



RESULTS

Year End 2014

Santiago de Chile, March 27, 2015 – Corporación Nacional del Cobre (CODELCO) reported December 31, 2014 operational and financial results:

- **Year end 2014 revenues** were US\$13.8 billion, 7.5% lower compared to US\$15.0 billion for the twelve months of 2013, principally due to a 6.3% decrease in the LME average copper price.
- **ADJUSTED EBITDA** in the twelve months of 2014 was US\$5.4 billion (39.4% margin) compared to US\$6.0 billion (39.9% margin) in the same period of 2014 principally due to a decrease of 6.3% in the LME average copper price.
- **Net Income** in the twelve months of 2014 was US\$711 million (5.1% of sales) compared to US\$1.1 billion (7.5% of sales) for the same period of 2013, basically due to a lower average copper price.
- **Copper mine production**, including El Abra and Anglo American Sur shares, increased by 2.7% in 2014 to 1,841 thousand tons, compared to 1,792 thousand tons in 2013, especially due to the new production coming from Mina Ministro Hales. Own production increased 3.1% up to December 31, 2014 compared to the same period of 2013, mainly due to the new production coming from the ramp up of Mina Ministro Hales. This new production help to offset the 13.8% production decrease in Radomiro Tomic Division.
- **Direct Cash Cost C1** per pound of copper was US¢150.4 in 2014, compared to US¢163.1 in 2013. A decrease of 7.8% primarily attributable to higher by-product credit, favorable exchange rate movements and lower energy cost.
- **Operating cash flows** totaled US\$3.5 billion in 2014 compared to US\$3.1 billion in the same period of 2013 principally due to the decrease of goods and services suppliers payments and taxes paid partially offset by lower revenues coming from the sale of goods and services.
- **Capital expenditures** decreased 7.9% to US\$ 3.8 billion during 2014 compared to US\$ 4.2 billion in 2013, which includes maintenance and projects. The decrease in the capital expenditures is principally a consequence of the depreciation of the Chilean peso against the US dollar and a delay at El Teniente New Mine Level structural project.
- **On October 2014, a multi-year capitalization bill**, approved by the Chilean Congress, became effective and provides CODELCO resources up to a maximum of US\$3 billion as capital injection and commit another US\$1 billion as retained earnings to finance its capital expenditure program for the period from 2014 to 2018.



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SUMMARY FINANCIAL AND OPERATING DATA

	December 31,			
	2014	2013	Amount	Variation %
Copper Production* ('000 mft)	1,841	1,792	49	2.7
Own Molybdenum Production ('000 mft)	31	23	8	34.8
Cash Cost (Usc/Pound)	150.4	163.1	(12.7)	(7.8)
Copper Sales ('000 mft)	1,688	1,723	(35)	(2.0)
Molybdenum Sales ('000 mft)	27	22	5	22.7
LME Copper Price (Usc/Pound)	311.3	332.1	(20.8)	(6.3)
Metals Week Molybdenum Price (US\$/Pound)	11.3	10.3	1.0	9.7
Average Exchange Rate (CLP/US\$)	570.0	495.0	75.0	15.2
Closing Exchange Rate (CLP/US\$)	607.4	524.8	82.6	15.7
Total Revenues (US\$ mn)	13,827	14,956	(1,129)	(7.5)
Gross Profit (US\$ mn)	3,715	4,154	(439)	(10.6)
Gross Margin (%)	26.9	27.8	(0.9)	(3.2)
Adjusted EBITDA (US\$ mn)	5,445	5,964	(519)	(8.7)
Adjusted EBITDA Margin (%)	39.4	39.9	(0.5)	(1.3)
Net Financial Debt** (US\$ mn)	11,554	10,262	1,292	12.6
Net Interest Expense (US\$mn)	445	298	147	49.3
Net Debt to LTM Adjusted EBITDA	2.12	1.72	0.4	23.3
Adjusted EBITDA to Net Interest Expenses	12.2	20.0	(7.8)	(39.0)
Net Debt to total Capitalization (%)	47.4	43.8	3.6	8.2
Capex (US\$ mn)	3,364	4,178	(814)	(19.5)
Contribution to the Chilean Treasury	2,234	2,861	(627)	(21.9)

