

# FIRST QUARTER 2015 FINANCIAL RESULTS

Nelson Pizarro C.  
CEO

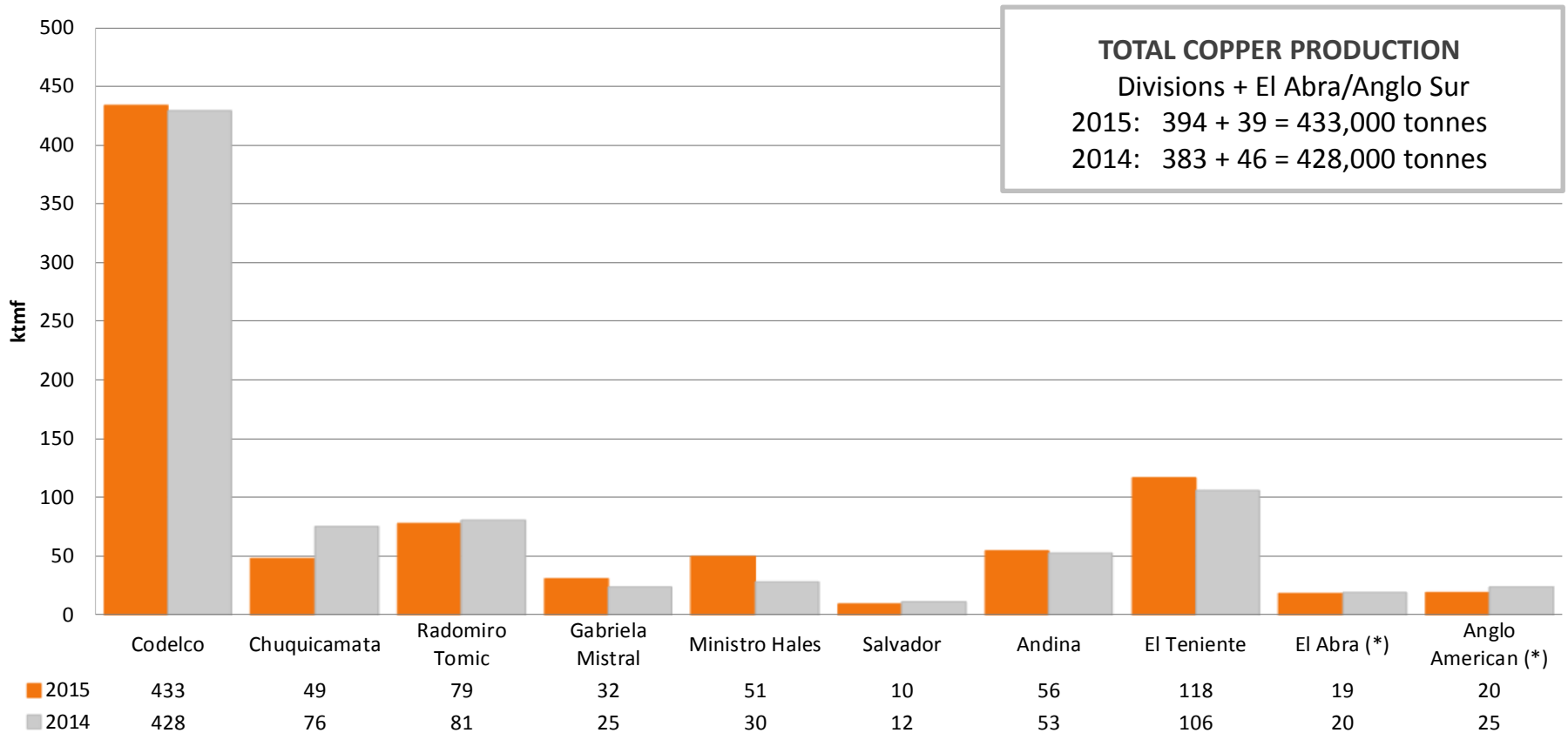
Press Conference, 29 May 2015



# PRODUCTION & COSTS

# Copper Production | January-March: 2015 - 2014

During the First Quarter 2015, Codelco's copper output **increased by 3.0%** at its divisions over the same period in 2014 and **exceeded its planned production** at 6 of its 7 divisions



