



RESULTS NINE MONTHS 2012

Santiago de Chile, November 22, 2012 – Corporación Nacional del Cobre (CODELCO) reported nine-month 2012 operational and financial results:

- **Nine months 2012 ("9M 2012") revenues** were US\$ 11.5 billion, 10.4% lower than US\$ 12.9 billion in nine months 2011 ("9M 2011"), principally due to a 13.9% decrease in the LME copper price and a 2.1% decrease in copper sales volume. Lower sales in copper are related to lower own production
- **ADJUSTED EBITDA** in 9M 2012 was US\$ 8.3 billion (71.8% margin) compared to US\$ 6.6 billion (51.6% margin) in 9M 2011 principally due to the captured value of the Anglo American Sur option.
- **Net Income** in 9M 2012 was US\$ 3.7 billion (31.7% of sales) and US\$ 1.6 billion (12.5% of sales) for the same period in 2011, basically due to Anglo American Sur effect.
- **Copper mine production**, including El Abra and Anglo American Sur share, decreased by 3.0% in the 9M 2012 to 1,253 thousand tons, compared with 1,292 thousand tons in 9M 2011, due to lower ore grades, especially in Chuquicamata mine. Molybdenum production, CODELCO's main by-product, also decreased by 15.2% due to lower copper production especially in molybdenum high contained mines, mainly Chuquicamata.
- **Direct Cash Cost C1** per pound of copper was US¢ 156.7 in 9M 2012, compared with US¢ 107.6 in 9M 2011, an increase of 45.6%, primarily attributable to lower ore grades, significant increases in the prices of energy and most important inputs and consumables used in the production process, third party expenses, and lower by-product credit.
- **Operating cash flows** totaled US\$ 1.7 billion for 9M 2012 compared to US\$ 2.3 billion for 9M 2011 resulted principally from decreases in sales of goods and services during the period due to a decrease in copper prices and sold volume.
- **Capital expenditures** increased to US\$ 2.7 billion for 9M 2012 compared to US\$ 1.6 billion for 9M 2011
- At September 30, 2012, **consolidated cash** totaled US\$ 2.5 billion and **total debt** totaled US\$ 11 billion which includes Mitsui's non-recourse loan to CODELCO to execute the Anglo American Sur option.
- On August 23, 2012 **CODELCO and Anglo American reached a settlement** of all claims regarding Anglo American Sur S.A. option. The agreement included the acquisition of CODELCO of the



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24.5% of Anglo American Sur at US\$ 1.7 billion, the transfer from Anglo American to CODELCO of two mining properties (Los Leones & Profundo Este), and the signature of a shareholder agreement under which CODELCO will have certain rights in the management of Anglo American Sur, ensuring a minimum flow of dividends.

- As a consequence of Anglo American Sur settlement, **CODELCO established a joint venture with Mitsui** contributing with the purchased 24.5% of Anglo American Sur to this vehicle and Mitsui contributes with an additional 5% of Anglo American Sur



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SUMMARY FINANCIAL AND OPERATING DATA

	Nine Months Ended September 30,			
	2012	2011	Variation	
			Amount	%
Copper Production ('000 mft)	1,253	1,292	(39)	(3.0)
Cash Cost (Usc/Pound)	156.7	107.6	49.1	45.6
LME Copper Price (Usc/Pound)	361.2	419.8	(58.6)	(14.0)
Average Exchange Rate (CLP/US\$)	489	474	15	3.2
Total Revenues (US\$ mn)	11,524	12,865	(1,341)	(10.4)
Gross Profit (US\$ mn)	3,961	5,453	(1,492)	(27.4)
Gross Margin (%)	34.4	42.4	(8.0)	(18.9)
Adjusted EBITDA (US\$ mn)	8,272	6,639	1,633	24.6
Adjusted EBITDA Margin (%)	71.8	51.6	20.2	39.1
Financial Debt (US\$ mn)	10,959	5,886	5,073	86.2
Net Interest Expense (US\$mn)	314	189	125	66.1
Capex (US\$ mn)	2,700	1,642	1,058	64.4

OPERATION: PRODUCTION, REVENUES & CASH COST

Consolidated Production.- 9M 2012 consolidated copper mine production, including El Abra, decreased 3.0% to 1,253 thousand tons from 1,292 thousand tons in the same period 2011 due to scheduled lower ore grades in most of CODELCO's divisions, especially for Chuquicamata. The decrease was partially offset by the increased production of Andina Division as a result of a higher ore grade and recoveries, El Teniente Division due to higher recoveries, and Gabriela Mistral Mine mainly as a consequence of higher amount of mineral processed.

