



RESULTS 2012

Santiago de Chile, March 28, 2013 – Corporación Nacional del Cobre (CODELCO) reported year end 2012 operational and financial results:

- **2012 revenues** were US\$ 15.9 billion, 9.4% lower than US\$ 17.5 billion 2011, principally due to a 9.8% decrease in the LME copper price and a 6.2% decrease in copper sales volume. Lower sales in copper are related to lower own production
- **ADJUSTED EBITDA** in 2012 was US\$ 9.5 billion (60.1% margin) compared to US\$ 8.8 billion (50.3% margin) in 2011 principally due to the captured value of the Anglo American Sur option.
- **Net Income** in 2012 was US\$ 3.9 billion (24.4% of sales) and US\$ 2.1 billion (11.7% of sales) in 2011, basically due to Anglo American Sur effect.
- **Copper mine production**, including El Abra and Anglo American Sur share, decreased by 2.1% in 2012 to 1,758 thousand tons, compared to 1,796 thousand tons in 2011, due to lower ore grades, especially in Chuquicamata mine. Molybdenum production, CODELCO's main by-product, also decreased by 14.7% due to lower copper production especially in molybdenum high contained mines, mainly Chuquicamata.
- **Direct Cash Cost C1** per pound of copper was US¢ 163.5 in 2012, compared to US¢ 116.4 in 2011, an increase of 40.5%, 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\$ 1.9 billion in 2012 compared to US\$ 2.7 billion in 2011 resulted principally from the decrease in sales of goods and services during the period due to a decrease in copper prices and sold volume.
- **Capital expenditures** increased to US\$ 4.3 billion in 2012 compared to US\$ 2.7 billion in 2011 including maintenance and projects.
- At December 31, 2012, **consolidated cash** totaled US\$ 1.3 billion and **total debt** totaled US\$ 9.9 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 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



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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

	December 31,			
	2012	2011	Amount	Variation %
Copper Production ('000 mft)	1,758	1,796	(38)	(2.1)
Cash Cost (Usc/Pound)	163.5	116.4	47.1	40.5
LME Copper Price (Usc/Pound)	360.6	399.7	(39.1)	(9.8)
Average Exchange Rate (CLP/US\$)	486	484	2	0.4
Total Revenues (US\$ mn)	15,860	17,515	(1,655)	(9.4)
Gross Profit (US\$ mn)	5,009	7,232	(2,223)	(30.7)
Gross Margin (%)	31.6	41.3	(9.7)	(23.5)
Adjusted EBITDA (US\$ mn)	9,531	8,813	718	8.1
Adjusted EBITDA Margin (%)	60.1	50.3	9.8	19.5
Financial Debt (US\$ mn)	9,903	7,049	2,854	40.5
Net Interest Expense (US\$mn)	347	250	97	38.8
Capex (US\$ mn)	4,293	2,682	1,611	60.1

OPERATION: PRODUCTION, REVENUES & CASH COST

Consolidated Production.- 2012 consolidated copper mine production, including El Abra and Anglo American Sur share, decreased 2.1% to 1,758 thousand tons from 1,796 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 2012 decreased by 14.7% to 19,625 tons from 23,011 tons in the same period of 2011 especially due to lower production in Chuquicamata.

Consolidated Revenues.- 2012 revenues decreased 9.4% to US\$ 15.9 billion from US\$ 17.5 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. In 2012, CODELCO's cash cost was 163.5 cents per pound, compared to 116.4 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-product credit due to lower prices and sold volume of molybdenum principally.



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CAPITAL EXPENDITURE: STRUCTURAL PROJECTS

Mina Ministro Hales.- Progressed to 78.5% and it is in the final execution of prestripping and plants construction. The new mine is expected to begin operating in the last quarter of 2013.

El Teniente New Mine Level.- Continuing the execution progress (8,1%) with the construction of main and ventilation tunnels, interior mine development and Maitenes road. The new level will begin operating in 2017.

Chuquicamata Underground.- In November, finished the feasibility study. 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 developing their engineering studies and environmental permits.



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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
4Q 2012	3.59	3.60	11.05
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
12M 2011	4.00	4.01	15.33
12M 2012	3.61	3.61	12.62
Variation: 4Q 2012 vs. 4Q 2011	5.6%	5.6%	(16.3)%
Variation: 12M 2012 vs. 12M 2011	(9.8)%	(9.8)%	(17.7)%

CASH FLOWS

CODELCO generated operating cash flows of US\$ 1.94 billion in 2012 compared to US\$ 2.65 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\$ 4.00 in 2011 to US\$ 3.61 in 2012 (10%) and lower sales volume due to lower production, as has been explained above.

CASH AND DEBT

At December 31, 2012, CODELCO had consolidated cash and cash equivalents of US\$1.26 billion compared to US\$ 1.38 billion at the same date of 2011. At December 31, 2012, CODELCO's financial debt achieved US\$ 9.90 billion compared to US\$ 7.05 at December 31, 2011. December 31, 2012 debt includes US\$ 854 million loan from Mitsui, non-recourse to CODELCO, to execute the Anglo American Sur option.



