

# CodeIco Results 1Q 2013

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**Iván Arriagada**  
**Vice-President for Administration & Finance**

Press Conference  
30 May 2013

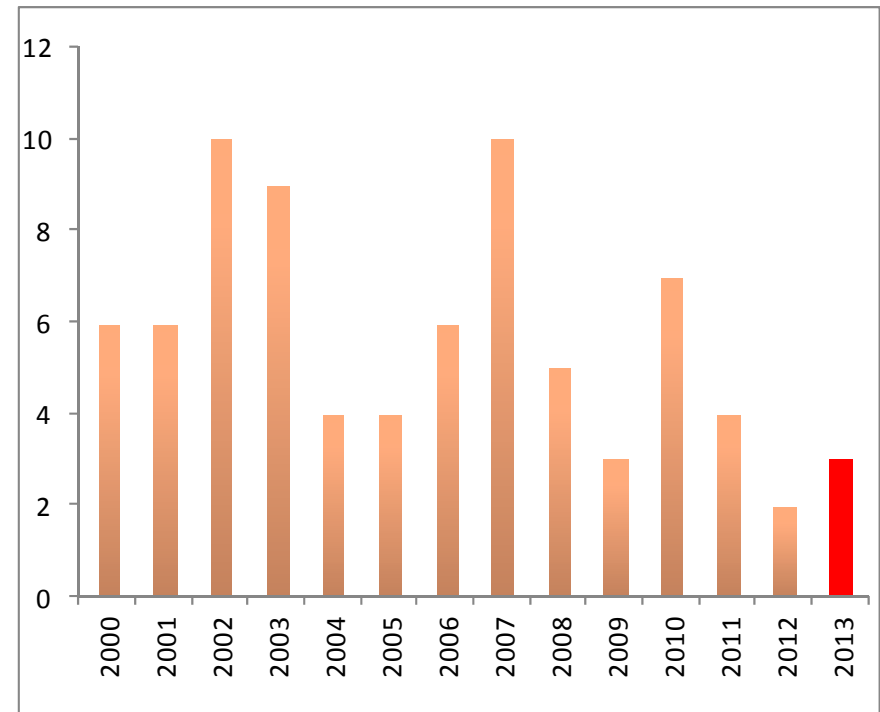


# Accident Rate

**Staff & Contractor Frequency Rate (Lost Time Accidents / million hours worked)**



**Staff & Contractor Fatalities (Number of Fatal Accidents)**



**In 2013, we had to regret the death of three employees.**

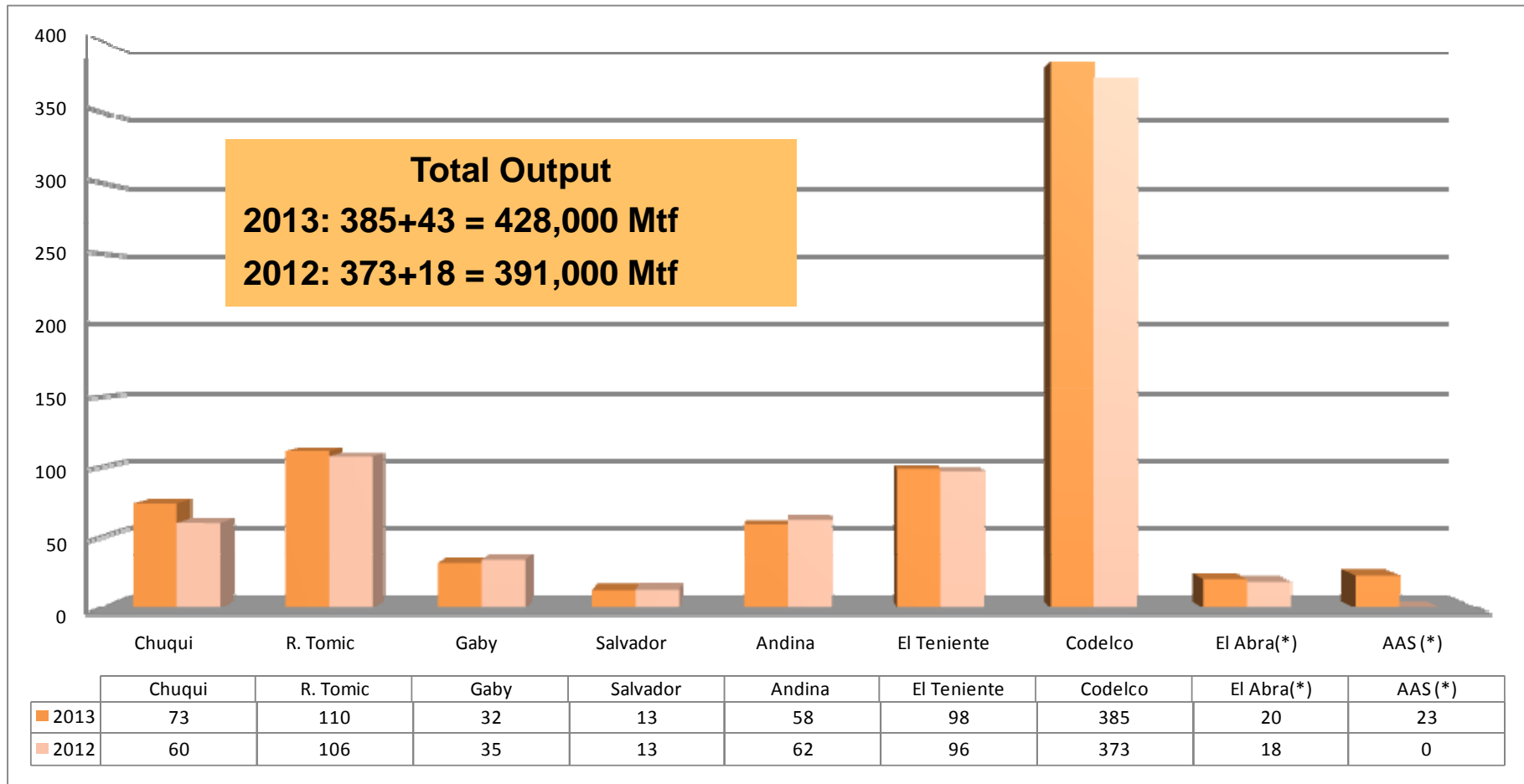
**In spite of improving the accident rate, by implementing the Occupational Health and Safety Structural Project (PESSO), we have had to regret 3 fatal accidents this year.**

**We continue to reinforce the implementation of PESSO, in order to eliminate fatalities and be consistent with the first Codelco value: Respect for Life and Dignity of People**



# Copper Production (kMtf)

## 1st Quarter 2012-2013



(\*) Proportion of output related to Codelco's stake

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# Relevant Events January-March 2013

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- **Strike at Radomiro Tomic:** the Division's staff went on a 7-day strike,
- **Port Strike:** Port workers went on a 20-day strike, of which 15 days were in March, delaying shipments of 60,000 tons of copper. The strike mainly affected Puerto Angamos, in the 2nd region, but then it spread to other ports across Chile. Shipments will be back to normal during the second quarter.
- **Wather conditions Andina Division:** During January and February adverse weather conditions affected the normal operation of Adina over a period of three days.
- **New Division :** from 1 January Minera Gaby subsidiary officially became the new Gabriela Mistral Division.
