INTERIM CONSOLIDATED BALANCE SHEETS

	As of Mar	As of March 31th	
	<u>2006</u>	<u>2005</u>	
	ThU.S.\$	ThU.S.\$	
ASSETS			
Current:	3.280.743	2.202.116	
Cash	36.732	20.721	
Time deposits	241.642	268.462	
Marketable securities	1.263	637	
Trade receivables, net	1.005.006	817.196	
Notes receivable	9.988	5.864	
Other receivable, net	447.349	126.210	
Due from related companies	4.888	1.667	
Inventories, net	1.228.116	807.598	
Income taxes recoverable	73.857	70.220	
Prepaid expenses	21.592	19.323	
Deferred taxes	98.986	52.504	
Other current assets	111.324	11.714	
Property, Plant and Equipment:	6.326.945	5.572.088	
Land	56.333	31.042	
Buildings and infrastructure	6.918.397	6.370.408	
Machinery and equipment	6.741.798	5.994.247	
Other plant and equipment	95,907	54.724	
Technical appraisal revaluation	368.901	370.926	
Accumulated depreciation	(7.854.391)	(7.249.259)	
Other Assets:	1.757.136	1.267.242	
Other Assets.	1.107.100	1.201.212	
Investments in related companies	923.999	586.912	
Investments in other companies	3.160	3.599	
Gooodwill	25.335	0	
Long-term receivables	157.240	151.738	
Due from related companies	53.374	85.327	
Intangibles	23.716	17.756	
Accumulated amortization	(2.137)	(819)	
Other assets	572.449	422.729	
Total Assets	11.364.824	9.041.446	

INTERIM CONSOLIDATED BALANCE SHEETS

	As of March 31th	
	<u>2006</u>	2005
	ThU.S.\$	ThU.S.\$
LIABILITIES AND EQUITY		
Current Liabilities:	2.252.799	1.281.878
Banks and financial institutions:		
Current	61.354	26.074
Current portion of long-term debt	311.099	6.832
Current portion of bonds payable	43.865	42.664
Dividends payable	121.555	189,690
Accounts payable	463.719	319.801
Notes payable	157	836
Miscellaneous payables	115.630	215.451
Due to related companies	70.741	54.120
Accruals	281.854	277.674
Withholdings	119.294	86.103
Income taxes payable	632.408	60.113
Deferred income	12.064	2.174
Other current liabilities	19.059	346
Long-Term Liabilities:	6.145.116	4.909.811
Due to banks and financial institutions	600.000	900.000
Bonds payable	2.708.275	.940.471
Notes payable	85.057	91.015
Miscellaneous payables	649.153	54.741
Accruals	983.860	803.030
Deferred taxes	719.963	.093.245
Other long-term liabilities	398.808	27.309
Minority interest	3.642	2.529
Equity:	2.963.267_	2.847.228
		4 50 4 400
Paid-in capital	1.524.423	1.524.423
Other reserves	1.334.575	1.320.492
Retained earnings	104.269	2.313
Net income for the period	623.909	389.079
Profits distribution to the Chilean Treasury	(519.640)	(386.766)
Total Liabilities and Equity	11.364.824	9.041.446

INTERIM CONSOLIDATED INCOME STATEMENTS

	Three months en	Three months ended March 31th	
	<u>2006</u> ThU.S.\$	<u>2005</u> ThU.S.\$	
Operating Income :	.681.639	1.149.664	
Sales of own copper	2.103.963	1.254.244	
Sales of copper acquired from third parties	326.738	281.363	
Sales of own moly	373.930	529.728	
Sales of moly acquired from third parties	23.674	26.517	
Sales of by-products	282.496	163.587	
Sales	3.110.801	2.255.439	
Cost of own copper	(780.579)	(630.148)	
Cost of copper acquired from third parties	(312.962)	(282.366)	
Cost of own moly	(25.124)	(21.872)	
Cost of moly acquired from third parties	(31.851)	(23.152)	
Cost of by-products	(211.380)	(93.464)	
Cost of sales	(1.361.896)	(1.051.002)	
Gross profit	1.748.905	.204.437	
Administrative and selling expenses	(67.266)	(54.773)	
Non-Operating Income and expense:	(230.034)	(243.261)	
Interest income	6.693	3.367	
Equity in income of related companies	65.097	20.908	
Other income	39.961	24.336	
Equity in losses of related companies	(1.955)	(7.885)	
Amortization of goodwill	(294)	0	
Interest expenses	(53.914)	(40.937)	
Other expenses	(310.346)	(267.649)	
Price-level restatement	(8)	47	
Foreign exchange differences	24.732	24.552	
Income before income taxes and minority interest	1.451.605	906.403	
Income taxes	(828.178)	(517.458)	
Income before minority interest	623.427	388.945	
Minority interest	482	134	
Net income for the period	623.909	389.079	