*Includes El Abra and Anglo American Sur shares of production relative to Codelco

**Net of swaps effects, leasing and cash and cash equivalents. Does not include the loan from Mitsui, non-recourse to Codelco, to execute the Anglo American Sur Option

OPERATION: PRODUCTION, REVENUES & COST

Consolidated Production.- Twelve months of 2014 consolidated copper mine production, including El Abra and Anglo American Sur shares, increased 2.7% to 1,841 thousand tons from 1,792 thousand tons for the same period of 2013 principally due to the additional production coming from the ramp up of Mina Ministro Hales new operation. Own production increased by 3.1% to 1,672 thousand tons in the twelve months of 2014 compared to 1,622 thousand tons for the same period of 2013, mainly due to the new production coming from the mentioned ramp up of Mina Ministro Hales partially offset by a decrease in Radomiro Tomic Division, as a consequence of lower sulfide and oxide production.



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On the other hand, molybdenum production in the twelve months of 2014 increased by 32.9% to 30,628 tons from 23,043 tons in the same period of 2013 especially due to higher production in Chuquicamata Division of 111.2%. Moreover, the new operation of Mina Ministro Hales contributed to increase silver production in 119.0% up to 635 tons in 2014 compared to 290 tons in 2013.

Codelco Total Copper Production

	Year ended December 31,			
	2014	2013	Var. Amount	Var. %
Chuquicamata Division	340	339	1	0.3
Radomiro Tomic Division.....	327	380	(53)	(13.9)
Ministro Hales	141	34	107	314.7
Gabriela Mistral Division	121	128	(7)	(5.5)
El Teniente Division	455	450	5	1.1
Andina Division	232	237	(5)	(2.1)
Salvador Division	54	54	-	-
El Abra ⁽²⁾	81	76	5	6.6
Anglo American Sur ⁽³⁾	87	94	(7)	(7.4)
CODELCO Total Production.....	1,841	1,792	49	2.7

(1) In December 2010, CODELCO divided the CODELCO Norte Division into the Chuquicamata and Radomiro Tomic Divisions.

(2) CODELCO's figures presented for El Abra correspond to CODELCO's 49% ownership interest in the mine.

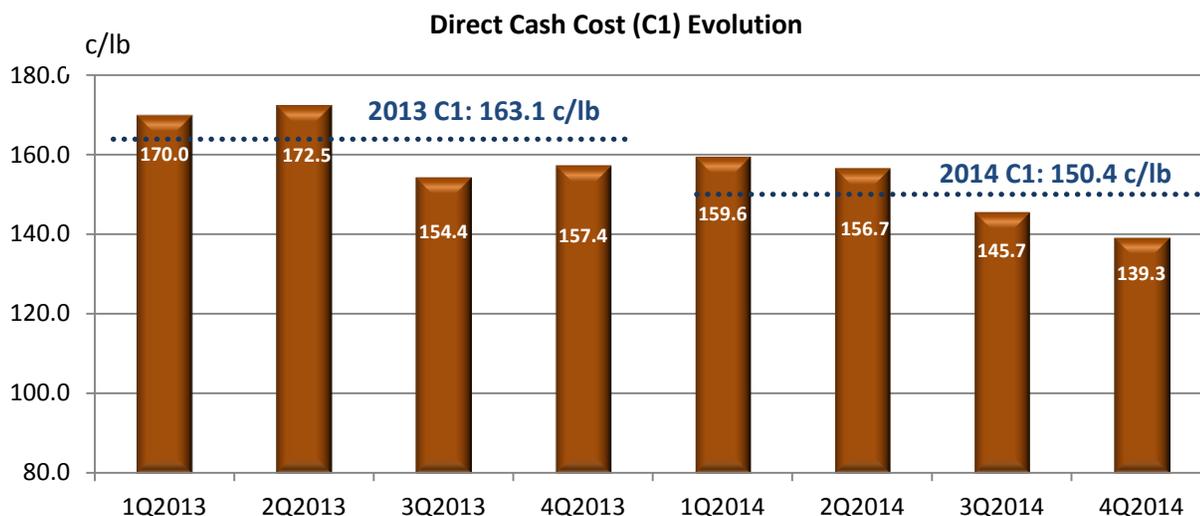
(3) CODELCO's figures presented for Anglo American Sur correspond to CODELCO's 20% ownership interest in the Company.

