

CodeIco

2014 1Q Results

Thomas Keller L.
CEO

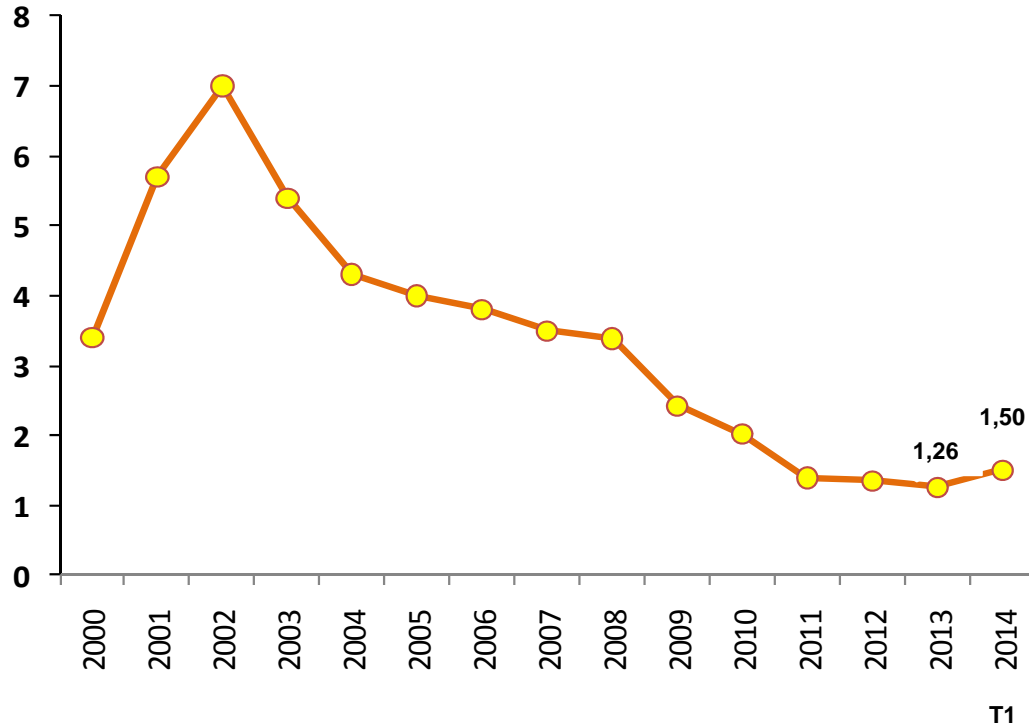
Iván Arriagada H.
Vicepresident, Administration & Finance

Press Conference
30 May 2014

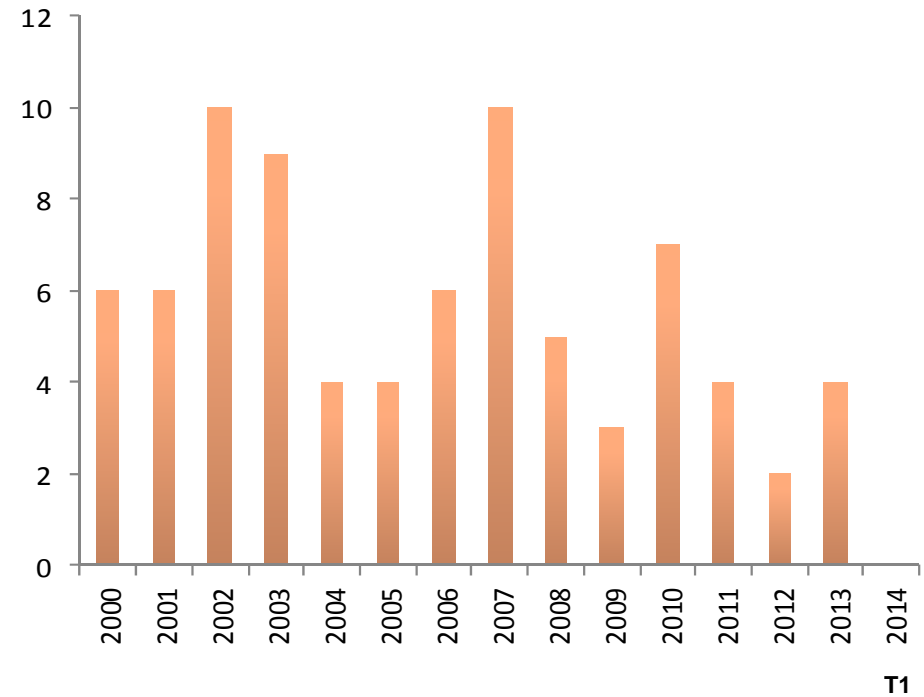


Accident Rate

Accident Frequency Rate – Employees & Contractors (Lost Time Incidents / Million hours worked)



Employee & Contractor Fatalities (Fatal Accidents)



- No fatal accidents during this quarter.
- Accident frequency rate was 1.50.
- During this quarter, we focused on Occupational Health and Safety Structural Project tools in three areas: implementing critical controls (Based on ECFs) in defined critical areas, enforcing RESSO (special occupational health and safety regulations for contractors and subcontractors) and ongoing incident reporting and learning.