Mario Allende Gallardo Manager of Administration and Controller Luis Oyaneder Riquelme Chief Accounting Dept.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31th	
CASH FLOWS FROM OPERATING ACTIVITIES :	<u>2006</u> ThU.S.\$	<u>2005</u> ThU.S.\$
Collection of accounts receivable Interest income collected Other income collected Payments to suppliers and personnel Interest paid Income taxes paid Law 13,196 and other expenses paid Value added tax and other similar taxes paid	3.388.093 6.031 247.842 (1.669.004) (15.411) (461.316) (390.486) (189.250)	2.191.324 1.289 148.911 (1.173.178) (8.390) (281.017) (194.787) (120.283)
Net cash provided by operating activities	916.499	563.869
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans obtained Other financing obtained Profits distribution to the Chilean Treasury Loan payments	150.000 550.000 (1.045.232) (139.600)	0 0 (304.935) (22.300)
Net cash used in financing activities	(484.832)	(327.235)
CASH FLOWS FROM INVESTING ACTIVITIES :		
Proceeds from sales of property, plant and equipment Proceeds from sales of other investments Other investments Purchases of property, plant and equipment Investments in related companies Loans to related companies Other investment disbursements	391 1.420 19.564 (265.218) (110.000) (6.480) (9.349)	0 0 11.185 (205.359) 0 0 (7.668)
Net cash used in investing activities	(369.672)	(201.842)
NET INCREASE IN CASH AND CASH EQUIVALENTS	61.995	34.792
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	217.642	255.028
CASH AND CASH EQUIVALENTS AT END OF PERIOD	279.637	289.820

