



RESULTS 1Q 2014

Santiago de Chile, May 30, 2014 – Corporación Nacional del Cobre (CODELCO) reported March 31, 2014 operational and financial results:

- **1Q 2014 revenues** were US\$ 3.1 billion, 4.5% lower than US\$ 3.3 billion for the first three months of 2013, principally due to a 11.2% decrease in the LME copper price.
- **ADJUSTED EBITDA** in the first three months of 2014 was US\$ 1.1 billion (36.2% margin) compared to US\$ 1.4 billion (41.3% margin) in the same period of 2013 principally due to the decrease of the average copper price in 2014 and higher costs of sale.
- **Net Income** in the first three months of 2014 was US\$ 144 million (4.6% of sales) compared to US\$ 257 million (7.9% of sales) for the same period of 2013, basically due lower copper price and higher costs of sale.
- **Total copper mine production**, including El Abra and Anglo American Sur shares, remain stable in the first three months of 2014 in the same amount of the first quarter of 2013: 428 thousand tons, especially due to the new production coming from the new operation Ministro Hales which offset the decrease in Radomiro Tomic Division production, due to a ore grade reduction.
- **Direct Cash Cost C1** per pound of copper was US¢ 159.6 in the first quarter 2014, compared to US¢ 170.0 in the same period of 2013. A decrease of 6.1% primarily attributable to savings in materials, services and input costs and favorable exchange rate movements.
- **Operating cash flows** totaled US\$ 478 million in the first three months of 2014 compared to US\$ 1.2 billion in the same period of 2013 resulted principally due to the decrease in cash flows provided by sales of goods and rendering of services due to lower copper price.
- **Capital expenditures** decreased 3.4% to US\$ 923 million in the first three months of 2014 compared to US\$ 955 million in the same period of 2013, which includes maintenance and projects.



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SUMMARY FINANCIAL AND OPERATING DATA

	March 31,			
	2014	2013	Amount	Variation %
Copper Production* ('000 mft)	428	428	0	0.0
Own Molybdenum Production ('000 mft)	8	5	3	60.0
Cash Cost (Usc/Pound)	159.6	170.0	(10)	(6.1)
Copper Sales ('000 mft)	366	359	7	1.9
Molybdenum Sales ('000 mft)	6	5	1	20.0
LME Copper Price (Usc/Pound)	319.4	359.8	(40)	(11.2)
Metals Week Molybdenum Price (US\$/Pound)	9.9	11.3	(1)	(12.4)
Average Exchange Rate (CLP/US\$)	551	472	79	16.7
Closing Exchange Rate (CLP/US\$)	551	473	78	16.5
Total Revenues (US\$ mn)	3,130	3,278	(148)	(4.5)
Gross Profit (US\$ mn)	669	1,028	(359)	(34.9)
Gross Margin (%)	21.4	31.4	(10)	(31.8)
Adjusted EBITDA (US\$ mn)	1,133	1,354	(221)	(16.3)
Adjusted EBITDA Margin (%)	36.2	41.3	(5)	(12.3)
Net Financial Debt** (US\$ mn)	11,062	7,767	3,295	42.4
Net Interest Expense (US\$mn)	116	77	39	50.6
Net Debt to LTM Adjusted EBITDA	1.93	0.84	1	129.8
Adjusted EBITDA to Net Interest Expenses	9.8	17.6	(8)	(44.5)
Net Debt to total Capitalization (%)	47.2	38.6	9	22.4
Capex (US\$ mn)	923	955	(32)	(3.4)
Contribution to the Chilean Treasury	456	409	47	11.5

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

**Net of cash and cash equivalents. Excludes Mitsui debt to acquire 20% of Anglo American Sur asset, because is non-recourse to CODELCO

OPERATION: PRODUCTION, REVENUES & COST

Consolidated Production.- The first three months of 2014 consolidated copper mine production, including El Abra and Anglo American Sur shares, remain stable in 428 thousand tons compared to the same period in 2013 principally due to the additional production coming from the new operation Ministro Hales that was able to offset the diminished production of Radomiro Tomic Division, as a consequence of a decrease in the ore grade. El Teniente and Chuquicamata Divisions increased their production due to ore grades improvement offsetting the decreases in Andina and Gabriela Mistral Divisions due to lower ore grades.