(\*) Production includes Codelco's ownership interest in: El Abra 49%, Anglo American 20%

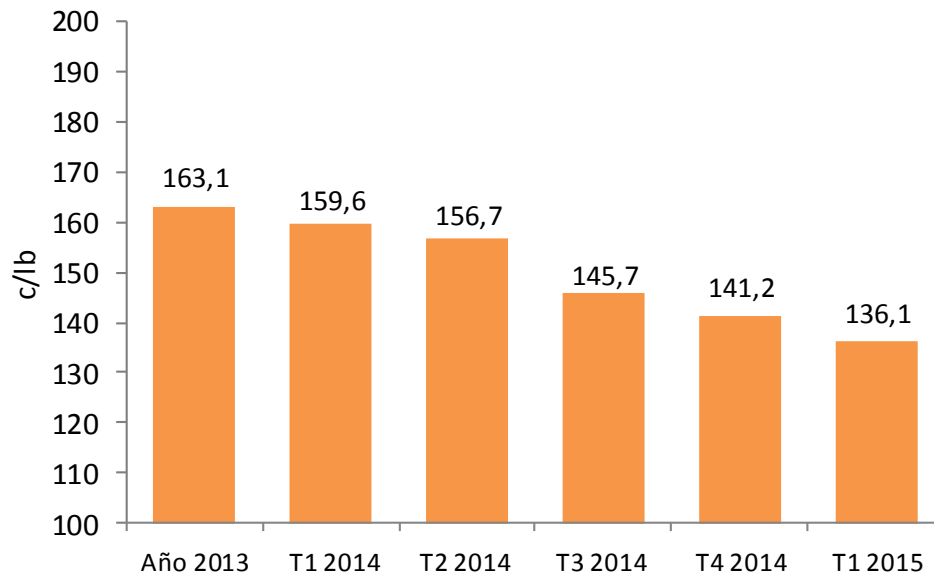
# Codelco Unit Costs

| January-March: 2015 - 2014

	2015 (c/lb)	2014 (c/lb)	Var (%)
Direct Cost (C1)	136.1	159.6	-14.7%
Net Cathode Cost (C3)	191.6	222.4	-13.9%
Total Costs & Expenses	205.6	236.1	-12.9%

During 1Q 2015,  
Codelco's **C1 cost fell**  
by **14.7%** compared to  
2014.

**Its cost reduction plan**  
launched at the  
beginning of 2015, was  
**110%** implemented as  
planned for this quarter.

