

Santiago de Chile, March 29, 2018 – Corporación Nacional del Cobre (CODELCO) reported December 31, 2017 operational and financial results:

- **Full year 2017 revenues** were US\$ 14.6 billion, 26.9% over the reported US\$ 11.5 billion for the twelve months of 2016, due to the 26.8% increase in the average LME copper price, partially offset by a decrease of 4.9% in the copper tonnage sold.
- **Adjusted EBITDA<sup>(1)</sup>** for the year 2017 was US\$ 5.7 billion (38.7% margin) compared to US\$ 2.9 billion (25.3% margin) in the same period of 2016 principally due to the increase in the average copper price.
- **Net financial debt** decreased 7.7% to US\$12.6 billion as of December 31, 2017 compared to US\$13.6 billion in the same date of 2016 principally due to higher cash available. Net debt reduction together with the increase in Adjusted EBITDA have positively impacted net debt to last twelve month adjusted EBITDA ratio reaching 2.2x compared to 4.7x as of December 31, 2016.
- **Profit before taxes** in 2017 was US\$ 1.8 billion (12.4% of sales), compared to a loss of US\$ 431 billion (-3.7% of sales) in the same period of 2016 mainly due to higher average copper price during 2017.
- **Operating cash flows** totaled US\$ 4.7 billion for full year 2017 compared to US\$ 1.9 billion in 2016 principally due to the increase in the income from sales of goods due to higher copper and molybdenum prices.
- **Capex program** of the three structural projects under construction, Chuquicamata Underground, El Teniente New Mine Level and Andina Mineral Transfer System, keeps progressing, while the feasibility study for the structural project of Inca Pit mine of El Salvador division has been authorized. On the other hand, while the overhaul of Andina Future Development project is being done to define the feasibility study authorization, the North District Desalination Plant is in the Q&A stage of the tender process.
- **Total copper mine production**, including El Abra and Anglo American Sur attributable production to CODELCO, reached 1.84 million tons in the twelve months of 2017 compared to 1.83 million tons in 2016 mainly due to higher production in Chuquicamata and Andina Divisions, partially offset by lower production in Mina Ministro Hales and El Teniente Divisions, followed by lower production coming from El Abra.
- **Direct Cash Cost C1** per pound of copper was US¢ 135.9 in 2017, compared to US¢ 126.1 in 2016. This increase of 7.8% is primarily attributable to the appreciation of the Chilean peso against the U.S. dollar and higher input prices.



## RESULTS

### DECEMBER 31, 2017

- **Nine Labor bargain agreements** were negotiated during 2017 without affecting production, with 0-1% real salary increases.

(1) Adjusted EBITDA is calculated by adding finance cost, income tax expense, depreciation and amortization of assets plus export taxes and impairment charges to profit (loss) for the period.

#### SUMMARY FINANCIAL AND OPERATING DATA

	December 31,			
	2017	2016	Variation	
			Amount	%
Copper Production <sup>(1)</sup> ('000 mft)	1,842	1,827	15	0.8
Own Molybdenum Production ('000 mft)	28.7	30.6	(1.9)	(6.4)
Cash Cost (Usc/Pound)	135.9	126.1	9.8	7.8
Own Copper Sales ('000 mft)	1,846	1,860	(14)	(0.8)
Molybdenum Sales ('000 mft)	28.9	29.8	(0.9)	(3.0)
LME Copper Price (Usc/Pound)	279.7	220.6	59.1	26.8
Metals Week Molybdenum Price (US\$/Pound)	8.1	6.4	1.7	26.6
Average Exchange Rate (CLP/US\$)	649	677	(28)	(4.1)
Closing Exchange Rate (CLP/US\$)	615	669	(54)	(8.1)
Total Revenues (US\$ mn)	14,642	11,537	3,105	26.9
Gross Profit (US\$ mn)	4,261	2,087	2,174	104.2
Gross Margin (%)	29.1	18.1	11.0	60.9
Adjusted EBITDA <sup>(2)</sup> (US\$ mn)	5,661	2,918	2,743	94.0
Adjusted EBITDA Margin (%)	38.7	25.3	13.4	53.0
Net Financial Debt <sup>(3)</sup> (US\$ mn)	12,550	13,597	(1,047)	(7.7)
Net Interest Expense (US\$m)	615	524	91	17.3
Net Debt to LTM Adjusted EBITDA	2.22	4.66	(2.44)	(52.4)
Adjusted EBITDA to Net Interest Expenses	9.2	5.6	3.6	65.3
Net Debt to total Capitalization (%)	50.4	56.5	(6.1)	(10.9)
Contribution to the Chilean Treasury	1,366	942	424	45.0

