



RESULTS 1H 2013

Santiago de Chile, August 30, 2013 – Corporación Nacional del Cobre (CODELCO) reported first half 2013 operational and financial results:

- **First half 2013 revenues** were US\$ 7.2 billion, 5.4% lower than US\$ 7.6 billion first half 2012, principally due to a 6.9% decrease in the LME copper price partially offset by a 3.6% increase in the copper sales volume.
- **ADJUSTED EBITDA** in first half 2013 was US\$ 2.8 billion (39.2% margin) compared to US\$ 3.5 billion (46.2% margin) in first half 2012 principally due to higher cost of sales and lower revenues.
- **Net Income** in first half 2013 was US\$ 513 million (7.1% of sales) and US\$ 757 million (9.9% of sales) in first half 2012, basically due higher cost of sales and lower revenues as a consequence of a decrease in the copper price.
- **Copper mine production**, including El Abra and Anglo American Sur shares, increased by 5.0% in first half 2013 to 843 thousand tons, compared to 803 thousand tons in first half 2012, especially due to the new production from Anglo American Sur share that did not exist for the mentioned period of 2012. Own production decreased 1,1% in first half 2013 compared to the same period in 2012, mainly due to a decrease in Chuquicamata Division partially offset by El Teniente Division.
- **Direct Cash Cost C1** per pound of copper was US¢ 171.2 in first half 2013, compared to US¢ 147.7 in first half 2012, an increase of 15.9% primarily attributable to lower by-product credit. Nonetheless, the stabilization of the direct cash cost in the 170 c/lb area, evidence the first results of the control cost program implemented by the Company in 2013.
- **Operating cash flows** totaled US\$ 1.5 billion in first half 2013 compared to US\$ 588 million in first half 2012 resulted principally from the decrease in the income tax paid and the end of the copper price hedging in January 2013.
- **Capital expenditures** increased to US\$ 2.2 billion in first half 2013 compared to US\$ 1.6 billion in first half 2012, which includes maintenance and projects.



RESULTS 1H 2013

SUMMARY FINANCIAL AND OPERATING DATA

	June 30,			
	2013	2012	Amount	Variation %
Copper Production ('000 mft)	843	803	40	5.0
Cash Cost (Usc/Pound)	171.2	147.7	24	15.9
LME Copper Price (Usc/Pound)	342.0	367.3	(25)	(6.9)
Metals Week Molybdenum Price (US\$/Kg)	24.5	31.0	(6.5)	(21.0)
Average Exchange Rate (CLP/US\$)	478.7	492.8	(14)	(2.9)
Closing Exchange Rate (CLP/US\$)	507.2	501.8	(5)	1.13
Total Revenues (US\$ mn)	7,217	7,625	(408)	(5.4)
Gross Profit (US\$ mn)	1,876	2,850	(974)	(34.2)
Gross Margin (%)	26.0	37.4	(11.4)	(30.5)
Adjusted EBITDA (US\$ mn)	2,831	3,525	(694)	(19.7)
Adjusted EBITDA Margin (%)	39.2	46.2	(7)	(15.2)
Financial Debt (US\$ mn)	10,393	7,413	2,980	40.2
Net Interest Expense (US\$mn)	169	204	(35)	(17.2)
Capex (US\$ mn)	2,218	1,601	617	38.8

OPERATION: PRODUCTION, REVENUES & CASH COST

Consolidated Production.- First half 2013 consolidated copper mine production, including El Abra and Anglo American Sur shares, increased 5.0% to 843 thousand tons from 803 thousand tons in the same period 2012 due to the addition of Anglo American Sur production that did not exist for the mentioned period of 2012. Own production decreased 1,1% in first half 2013 compared to the same period in 2012, mainly due to a decrease in Chuquicamata Division and smaller declines in Salvador and Andina Divisions. Nonetheless, El Teniente Division increased its production partially offsetting the mentioned divisions' drops.

Molybdenum production in first half 2013 increased by 18.9% to 11,296 tons from 9,507 tons in the same period of 2012 especially due to higher production in Chuquicamata and Andina Divisions.