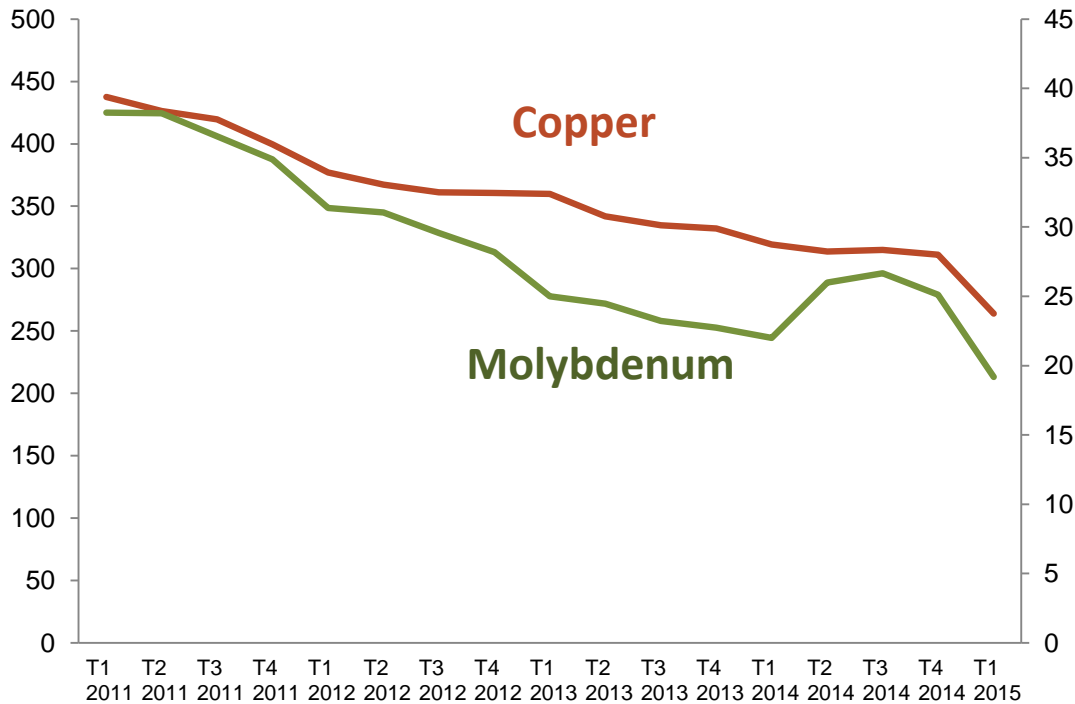


# PRICES & PRE-TAX PROFIT

# Copper & Molybdenum Price Chart

**Cu Prices  
(c/lb)**

**Mo Prices  
(USD/Kg)**



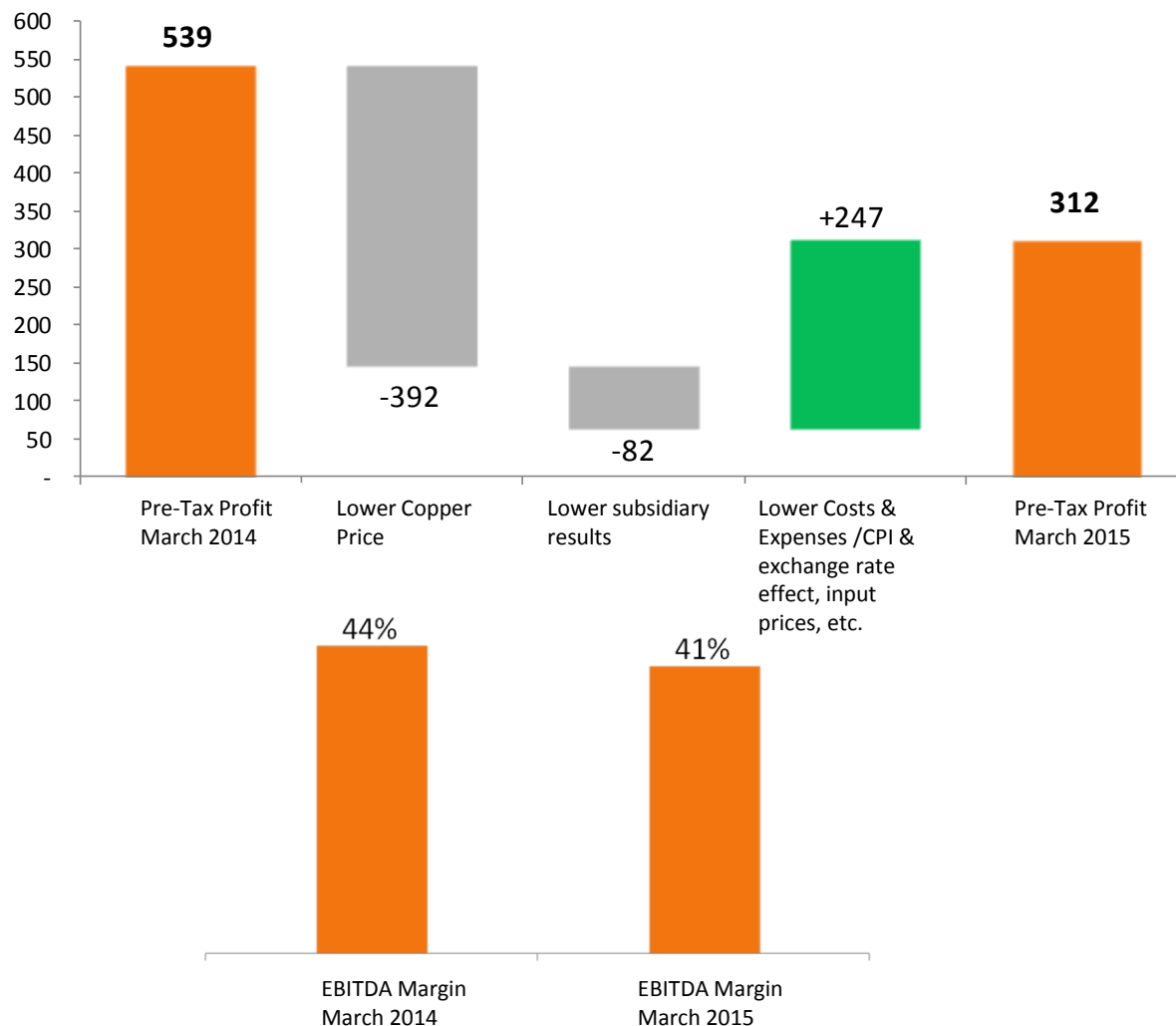
Average Price as at March	2014	2015
<b>Copper (c/lb)</b>	<b>319.4</b>	<b>263.9</b>
<b>Molybdenum (USD/Kg)</b>	<b>22.0</b>	<b>18.7</b>