(1) Includes El Abra and Anglo American Sur attributable production to CODELCO

(2) Adjusted Ebitda is defined as Net Income plus Income Tax, Royalty, Export Tax, Interest Expenses and Depreciation and Amortization

(3) 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 attributable production to CODELCO, increased 0.8% in 2017 to 1,842 thousand tons compared to 1,827 thousand tons for 2016, mainly due to higher production coming from Chuquicamata and Andina Divisions, partially offset by lower production in Mina Ministro Hales and El Teniente divisions in addition to the decreased production coming from El Abra. CODELCO's own production increased 1.5% in 2017 compared to 2016 mainly due to increase in mineral ore mined in Chuquicamata and Andina Divisions partially offset by the decrease in mineral ore mined in Mina Ministro Hales Division and lower ore grade in El Teniente Division. Furthermore, molybdenum production in 2017 decreased by 6.4% to 28,674 tons from 30,641 tons in 2016 primarily due to lower production in Chuquicamata.

DIVISION		2017	2016
Copper Production (K ton)	Chuquicamata	331	302
	Radomiro Tomic	319	318
	Mina Ministro Hales	215	237
	Gabriela Mistral	123	122
	El Teniente	464	475
	Andina	220	193
	Salvador	62	60
	El Abra <sup>(1)</sup>	38	49
	Anglo American Sur <sup>(2)</sup>	70	71
	<b>CODELCO Total</b>	<b>1,842</b>	<b>1,827</b>

(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).

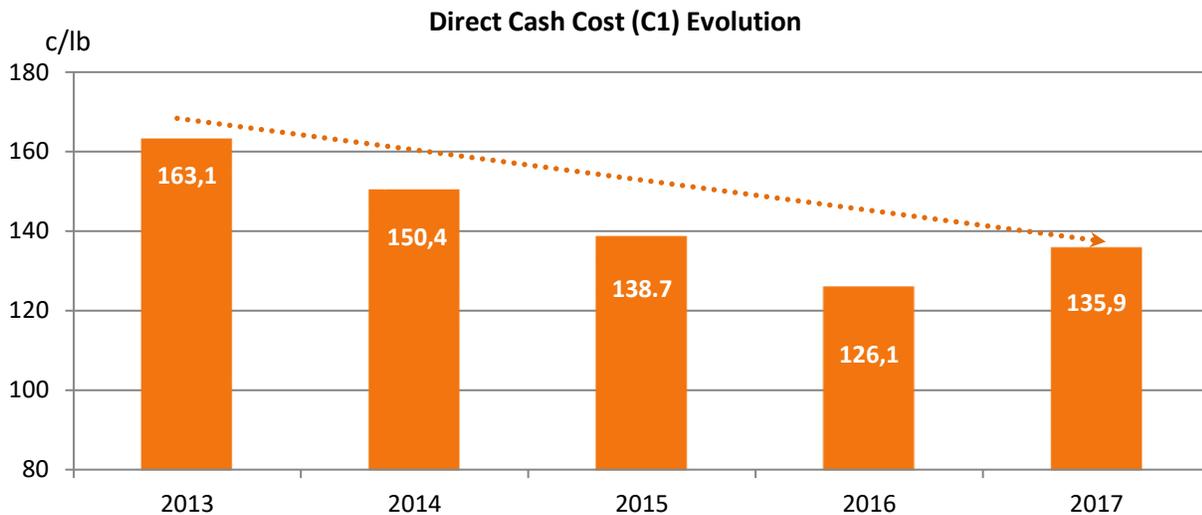
**Revenues.-** Year end 2017 revenues reached US\$ 14.6 billion from US\$ 11.5 billion in 2016, increasing a 26.9% mainly attributable to the 26.8% copper price increase. Copper price effect was slightly offset by a 4.9% decrease in the total copper tonnage sold during 2017 compared to the same period of 2016, mainly due to third-party copper sold decrease by 24.3% and own copper sold decrease by 0.8%. CODELCO purchases from third parties are executed at the spot market to meet requirements under sales contracts. Molybdenum revenues increased 19.8% principally due to a 26.6% price growth.