Consolidated Revenues.- The twelve months of 2014 revenues decreased 7.5% to US\$13.8 billion from US\$15.0 billion in the same period of 2013 principally due to lower own copper revenues of 10.7%, as a direct consequence of a 6.3% decrease in the LME average copper price and a 2.0% lower volume sold. On the other hand, revenues coming from molybdenum increased 35.7% in the same period of time due to an increase of 22.7% in volume sold and a 10.6% increase in the molybdenum price. Finally, other by-products and services revenues increased by 3.7% as of December 31, 2014 compared to the same period for 2013 mainly due to higher sales of silver as a consequence of a higher production coming from the new operation Mina Ministro Hales.



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Consolidated Costs.- Unit cash costs will vary with the fluctuations in payable production and average realized prices for by-products. In the twelve months ended December 31, 2014, CODELCO's cash cost was 150.4 cents per pound, compared to 163.1 cents per pound in the same period of 2013. This decrease is primarily attributable to higher by-product credit resulting principally from higher production and price of molybdenum, favorable exchange rate movements and lower energy cost. The cost reduction is also remarkable quarterly as is revealed in the chart below.



CAPITAL EXPENDITURE: STRUCTURAL PROJECTS

El Teniente New Mine Level.- The execution progress of the project achieved 31.8% during 2014.

Chuquicamata Underground.- Early works execution program accomplished 92.4% progress and total project execution reached a 17.4% progress.

RT Sulphides Phase II.- Proceeding its detail engineering up to 26% execution progress and environmental permits processing.

Andina Phase II.- Continues its environmental permits processing.

Inca Pit.- Proceeding its preliminary feasibility study with a 68.7% progress execution.

Andina Reallocation.- Under execution with a progress of 12.6% during 2014.

On October 2014, the multi-year capitalization law, approved by the Chilean Congress, became effective. This law allocates up to a maximum of U.S.\$3 billion to CODELCO in the form of a capital injection by the Chilean Treasury over the period from 2014 to 2018. On the same date the multi-year capitalization law was promulgated, the President of Chile announced a commitment to authorize CODELCO to retain earnings up to an



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additional U.S.\$1 billion (U.S.\$200 million of which was already authorized by the Ministries of Finance and Mining on June 30, 2014) over the same 2014-2018 period.

AVERAGE METAL PRICE

	LME Copper (US\$/lb.)	COMEX Copper (US\$/lb.)	Molybdenum (US\$/lb.)
1Q 2014	3.19	3.24	9.93
2Q 2014	3.08	3.10	13.45
3Q 2014	3.17	3.16	12.62
4Q 2014	3.00	2.98	9.22
Average 2014	3.11	3.12	11.30
1Q 2013	3.60	3.60	11.28
2Q 2013	3.24	3.25	10.80
3Q 2013	3.21	3.23	9.36
4Q 2013	3.24	3.28	9.60
Average 2013	3.32	3.34	10.26
Variation: 4Q 2014 vs. 4Q 2013	(7.4)%	(9.1)%	(4.0)%
Variation: 4Q 2014 vs. 3Q 2014	(5.4)%	(5.7)%	(26.9)%
Variation: 2014 vs. 2013	(6.3)%	(6.6)%	10.1%