- **Investments and Projects :** Progress of structural growth projects as at 31 March:
  - **Ministro Hales:** implementation stage is about to be completed, i.e., pre-stripping and building mine facilities; physical progress is 87.5 %
  - **New El Teniente Mine Level:** continues conducting implementations stage (10.7% progress), building main tunnels, ventilation Adits and developing mine interior and road.
  - **Underground Chuquicamata Mine:** completed feasibility study in November and is currently building permanent early works (45.6 % progress).
  - **Andina 244 Expansion:** completed feasibility study and is currently processing its Environmental Impact Study, with the civic engagement process.
  - **RT Sulphide Expansion:** still conducting feasibility study and preparing its Environmental Impact Study.

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# Relevant Events January-March 2013

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- **Energy:** in February the Luz Minera gas plant commenced its environmental assessment. Energy companies taking part in the tender process, which Codelco will begin at the end of 2013, will have access to this project located in Mejillones.

As for ERNC, in March the first stone was placed for the Solar Plant that will heat the process water at Gabriela Mistral Division .

- **Human Resources:** Codelco increased the number of women hired; in March the percentage of female employees was 8.5% of its workforce (1,653 employees). Overall in 2012, 14.1% of new hires were women.

- **New uses for copper:** in March, Codelco and Arauco launched a new product that uses the antimicrobial properties of copper: Vesto melamine, a 100% Chilean product created using InCopper® technology.