Molybdenum production in the first nine months of 2012 decreased by 15.2% to 14,758 tons from 17,402 tons in the same period of 2011 especially due to lower production in Chuquicamata.

Consolidated Revenues.- 9M 2012 revenues decreased 10.4% to US\$ 11.5 billion from US\$ 12.9 billion in the same period 2011 principally due to a decrease in the sales of CODELCO's own copper and molybdenum resulting from a decrease in CODELCO's average copper and molybdenum prices and total tonnage sold. Total tonnage sold is the result of lower production due to scheduled lower ore grades (especially in Chuquicamata Division).

Consolidated Cash Cost net of by-product credits.- Unit cash costs will vary with the fluctuations in payable production and average realized prices for by-products. For the first nine months of 2012, CODELCO's cash cost was 156.7 cents per pound, compared to 107.6 cents per pound in the same period in 2011. This increase is primarily attributable to lower ore grades, resulting in lower payable production, significant increases in the prices of energy and most significant inputs and consumables used in the production process and lower by-



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product credit due to lower prices and sold volume of molybdenum and anodic slimes partially offset by the sulfuric acid.

CAPITAL EXPENDITURE: STRUCTURAL PROJECTS

Mina Ministro Hales.- Presents a project progress of 67.2%. 150 million tons have been moved in the last 22 months during the pre stripping stage. The new mine is expected to begin operating in the last quarter of 2013.

El Teniente New Mine Level.- During the third quarter 2012, concluded the construction of the platform for the new tunnels and roads. Tunnels and gates are under construction. The new mine level should begin operating in 2017.

Chuquicamata Underground.- In early July, President Piñera symbolically began the construction of the access tunnels of the new underground mine. Chuquicamata early works advance as expected and the new mine will begin operating in 2018.

Andina Phase II and RT Sulfides Phase II.- The projects continue advancing in their engineering studies.



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AVERAGE METAL PRICE

	LME Copper (US\$/lb.)	COMEX Copper (US\$/lb.)	Molybdenum (US\$/lb.)
1Q 2012	3.77	3.78	14.10
2Q 2012	3.57	3.55	13.65
3Q 2012	3.50	3.53	11.67
9M 2012	3.61	3.62	13.14
1Q 2011	4.38	4.39	17.17
2Q 2011	4.15	4.16	16.50
3Q 2011	4.08	4.07	14.44
4Q 2011	3.40	3.41	13.20
9M 2011	4.20	4.20	16.04
Average 2011	4.00	4.01	15.33
Variation: 3Q 2012 vs. 3Q 2011	(14.2)%	(13.3)%	(19.2)%
Variation: 9M 2012 vs. 9M 2011	(14.0)%	(13.8)%	(18.1)%

CASH FLOWS

CODELCO generated operating cash flows of US\$ 1.67 billion in the first nine months of 2012 compared to US\$ 2.25 billion in the same period in 2011. The operating cash flow has been reduced mainly as a consequence of the decrease of cash flow provided by sales of goods and services resulted from the market copper price reduction from US\$ 4.20 in 9M 2011 to US\$ 3.61 in 9M 2012 (14%) and lower sales volume due to lower production, as has been explained above.

CASH AND DEBT

At September 30, 2012, CODELCO had consolidated cash and cash equivalents of US\$2.53 billion compared to US\$ 895 million at the same date of 2011. At September 30, 2012, CODELCO's financial debt achieved US\$ 10.96 billion compared to US\$ 7.05 and US\$ 5.89 billion at December 31 and September 30, 2011, respectively. September 30, 2012 debt includes US\$ 1.71 billion loan from Mitsui, non-recourse to CODELCO, to execute the Anglo American Sur option. Therefore, net financial debt of CODELCO, excluding non-recourse loans, is US\$ 6.72 billion in September 30, 2012 compared to US\$ 5.67 billion and US\$ 4.99 billion at December 31 and September 30, 2011, respectively (19% and 35% increase, respectively).