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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit (loss)	1/1/2012 12/31/2012	1/1/2011 12/31/2011	Var Amnt	%
Revenue	15,860,432	17,515,296	(1,654,864)	(9.4)
Cost of sales	(10,851,680)	(10,283,026)	(568,654)	5.5
Gross profit	5,008,752	7,232,270	(2,223,518)	(30.7)
Other Income, by function	4,092,339	726,185	3,366,154	463.5
Distribution costs	(12,654)	(11,114)	(1,540)	13.9
Administrative expenses	(543,531)	(452,217)	(91,314)	20.2
Other expenses	(2,275,954)	(2,307,326)	31,372	(1.4)
Other gains (losses)	35,400	38,709	(3,309)	(8.5)
Profit (losses) from operating activities	6,304,352	5,226,507	1,077,845	20.6
Finance income	59,023	44,701	14,322	32.0
Finance costs	(406,278)	(294,496)	(111,782)	38.0
Share of profit of associates and joint ventures accounted for using the equity method	457,230	353,440	103,790	29.4
Foreign exchange differences	(165,801)	216,998	(382,799)	(176.4)
Profit for the period before tax	6,248,526	5,547,150	701,376	12.6
Income tax expense	(2,373,206)	(3,491,798)	1,118,592	(32.0)
Profit for the period	3,875,320	2,055,352	1,819,968	88.5
Profit (loss) attributable to:				
Profit attributable to owners of the parent	3,867,960	2,056,414	1,811,546	88.1
Loss attributable to non-controlling interests	7,360	(1,062)	8,422	(793.0)
Profit for the period	3,875,320	2,055,352	1,819,968	88.5



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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	12/31/2012	12/31/2011
Assets		
Current Assets		
Cash and cash equivalents	1,263,823	1,382,876
Other current financial asset	8,709	193,237
Other current non-financial assets	24,015	36,413
Trade and other current receivables	2,149,103	1,968,269
Accounts receivables due from related companies, current	29,442	56,357
Inventory	2,431,965	2,014,838
Current tax asset	627,570	254,930
Total current assets	6,534,627	5,906,920
Non-current asset		
Other non-current financial assets	133,000	102,593
Other non-current non-financial assets	37,677	203,950
Non-current receivables	171,699	132,721
Accounts receivables due from related companies, non-current	41,305	75,860
Investment accounted for using the equity method	7,644,612	945,055
Intangible assets other than goodwill	19,178	12,292
Property, Plant and Equipment, net	17,044,931	13,437,764
Investment property	18,004	17,789
Total non-current asset	25,110,406	14,928,024
TOTAL ASSETS	31,645,033	20,834,944



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Liabilities

Current liabilities

Other current financial liabilities	864,779	1,643,424
Trade and other current payables	2,245,592	1,782,459
Accounts payables to related companies, current	143,364	126,850
Other current provisions	209,895	210,514
Current tax liabilities	50,205	137,267
Current employee benefit accruals	549,975	459,251
Other current non- financial liabilities	75,162	56,317

Total current liabilities	4,138,972	4,416,082
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Non-current liabilities

Other non-current financial liabilities	9,262,324	6,395,154
Other non-current payables	-	319
Accounts payables to related companies, non-current	275,011	308,616
Other non-current provisions and accrued expenses	1,554,167	1,013,441
Deferred tax liabilities	2,909,095	1,540,242
Non-current employee benefit accruals	1,323,294	1,092,966
Other non-current non-financial liabilities	4,390	3,094

Total non-current liabilities	15,328,281	10,353,832
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Total liabilities	19,467,253	14,769,914
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Equity

Issued Capital	2,524,423	2,524,423
Retained earnings	4,189,769	1,709,068
Other Reserves	3,364,182	1,829,519

Equity attributable to owners of the parent	10,078,374	6,063,010
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Non-controlling interests	2,099,406	2,020
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Total equity	12,177,780	6,065,030
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TOTAL LIABILITIES AND EQUITY	31,645,033	20,834,944
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CONSOLIDATED STATEMENTS OF CASH FLOWS

	1/1/2012	1/1/2011
	12/31/2012	12/31/2011
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	16,923,810	19,702,113
Other cash flows provided by operating activities	2,161,658	1,843,793
Types of cash payments		
Payments to suppliers for goods and services	(9,880,753)	(8,741,815)
Payments to and on behalf of employees	(2,100,391)	(2,196,072)
Other cash flows used in operating activities	(3,562,099)	(4,191,069)
Dividends received	276,672	85,750
Income taxes paid	(1,892,661)	(3,852,469)
Net cash flows provided by operating activities	1,935,236	2,650,231
Cash flows provided by (used in) investing activities:		
Cash flows used for the purchase of non-controlling	(2,799,795)	-
Other payments to acquire equity or debt instruments of other entities	(31,408)	-
Other cash flows provided by the sales of joint ventures	-	1,088,351
Borrowings to related Companies	(8,405)	-
Purchases of property plant and equipment	(3,687,182)	(2,251,630)
Collections from related Companies	61,050	40,700
Interest received	43,137	26,912
Other inflows (outflows) of cash	91,576	36,543
Net cash flows from (used in) investing activities	(6,331,027)	(1,059,124)
Cash flows used in financing activities:		
Proceeds from equity issuance	1,100,000	-
Proceeds from current borrowings	5,481,146	1,232,049
Repayments of borrowings	(1,505,414)	(517,534)
Dividends paid	(106,000)	(1,472,048)
Interest paid	(541,988)	(324,737)
Other inflows (outflows) of cash	(151,006)	-
Net cash flows used in financing activities	4,276,738	(1,082,270)
Net increase (decrease) in cash and cash equivalents before foreign exchange difference	(119,053)	508,837
Net increase (decrease) in cash and cash equivalents	(119,053)	508,837
Cash and cash equivalents at beginning of period	1,382,876	874,039
Cash and cash equivalents at end of period	1,263,823	1,382,876



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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 10% share of the total world copper production, with production of approximately 1.76 million metric tons (including CODELCO's share of the El Abra deposit, which is mined by Sociedad Contractual Minera El Abra and its share in Anglo American Sur) and an estimated 8% share of the world's molybdenum production with production of approximately 19,625 metric tons.

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