During this quarter, the Intensive Care Unit at Roberto del Río Children's Hospital in Santiago, which has 6 rooms and 2 ICU rooms, was equipped with copper touch surfaces to reduce intrahospital infections.

- **Social Responsibility:** Codelco received the Sello Pro Pyme award, given by the Ministry of Economy to companies that have committed to pay its SME suppliers within thirty days, benefiting small-sized enterprises in Chile. 43% of Codelco's more than 9,500 suppliers are in this segment.

Codelco will promote a new children's Symphony Orchestra in the city of Diego de Almagro. This is in addition to similar initiatives in Los Andes, Mejillones and Til Til, which are also sponsored by Codelco .



# Performance January-March

## Output and Price Data

	2013	2012
<b>Own Copper Output – (1,000 metric tons)</b>	<b>385</b>	<b>373</b>
<b>Own Copper Output including El Abra &amp; Anglo – (1,000 metric tons)</b>	<b>428</b>	<b>391</b>
Molybdenum Output - (1,000 metric tons)	5	5
Acid Surplus Output – (1,000 metric tons)	608	760
Silver Output (*) – ton	64	79
Gold Output (*) – ton	0,6	0,6
<b>Copper Sales (**) – )1,000 fine metric tons)</b>	<b>359</b>	<b>392</b>
<b>Own copper</b>	<b>332</b>	<b>350</b>
<b>Third-party copper</b>	<b>27</b>	<b>42</b>
<b>Molybdenum Sales (1,000 fine metric tons)</b>	<b>5</b>	<b>5</b>
LME copper prices (c/lb)	359,8	376,9
Metals Week molybdenum price	25,0	31,3
Sulphuric acid price	108	150
Gold price	1.631	1.692
Silver prices	30,1	32,6
Exchange Rate	472	489
CPI	109,1	107,5