RESULTS
1H 2013

Codelco Total Copper Production

	Year ended December 31,				Sixmonths ended June 30,	
	2009	2010	2011	2012	2012	2013
CODELCO Norte Division ⁽¹⁾	875	904	–	–	–	–
Chuquicamata Division	–	–	443	356	154	140
Radomiro Tomic Division	–	–	470	428	204	204
Gabriela Mistral Division	148	117	118	133	66	67
El Teniente Division	404	404	400	417	194	209
Andina Division	210	188	234	250	121	116
Salvador Division	65	76	69	63	27	22
El Abra ⁽²⁾	80	71	61	75	36	39
Anglo American Sur ⁽³⁾	–	–	–	36	–	46
CODELCO Total Production	1,782	1,760	1,796	1,758	803	843

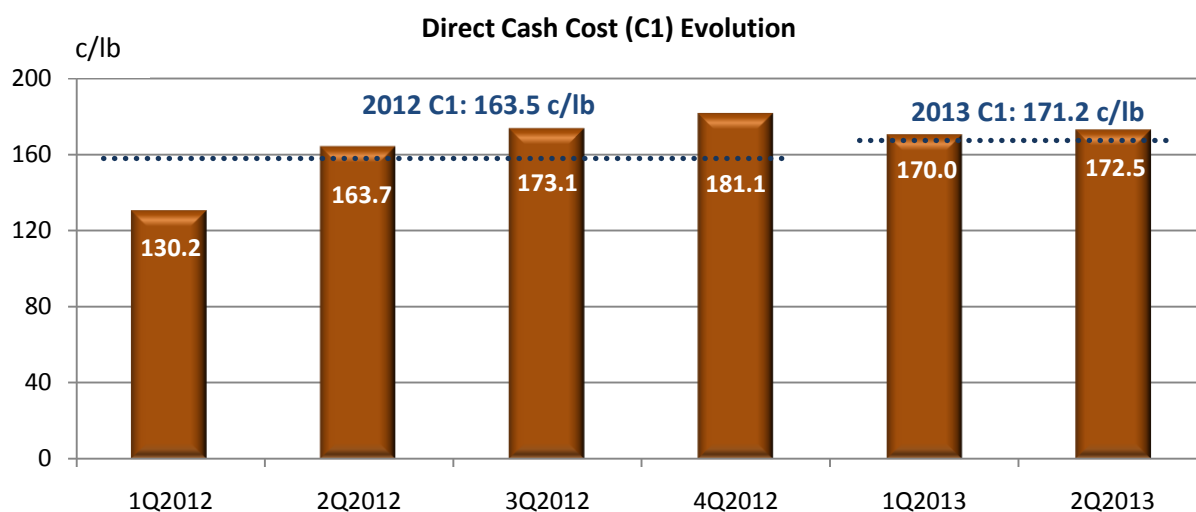
(1) In December 2010, CODELCO divided the CODELCO Norte Division into the Chuquicamata and Radomiro Tomic Divisions.

(2) 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).

(3) 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.- First half 2013 revenues decreased 5.4% to US\$ 7.2 billion from US\$ 7.6 billion in the same period 2012 principally due to a 6.9% decrease in the LME copper price, partially offset by a 3.6% increase in the copper sales volume.

Consolidated Cash Cost net of by-product credits.- Unit cash costs will vary with the fluctuations in payable production and average realized prices for by-products. In first half 2013, CODELCO's cash cost was 171.2 cents per pound, compared to 147.7 cents per pound in the same period in 2012. This increase is primarily attributable to lower by-product credit resulting principally from lower prices of all by-products (moly, anodic slimes and sulphuric acid) and lower quantities sold of sulphuric acid and anodic slimes. Nonetheless, the stabilization of the direct cash cost in the 170 c/lb area, evidence the first results of the control cost program implemented by the Company in 2013.



CAPITAL EXPENDITURE: STRUCTURAL PROJECTS

Mina Ministro Hales.- Progressed to 95.1% and it is in the final execution stage of prestripping and plants construction. The new operation will start producing in the last quarter of 2013 while it will be doing the load tests.

El Teniente New Mine Level.- Continuing the execution progress (12.8%) with the construction of main and ventilation tunnels, interior mine development and Maitenes road. The new level will begin operating in 2017.