During 1Q 2015, **copper prices fell by 17%** compared to the same period in 2014

And **molybdenum prices fell by 15%** compared to the same period in 2014

Codelco reduced its revenue by **US\$ 392 million** due to lower copper prices

# Pre-Tax Profit | January-March: 2015 - 2014 (US\$ millions)



During 1Q 2015, Codelco's pre-tax profit was **US\$ 312 million**.

Despite a significant fall in copper prices, its **cost reduction** allowed for a lower **EBITDA Margin** variation.

# INVESTMENTS



# Structural Projects in Progress (at 31 March 2015)

## Chuquicamata Underground Mine

- Completing early works.
  - Implementation of overall project was **20.3% complete**.
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## El Teniente New Mine Level

- **33.4% complete**.
  - The project is currently being redefined in order to have a better response to the geo-mechanical conditions found during the implementation phase. Tunnels will need to be reinforced to improve the safety of our workers and teams.
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## RT Sulphide Expansion

- **Detailed engineering was 30% complete** and soon will commence early works.
- Under environmental assessment procedure, preparing Addendum 3, and developing the indigenous people survey.

# Structural Projects in Progress (at 31 March 2015)

## Andina Expansion

- Under environmental assessment procedure. It has to submit its Addendum 2 before 31 July.
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## Rajo Inca

- Pre-feasibility study underway, particularly geological data collection.
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## Andina New Transfer System