On the other hand, molybdenum production in the first three months of 2014 increased by 52.1% to 8,215 tons from 5,401 tons in the same period of 2013 especially due to higher production in Chuquicamata Division, which increased by 143.4%.



Codelco Total Copper Production

	March 31,	
	2014	2013
Chuquicamata Division	76	73
Radomiro Tomic Division.....	81	110
Ministro Hales	30	–
Gabriela Mistral Division	25	32
El Teniente Division	106	98
Andina Division	53	58
Salvador Division	12	13
El Abra ⁽¹⁾	20	20
Anglo American Sur ⁽²⁾	25	23
CODELCO Total Production.....	428	428

(1) CODELCO's figures presented for El Abra include 49% of the mine's total production (the share of production which corresponds to CODELCO's 49% ownership interest in the mine).

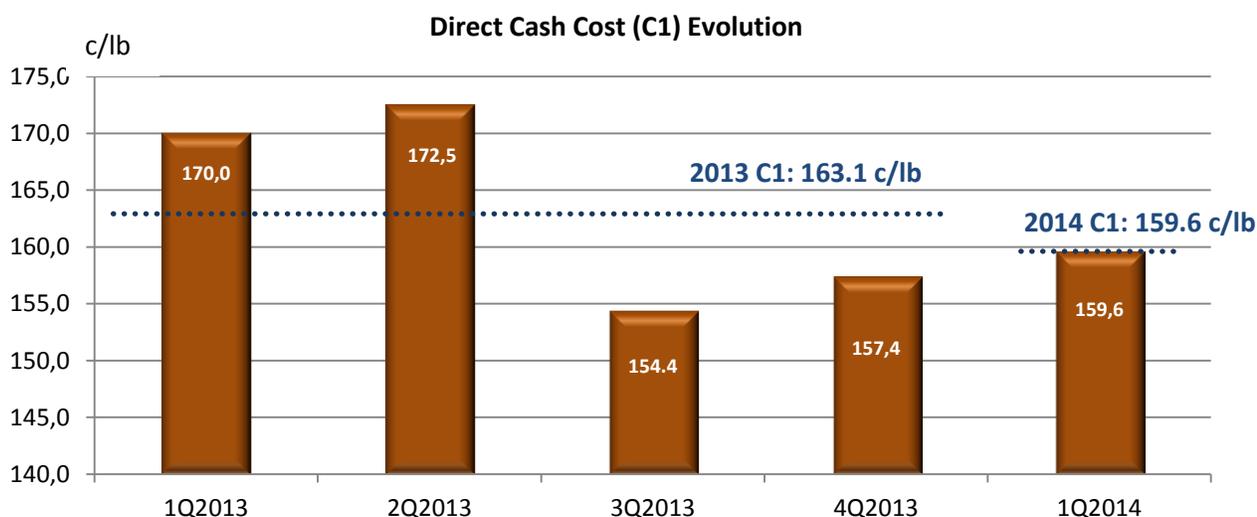
(2) CODELCO's figures presented for Anglo American Sur include 20% of the mine's total production (the share of production which corresponds to CODELCO's 20% ownership interest in the mine).

Consolidated Revenues.- The first three months of 2014 revenues decreased 4.5% to US\$ 3.1 billion from US\$ 3.3 billion in the same period of 2013 principally due to lower copper revenues of 6.1%, as a direct consequence of a 11.2% decreased in the LME copper price, partially offset by higher copper volume sold. Revenues from molybdenum increased 0.5% between the mentioned periods due to an increase in the volume sold of 16.2% from 5,002 tons in the first quarter of 2013 to 5,815 in the same period of 2014, partially offset by a decrease of 12.4% in molybdenum price. Finally, other by-products and services revenues increased 38.7% up to March 31, 2014 compared to the same period in 2013 mainly due to an increase of 131.2% in the anodic slimes volume sold.

Consolidated Costs.- Unit cash costs will vary with the fluctuations in payable production and average realized prices for by-products. In the first three months of 2014, CODELCO’s cash cost was 159.6 cents per pound, compared to 170.0 cents per pound in the same period of 2013. A decrease of 6.1% primarily attributable to:

- 1) Lower operational costs: savings in materials, services and input costs.
- 2) Exchange rate differences.
- 3) Higher by-product credit: This increase is primarily attributable to higher anodic slimes volumes sold.