(\*) Gold and silver contained in anode slimes, concentrates, anodes and blister

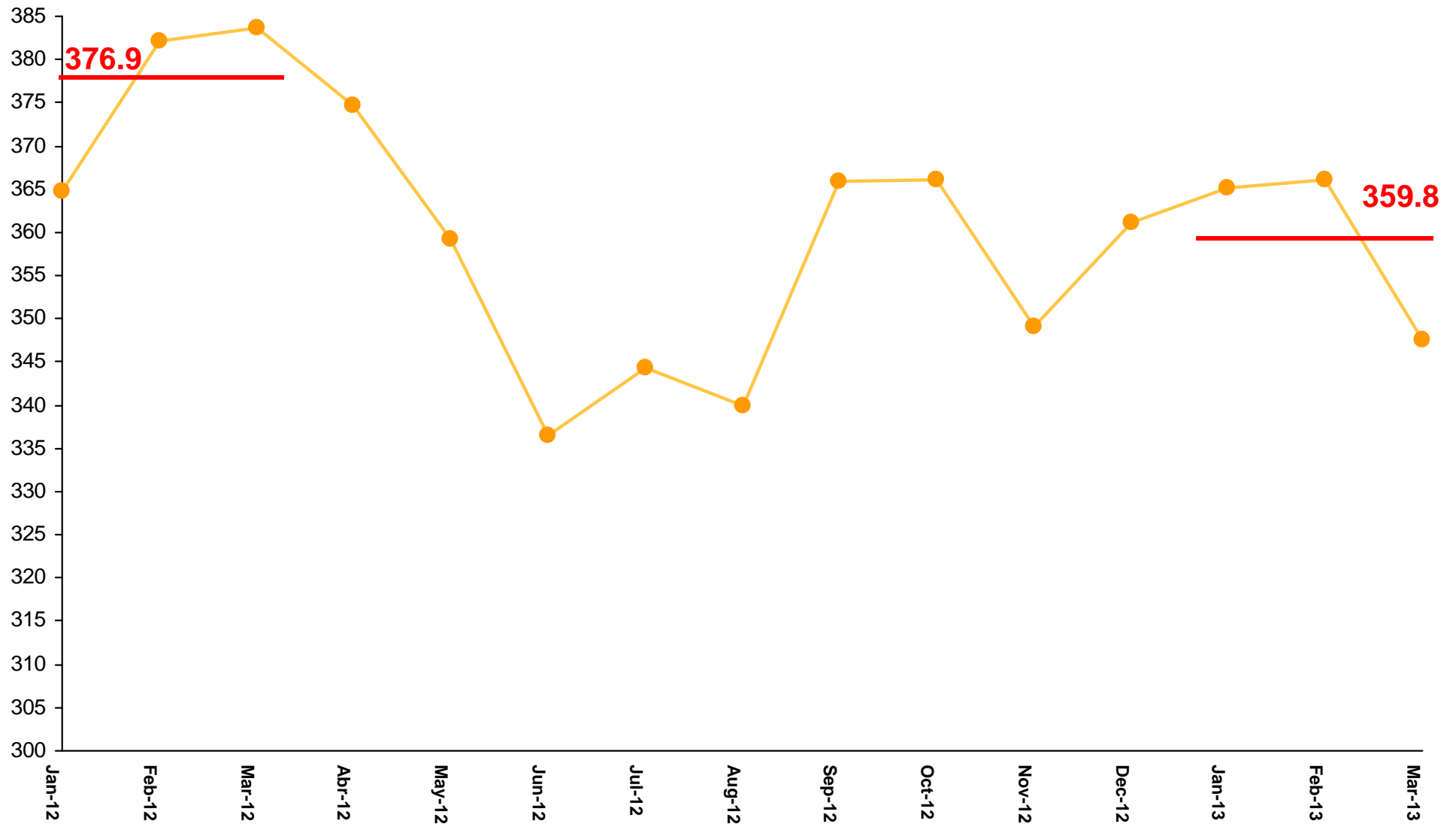
(\*\*) Includes third-party mineral ore

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# Copper Price Chart (c/lb)