Chuquicamata Underground.- Early works advance as expected (52.8%) and the new mine will begin operating in 2018.

Andina Phase II.- continues proceeding the environmental impact study, preparing responses to the requirements set by the authority and the community.

RT Sulphides Phase II.- proceeding the environmental impact study, submitted on May 31 to the competent authority of Antofagasta.



RESULTS 1H 2013

AVERAGE METAL PRICE

	LME Copper (US\$/lb.)	COMEX Copper (US\$/lb.)	Molybdenum (US\$/lb.)
1Q 2013	3.60	3.60	11.28
2Q 2013	3.24	3.25	10.80
1H 2013	3.42	3.43	11.04
1Q 2012	3.77	3.78	14.10
2Q 2012	3.57	3.55	13.65
3Q 2012	3.50	3.53	11.67
4Q 2012	3.59	3.60	11.05
1H 2012	3.67	3.67	13.87
Average 2012	3.61	3.61	12.62
Variation: 2Q 2013 vs. 2Q 2012	(9.2)%	(8.5)%	(20.9)%
Variation: 2Q 2013 vs. 1Q 2013	(10.0)%	(9.7)%	(4.3)%
Variation: 1H 2013 vs. 1H 2012	(6.9)%	(6.5)%	(20.4)%

CASH FLOWS

CODELCO generated operating cash flows of US\$ 1.49 billion in first half 2013 compared to US\$ 588 million in the same period in 2012. The operating cash flow increase resulted principally from the decrease in the income tax paid and the end of the copper price hedging in January 2013.

CASH AND DEBT

At June 30, 2013, CODELCO had consolidated cash and cash equivalents of US\$778 million compared to US\$ 672 million at the same date of 2012. At June 30, 2013, CODELCO's financial debt achieved US\$ 10.39 billion compared to US\$ 7.41 billion at June 30, 2012. First half 2013 debt includes US\$ 833 million loan from Mitsui, non-recourse to CODELCO, to execute the Anglo American Sur option.



RESULTS
1H 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit (loss)	1/1/2013 6/30/2013	1/1/2012 6/30/2012	Var Amnt	%
Revenue	7,216,977	7,624,798	(407,821)	(5.3)
Cost of sales	(5,340,678)	(4,774,779)	(565,899)	11.9
Gross profit	1,876,299	2,850,019	(973,720)	(34.2)
Other Income, by function	52,039	59,045	(7,006)	(11.9)
Distribution costs	(6,219)	(6,369)	150	(2.4)
Administrative expenses	(232,424)	(240,224)	7,800	(3.2)
Other expenses	(686,262)	(729,006)	42,744	(5.9)
Other gains (losses)	25,251	16,209	9,042	55.8
Profit (losses) from operating activities	1,028,684	1,949,674	(920,990)	(47.2)
Finance income	17,899	18,862	(963)	(5.1)
Finance costs	(187,124)	(222,856)	35,732	(16.0)
Share of profit of associates and joint ventures accounted for using the equity method	225,882	231,851	(5,969)	(2.6)
Foreign exchange differences	130,996	(76,273)	207,269	(271.7)
Profit for the period before tax	1,216,337	1,901,258	(684,921)	(36.0)
Income tax expense	(703,512)	(1,143,981)	440,469	(38.5)
Profit for the period	512,825	757,277	(244,452)	(32.3)
Profit (loss) attributable to:				
				(34.7)
Profit attributable to owners of the parent	494,744	758,070	(263,326))
Loss attributable to non-controlling interests	18,081	(793)	18,874	(2,380.1)
Profit for the period	512,825	757,277	(244,452)	(32.3)