## RESULTS DECEMBER 31, 2017

**Consolidated Costs.-** Unit cash costs will vary with fluctuations in payable production and average realized prices for by-products. During 2017, CODELCO's cash cost was 135.9 cents per pound, compared to 126.1 cents per pound in 2016. An increase of 7.8% primarily attributable to:

- 1) Higher operational costs: input prices, specially fuel and energy.
- 2) Chilean peso appreciation (2017 average exchange rate was CLP 649 per dollar compared to CLP 677 per dollar for 2016) affecting costs denominated in local currency



### CAPITAL EXPENDITURE: STRUCTURAL PROJECTS

**Chuquicamata Underground:** Under construction with a 51.3% total progress as of December 2017. Main access tunnel has been completed and ready to function. 96 kilometers of tunnels have been built from a total of 140 kilometers. In operation by 2019.

**Andina Mineral Transfer System:** Under construction with a 48.6% total progress as of December 2017. The excavation for the primary crushing is completed and contracts for civil works and electromechanical assembly have been granted. In operation by 2020.

**El Teniente New Mine Level:** Under construction with a 44.6% total progress as of December 2017. 39 kilometers of tunnels have been built from a total of 80 kilometers. In operation by 2023.

**Salvador Inca Pit projects:** The feasibility study was authorized.

**Andina Development:** Overhaul is being done to define the feasibility study authorization.

**North District Desalination Plant.-** Tender process in the Q&A stage.

**New Emission Standards for Smelters (DS N°28):** Total capex of US\$2.0 billion to comply with environmental regulation:

- **Ventanas:** 100% progress - Project completed.
  - **Salvador:** 76% progress.
  - **Chuquicamata:** 47% progress.
  - **El Teniente:** 43% progress.
- } To be completed by  
December 2018

### AVERAGE METAL PRICE

	LME Copper (US\$/lb.)	COMEX Copper (US\$/lb.)	Molybdenum (US\$/lb.)
<b>1Q 2017</b>	2.65	2.65	7.74
<b>2Q 2017</b>	2.57	2.58	8.00
<b>3Q 2017</b>	2.88	2.89	8.05
<b>4Q 2017</b>	3.09	3.10	8.72
<b>Average 2017</b>	2.80	2.80	8.13
<b>1Q 2016</b>	2.12	2.11	5.27
<b>2Q 2016</b>	2.15	2.13	6.89
<b>3Q 2016</b>	2.17	2.16	6.94
<b>4Q 2016</b>	2.40	2.39	6.58
<b>Average 2016</b>	2.21	2.20	6.42
<b>Variation: 4Q 2017 vs. 3Q 2017</b>	7.3%	7.3%	8.3%
<b>Variation: 4Q 2017 vs. 4Q 2016</b>	28.8%	29.7%	32.5%
<b>Variation: 2017 vs. 2016</b>	26.7%	27.3%	26.6%

### CASH FLOWS

Year end 2017 net cash flows from operating activities increased by 148.0% to US\$ 4.7 billion compared to US\$ 1.9 billion in 2016, principally due the increase in cash received from the sales of goods as a direct consequence of higher average prices for CODELCO's product portfolio, mainly copper and molybdenum.