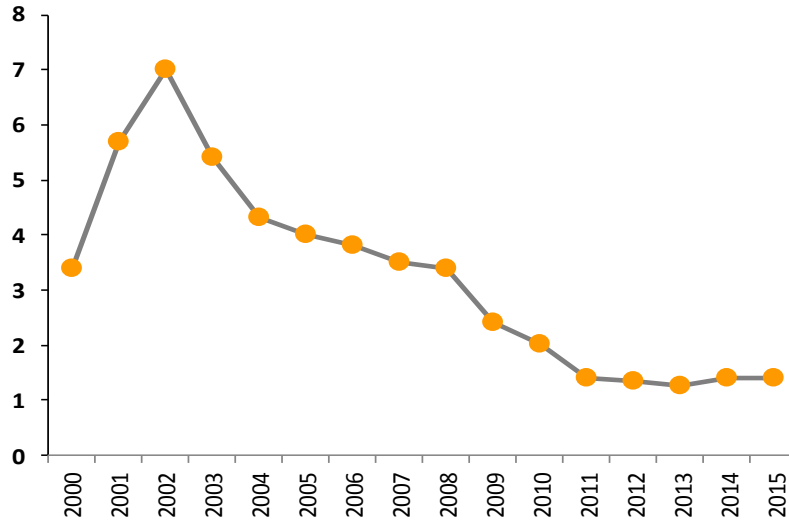
- **14% complete.**

# KEY EVENTS

# Workplace Safety

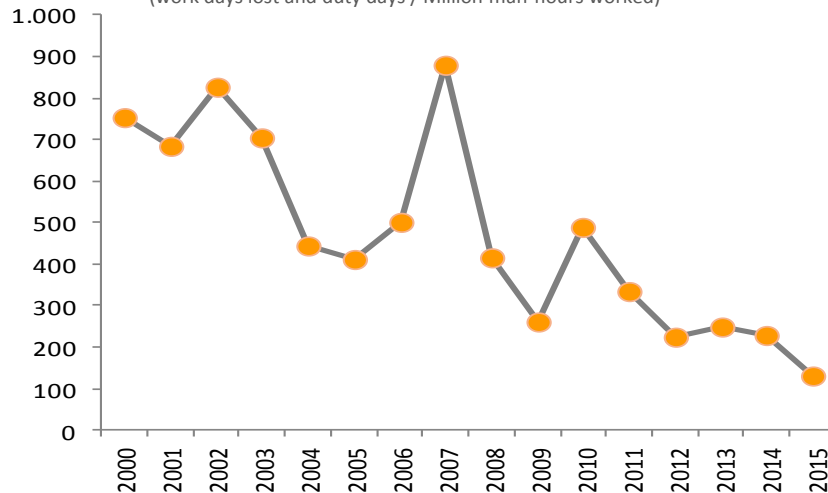
## Injury Frequency Rate – Employees & Contractors

(Lost Time incidents / Million man-hours worked)



## Injury Severity Rate – Employees & Contractors

(work days lost and duty days / Million man-hours worked)



During 1Q 2015 **there were no fatal accidents.**

The injury severity rate for January-March 2015 **fell by 43%** compared to 2014.

# Key Events January-March 2015

## Cost Reduction Plan

- In January, Codelco launched a Cost Reduction Plan of **US\$ 1 billion**. As at 31 March, the plan was **110% underway**.

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## Graduate Trainees

- In January, more than **1,000 graduates** did their professional training and theses at 10 Codelco business units, **35% were women**.
- More than **15,000 students applied** Codelco for their first step into the world of work.

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## New Executives

- Codelco Senior Management – on 1st March, Patricio Chávez Inostroza was appointed to the **Vice Presidency of Corporate Affairs & Sustainability**; and from 1st April the following joined the Company: Alejandro Rivera Stambuk, **Vice Presidency of Administration & Finance**, José Robles Becerra, the new **Vice Presidency of Productivity & Costs**, and César Correa Parker, **Auditor General**.

## Key Events January-March 2015

- Employees**
- In February a collective bargaining reached an agreement at **Ministro Hales Division**. The collective agreement will benefit 349 employees and will have a duration of 46 months.
  - During the same month an early collective bargaining agreement was reached by supervisors at **Andina Division**. This agreement will benefit 369 employees and will have a duration of 38 months.
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- Gender Diversity**
- In March, in the context of the International Women's Day, Codelco took an essential step towards gender equality, by incorporating in its **individual performance agreement** a series of actions to **increase women's participation** in the Company, at all management levels.

# Key Events January-March 2015

## Codelco making progress on Transparency & Probity

- **Significant progress on implementing** the new transparency and probity standards approved by the Codelco Board :
  - Transparent system for job applications and dismissals
  - Conflict of Interest Regulation
- The Codelco Board is at the final stage of reviewing a **second set of transparency and probity measures**
- A new Codelco **Auditor General** and changed reporting function (Board)
- A new “**work with us**” section, increasing the number of transparent and traceable selection processes.
- **100% compliance** of Transparency Council standards

# 1Q 2015 Performance Highlights

- A first quarter **with no fatal accidents** and a **lower injury severity rate**.
- Codelco's **production rose by 3.0%** at its divisions, totalling **433,000 tonnes of refined copper**.
- **It reduced its costs by 14.7%** (C1) and exceeded planned cost reduction.
- During this period there was **a significant fall in copper and molybdenum prices**, and **subsidiaries and affiliated companies had lower results**.
- Codelco delivered **USD 312 million in pre-tax profits to the Chilean State** during the first quarter of 2015.
- Despite a significant fall in copper prices, the **cost reduction** resulted in a lower **EBITDA margin** variation.



**Thank You**