## 2012-2013

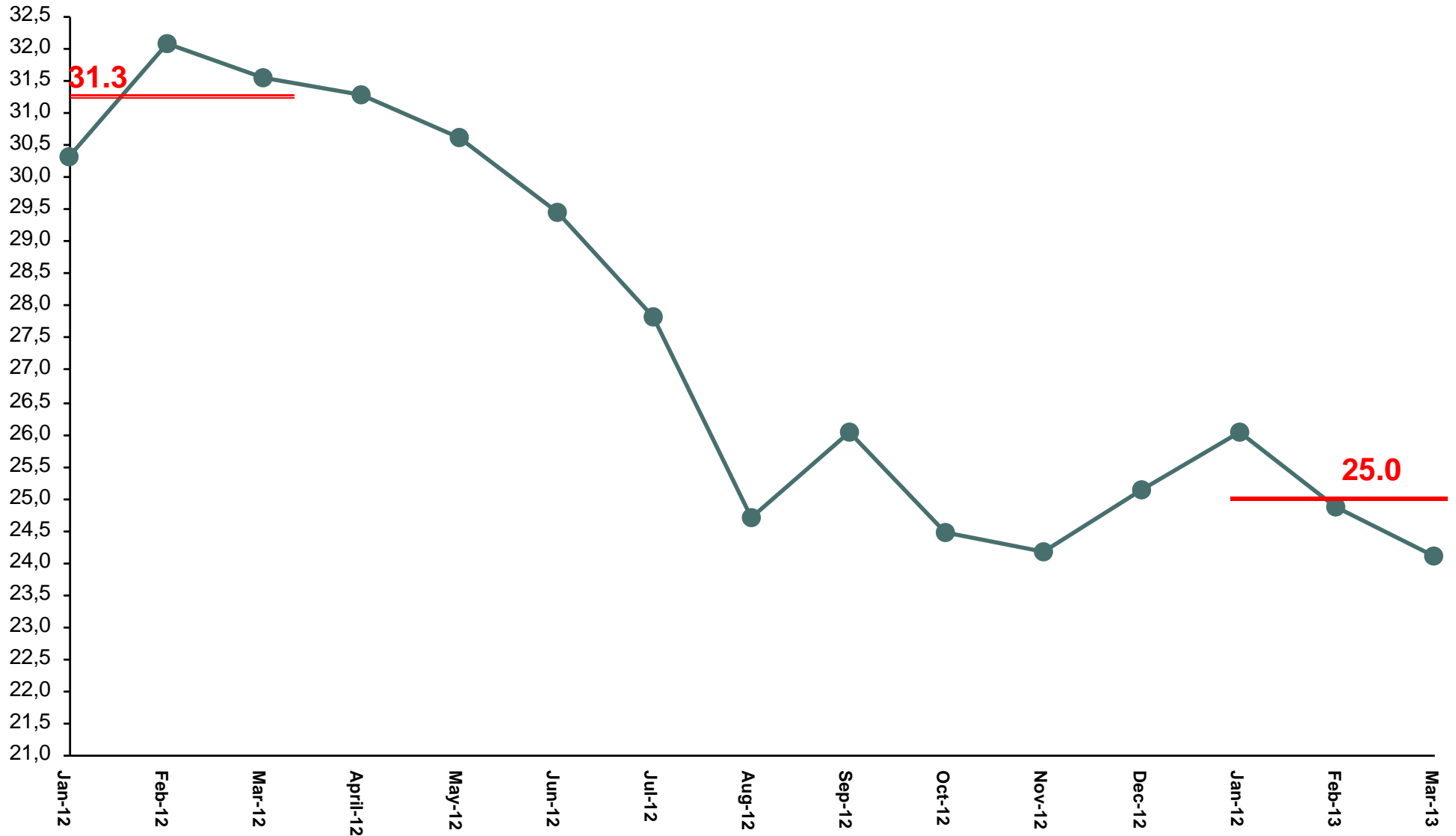


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# Molybdenum Price Chart (US\$/Kg)

## 2012-2013



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# Codelco Results

## Copper Output

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# First Quarter Production (KMtf) By Division

	2013	2012	Var	%
<b>Chuquicamata</b>	<b>73,3</b>	<b>60,0</b>	<b>13,2</b>	<b>22%</b>
<b>Radomiro Tomic</b>	<b>110,1</b>	<b>106,4</b>	<b>3,7</b>	<b>3%</b>
<b>Gaby</b>	<b>32,4</b>	<b>34,6</b>	<b>-2,3</b>	<b>-7%</b>
<b>Salvador</b>	<b>12,6</b>	<b>12,9</b>	<b>-0,3</b>	<b>-2%</b>
<b>Andina</b>	<b>58,2</b>	<b>62,1</b>	<b>-3,8</b>	<b>-6%</b>
<b>El Teniente</b>	<b>98,0</b>	<b>96,5</b>	<b>1,6</b>	<b>2%</b>
<b>Own Copper Output</b>	<b>384,6</b>	<b>372,5</b>	<b>12,1</b>	<b>3%</b>
<b>El Abra</b>	<b>20,1</b>	<b>18,2</b>	<b>1,9</b>	<b>11%</b>
<b>AAS</b>	<b>22,8</b>	<b>-</b>	<b>22,8</b>	<b>-</b>
<b>Total Copper Output</b>	<b>427,5</b>	<b>390,7</b>	<b>36,8</b>	<b>9%</b>

