

Santiago de Chile, March 31, 2017 – Corporación Nacional del Cobre (CODELCO) reported December 31, 2016 operational and financial results:

- **Full year 2016 revenues** were US\$ 11.5 billion, 1.3% below the reported US\$ 11.7 billion for the twelve months of 2015, due to the 11.5% decrease in the average LME copper price, partially offset by an increase in the copper volume sold.
- **Adjusted EBITDA** for the year 2016 was US\$ 3.1 billion (26.7% margin) compared to US\$ 3.6 billion (30.6% margin) in the same period of 2015 principally due to the decrease in the average copper price and the negative impact of the exchange rate difference in 2016.
- **Loss before taxes** in 2016 was US\$ 431 million (-3.7% of sales), compared to US\$ 3.1 billion (-26.1% of sales) in the same period of 2015 basically due to the sharp decline in impairment and other non-cash charges registered, partially offset by a lower average copper price during 2016 and the impact of the foreign exchange rate differences due to the strength of the Chilean peso to CLP 669 per dollar as of December 31, 2016 from CLP 710 per dollar as of December 31, 2015.
- **Own copper mine production** in the twelve months of 2016, reached 1.707 million tons compared to 1.732 million tons in 2015 mainly due to an ore grade decrease of 6.9% reaching 0.71 in 2016 from 0.77 in 2015, partially offset by a 4.9% increase in mineral ore processed. Andina division diminished its productions, which was partially offset by higher production in Salvador division. Total production including El Abra and Anglo American Sur shares, decreased 3.4% in the twelve months of 2016 to 1.83 thousand tons compared to 1.89 million tons for the same period of 2015, especially due to lower production coming from Anglo American Sur, El Abra and Andina division.
- **Direct Cash Cost C1** per pound of copper was US¢ 126.1 in 2016, compared to US¢ 138.7 in 2015. This decrease of 9.0% is primarily attributable to the cost control program reflected in savings in salaries and wages, materials and third party services, helped by the global decrease in the fuel price and the benefit of a weaker average exchange rate for 2016 (CLP 677 per dollar) compared to the same period of 2015 (CLP 654 per dollar).
- **Operating cash flows** totaled US\$ 1.89 billion for full year 2016 compared to US\$ 3.40 billion in 2015 principally due to the decrease in the income from sales of goods due to lower copper and molybdenum prices as well as higher payments done to goods and services suppliers.
- **Capex program** has been adjusted to US\$18 billion for the five-year period ending in 2020, changing from a simultaneous project development strategy to a layered execution one. CODELCO invested US\$2.8 billion during 2016 maintaining its debt level.
- **7 Labor bargain agreements** have been negotiated during 2016 without affecting production, non-real salary increases and 40% bonuses reduction compared to previous agreements.



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SUMMARY FINANCIAL AND OPERATING DATA

	December 31,			
	2016	2015	Amount	Variation %
Copper Production* ('000 mft)	1,827	1,891	(64)	(3.4)
Molybdenum Production ('000 mft)	30.6	27.7	2.9	10.7
Cash Cost (Usc/Pound)	126.1	138.7	(12.6)	(9.0)
Own Copper Sales ('000 mft)	1,860	1,774	86	4.9
Own Molybdenum Sales ('000 mft)	29.8	26.0	3.8	14.6
LME Copper Price (Usc/Pound)	220.6	249.2	(28.6)	(11.5)
Metals Week Molybdenum Price (US\$/Pound)	6.4	6.6	(0.2)	(3.0)
Average Exchange Rate (CLP/US\$)	677	654	23	3.5
Closing Exchange Rate (CLP/US\$)	669	710	(41)	(5.8)
Total Revenues (US\$ mn)	11,537	11,693	(156)	(1.3)
Gross Profit (US\$ mn)	2,087	1,777	310	17.5
Gross Margin (%)	18.1	15.2	2.9	19.1
Adjusted EBITDA (US\$ mn)	3,075	3,575	(500)	(14.0)
Adjusted EBITDA Margin (%)	26.7	30.6	(3.7)	(12.8)
Net Financial Debt** (US\$ mn)	13,626	12,333	1,293	10.5
Net Interest Expense (US\$mn)	524	508	16	3.2
Net Debt to LTM Adjusted EBITDA	4.43	3.45	0.98	28.5
Adjusted EBITDA to Net Interest Expenses	5.9	7.0	(1.1)	(16.7)
Net Debt to total Capitalization (%)	56.6	51.8	4.8	9.2
Contribution to the Chilean Treasury	942	1,088	(146)	(13.4)

*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 it is non-recourse to CODELCO