CASH FLOWS

CODELCO increased net operating cash flows to US\$3.5 billion in 2014 compared to US\$3.1 billion in 2013 principally due to the decrease of goods and services supplier payments and taxes paid due to lower revenues coming from the sale of goods and services that partially offset the mentioned decreases. Moreover, net cash flows used in investing activities decreased to US\$3.8 billion in 2014 compared to US\$4.5 billion in 2013 due to the impact in of the depreciation of the Chilean peso against the US dollar and the delay at El Teniente New Mine Level structural project. Therefore, net increase in cash and cash equivalents reached US\$560 million in 2014 compared to a net decrease of US\$513 million in 2013.

CASH AND DEBT

At December 31, 2014, CODELCO had consolidated cash and cash equivalents of US\$1.3 billion compared to US\$751 million at the same date of 2013. At December 31, 2014, CODELCO's financial debt achieved US\$ 12.9 billion compared to US\$ 11.0 billion at December 31, 2013. CODELCO's financial debt excludes the loan from Mitsui, non-recourse to CODELCO, to execute the Anglo American Sur option. Year 2014 debt increase includes



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the issuance of CODELCO's first Euro bond, 2024, for EUR 600 million and the issuance of CODELCO 2044 bond for US\$980 million on the international capital markets side. Regarding the bank market, 2014 debt increase considers withdraws of two bilateral loans of US\$300 million each, negotiated in 2013, two new bilateral loans for a total of US\$395 million and a US\$100 million bilateral loan for the construction of a metal processing plant in Mejillones. On the other hand, during 2014 CODELCO had paid debt maturities for US\$633 million, which include the US\$500 million 2014 bond and US\$134 million of the third and last installment of a syndicated credit.



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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit (loss)	1/1/2014 12/31/2014	1/1/2013 12/31/2013	Var Amnt	%
Revenue	13,826,677	14,956,283	(1,129,606)	(7.6)
Cost of sales	(10,111,412)	(10,801,815)	690,403	(6.4)
Gross profit	3,715,265	4,154,468	(439,203)	(10.6)
Other Income, by function	98,346	162,552	(64,206)	(39.5)
Distribution costs	(9,343)	(11,057)	1,714	(15.5)
Administrative expenses	(451,122)	(471,562)	20,440	(4.3)
Other expenses, by function	(1,620,977)	(1,513,434)	(107,543)	7.1
Other gains (losses)	37,682	52,249	(14,567)	(27.9)
Profit (losses) from operating activities	1,769,851	2,373,216	(603,365)	(25.4)
Finance income	19,744	28,851	(9,107)	(31.6)
Finance costs	(464,671)	(327,113)	(137,558)	42.1
Share of profit of associates and joint ventures accounted for using the equity method	247,994	444,133	(196,139)	(44.2)
Foreign exchange differences	378,819	212,823	165,996	78.0
Profit for the period before tax	1,951,737	2,731,910	(780,173)	(28.6)
Income tax expense	(1,240,823)	(1,617,339)	376,516	(23.3)
Profit for the period	710,914	1,114,571	(403,657)	(36.2)
Profit (loss) attributable to:				
Profit attributable to owners of the parent	721,927	1,073,204	(351,277)	(32.7)
Loss attributable to non-controlling interests	(11,013)	41,367	(52,380)	(126.6)
Profit for the period	710,914	1,114,571	(403,657)	(36.2)



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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	12/31/2014	12/31/2013
Assets		
Current Assets		
Cash and cash equivalents	1,310,616	750,670
Other current financial asset	31,748	5,627
Other current non-financial assets	31,652	27,107
Trade and other current receivables	2,177,782	2,186,182
Accounts receivables due from related companies, current	9,488	30,883
Inventory	2,406,212	2,244,011
Current tax asset	189,883	179,759
Total current assets	6,157,381	5,424,240
Non-current asset		
Other non-current financial assets	62,413	93,707
Other non-current non-financial assets	35,915	39,662
Non-current receivables	124,675	138,896
Accounts receivables due from related companies, non-current	224	224
Investment accounted for using the equity method	6,798,706	7,494,982
Intangible assets other than goodwill	18,406	18,623
Property, Plant and Equipment, net	22,053,017	20,126,811
Investment property	5,829	18,018
Total non-current asset	29,099,185	27,930,923
TOTAL ASSETS	35,256,566	33,355,163