### CASH AND DEBT

At December 31, 2017, CODELCO had consolidated cash and cash equivalents for US\$ 1.4 billion compared to US\$ 577 million at the same date of 2016. As of December 31, 2017, CODELCO's financial debt<sup>(1)</sup> decreased to US\$ 14.0 billion, 1.2% reduction from US\$14.2 as of December 31, 2016. CODELCO's net financial debt<sup>(1)</sup> reached US\$ 12.6 billion as of December 31, 2017, 7.7% lower compared to US\$ 13.6 as of December 31, 2016. Twelve months 2017 debt movements include the issuance of CODELCO 2027 for US\$ 1.50 billion and CODELCO 2047 for US\$ 1.25 billion to buy-back short and medium term debt for US\$ 2.4 billion (Any & All tender offer for 2019, 2020 and 2021

notes and maximum tender offer for 2022, 2023 and 2025 notes). Since January 1, 2017, CODELCO has done rollovers for US\$600 million bilateral loan maturities and repaid loans for US\$ 656 million.

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

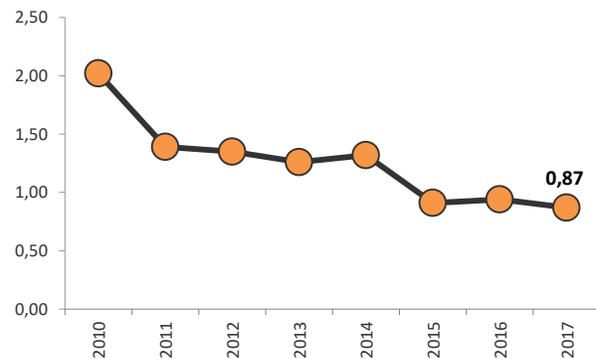
**SUSTAINABILITY FOCUS: ENVIRONMENTAL, SOCIAL AND GOVERNANCE**

**Safety.-** The accident severity rate registered a decrease of 45%, the second lowest in the company's history, and frequency rate decline 7% reaching the lowest accident frequency rate in history. Nonetheless, the Company regrets two fatalities during 2017.

Severity Rate – Own Staff & Contractors  
(Days lost & days charged / Million hours worked)



Frequency Rate- Own Staff & Contractors  
(Lost time injury / Million hours worked)



**Labor Bargain Agreements.-** During 2017 CODELCO negotiated 9 collective bargain agreements without any conflicts or work stoppages or production impacts. These agreements include a sustainable 0-1% real salary increase.

Collective Bargain Agreements				
Division	Union	Date	Real Wage Increase	Contract Length (months)
Salvador	Supervisors	may-17	0%	24
Radomiro Tomic	Supervisors	sep-17	0%	35
Headquarters	Supervisors	oct-17	0%	32
El Teniente	Supervisors	oct-17	0%	36
El Teniente	Workers	nov-17	0%	36
El Teniente	Workers	nov-17	0%	36
Ventanas	Workers	dic-17	1%	36
Ventanas	Workers	dic-17	1%	36
Headquarters	Workers	dic-17	1%	36

**Transparency and Reputation.-** During 2017 CODELCO has been recognized with national and international awards, highlighting:



