



RESULTS

1Q 2016

Santiago de Chile, May 27, 2016 – Corporación Nacional del Cobre (CODELCO) reported March 31, 2015 operational and financial results:

- **1Q 2016 revenues** were US\$ 2.7 billion, similar to for the first three months of 2015, due to an increase in the volume sold offsetting the 20% decrease in the average LME copper price.
- **Adjusted EBITDA** for the first three months of 2016 was US\$ 517 million (19.0% margin) compared to US\$ 910 million (33.4% margin) in the same period of 2015 principally due to the decrease of the average copper price in 2016 and an increase of the cost of sales mainly due to higher volume sold.
- **Loss before tax** in the first three months of 2016 was US\$ 357 million (-13.1% of sales), compared to a profit of US\$ 124 million (4.6% of sales) in the same period of 2015 basically due to a lower average copper price and the impact of the foreign exchange rate differences due to the strength of the Chilean peso to CLP 675 per dollar as of March 31, 2016 from CLP 707 per dollar as of December 30, 2015.
- **Total copper mine production**, including El Abra and Anglo American Sur shares, increase 9% in the first three months of 2016 to 470 thousand tons compared to 433 thousand tons for the first quarter of 2015, especially due to higher production in Chuquicamata, Ministro Hales and El Teniente Divisions.
- **Direct Cash Cost C1** per pound of copper was US¢ 125.4 in the first quarter 2016, compared to US¢ 136.1 in the same period of 2015. This decrease of 8% is primarily attributable to the control cost program reflected in savings in salaries and wages, materials and third party services, helped by the global decreased in the fuel price and the benefit of a weaker average exchange rate for the first quarter 2016 (CLP 702 per dollar) compared to the same period of 2015 (CLP 624 per dollar).
- **Operating cash flows** totaled US\$ 319 million in the first three months of 2016 compared to US\$ 408 million in the same period of 2015 principally due to the decrease in the receipts due to lower copper and molybdenum prices partially offset by lower payments to suppliers and employees as the result of the cost control program and a weaker average exchange rate.
- **Capital expenditures** decreased 27% to US\$ 396 million in the first three months of 2016 compared to US\$ 543 million in the same period of 2015, which includes maintenance and projects.



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SUMMARY FINANCIAL AND OPERATING DATA

	March 31,			
	2016	2015	Amount	Variation %
Copper Production* ('000 mft)	470	433	37	8.5
Own Molybdenum Production ('000 mft)	7	6	1	12.9
Cash Cost (Usc/Pound)	125.4	136.1	(10.7)	(7.9)
Copper Sales ('000 mft)	484	375	109	29.1
Molybdenum Sales ('000 mft)	8	7	1	21.4
LME Copper Price (Usc/Pound)	211.9	263.9	(52.0)	(19.7)
Metals Week Molybdenum Price (US\$/Pound)	5.3	8.5	(3.22)	(37.6)
Average Exchange Rate (CLP/US\$)	702	624	78	12.5
Closing Exchange Rate (CLP/US\$)	675	627	48	7.7
Total Revenues (US\$ mn)	2,719	2,729	(10)	(0.3)
Gross Profit (US\$ mn)	280	466	(186)	(40.0)
Gross Margin (%)	10.3	17.1	(6.8)	(39.8)
Adjusted EBITDA (US\$ mn)	517	910	(393)	(43.2)
Adjusted Mining EBITDA Margin (%)	23.5	41.3	(17.8)	(43.1)
Net Financial Debt** (US\$ mn)	13,121	11,967	1,154	9.6
Net Interest Expense (US\$mn)	136	122	14	11.6
Net Debt to LTM Adjusted EBITDA	4.1	2.3	1.8	79.9
Adjusted EBITDA to Net Interest Expenses	3.8	7.5	(3.7)	(49.1)
Net Debt to total Capitalization (%)	56.1	49.3	6.8	13.8
Capex (US\$ mn)	396	543	(147)	(27.1)
Contribution to the Chilean Treasury	312	298	14	4.7

