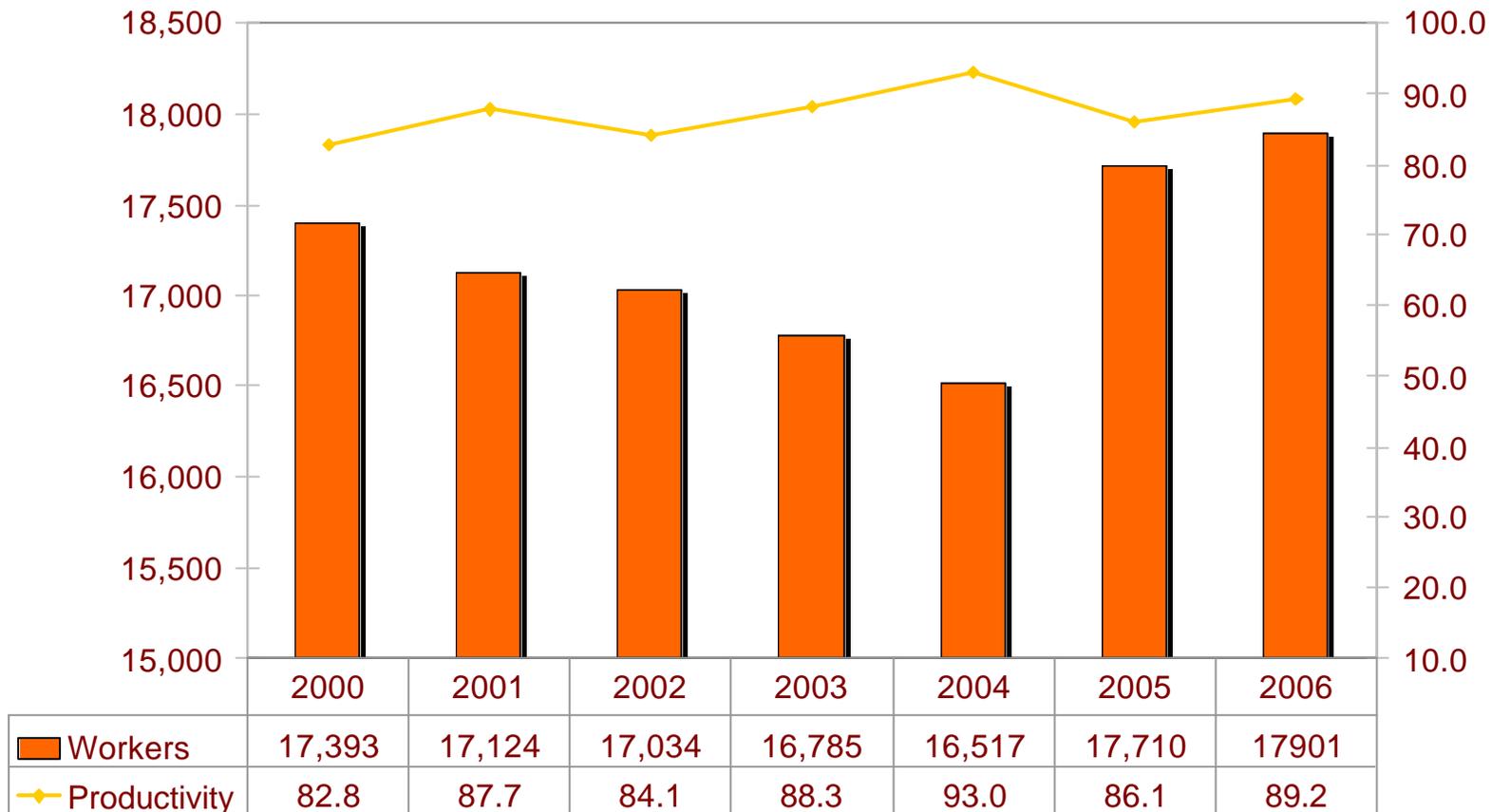
	Total Costs	Net Cathode Cost	cash Cost
First half 2005	96.2	22.4	-1.7
First half 2006	108.3	64.6	33.1

# Costs

2005 - 2006 January –June (c/lb)

	Real 2006 – Real 2005
<b>TOTAL COSTS EXPENSES 2005</b>	<b>96,2</b>
PPI Codelco (main supplies price´s increase)	6,4
Inflation (CPI) – Exchange rate	3,3
<b>Sub Total</b>	<b>9,7</b>
Provisions and write-offs	3,4
Depreciation y Amortization	5,1
Third parties services expenses and others	1,0
Increase in wages	2,6
Changes stocks in process	-3,9
Effect of more production	-6,0
<b>TOTAL COSTS AND EXPENSES 2006</b>	<b>108,3</b>
<b>Deference</b>	<b>12,1</b>

# Productivity (tons per worker)



# Consolidated Balance Sheets



## Financial Statements

(in US\$ million)	First half 2006	First half 2005
Copper Production (th. mft)	835	813
Cash Cost (US c/lb)	33.1	-1.7
Avg. LME Copper price (US c/lb)	275.3	151.2
Total Sales	8,021	4,752
Gross Profit	4,856	2,580
Gross margin	60.5%	54.3%
EBITDA	5,089	2,746
EBITDA margin	63.4%	57.8%
Interest Expense net	96	77
Total Financial Debt	3,677	3,435
Total Equity	3,414	2,901
EBITDA/Interest Expense Net	53.0	35.7

# Consolidated Balance Sheet -Assets

(millions US\$)

	6 months ended	
	Jun-06	Jun-05
Current assets	4,020	2,391
Cash and time deposits	555	328
Trade receivables	1,744	768
Other receivables	165	161
Inventories (net)	1,286	966
Income tax recoverable	77	65
Prepaid expenses	13	28
Deffered taxes	162	70
Other current assets	18	5
Property plant and equipment	6,391	6,078
Other assets	1,853	1,294
Investments in related and other	1,066	629
Long term receivables	158	140
Other	629	525
<b>Total Assets</b>	<b>12,264</b>	<b>9,763</b>

# Consolidated Balance Sheet - Liabilities and Equity (millions US\$)

	6 months ended	
	Jun-06	Jun-05
<b>Current liabilities</b>	<b>3,081</b>	<b>1,659</b>
Short term debt due to banks	67	375
Current portion of long-term debt	308	5
Current portion of bonds payable	30	21
Accounts, notes and other payab	1,299	718
Provisions and withholdings	541	383
Income tax	807	152
Others	29	5
<b>Long term liabilities</b>	<b>5,767</b>	<b>5,202</b>
Due to banks	600	900
Bonds payable	2,702	2,155
Accounts, notes and other payab	691	177
Provisions	1,031	802
Deferred income taxes	659	1,109
Other	84	58
Minority interest	2	2
<b>Equity</b>	<b>3,414</b>	<b>2,901</b>
<b>Liabilities and equity</b>	<b>12,264</b>	<b>9,764</b>