**Leading Company in Corporate Governance**, in Chile

**Leading Company in Investor Relations**, in Chile



**2° place of Corporate Sustainability Index (CSI)**



**1° place of Corporate Transparency Index**, among public companies



**1° place among mining companies**



**100% compliance with the Chilean Transparency Law**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

Profit (loss)	Twelve month ended December 31,		
	2017	2016	Δ %
Revenue	14,641,555	11,536,751	26.9
Cost of sales	(10,380,403)	(9,449,668)	9.8
<b>Gross profit</b>	<b>4,261,152</b>	<b>2,087,083</b>	<b>104.2</b>
Other Income, by function	154,332	138,474	11.5
Distribution costs	(10,403)	(11,891)	(12.5)
Administrative expenses	(428,140)	(415,395)	3.1
Other expenses	(1,557,437)	(1,324,149)	17.6
Other gains (losses)	32,605	29,400	10.9
<b>Profit (losses) from operating activities</b>	<b>2,452,073</b>	<b>503,522</b>	<b>387.0</b>
Finance income	29,836	23,402	27.5
Finance costs	(644,610)	(547,347)	17.8
Share of profit of associates and joint ventures accounted for using the equity method	185,428	(177,358)	(204.6)
Foreign exchange differences	(206,058)	(232,895)	(11.5)
<b>Profit for the period before tax</b>	<b>1,816,669</b>	<b>(430,676)</b>	<b>(521.8)</b>
Income tax expense	(1,193,067)	97,096	(1.328.7)
<b>Profit for the period</b>	<b>623,602</b>	<b>(333,580)</b>	<b>(286.9)</b>
Profit (loss) attributable to:			
Profit attributable to owners of the parent	569,175	(275,418)	(306.7)
Loss attributable to non-controlling interests	54,427	(58,162)	(193.6)
<b>Profit for the period</b>	<b>623,602</b>	<b>(333,580)</b>	<b>(286.9)</b>

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

<b>Assets</b>	<b>December 31,</b>	
<b>Current Assets</b>	<b>2017</b>	<b>2016</b>
Cash and cash equivalents	1,448,835	576,726
Other current financial asset	1,327	9,861
Other current non-financial assets	25,638	28,638
Trade and other current receivables	2,815,352	2,254,731
Accounts receivables due from related companies, current	64,344	13,669
Inventory	1,829,698	1,800,270
Current tax asset	21,623	6,523
Non-current assets or groups of assets for disposition classified as held to distribute to owners	4,236	
<b>-Total current assets</b>	<b>6,211,053</b>	<b>4,690,418</b>
<b>Non-current asset</b>		
Non-current inventories	428,447	337,411
Other non-current financial assets	149,526	70,585
Other non-current non-financial assets	11,575	14,317
Non-current receivables	91,442	95,316
Accounts receivables due from related companies, non-current	25,830	21,713
Investment accounted for using the equity method	3,665,601	3,753,974
Intangible assets other than goodwill	219,117	196,897
Property, Plant and Equipment, net	25,275,512	23,977,261
Investment property	981	5,377
Assets for current taxes, not current	233,772	233,886
Deferred tax assets	43,285	23,975
<b>Total non-current asset</b>	<b>30,145,088</b>	<b>28,730,712</b>
<b>TOTAL ASSETS</b>	<b>36,356,141</b>	<b>33,421,130</b>

**Liabilities**

	<b>December 31,</b>	
	<b>2017</b>	<b>2016</b>
<b>Current liabilities</b>		
Other current financial liabilities	324,388	352,610
Trade and other current payables	1,915,768	1,208,126
Accounts payables to related companies, current	123,791	103,894
Other current provisions	324,631	290,002
Current tax liabilities	58,690	9,582
Current employee benefit accruals	516,681	439,585
Other current non- financial liabilities	51,507	58,654
<b>Total current liabilities</b>	<b>3,315,456</b>	<b>2,462,543</b>
<b>Non-current liabilities</b>		
Other non-current financial liabilities	14,648,004	14,931,469
Other non-current liabilities	44,983	62,651
Accounts payables to related companies, non-current	-	-
Other non-current provisions and accrued expenses	1,711,802	1,592,612
Deferred tax liabilities	4,314,237	3,167,914
Non-current employee benefit accruals	1,392,659	1,308,871
Other non-current non-financial liabilities	3,662	4,751
<b>Total non-current liabilities</b>	<b>22,115,347</b>	<b>21,068,268</b>
<b>Total liabilities</b>	<b>25,430,803</b>	<b>23,530,721</b>
<b>Equity</b>		
Issued Capital	4,619,423	3,624,423
Retained earnings	(36,672)	(30,072)
Other Reserves	5,335,092	5,317,392
<b>Equity attributable to owners of the parent</b>	<b>9,917,843</b>	<b>8,911,743</b>
Non-controlling interests	1,007,495	978,666
<b>Total equity</b>	<b>10,925,338</b>	<b>9,890,409</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>36,356,141</b>	<b>33,421,130</b>