*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.- Consolidated copper mine production, including El Abra and Anglo American Sur shares, increased 8.5% in the first three months of 2016 to 470 thousand tons compared to 433 thousand tons for the first quarter of 2015, due to higher production in Chuquicamata, Ministro Hales, El Teniente, Salvador and Radomiro Tomic Divisions partially offset by the decreased production in Andina and Gabriela Mistral Divisions and decreased production shares from El Abra and Anglo American Sur interests. Moreover, Codelco's own production increased 10.8% in the first quarter 2016 compared to the same period of 2015. Chuquicamata, Ministro Hales, El Teniente and Radomiro Tomic increased their productions because of higher mineral ore processed partially offset by lower ore grade. On the other hand, Salvador's production increased due to both higher ore grade and higher ore mineral processed. Andina and Gabriela Mistral diminished their production due to lower mineral ore processed. Furthermore, molybdenum production in the first three months of 2016



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increased by 12.9% to 7,186 tons from 6,364 tons in the same period of 2015 especially due to higher production in Chuquicamata Division.

Codelco Total Copper Production

	March 31,	
	2016	2015
Chuquicamata Division	66	49
Radomiro Tomic Division.....	84	79
Ministro Hales	63	51
Gabriela Mistral Division	30	32
El Teniente Division	128	118
Andina Division.....	52	56
Salvador Division	15	10
El Abra ⁽¹⁾	14	19
Anglo American Sur ⁽²⁾	19	20
CODELCO Total Production.....	470	433

(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 2016 revenues remained stable in US\$ 2.7 billion compared to the same period of 2015. Nonetheless, lower molybdenum revenues of 34.0%, as a direct consequence of a 37.6% decrease in the average molybdenum price, offset the increase of 11.0% in other by-products and services revenues, due to higher volumes sold. Revenues from copper remained stable due to the increase in the volume sold in the first quarter of 2016 compared to the same period of 2015 that total offset the 19.7% decrease in the average LME copper price.

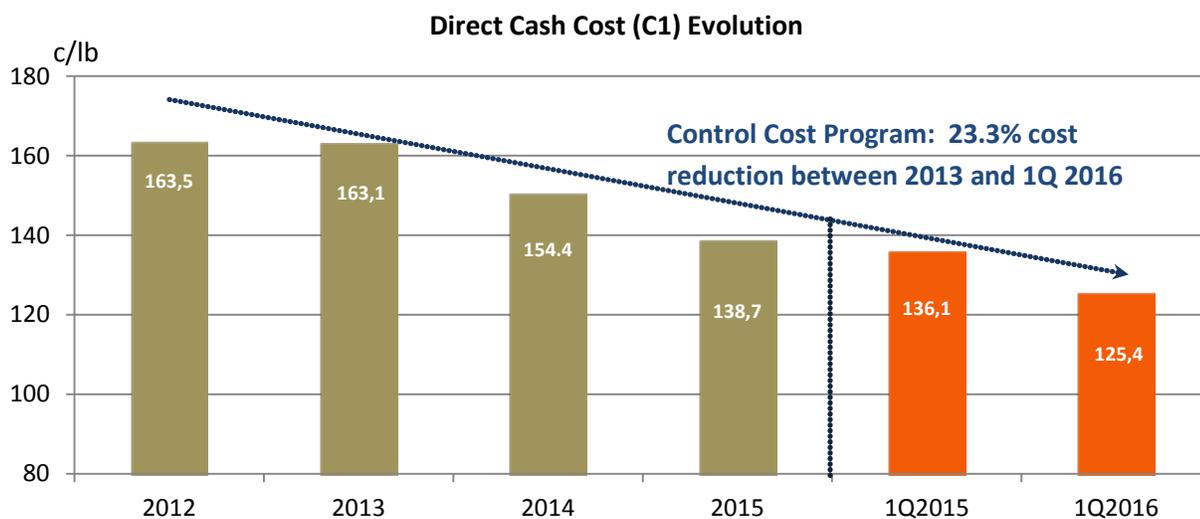
Consolidated Costs.- Unit cash costs will vary with the fluctuations in payable production and average realized prices for by-products. In the first three months of 2016, CODELCO's cash cost was 125.4 cents per pound, compared to 136.1 cents per pound in the same period of 2015. A decrease of 7.9% primarily attributable to:



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- 1) Lower operational costs: savings in wages, third party services, fuel and input costs.
- 2) Favorable exchange rate movements (1Q 2016 average exchange rate of CLP 702 per dollar compared to CLP 624 per dollar for the same period of 2015)

The cash cost reduction trend evidence the consolidation of the control cost program.