The cash cost reduction trend started in the first quarter of 2013, evidence the consolidation of the control cost program results.



CAPITAL EXPENDITURE: STRUCTURAL PROJECTS

Mina Ministro Hales.- Finalizing the startup of its plants, especially of the roasting unit, and advance to the end of the project. The concentrator plant is in full operation and is working at the capacity according to design.

El Teniente New Mine Level.- Continuing the execution progress (23%) with the construction of main and ventilation tunnels, interior mine development and Maitenes road. The new level will begin operating in 2017.

Chuquicamata Underground.- Early works advance developing main and ventilation tunnels and interior mine works (86%) and the new mine will begin operating in 2018.

RT Sulphides Phase II.- Proceeding the environmental impact study, submitted to the competent authority of Antofagasta. The Sulphides Phase II will begin operating in 2018

Andina Phase II.- Continues proceeding the environmental impact study, preparing responses to the requirements set by the authority and the community. Andina Phase II is planned to be operating in 2023.



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AVERAGE METAL PRICE

	LME Copper (US\$/lb.)	COMEX Copper (US\$/lb.)	Molybdenum (US\$/lb.)
1Q 2014	3.19	3.24	9.93
Average 2013	3.19	3.24	9.93
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: 1Q 2014 vs. 1Q 2013	(11.4)%	(10.0)%	(12.0)%
Variation: 1Q 2013 vs. 4Q 2013	(1.5)%	(1.2)%	3.4%

CASH FLOWS

For the first three months of 2014, CODELCO's net cash flow from operating activities decreased 60.2% to U.S.\$478 million from U.S.\$1.20 billion for the same period in 2013. This decrease in net cash flow from operating activities resulted primarily from the decrease in cash flows provided by sales of goods and rendering of services due to lower copper price.

CASH AND DEBT

At March 31, 2014, CODELCO had consolidated cash and cash equivalents of US\$962 million compared to US\$ 1.3 billion at the same date of 2013. At March 31, 2014, CODELCO's financial debt achieved US\$ 12.8 billion compared to US\$ 10.0 billion at March 31, 2013. CODELCO's financial debt includes the loan from Mitsui, non-recourse to CODELCO, to execute the Anglo American Sur option to acquire 20% of the asset. CODELCO's net financial debt* reached US\$ 11.1 billion by March 31, 2014 compared to US\$ 7.8 by March 31, 2013. First quarter 2014 Debt movements compared to the same period of 2013, includes the 10 year and 30 year bonds issued in 2013 for US\$750 million and US\$950 million respectively, four bilateral loans of US\$300 million each and US\$745 million in short term loans.

* Net of cash and cash equivalents. Excludes Mitsui debt to acquire 20% of Anglo American Sur asset, because is non-recourse to CODELCO



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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit (loss)	1/1/2014 03/31/2014	1/1/2013 03/31/2013	Var Amnt	%
Revenue	3,130,189	3,277,676	(147,487)	(4.5)
Cost of sales	(2,460,930)	(2,250,103)	(210,827)	9.4
Gross profit	669,259	1,027,573	(358,314)	(34.9)
Other Income, by function	66,443	31,975	34,468	107.8
Distribution costs	(3,294)	(3,373)	79	(2.3)
Administrative expenses	(107,417)	(127,283)	19,866	(15.6)
Other expenses	(467,909)	(301,424)	(166,485)	55.2
Other gains (losses)	9,514	10,759	(1,245)	(11.6)
Profit (losses) from operating activities	166,596	638,227	(471,631)	(73.9)
Finance income	4,832	11,757	(6,925)	(58.9)
Finance costs	(120,415)	(89,245)	(31,170)	34.9
Share of profit of associates and joint ventures accounted for using the equity method	90,965	99,223	(8,258)	(8.3)
Foreign exchange differences	156,346	(60,158)	216,504	(359.9)
Profit for the period before tax	298,324	599,804	(301,480)	(50.3)
Income tax expense	(153,931)	(342,314)	188,383	(55.0)
Profit for the period	144,393	257,490	(113,097)	(43.9)
Profit (loss) attributable to:				
Profit attributable to owners of the parent	137,856	246,594	(108,738)	(44.1)
Loss attributable to non-controlling interests	6,537	10,896	(4,359)	(40.0)
Profit for the period	144,393	257,490	(113,097)	(43.9)