INTERIM CONSOLIDATED CASH FLOW STATEMENTS

2006 ThU.S.S2005 ThU.S.SRECONCILIATION BEWEEN NET INCOME AND CASH FLOW FROM OPERATING ACTIVITIESNet income for the period623 909Income for sales of assets(335)Proceeds from sales of property, plant and equipment Losses of investmens(272)Income from sales of other assets(75)O0Debits (credits) to income which do not represent Cash flows :103.203Depreciation128.480Amoritzation of assets(65.097)Equity in income of related companies(65.097)Equity in income of related companies(24.732)Cash flows :(24.732)Oprice-level restatement8Amoritzation of goodvill294Price-level restatement8Accounts receivable Inventories(27.732)Other credits to income which do not represent cash flows :(128.704)Accounts receivable Inventories(27.732)Other credits to income which do not represent cash flows :(408.683)(Increase) decrease in assets that affect operating cash flows :(28.956)(Increase) decrease) in liabilities that affect operating cash flows :(28.956)(11.12)(128.704)Increase (decrease) in liabilities that affect operating cash flows :(28.956)(11.444 Interest payable Income taxes payable13.149(21.7516) Value added tax and other similar taxes payable(28.956)(21.141)(21.12)Minority interest(4422)(134) Net cash provided by operating ac		Three months ended March 31th	
RECONCILIATION BEWEEN NET INCOME AND CASH FLOW FROM OPERATING ACTIVITIES Net income for the period 623.909 389.079 Income from sale of assets (335) (94) Proceeds from sales of property, plant and equipment (272) (94) Losses from sales of investmens 12 0 Proceeds from sales of other assets (75) 0 Debits (credits) to income which do not represent 103.203 181.247 Cash flows : 103.203 181.247 Depreciation 128.480 104.487 Amortization of assets 63.410 37.869 Write-offs and provisions 16.020 88.625 Equity in income of related companies (95.097) (20.908) Equity in income of related companies 1.955 7.865 Amortization of goodwill 294 0 Price-level restatement 8 (47) Foreign exchange differences (24.732) (24.552) Other credits to income which do not represent cash flows (17.135) (12.8704) Accounts receivable 157.309 (153.652) (153.867) Invent			
Income from sale of assets(335)(94)Proceeds from sales of property, plant and equipment(272)(94)Losses from sales of other assets120Proceeds from sales of other assets(75)0Debits (credits) to income which do not represent103.203181.247Cash flows :103.203181.247Depreciation128.480104.487Amortization of assets63.41037.869Write-offs and provisions16.02088.625Equity in income of related companies(65.097)(20.908)Equity in income of related companies1.9557.865Amortization of goodwill2.940Price-level restatement8(47)Foreign exchange differences(24.732)(24.552)Other credits to income which do not represent cash flows(17.135)(12.112)(Increase) decrease in assets that affect operating cash flows :(408.683)(128.704)Accounts receivable157.309(153.652)Inventories(358.476)78.915Increase (decrease) in liabilities that affect operating cash flows :598.887122.475Accounts payable related to operating activities18.14921.059Income taxes payable13.14921.059Income taxes payable136.563(29.790)Winority interest(482)(134)			
Proceeds from sales of property, plant and equipment Losses from sales of investmens12 12 0 12Proceeds from sales of other assets10Proceeds from sales of other assets10Debits (credits) to income which do not represent Cash flows :103.203Depreciation128.480Amortization of assets63.410Amortization of assets63.410Sequence16.020Beits (credits) to income of related companies16.020Equity in income of related companies1955Amortization of goodwill294Price-level restatement8(47)294Foreign exchange differences(24.732)Other credits to income which do not represent cash flows(17.135)(Increase) decrease in assets that affect operating cash flows :(408.683)(Increase) decrease in assets that affect operating cash flows :598.887Increase (decrease) in liabilities that affect operating cash flows :598.887Increase (decrease) in liabilities that affect operating cash flows :28.956)Accounts payable related to operating activities(28.956)Increase (decrease) in liabilities that affect operating cash flows :598.887Increase (decrease) in liabilities that affect operating cash flows :29.958Value added tax and other similar taxes payable473.131Minority interest(482)(134)	Net income for the period	623.909	389.0 79
Losses from sales of investmens120Proceeds from sales of other assets(75)0Debits (credits) to income which do not represent Cash flows :103.203181.247Depreciation128.480104.487Amortization of assets63.41037.869Write-offs and provisions16.02088.625Equity in income of related companies(65.097)(20.908)Equity in income of related companies1.9557.885Amortization of goodwill2940Price-level restatement8(47)Foreign exchange differences(24.732)(24.552)Other credits to income which do not represent cash flows(17.135)(12.112)(Increase) decrease in assets that affect operating cash flows :(408.683)(128.704)Accounts receivable Inventories157.309(153.652)Other assets(358.476)78.915Increase (decrease) in liabilities that affect operating cash flows :598.887122.475Accounts payable related to operating activities Income taxes payable18.14921.059Income taxes payable473.13159.762Value added tax and other similar taxes payable136.563(29.790)Minority interest(482)(134)	Income from sale of assets	(335)	(94)
Proceeds from sales of other assets(75)0Debits (credits) to income which do not represent Cash flows :103.203181.247Depreciation128.480104.487Amortization of assets63.41037.869Write-offs and provisions16.02088.625Equity in income of related companies(65.097)(20.908)Equity in income of related companies1.9557.885Amortization of goodwill2.940Price-level restatement8(477)Foreign exchange differences(24.732)(24.552)Other credits to income which do not represent cash flows(17.135)(12.112)(Increase) decrease in assets that affect operating cash flows :(408.683)(128.704)Accounts receivable157.309(153.652)Inventories(207.516)(53.967)Other assets(358.476)78.915Increase (decrease) in liabilities that affect operating cash flows :598.887122.475Accounts payable related to operating activities(28.956)71.444Interest payable18.14921.059Income taxes payable473.13159.762Value added tax and other similar taxes payable136.563(29.790)Minority interest(482)(134)		· · ·	(94)