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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the Nine-month periods ended as of September 30, 2012 and 2011

(In thousands of US dollars - ThUS\$)

(Translation of interim unaudited consolidated financial statements originally issued in Spanish)

Profit (loss)	1/1/2012 9/30/2012	1/1/2011 9/30/2011	Var Amnt	%
Revenue	11,532,724	12,864,791	(1,332,067)	(10.4)
Cost of sales	(7,563,203)	(7,411,657)	(151,546)	2.0
Gross profit	3,960,521	5,453,134	(1,492,613)	(27.4)
Other Income, by function	3,592,874	577,781	3,015,093	521.8
Distribution costs	(8,713)	(8,217)	(496)	6.0
Administrative expenses	(369,361)	(353,075)	(16,286)	4.6
Other expenses	(1,113,285)	(1,689,994)	576,709	(34.1)
Other gains (losses)	22,514	25,179	(2,665)	(10.6)
Profit (losses) from operating activities	6,084,550	4,004,808	2,079,742	51.9
Finance income	34,761	31,834	2,927	9.2
Finance costs	(349,058)	(220,447)	(128,611)	58.3
Share of profit of associates and joint ventures accounted for using the equity method	292,734	254,402	38,332	15.1
Foreign exchange differences	(198,302)	124,859	(323,161)	(258.8)
Profit for the period before tax	5,864,685	4,195,456	1,669,229	39.8
Income tax expense	(2,213,725)	(2,585,695)	371,970	(14.4)
Profit for the period	3,650,960	1,609,761	2,041,199	126.8
Profit (loss) attributable to:				
Profit attributable to owners of the parent	3,651,870	1,610,791	2,041,079	126.7
Loss attributable to non-controlling interests	(910)	(1,030)	120	(11.7)
Profit for the period	3,650,960	1,609,761	2,041,199	126.8



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INTERIM UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

As of June 30, 2012 and December 31, 2011
(In thousands of US dollars - ThUS\$)

(Translation of interim unaudited consolidated financial statements originally issued in Spanish – see Note I.2)

	9/30/2012	12/31/2011	9/30/2011
Assets			
Current Assets			
Cash and cash equivalents	2,525,692	1,382,876	894,711
Other current financial asset	5,330	193,237	130,066
Other currents non-financial assets	49,501	36,413	38,396
Trade and other current receivables	2,014,527	1,968,269	1,316,780
Accounts receivables due from related companies,	46,835		
current		56,357	48,315
Inventory	2,661,592	2,014,838	2,169,499
Current tax asset	252,997	254,930	160,906
Total current assets	7,556,474	5,906,920	4,758,673
Non-current asset			
Other non-current financial assets	149,198	102,593	136,254
Other non-current non-financial assets	38,080	203,950	204,105
Non-current receivables	146,116	132,721	166,321
Accounts receivables due from related companies,	51,652		
non-current		75,860	101,017
Investment accounted for using the equity method	7,546,020	945,055	833,613
Intangible assets other than goodwill	12,485	12,292	16,552
Property, Plant and Equipment, net	14,913,814	13,437,764	13,026,389
Investment property	17,377	17,789	5,639
Tax asset current, non-current	30,748	-	-
Total non-current asset	22,905,490	14,928,024	14,489,890
TOTAL ASSETS	30,461,964	20,834,944	19,248,563



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Liabilities

Current liabilities

Other current financial liabilities	962,708	1,643,424	1,141,230
Trade and other current payables	1,789,404	1,782,459	1,270,125
Accounts payables to related companies, current	173,650	126,850	97,008
Other current provisions	211,339	210,514	167,672
Current tax liabilities	120,524	137,267	592,254
Current employee benefit accruals	443,156	459,251	412,825
Other current non- financial liabilities	73,148	56,317	45,877