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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	03/31/2014	03/31/2013
Assets		
Current Assets		
Cash and cash equivalents	961,547	1,330,758
Other current financial asset	11,308	23,708
Other current non-financial assets	62,415	52,263
Trade and other current receivables	2,042,111	1,120,201
Accounts receivables due from related companies, current	30,235	13,085
Inventory	2,428,978	2,838,743
Current tax asset	255,690	302,021
Total current assets	5,792,284	5,680,779
Non-current asset		
Other non-current financial assets	92,707	141,100
Other non-current non-financial assets	39,799	37,826
Non-current receivables	144,051	169,856
Accounts receivables due from related companies, non-current	224	21,356
Investment accounted for using the equity method	7,496,964	7,452,599
Intangible assets other than goodwill	18,661	19,282
Property, Plant and Equipment, net	20,481,822	17,463,983
Investment property	18,258	18,004
Total non-current asset	28,292,486	25,324,006
TOTAL ASSETS	34,084,770	31,004,785



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Liabilities

	03/31/2014	03/31/2013
Current liabilities		
Other current financial liabilities	1,589,463	905,882
Trade and other current payables	1,406,292	1,650,331
Accounts payables to related companies, current	136,897	108,743
Other current provisions	302,444	158,315
Current tax liabilities	128,207	11,742
Current employee benefit accruals	376,851	424,942
Other current non- financial liabilities	152,514	58,823
Total current liabilities	4,092,668	3,318,778
Non-current liabilities		
Other non-current financial liabilities	11,469,467	9,271,192
Accounts payables to related companies, non-current	221,199	268,901
Other non-current provisions and accrued expenses	1,324,329	1,564,444
Deferred tax liabilities	3,387,308	2,839,463
Non-current employee benefit accruals	1,272,998	1,331,318
Other non-current non-financial liabilities	5,773	6,521
Total non-current liabilities	17,681,074	15,281,830
Total liabilities	21,773,742	18,600,608
Equity		
Issued Capital	2,524,423	2,524,423
Retained earnings	2,526,271	4,482,654
Other Reserves	5,206,650	3,287,301
Equity attributable to owners of the parent	10,257,344	10,294,378
Non-controlling interests	2,053,684	2,109,799
Total equity	12,311,028	12,404,177
TOTAL LIABILITIES AND EQUITY	34,084,770	31,004,785



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CONSOLIDATED STATEMENTS OF CASH FLOWS

	1/1/2014 03/31/2014	1/1/2013 03/31/2013
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	3,465,449	4,264,192
Other cash flows provided by operating activities	426,634	594,462
Types of cash payments		
Payments to suppliers for goods and services	(2,181,912)	(2,447,661)
Payments to and on behalf of employees	(730,854)	(643,313)
Other cash flows used in operating activities	(508,988)	(735,406)
Dividends received	88,876	269,940
Income taxes paid	(72,447)	(103,220)
Net cash flows provided by operating activities	477,758	1,198,993
Cash flows provided by (used in) investing activities:		
Other payments to acquire equity or debt instruments of other entities	(5,416)	(1,547)
Purchases of property plant and equipment	(971,077)	(1,150,192)
Interest received	1,322	14,334
Other inflows (outflows) of cash	(11,923)	38,235
Net cash flows from (used in) investing activities	(987,094)	(1,099,170)
Cash flows used in financing activities:		
Proceeds from current borrowings	1,178,573	236,606
Repayments of borrowings	(156,126)	(201,265)
Dividends paid	(202,103)	-
Interest paid	(99,882)	(82,493)
Net cash flows used in financing activities	720,462	(47,154)
Net increase (decrease) in cash and cash equivalents before foreign exchange difference	211,126	52,670
Foreign Exchange Rate Net increase (decrease) in cash and cash equivalents	(249)	14,265
Net increase (decrease) in cash and cash equivalents	210,877	66,935
Cash and cash equivalents at beginning of period	750,670	1,263,823
Cash and cash equivalents at end of period	961,547	1,330,758



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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 2013, CODELCO had an estimated 10% share of the total world copper production, with production of approximately 1.79 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 9% share of the world's molybdenum production with own production of approximately 23,043 metric tons.

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