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Key Events January – March 2014

- **Management and Operations :**

Business Plan: as provided in the Corporate Governance law, in March Codelco submitted its investment plan to the Ministries of Finance and Mining, which contains, but is not limited to, a capitalization proposal for the next two years.

Productivity and Costs : During the 1st quarter, Codelco continued to improve productivity and reduce costs, attaining lower operating costs over the same period in the prior year, helping to offset lower copper prices.

Energy: Codelco contracted the acquisition of two natural gas vessels for the Norte Grande operations, one for 2014 and another for 2015, which will arrive to the GNL Mejillones terminal. The contact allows Codelco to incorporate natural gas at its Chuquicamata and Radomiro Tomic mine operations, thereby saving, increasing operational safety and reducing pollutant emissions

During the 1st quarter, due to increasing long-term energy contracts, Codelco obtained savings over its previous contracts, significantly reducing electricity costs for its Divisions interconnected to the Central Grid.

Port Strike: in January, there was a 22-day port strike at different ports throughout Chile, affecting the regular delivery of copper exports, which were normalised during the subsequent months.

- **Investment and Growth Projects :** Progress of structural projects at 31 was as follows:

Ministro Hales: the start-up phase of its plants was completed and the project will soon be finished. The concentrator plant is now operating at full capacity.

El Teniente New Mine Level: in implementation phase (23% overall progress), involves building main tunnels, ventilation adits, developing mine structure y Maitenes – Confluencia road.

Chuquicamata Underground Mine: continued building main tunnels and ventilation shafts, air extraction shafts and structure inside mine, which are part of on-going early works; total physical progress is 86%.

Andina 244 Expansion: Environmental Impact Assessment is still in process, preparing answers to requirements put forward by authorities and the community in the ICSARA.

RT Sulphide : Environmental Impact Assessment is still in process, submitted to the Environmental Assessment Service (SEA) on the II Region of Antofagasta.



Key Events January – March 2014

- **Other Growth Projects :**

Molybdenum: commenced construction of Molybdenum processing plant in Mejillones.

El Salvador Division: expected to invest US\$96 million the Rajo Inca project studies, to sustain the Mines and the Concentrator Plant; and the Smelter and Refinery in Potrerillos, in order to boost its sulphide line.

- **Human Resources :**

In February, collective bargaining was successfully completed in advance with employees in the Roles B union, at El Teniente Division.

Codelco continued its efforts to include more female employees. Women represent 8.5% of the total work force, the highest rate in the Chilean mining industry. A new graduate training stage began, in this field, 786 graduates carried out their professional training in Codelco, of which 35% were women.

- **Uses of Copper:**

Codelco delivered medical equipment with antimicrobial copper touch surfaces at 40 public healthcare centres near its 8 Divisions.

In Valparaíso the “Think like Codelco” prize was launched, in the context of Copper Innovation (*Innova cobre*), which aims to diversify the use of raw materials.

- **Corporate Social Responsibility**

Codelco signed an agreement to build a new interactive mining room at the Mirador Interactive Museum (MIM).

Ministro Hales commenced construction of the Periurbano Park, this improvement work is part of Codelco’s contribution to Calama Plus.



Production & Sales Data

1st Quarter: 2014 vs. 2013

	2014	2013	Var	Var (%)
Own Copper Production (1,000 tonnes)	428	428	0	0,1%
Own Copper Production - Divisions (1,000 tonnes)	383	385	-2	-0,5%
Molybdenum Production (1,000 tonnes)	8	5	3	52%
Acid Production – Smelters (1,000 tonnes)	699	608	91	15%
Silver Production (*) (tonnes)	85	64	21	33%
Gold Production (*) (tonnes)	0,7	0,6	0,1	22%
Copper Sales (**) (1,000 tonnes)	366	359	7	2%
Own copper	341	332	9	3%
Third-party copper	24	27	-3	-11%
Molybdenum Sales – (1,000 tonnes)	6	5	1	16%
LME copper prices (cl/lb)	319,4	359,8	-40,4	-11%
Metals Week molybdenum prices (US\$/kg)	22,0	25,0	-3,0	-12%
Sulphuric acid prices (US\$/ton)	76	108	-32	-29%
Gold prices (US\$/oz)	1.293	1.631	-338	-21%
Silver prices (US\$/oz)	20	30	-10	-32%
Exchange rate	551	472	79	17%
CPI	102,3	98,9	3,4	3%