RESULTS
1H 2013

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	6/30/2013	6/30/2012
Assets		
Current Assets		
Cash and cash equivalents	778,389	672,140
Other current financial asset	24,714	29,148
Other current non-financial assets	45,836	33,343
Trade and other current receivables	1,757,557	1,918,550
Accounts receivables due from related companies, current	27,897	51,676
Inventory	2,414,939	2,536,594
Current tax asset	328,984	251,808
Total current assets	5,378,316	5,493,259
Non-current asset		
Other non-current financial assets	123,513	139,063
Other non-current non-financial assets	37,279	203,943
Non-current receivables	147,424	135,094
Accounts receivables due from related companies, non-current	12,957	56,453
Investment accounted for using the equity method	7,494,280	1,088,902
Intangible assets other than goodwill	29,301	12,538
Goodwill		833
Property, Plant and Equipment, net	18,453,957	14,245,518
Investment property	18,103	17,789
Total non-current asset	26,316,814	15,900,133
TOTAL ASSETS	31,695,130	21,393,392



RESULTS
1H 2013

Liabilities

Current liabilities

Other current financial liabilities	1,367,298	1,474,823
Trade and other current payables	1,393,443	1,477,056
Accounts payables to related companies, current	158,803	117,674
Other current provisions	260,521	202,892
Current tax liabilities	290,385	116,622
Current employee benefit accruals	457,312	344,161
Other current non- financial liabilities	55,875	86,919

Total current liabilities	3,983,637	3,820,147
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Non-current liabilities

Other non-current financial liabilities	9,219,608	6,620,392
Other non-current payables	-	46
Accounts payables to related companies, non-current	257,111	293,328
Other non-current provisions and accrued expenses	1,476,539	1,013,312
Deferred tax liabilities	2,962,210	1,687,955
Non-current employee benefit accruals	1,311,388	1,110,424
Other non-current non-financial liabilities	3,668	2,976

Total non-current liabilities	15, 230,524	10,728,433
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Total liabilities	19,214,161	14,548,580
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Equity

Issued Capital	2,524,423	2,524,423
Retained earnings	3,556,090	1,142,319
Other Reserves	4,349,388	3,176,345

Equity attributable to owners of the parent	10,429,901	6,843,087
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Non-controlling interests	2,051,068	1,725
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Total equity	12,480,969	6,844,812
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TOTAL LIABILITIES AND EQUITY	31,695,130	21,393,392
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RESULTS
1H 2013

CONSOLIDATED STATEMENTS OF CASH FLOWS

	1/1/2013 6/30/2013	1/1/2012 6/30/2012
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	7,652,354	8,334,776
Other cash flows provided by operating activities	1,064,050	1,073,501
Types of cash payments		
Payments to suppliers for goods and services	(4,914,414)	(5,101,545)
Payments to and on behalf of employees	(1,088,023)	(1,011,542)
Other cash flows used in operating activities	(1,402,932)	(1,800,546)
Dividends received	348,034	73,904
Income taxes paid	(172,431)	(980,981)
Net cash flows provided by operating activities	1,486,638	587,566
Cash flows provided by (used in) investing activities:		
Other payments to acquire equity or debt instruments of other entities	(1,547)	(4,231)
Purchases of property plant and equipment	(2,225,513)	(1,517,623)
Collections from related Companies	28,302	25,895
Interest received	18,288	17,732
Other inflows (outflows) of cash	20,738	75,420
Net cash flows from (used in) investing activities	(2,159,732)	(1,402,807)
Cash flows used in financing activities:		
Proceeds from current borrowings	890,997	769,088
Repayments of borrowings	(392,116)	(432,311)
Dividends paid	(142,576)	
Interest paid	(188,041)	(210,318)
Net cash flows used in financing activities	168,264	(126,459)
Net increase (decrease) in cash and cash equivalents before foreign exchange difference	(504,830)	(688,782)
Foreign Exchange Rate Net increase (decrease) in cash and cash equivalents	19,396	(21,955)
Net increase (decrease) in cash and cash equivalents	(485,434)	(710,737)
Cash and cash equivalents at beginning of period	1,263,823	1,382,876
Cash and cash equivalents at end of period	778,389	672,139



RESULTS 1H 2013

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 9% of the world proven and probable copper reserves; as such term is defined by the U.S. Geological Survey. In 2012, CODELCO had an estimated 10% share of the total world copper production, with production of approximately 1.76 million metric tons (including CODELCO's share of the El Abra deposit, which is mined by Sociedad Contractual Minera El Abra and its share in Anglo American Sur) and an estimated 8% share of the world's molybdenum production with production of approximately 19,625 metric tons.

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