Total current liabilities	3,773,929	4,416,082	3,726,991
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Non-current liabilities

Other non-current financial liabilities	10,405,896	6,395,154	5,857,891
Other non-current payables	49	319	384
Accounts payables to related companies, non-current	284,151	308,616	317,796
Other non-current provisions and accrued expenses	1,065,483	1,013,441	1,203,902
Deferred tax liabilities	2,745,736	1,540,242	1,079,959
Non-current employee benefit accruals	1,180,528	1,092,966	1,096,180
Other non-current non-financial liabilities	3,041	3,094	2,985

Total non-current liabilities	15,684,884	10,353,832	9,559,097
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Total liabilities	19,458,813	14,769,914	13,286,088
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Equity

Issued Capital	2,524,423	2,524,423	2,524,423
Retained earnings	4,083,296	1,709,068	1,650,910
Other Reserves	3,294,279	1,829,519	1,785,093

Equity attributable to owners of the parent	9,901,998	6,063,010	5,960,426
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Non-controlling interests	1,101,153	2,020	2,049
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Total equity	11,003,151	6,065,030	5,962,475
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TOTAL LIABILITIES AND EQUITY	30,461,964	20,834,944	19,248,563
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INTERIM UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

For the nine-month periods ended as of September 30, 2012 and 2011

(In thousands of US dollars - ThUS\$)

(Translation to English of interim unaudited consolidated financial statements originally issued in Spanish)

	1/1/2012	1/1/2011
	9/30/2012	9/30/2011
Cash flow provided by (used in) operating activities:		
Cash receipts provided by operating activities		
Cash flows provided by sales of goods and rendering of services	12,462,777	15,279,388
Other cash flows provided by operating activities	1,588,009	1,460,925
Types of cash payments		
Payments to suppliers for goods and services	(7,246,652)	(6,713,744)
Payments to and on behalf of employees	(1,415,774)	(1,803,210)
Other cash flows used in operating activities	(2,626,538)	(3,225,789)
Dividends received	182,626	85,750
Income taxes paid	(1,270,463)	(2,831,687)
Net cash flows provided by operating activities	1,673,985	2,251,633
Cash flows provided by (used in) investing activities:		
Cash flows used for the purchase of non-controlling	(1,699,795)	-
Other payments to acquire equity or debt instruments of other entities	(28,271)	-
Other cash flows provided by the sales of joint ventures	-	1,088,351
Borrowings to related Companies	(8,405)	(3,900)
Purchases of property plant and equipment	(2,543,598)	(1,677,276)
Collections from related Companies	35,150	-
Interest received	23,370	20,151
Other inflows (outflows) of cash	36,382	75,427
Net cash flows from (used in) investing activities	(4,257,931)	(497,247)
Cash flows used in financing activities:		
Proceeds from current borrowings	5,064,431	100,000
Repayments of borrowings	(905,124)	(517,534)
Dividends paid	-	(1,051,957)
Interest paid	(432,545)	(264,223)
Net cash flows used in financing activities	3,726,762	(1,733,714)
Net increase (decrease) in cash and cash equivalents before foreign exchange difference	1,142,816	20,672
Net increase (decrease) in cash and cash equivalents	1,142,816	20,672
Cash and cash equivalents at beginning of period	1,382,876	874,039
Cash and cash equivalents at end of period	2,525,692	894,711



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COMPANY PROFILE

CODELCO is the world's largest copper producer engaging primarily in the exploration, development and extraction of ores bearing copper and by-products, the processing of ore into refined copper and the international sale of refined copper and by-products. CODELCO is 100% owned by the Republic of Chile and controls approximately 9% of the world proven and probable copper reserves, as such term is defined by the U.S. Geological Survey. In 2011, CODELCO had an estimated 11% share of the total world copper production, with production of approximately 1.80 million metric tons (including CODELCO's share of the El Abra deposit, which is mined by Sociedad Contractual Minera El Abra, owned 49% by CODELCO and 51% by Cyprus El Abra Corporation (a subsidiary of Freeport McMoRan)) and an estimated 9% share of the world's molybdenum production with production of approximately 23,098 metric tons.

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