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# Codelco Results

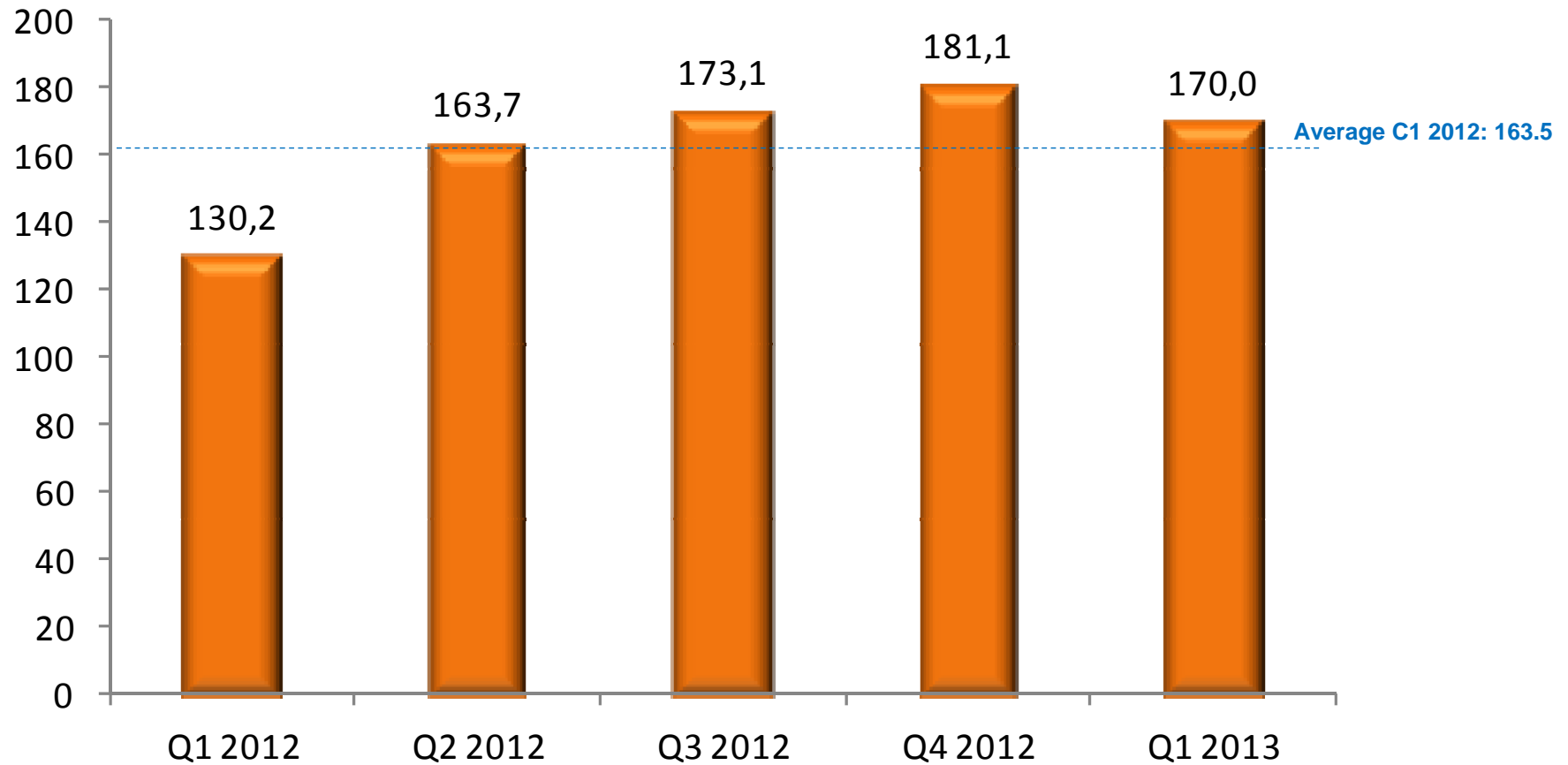
## Costs

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# Quarterly C1 Cost Trends (c/lb)



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# Total C1 Cost Variance Analysis

(US c/lb of Copper)

<b>C1 Cost 2012</b>	<b>163,5</b>
Effect of CPI, Exchange Rate & US PPI	4,8
Lower by-product credit	6,9
Lower electricity prices	-4,4
Lower services & input prices	-1,9
<b>Subtotal</b>	<b>5,4</b>
Lower third-party services	-2,8
Lower input costs	-0,5
Copper mine variables	2,2
Processing & other costs	0,9
Salaries & benefits	1,3
<b>Subtotal</b>	<b>1,1</b>
<b>C1 Cost Jan-Mar 2013</b>	<b>170,0</b>
<b>Difference</b>	<b>6,5</b>

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# Direct Costs January-March 2013 vs. 2012 (US c/lb of copper)