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Liabilities

	12/31/2014	12/31/2013
Current liabilities		
Other current financial liabilities	986,168	1,160,301
Trade and other current payables	1,443,650	1,572,697
Accounts payables to related companies, current	150,640	153,949
Other current provisions	435,365	221,392
Current tax liabilities	2,225	15,723
Current employee benefit accruals	453,752	567,555
Other current non- financial liabilities	104,035	87,139
Total current liabilities	3,575,835	3,778,756
Non-current liabilities		
Other non-current financial liabilities	12,951,242	10,847,842
Accounts payables to related companies, non-current	193,710	230,692
Other non-current provisions and accrued expenses	1,438,825	1,387,890
Deferred tax liabilities	4,204,009	3,398,044
Non-current employee benefit accruals	1,363,241	1,298,367
Other non-current non-financial liabilities	4,192	5,952
Total non-current liabilities	20,155,219	17,168,787
Total liabilities	23,731,054	20,947,543
Equity		
Issued Capital	2,524,423	2,524,423
Retained earnings	1,793,557	2,590,388
Other Reserves	5,343,797	5,245,707
Equity attributable to owners of the parent	9,661,777	10,360,518
Non-controlling interests	1,863,735	2,047,102
Total equity	11,525,512	12,407,620
TOTAL LIABILITIES AND EQUITY	35,256,566	33,355,163



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CONSOLIDATED STATEMENTS OF CASH FLOWS

	1/1/2014 12/31/2014	1/1/2013 12/31/2013
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	14,153,053	15,106,688
Other cash flows provided by operating activities	1,655,763	2,139,686
Types of cash payments		
Payments to suppliers for goods and services	(7,881,636)	(9,092,233)
Payments to and on behalf of employees	(2,091,504)	(2,049,725)
Other cash flows used in operating activities	(2,251,720)	(2,684,856)
Dividends received	495,690	604,854
Income taxes paid	(578,946)	(887,094)
Net cash flows provided by operating activities	3,500,700	3,137,320
Cash flows provided by (used in) investing activities:		
Other payments to acquire equity or debt instruments of other entities	(22,502)	(14,999)
Purchases of property plant and equipment	(3,799,708)	(4,437,366)
Purchases of intangible asset	-	(9,983)
Interest received	4,651	22,743
Other inflows (outflows) of cash	(705)	(34,184)
Net cash flows from (used in) investing activities	(3,818,264)	(4,473,789)
Cash flows used in financing activities:		
Proceeds from current borrowings	3,885,490	4,038,608
Repayments of borrowings	(1,910,687)	(2,053,841)
Dividends paid	(660,582)	(775,801)
Interest paid	(468,177)	(363,410)
Other inflows (outflows) of cash	-	(37,610)
Net cash flows used in financing activities	846,044	807,946
Net increase (decrease) in cash and cash equivalents before foreign exchange difference	528,480	(528,523)
Foreign Exchange Rate Net increase (decrease) in cash and cash equivalents	31,466	15,370
Net increase (decrease) in cash and cash equivalents	559,946	(513,153)
Cash and cash equivalents at beginning of period	750,670	1,263,823
Cash and cash equivalents at end of period	1,310,616	750,670



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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 sale of 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 2014, CODELCO had an estimated 10% share of the total world copper production, with production of approximately 1.84 million metric tons (including CODELCO's share in the El Abra deposit, which is mined by Sociedad Contractual Minera El Abra, and its share in Anglo American Sur) and an estimated 10% share of the world's molybdenum production with own production of approximately 30,628 metric tons.

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