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Twelve month ended December 31,</b>	
	<b>2017</b>	<b>2016</b>
<b>Cash flow provided by (used in) operating activities:</b>		
Cash income provided by operating activities		
Cash flows provided by sales of goods and rendering of services	14,521,538	11,255,159
Other cash flows provided by operating activities	1,657,104	1,636,941
Types of cash payments		
Payments to suppliers for goods and services	(7,822,093)	(7,363,896)
Payments to and on behalf of employees	(1,614,446)	(1,664,512)
Other cash flows used in operating activities	(2,223,368)	(2,014,134)
Dividends received	232,129	78,297
Income taxes paid	(31,224)	(25,051)
<b>Net cash flows provided by operating activities</b>	<b>4,719,640</b>	<b>1,902,804</b>
<b>Cash flows provided by (used in) investing activities:</b>		
Other payments to acquire equity or debt instruments of other entities	-	(46,926)
Purchases of property plant and equipment	(3,411,496)	(3,013,865)
Interest received	15,290	11,797
Other inflows (outflows) of cash	(49,897)	52,970
<b>Net cash flows from (used in) investing activities</b>	<b>(3,446,103)</b>	<b>(2,996,024)</b>
<b>Cash flows used in financing activities:</b>		
Payments of other equity interests	-	1,190
Proceeds from borrowings	3,050,000	884,472
Repayments of borrowings	(3,375,216)	(851,904)
Payments of liabilities for financial leases	(25,565)	(17,486)
Dividends paid	(273,332)	-
Interest paid	(582,471)	(588,283)
Other inflows (outflows) of cash	785,863	500,000
<b>Net cash flows used in financing activities</b>	<b>(420,721)</b>	<b>(72,011)</b>
<b>Net increase (decrease) in cash and cash equivalents before foreign exchange difference</b>	<b>852,816</b>	<b>(1,165,231)</b>
Foreign Exchange Rate Net increase (decrease) in cash and cash equivalents	19,293	(5,761)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>872,109</b>	<b>(1,170,992)</b>
Cash and cash equivalents at beginning of period	<b>576,726</b>	<b>1,747,718</b>
Cash and cash equivalents at end of period	<b>1,448,835</b>	<b>576,726</b>



### **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 2017, CODELCO had an estimated 9% 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 9% share of the world's molybdenum production with own production of approximately 28,674 metric tons.

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As an Industry Standard, Codelco divides its mineral holdings into two categories, reserves and resources. Resources are ore bodies of economic value that have been identified and evaluated through exploration, reconnaissance and sampling. Reserves are the portion of the resource that can be extracted based on an economic, environmental and technological analysis set forth in the mining plan. Reserves and resources are both subdivided further, based on the degree of knowledge that Codelco has of their extent and composition. The system used by Codelco for categorizing mineral ore is according to the Chilean law (N° 20.235) which is in accordance with others systems widely used within the mining industry. The "Comisión Calificadora de Competencias en Recursos y Reservas Mineras" is the independent Chilean entity who regulates this and it is part of the Committee for Mineral Reserves International Reporting Standards (CRISCO).