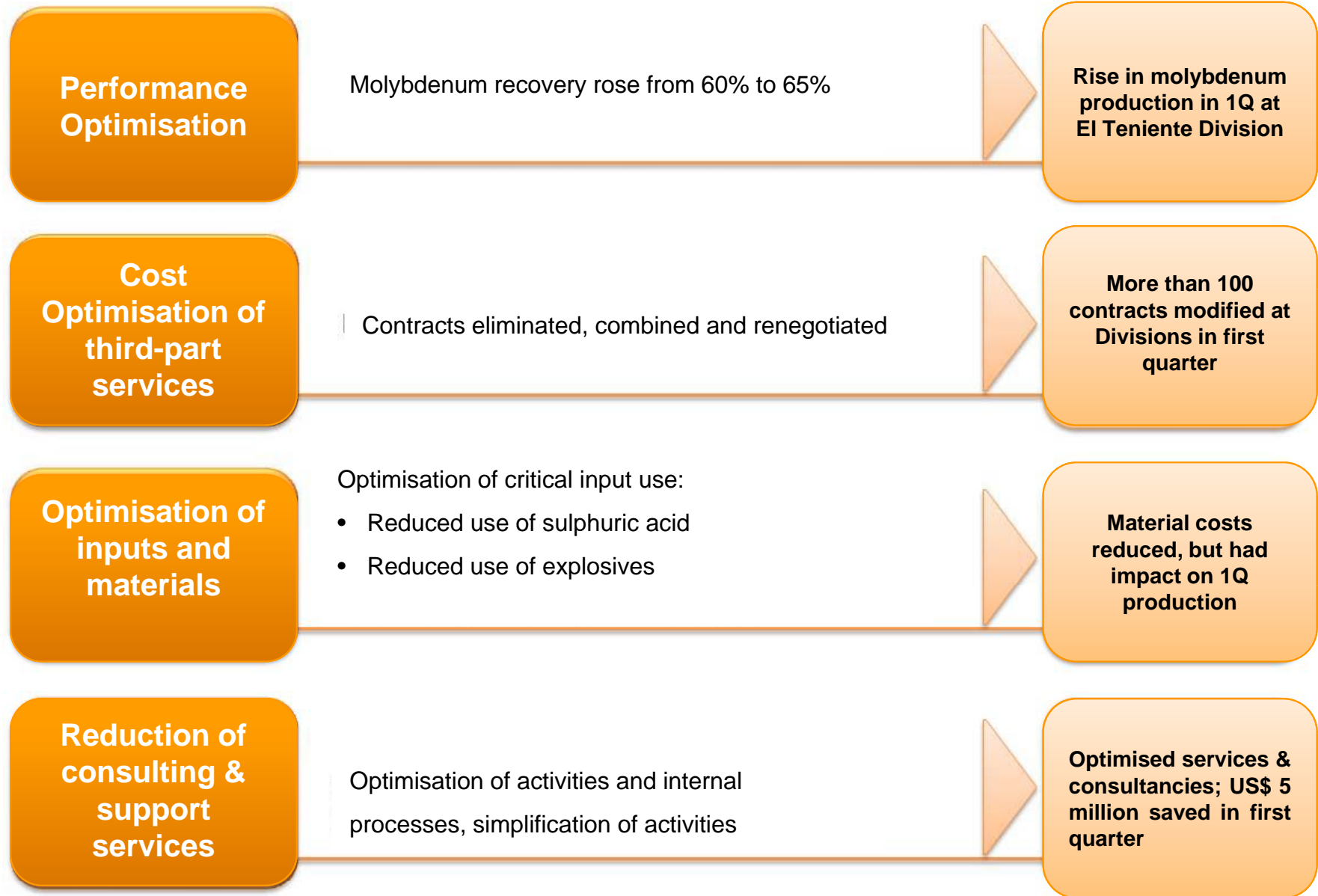
	2013	2012
<b>Direct Cash Cost (C1)</b>	<b>170,0</b>	<b>163,5</b>
Depreciation & amortization	44,0	41,5
Financial Expenses	7,8	9,1
Total non-operating expenses	2,3	23,0
Corporate Office expenses	4,9	4,5
<b>Net Cathode Cost (C3)</b>	<b>229,0</b>	<b>241,7</b>
TC-RC costs	-4,6	-4,8
By-product credit	20,6	27,7
<b>Total Costs &amp; expenses</b>	<b>245,0</b>	<b>264,5</b>

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# Production and Cost Improvements

## Examples 1st Quarter 2013



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# Codelco Results

## Pretax Profits and Earnings

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# Income Statement

## 1st Quarter (US\$ millions)

	2013	2012
Copper sales revenue	2.668	3.164
Copper sales cost	-1.749	-1.703
<b>Gross profit – copper sales</b>	<b>919</b>	<b>1.461</b>
<b>Gross profit – by-product &amp; other products sales</b>	<b>109</b>	<b>195</b>
<b>GROSS PROFIT</b>	<b>1.028</b>	<b>1.656</b>
Non-operating income	-160	-145
<b>PRE-TAX PROFIT</b>	<b>868</b>	<b>1.511</b>
COMPARABLE PROFIT(*)	665	1.175

(\*) Equivalent to Codelco's profit applying the same tax requirements as private sector companies

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# Pretax Profit Distribution

1st Quarter (US\$ millions)

	2013	2012
Reserve Tax Law No. 13,196	268	305
Income Tax	307	653
Specific Mining Tax	35	70
Profit	258	483
<b>TOTAL PRE-TAX PROFIT</b>	<b>868</b>	<b>1.511</b>
<b>COMPARABLE PROFIT (*)</b>	<b>665</b>	<b>1.176</b>

(\*) Equivalent to Codelco's profit applying the same tax requirements as private sector companies



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