CAPITAL EXPENDITURE: STRUCTURAL PROJECTS

Chuquicamata Underground.- Progressing as scheduled (28.9% as of March 2016).

Andina Plant Reallocation.- Under construction with progress of 23.1% as of March 2016.

El Teniente New Mine Level.- Continuing strengthening the tunnels and evaluating technical alternatives to progress with the project. New mining areas are being assessed to extend the continuity of the current operation.

RT Sulphides Phase II.- Progressing the detail engineering studies (73.4% progress as of March 2016) and adjustments are being evaluated to ensure the best business case. On January 2016, the environmental impact study has been approved by the authority.

Northern District Desalination Plant.- Construction of a sea water desalination plant to contribute to the Northern district water needs.

Andina Phase II.- Developing pre-feasibility studies to assess the best business case according to market conditions.



AVERAGE METAL PRICE

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	LME Copper (US\$/lb.)	COMEX Copper (US\$/lb.)	Molybdenum (US\$/lb.)
1Q 2016	2.12	2.11	5.27
1Q 2015	2.64	2.66	8.41
2Q 2015	2.75	2.77	7.45
3Q 2015	2.38	2.40	5.75
4Q 2015	2.22	2.20	4.75
Average 2015	2.50	2.51	6.59
Variation: 1Q 2016 vs. 4Q 2015	(4.5)%	(4.1)%	10.9%
Variation: 1Q 2016 vs. 1Q 2015	(19.7)%	(20.7)%	(37.3)%

CASH FLOWS

For the first three months of 2016, net cash flow from operating activities decreased by 21.8% to US\$ 319 million from US\$ 408 million for the same period in 2015. This decrease in cash flow resulted primarily from the decrease in cash received from sales of goods mainly due to a lower average copper and by-product prices partially offset by lower payments to employees and suppliers for goods and services as a consequence of the cost control program and the favorable movements in the exchange rate.

CASH AND DEBT

At March 31, 2016, CODELCO had consolidated cash and cash equivalents for US\$ 664 million compared to US\$ 1.7 billion at the same date of 2015. At March 31, 2016, CODELCO's financial debt achieved US\$ 13.8 billion compared to US\$ 12.8 billion at March 31, 2015. CODELCO's financial debt excludes 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\$ 13.1 billion by March 31, 2016 compared to US\$ 12.0 by March 31, 2015. First quarter 2016 debt increase includes the issuance of CODELCO 2025 for US\$ 2 billion in September 2015 in the international capital markets. Regarding the bank market, after the first quarter of 2015 debt increase considers several draws of existing committed bilateral loans for a total of US\$ 191 million for the construction of a metal processing plant in Mejillones. On the other hand, since the second part of 2015 CODELCO had paid bilateral loan maturities for US\$1.1 billion, of which US\$ 688 million corresponded to 2015 maturities and the other US\$ 450 million to 2016 maturities prepayment.

* 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)	1/1/2016 03/31/2016	1/1/2015 03/31/2015	Var Amnt	%
Revenue	2,719,384	2,728,764	(9,380)	(0.3)
Cost of sales	(2,439,479)	(2,262,459)	(177,020)	7.8
Gross profit	279,905	466,305	(186,400)	(40.0)
Other Income, by function	9,490	13,975	(4,485)	(32.1)
Distribution costs	(2,817)	(2,738)	(79)	2.9
Administrative expenses	(94,457)	(101,018)	6,561	(6.5)
Other expenses	(254,508)	(238,191)	(16,317)	6.9
Other gains (losses)	6,814	5,987	827	13.8
Profit (losses) from operating activities	(55,573)	144,320	(199,893)	(138.5)
Finance income	3,947	4,311	(364)	(8.4)
Finance costs	(140,070)	(125,851)	(14,219)	11.3
Share of profit of associates and joint ventures accounted for using the equity method	7,423	8,557	(1,134)	(13.3)
Foreign exchange differences	(172,603)	92,877	(265,480)	(285.8)
Profit for the period before tax	(356,876)	124,214	(481,090)	(387.3)
Income tax expense	232,098	(117,962)	350,060	(296.8)
Profit for the period	(124,778)	6,252	(131,030)	(2,095.8)
Profit (loss) attributable to:				
Profit attributable to owners of the parent	(122,326)	15,899	(138,225)	(869.4)
Loss attributable to non-controlling interests	(2,452)	(9,647)	7,195	(74.6)
Profit for the period	(124,778)	6,252	(131,030)	(2,095.8)