OPERATION: PRODUCTION, REVENUES & COST

Consolidated Production.- Consolidated copper mine production, including El Abra and Anglo American Sur shares, decreased 3.4% in 2016 to 1,827 thousand tons compared to 1,891 thousand tons for 2015, mainly due to lower production coming from El Abra, Anglo American Sur and Andina division, partially offset by higher production in Salvador, El Teniente and Radomiro Tomic divisions. Codelco's own production decreased 1.4% in 2016 compared to 2015 mainly due to an ore grade decrease of 6.9% reaching 0.71 in 2016 from 0.77 in 2015, partially offset by a 4.9% increase in mineral ore processed. Production increased at El Teniente and Radomiro Tomic divisions due to higher mineral ore processed partially offset by lower ore grade. Salvador division was the only one capable of increasing not only the mineral ore processed, but also the ore grade for 2016. Lower production in Andina division is the direct consequence of a diminished ore grade in addition to a lower mineral ore processed due to its operational stabilization processes and environmental incidents during 2016. Furthermore, molybdenum production in 2016 increased by 10.7% to 30,641 tons from 27,684 tons in 2015 especially due to higher production in Chuquicamata.

Codelco Total Copper Production

	December 31,	
	2016	2015
Chuquicamata Division	302	309
Radomiro Tomic Division.....	318	316
Ministro Hales	237	238
Gabriela Mistral Division	122	125
El Teniente Division	475	471
Andina Division	193	224
Salvador Division	60	49
El Abra ⁽¹⁾	49	72
Anglo American Sur ⁽²⁾	71	88
CODELCO Total Production	1,827	1,891

(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).



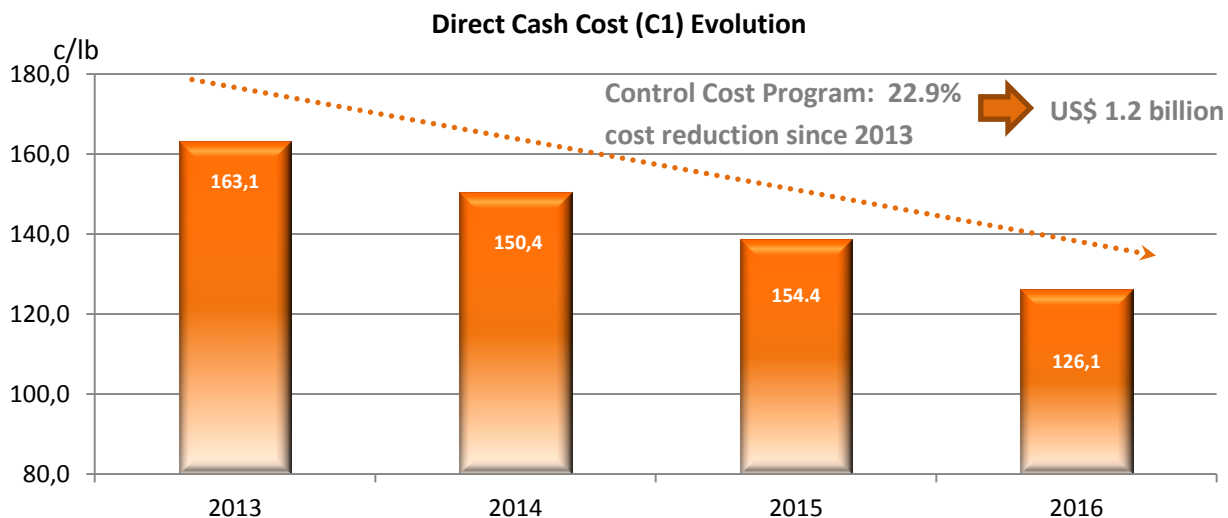
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Consolidated Revenues.- Year end 2016 revenues reached US\$ 11.5 billion from US\$ 11.7 billion in 2015, decreasing a 1.3% in spite of a 11.5% decrease in average copper price. Copper price effect was partially offset by a 1.9% increase in the total copper volume sold during 2016 compared to the same period of 2015 mainly due to own copper sold increased by 4.9%. CODELCO also purchases copper from third parties in the spot market for resale. The Company makes these purchases and sales of third-party copper to meet requirements under sales contracts. Third-party copper sales decreased 9.9% during 2016 compared to 2015. On the other hand, despite the 3.0% molybdenum price contraction, the volume sold increased 14.6% during 2016 compared to 2015, softening consolidated revenues impact.