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Cash flows :103.203181.247Depreciation128.480104.487Amortization of assets63.41037.869Write-offs and provisions16.02088.625Equity in income of related companies19.557.885Amortization of goodwill2940Price-level restatement8(47)Foreign exchange differences(24.732)(24.552)Other credits to income which do not represent cash flows(17.135)(12.112)(Increase) decrease in assets that affect operating cash flows :(408.683)(128.704)Accounts receivable157.309(153.652)Inventories(207.516)(53.967)Other assets(358.476)78.915Increase (decrease) in liabilities that affect operating cash flows :598.887122.475Accounts payable related to operating activities(28.956)71.444Interest payable18.14921.059Income taxes payable473.13159.762Value added tax and other similar taxes payable136.563(29.790)Minority interest(482)(134)	Debits (credits) to income which do not represent		
Depreciation128.480104.487Amortization of assets63.41037.869Write-offs and provisions16.02086.625Equity in income of related companies(65.097)(20.908)Equity in losses of related companies1.9557.885Amortization of goodwill2940Price-level restatement8(47)Foreign exchange differences(24.732)(24.552)Other credits to income which do not represent cash flows(17.135)(12.112)(Increase) decrease in assets that affect operating cash flows :(408.683)(128.704)Accounts receivable157.309(153.652)Inventories(207.516)(53.967)Other assets(358.476)78.915Increase (decrease) in liabilities that affect operating cash flows :598.887122.475Accounts payable related to operating activities(28.956)71.444Interest payable136.563(29.790)Income taxes payable136.563(29.790)Winority interest(482)(134)	· · · · ·	103.203	181.247
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Equity in income of related companies(65.097)(20.908)Equity in losses of related companies1.9557.885Amortization of goodwill2940Price-level restatement8(47)Foreign exchange differences(24.732)(24.552)Other credits to income which do not represent cash flows(17.135)(12.112)(Increase) decrease in assets that affect operating cash flows :(408.683)(128.704)Accounts receivable157.309(153.652)Inventories(207.516)(53.967)Other assets(358.476)78.915Increase (decrease) in liabilities that affect operating cash flows :598.887122.475Accounts payable related to operating activities(28.956)71.444Interest payable18.14921.059Income taxes payable473.13159.762Value added tax and other similar taxes payable136.563(29.790)Minority interest(482)(134)			
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Other credits to income which do not represent cash flows(17.135)(12.112)(Increase) decrease in assets that affect operating cash flows :(408.683)(128.704)Accounts receivable157.309(153.652)Inventories(207.516)(53.967)Other assets(358.476)78.915Increase (decrease) in liabilities that affect operating cash flows :598.887122.475Accounts payable related to operating activities(28.956)71.444Interest payable18.14921.059Income taxes payable473.13159.762Value added tax and other similar taxes payable136.563(29.790)Minority interest(482)(134)		-	
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Inventories Other assets(207.516) (358.476)(53.967) 78.915Increase (decrease) in liabilities that affect operating cash flows :598.887122.475Accounts payable related to operating activities Interest payable Income taxes payable Value added tax and other similar taxes payable(28.956)71.444Minority interest473.13159.762Minority interest(482)(134)	(Increase) decrease in assets that affect operating cash flows :	(408.683)	(128.704)
Inventories Other assets(207.516) (358.476)(53.967) 78.915Increase (decrease) in liabilities that affect operating cash flows :598.887122.475Accounts payable related to operating activities Interest payable Income taxes payable Value added tax and other similar taxes payable(28.956)71.444Minority interest473.13159.762Minority interest(482)(134)		157 309	(153 652)
Other assets(358.476)78.915Increase (decrease) in liabilities that affect operating cash flows :598.887122.475Accounts payable related to operating activities(28.956)71.444Interest payable18.14921.059Income taxes payable473.13159.762Value added tax and other similar taxes payable136.563(29.790)Minority interest(482)(134)			•
Accounts payable related to operating activities(28.956)71.444Interest payable18.14921.059Income taxes payable473.13159.762Value added tax and other similar taxes payable136.563(29.790)Minority interest(482)(134)			• •
Accounts payable related to operating activities(28.956)71.444Interest payable18.14921.059Income taxes payable473.13159.762Value added tax and other similar taxes payable136.563(29.790)Minority interest(482)(134)			
Interest payable18.14921.059Income taxes payable473.13159.762Value added tax and other similar taxes payable136.563(29.790)Minority interest(482)(134)	Increase (decrease) in liabilities that affect operating cash flows :	598.887	122.475
Interest payable18.14921.059Income taxes payable473.13159.762Value added tax and other similar taxes payable136.563(29.790)Minority interest(482)(134)	Accounts payable related to operating activities	(28.956)	71.444
Income taxes payable473.13159.762Value added tax and other similar taxes payable136.563(29.790)Minority interest(482)(134)	•••		
Value added tax and other similar taxes payable 136.563 (29.790) Minority interest (482) (134)		473.131	59.762
		136.563	(29.790)
Net cash provided by operating activities 916.499 563.869	Minority interest	(482)	(134)
	Net cash provided by operating activities	916.499	563.869