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

(**) Includes third-party mineral ore

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Codelco Financial Results

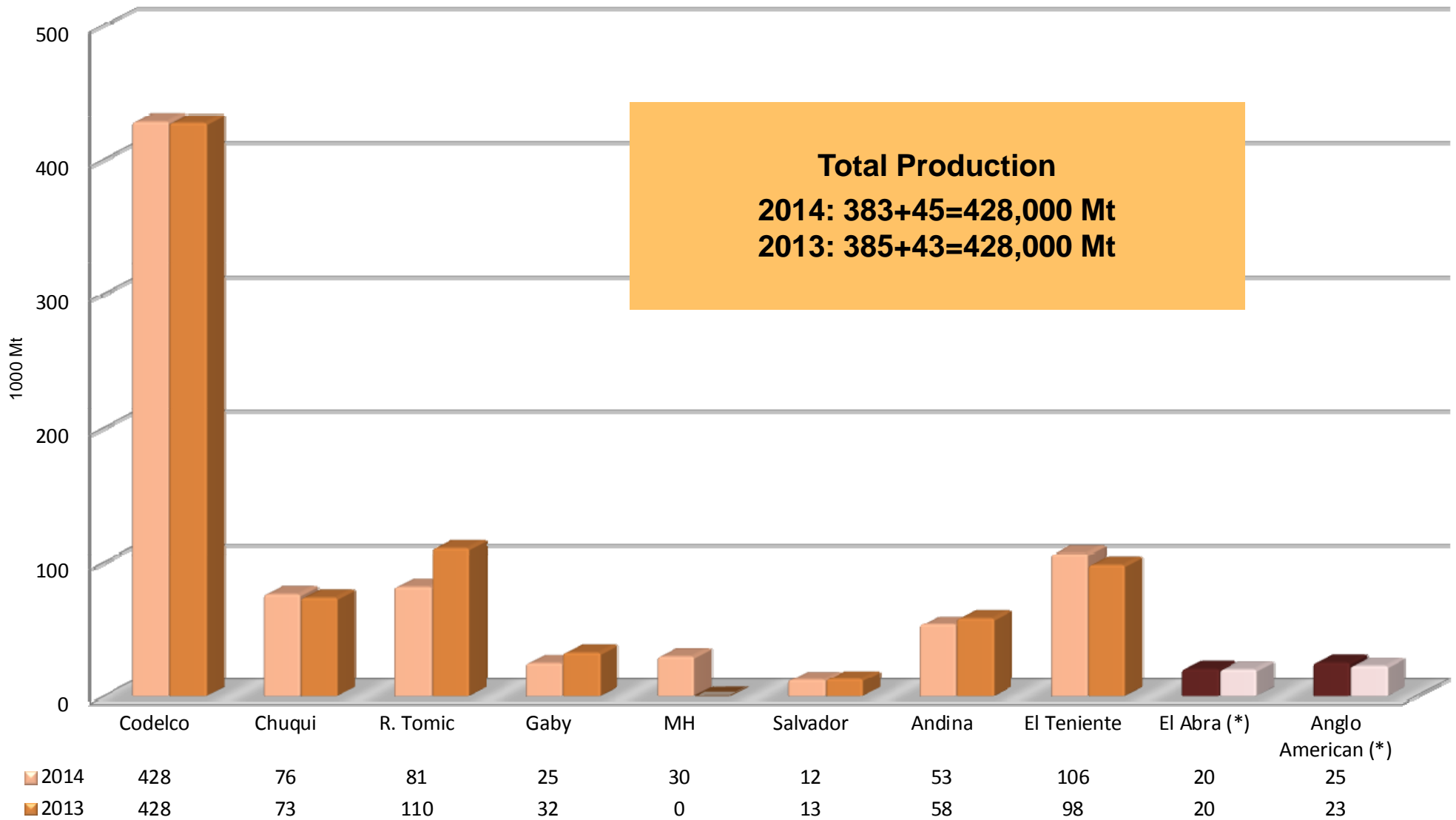
Production

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Copper Production

1st Quarter: 2014 - 2013



(*) Output reflects Codelco's interest : El Abra 49%, Anglo American 20%

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Codelco Financial Results

Costs

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Costs

1st Quarter: 2014 - 2013

	2014 (c/lb)	2013 (c/lb)	Var %	Var US\$ Million
Total Expenses	236,1	245,0	-3,6%	-85
Net Cathode Cost (C3)	222,4	229,0	-2,9%	
Cost (C1)	159,6	170,0	-6,1%	