Consolidated Costs.- Unit cash costs will vary with the fluctuations in payable production and average realized prices for by-products. During 2016, CODELCO's cash cost was 126.1 cents per pound, compared to 138.7 cents per pound in 2015. A decrease of 9.0% primarily attributable to:

- 1) Lower operational costs: savings in wages, third party services, materials and fuel.
- 2) Favorable exchange rate movements (2016 average exchange rate was CLP 677 per dollar compared to CLP 654 per dollar for 2015)

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



CAPITAL EXPENDITURE: STRUCTURAL PROJECTS

Capex program has been adjusted to US\$18 billion for the five-year period ending in 2020, changing from a simultaneous project development strategy to a layered execution one that will allow:

- ✓ Better project execution
- ✓ Optimized capital allocation
- ✓ Ensure solutions to technical problems
- ✓ Safeguarding production levels, among others

Chuquicamata Underground.- Progressing in infrastructure and footprint works (41.7% as of December 2016).

Andina Plant Reallocation.- Developing as scheduled (33.1% as of December 2016) and projected to be under operation in 2020.

El Teniente New Mine Level.- Progressing on the constructability validation and the definition of the optimized project, in the context of the new development strategy for El Teniente Division.

Projects under Prefeasibility Studies.- Codelco completed Inca Pit prefeasibility studies and is preparing documentation to request funds for the feasibility studies stage. On the other hand, Andina Development project pre-feasibility study to create an alternative less capital intensive, optimizing water consumption and minimizing impacts on the environment, should be completed by the first half of 2017.

North District Desalination Plant.- Initiating a process to find a partner that will finance, construct, operate and own the plant and serve CODELCO through a long term contract.

New Emission Standards for Smelters (DS N°28).- Ventanas has completed its plan and is already complying with DS N°28. In the cases of Chuquicamata, Salvador and El Teniente investment programs the accomplishment reached 14%, 51% and 11% respectively and the completions are scheduled for December 2018. Total CAPEX for the fulfillment of the new standards is US\$ 1.8 billion.



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AVERAGE METAL PRICE

	LME Copper (US\$/lb.)	COMEX Copper (US\$/lb.)	Molybdenum (US\$/lb.)
1Q 2016	2.12	2.11	5.27
2Q 2016	2.15	2.13	6.89
3Q 2016	2.17	2.16	6.94
4Q 2016	2.40	2.39	6.58
Average 2016	2.21	2.20	6.42
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: 4Q 2016 vs. 4Q 2015	8.1%	8.6%	38.5%
Variation: 4Q 2016 vs. 3Q 2016	10.6%	10.6%	(5.2)%
Variation: 2016 vs. 2015	(11.6)%	(12.4)%	(2.6)%

CASH FLOWS

Year end 2016 operating cash flows totaled US\$ 1.89 billion for full year 2016 compared to US\$ 3.40 billion in 2015 principally due to the decrease in the income from sales of goods due to lower copper and molybdenum prices as well as higher payments done to goods and services suppliers and contractors due to higher investments in 2016 compared to 2015.

CASH AND DEBT

As of December 31, 2016, CODELCO had consolidated cash and cash equivalents for US\$ 577 million compared to US\$ 1.75 billion at the same date of 2015. As of December 31, 2016, CODELCO's financial debt achieved US\$ 14.2 billion compared to US\$ 14.1 billion at the same date of 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\$ 13.6 billion as of December 31, 2016 compared to US\$ 12.3 the year before. During 2016 debt increase includes the issuance of CODELCO 2026 local bond for UF 10 million (approximately US\$ 406 million) in August 2016. Regarding the bank market, since January 2016, CODELCO had paid bilateral loan maturities for US\$350 million and roll over another two bilateral loans for US\$ 550 million (originally originated for US\$500 million). During 2016, CODELCO, was able to hold back its debt while continued with its CAPEX program.

* 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 12/31/2016	1/1/2015 12/31/2015	Var Amnt	%
Revenue	11,536,751	11,693,492	(156,741)	(1.3)
Cost of sales	(9,449,668)	(9,916,805)	467,137	(4.7)
Gross profit	2,087,083	1,776,687	310,396	17.5
Other Income, by function	138,474	152,889	(14,415)	(9.4)
Distribution costs	(11,891)	(12,435)	544	(4.4)
Administrative expenses	(415,395)	(363,494)	(51,901)	14.3
Other expenses	(1,324,149)	(2,086,728)	762,579	(36.5)
Other gains (losses)	29,400	20,885	8,515	40.8
Profit (losses) from operating activities	503,522	(512,196)	1,015,718	(198.3)
Finance income	23,402	17,198	6,204	36.1
Finance costs	(547,347)	(524,847)	(22,500)	4.3
Share of profit of associates and joint ventures accounted for using the equity method	(177,358)	(2,501,652)	2,324,294	(92.9)
Foreign exchange differences	(232,895)	465,320	(279,427)	(600.5)
Profit for the period before tax	(430,676)	(3,056,177)	2,625,501	(85.9)
Income tax expense	97,096	728,398	(631,302)	(86.7)
Profit for the period	(333,580)	(2,327,779)	1,994,199	(85.7)
Profit (loss) attributable to:				
Profit attributable to owners of the parent	(275,418)	(1,492,216)	1,216,798	(81.5)
Loss attributable to non-controlling interests	(58,162)	(835,563)	777,401	(93.0)
Profit for the period	(333,580)	(2,327,779)	1,994,199	(85.7)



CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	12/31/2016	12/31/2015
Assets		
Current Assets		
Cash and cash equivalents	576,726	1,747,718
Other current financial asset	9,861	10,202
Other current non-financial assets	28,638	34,611
Trade and other current receivables	2,254,731	1,876,863
Accounts receivables due from related companies, current	13,669	21,057
Inventory	1,800,270	2,097,026
Current tax asset	12,009	270,412
Total current assets	4,695,904	6,057,888
Non-current asset		
Non-current inventories	337,411	185,470
Other non-current financial assets	70,585	36,291
Other non-current non-financial assets	248,203	27,908
Non-current receivables	95,316	85,069
Accounts receivables due from related companies, non-current	21,713	224
Investment accounted for using the equity method	3,753,974	4,091,817
Intangible assets other than goodwill	196,897	186,082
Property, Plant and Equipment, net	23,977,261	22,628,311
Investment property	5,377	5,854
Total non-current asset	28,706,737	27,247,026
TOTAL ASSETS	33,402,641	33,304,915

Liabilities

	12/31/2016	12/31/2015
Current liabilities		
Other current financial liabilities	352,610	1,166,210
Trade and other current payables	1,208,126	1,306,715
Accounts payables to related companies, current	103,894	163,366
Other current provisions	290,002	522,695
Current tax liabilities	15,068	16,253
Current employee benefit accruals	439,585	446,212
Other current non- financial liabilities	58,654	100,738
Total current liabilities	2,467,939	3,722,188
Non-current liabilities		
Other non-current financial liabilities	14,931,469	14,026,931
Other non-current liabilities	62,651	-
Accounts payables to related companies, non-current	-	157,049
Other non-current provisions and accrued expenses	1,592,612	1,176,187
Deferred tax liabilities	3,143,939	3,257,605
Non-current employee benefit accruals	1,308,871	1,228,227
Other non-current non-financial liabilities	4,751	3,907
Total non-current liabilities	21,044,293	19,849,906
Total liabilities	23,512,232	23,711,022
Equity		
Issued Capital	3,624,423	3,124,423
Retained earnings	(30,072)	33,623
Other Reserves	5,317,392	5,531,920
Equity attributable to owners of the parent	8,911,743	8,689,966
Non-controlling interests	978,666	1,042,855
Total equity	9,890,409	9,572,094
TOTAL LIABILITIES AND EQUITY	33,402,641	33,304,915

CONSOLIDATED STATEMENTS OF CASH FLOWS

	1/1/2016 12/31/2016	1/1/2015 12/31/2015
Cash flow provided by (used in) operating activities:		
Cash income provided by operating activities		
Cash flows provided by sales of goods and rendering of services	11,255,159	12,134,350
Other cash flows provided by operating activities	1,636,941	1,775,106
Types of cash payments		
Payments to suppliers for goods and services	(7,380,391)	(6,829,745)
Payments to and on behalf of employees	(1,664,512)	(1,672,219)
Other cash flows used in operating activities	(2,014,134)	(1,975,383)
Dividends received	78,297	211,142
Income taxes paid	(25,051)	(247,888)
Net cash flows provided by operating activities	1,886,309	3,395,363
Cash flows provided by (used in) investing activities:		
Other payments to acquire equity or debt instruments of other entities	(46,926)	(65,511)
Purchases of property plant and equipment	(3,014,856)	(4,260,783)
Interest received	11,797	8,328
Other inflows (outflows) of cash	52,970	35,565
Net cash flows from (used in) investing activities	(2,997,015)	(4,282,402)
Cash flows used in financing activities:		
Payments of other equity interests	1,190	-
Proceeds from current borrowings	884,472	2,331,000
Repayments of borrowings	(851,904)	(1,042,821)
Interest paid	(588,283)	(550,536)
Other inflows (outflows) of cash	500,000	600,000
Net cash flows used in financing activities	(54,525)	1,337,643
Net increase (decrease) in cash and cash equivalents before foreign exchange difference	(1,165,231)	450,604
Foreign Exchange Rate Net increase (decrease) in cash and cash equivalents	(5,761)	(13,503)
Net increase (decrease) in cash and cash equivalents	(1,170,992)	437,102
Cash and cash equivalents at beginning of period	1,747,718	1,310,616
Cash and cash equivalents at end of period	576,726	1,747,718



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 2016, CODELCO had an estimated 9% share of the total world copper production, with production of approximately 1.83 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 11% share of the world's molybdenum production with own production of approximately 30,641 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).