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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	03/31/2016	03/31/2015
Assets		
Current Assets		
Cash and cash equivalents	663,594	798,702
Other current financial asset	11,023	25,126
Other current non-financial assets	60,232	67,602
Trade and other current receivables	1,828,400	1,763,284
Accounts receivables due from related companies, current	4,925	10,037
Inventory	1,980,010	2,584,466
Current tax asset	272,334	393,493
Total current assets	4,820,518	5,642,710
Non-current asset		
Non-current inventories	207,778	37,606
Other non-current financial assets	53,278	56,877
Other non-current non-financial assets	28,301	33,240
Non-current receivables	88,623	115,700
Accounts receivables due from related companies, non-current	17,165	224
Investment accounted for using the equity method	4,088,802	6,751,608
Intangible assets other than goodwill	188,829	18,673
Property, Plant and Equipment, net	22,835,804	22,097,910
Investment property	5,854	5,798
Total non-current asset	27,514,434	29,117,636
TOTAL ASSETS	32,334,952	34,760,346



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Liabilities

	03/31/2016	03/31/2015
Current liabilities		
Other current financial liabilities	830,856	1,094,441
Trade and other current payables	1,140,068	1,156,699
Accounts payables to related companies, current	149,516	178,314
Other current provisions	387,974	287,683
Current tax liabilities	8,743	3,236
Current employee benefit accruals	296,926	316,487
Other current non- financial liabilities	114,930	111,949
Total current liabilities	2,929,013	3,148,809
Non-current liabilities		
Other non-current financial liabilities	14,061,631	12,817,826
Accounts payables to related companies, non-current	152,459	184,538
Other non-current provisions and accrued expenses	1,260,490	1,286,993
Deferred tax liabilities	3,023,914	4,518,803
Non-current employee benefit accruals	1,296,720	1,282,725
Other non-current non-financial liabilities	4,538	4,087
Total non-current liabilities	19,799,752	20,094,972
Total liabilities	22,728,765	23,243,781
Equity		
Issued Capital	2,524,423	2,524,423
Retained earnings	(90,324)	1,787,036
Other Reserves	6,132,233	5,324,384
Equity attributable to owners of the parent	8,566,332	9,635,843
Non-controlling interests	1,039,855	1,880,722
Total equity	9,606,187	11,516,565
TOTAL LIABILITIES AND EQUITY	32,334,952	34,760,346



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CONSOLIDATED STATEMENTS OF CASH FLOWS

	1/1/2016 03/31/2016	1/1/2015 03/31/2015
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	2,801,138	3,107,308
Other cash flows provided by operating activities	419,620	602,515
Types of cash payments		
Payments to suppliers for goods and services	(1,875,350)	(2,211,507)
Payments to and on behalf of employees	(472,953)	(554,033)
Other cash flows used in operating activities	(550,241)	(570,392)
Dividends received	12,620	54,991
Income taxes paid	(15,784)	(21,066)
Net cash flows provided by operating activities	319,050	407,816
Cash flows provided by (used in) investing activities:		
Other payments to acquire equity or debt instruments of other entities	(24,861)	(1,830)
Purchases of property plant and equipment	(958,246)	(809,896)
Interest received	6,193	2,058
Other inflows (outflows) of cash	63,622	(3,639)
Net cash flows from (used in) investing activities	(913,292)	(813,308)
Cash flows used in financing activities:		
Proceeds from current borrowings	-	93,109
Repayments of borrowings	(350,000)	(102,274)
Dividends paid	-	-
Interest paid	(144,299)	(100,798)
Net cash flows used in financing activities	(494,299)	(109,963)
Net increase (decrease) in cash and cash equivalents before foreign exchange difference	(1,088,541)	(515,455)
Foreign Exchange Rate Net increase (decrease) in cash and cash equivalents	4,417	3,541
Net increase (decrease) in cash and cash equivalents	(1,084,124)	(511,914)
Cash and cash equivalents at beginning of period	1,747,718	1,310,616
Cash and cash equivalents at end of period	663,594	798,702



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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 7% of the world proven and probable copper reserves; as such term is defined by the U.S. Geological Survey. In 2015, CODELCO had an estimated 10% share of the total world copper production, with production of approximately 1.89 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 27,684 metric tons.

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