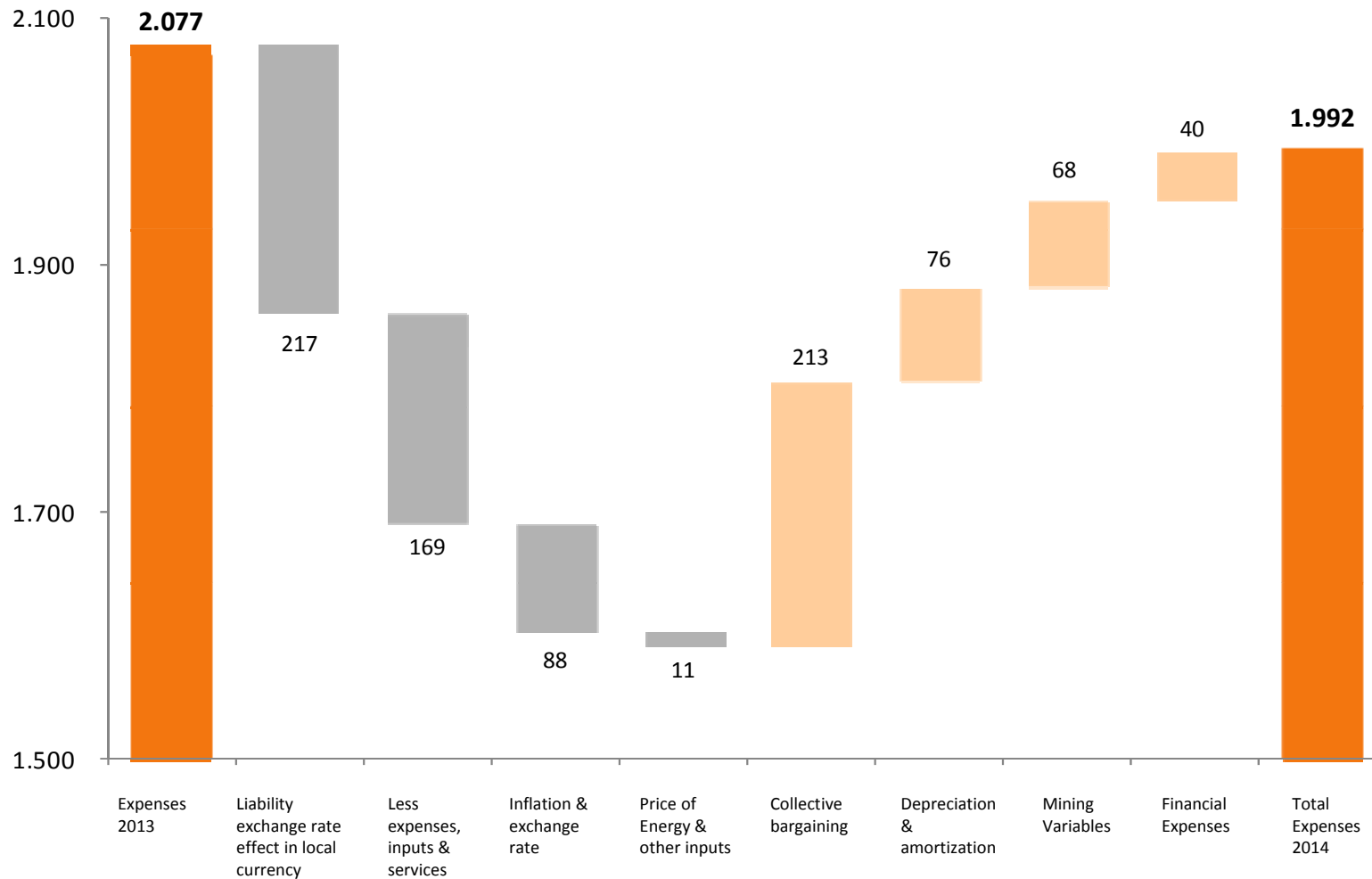
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Codelco Total Expenses Comparison

1st Quarter : 2014 - 2013

US\$ Million

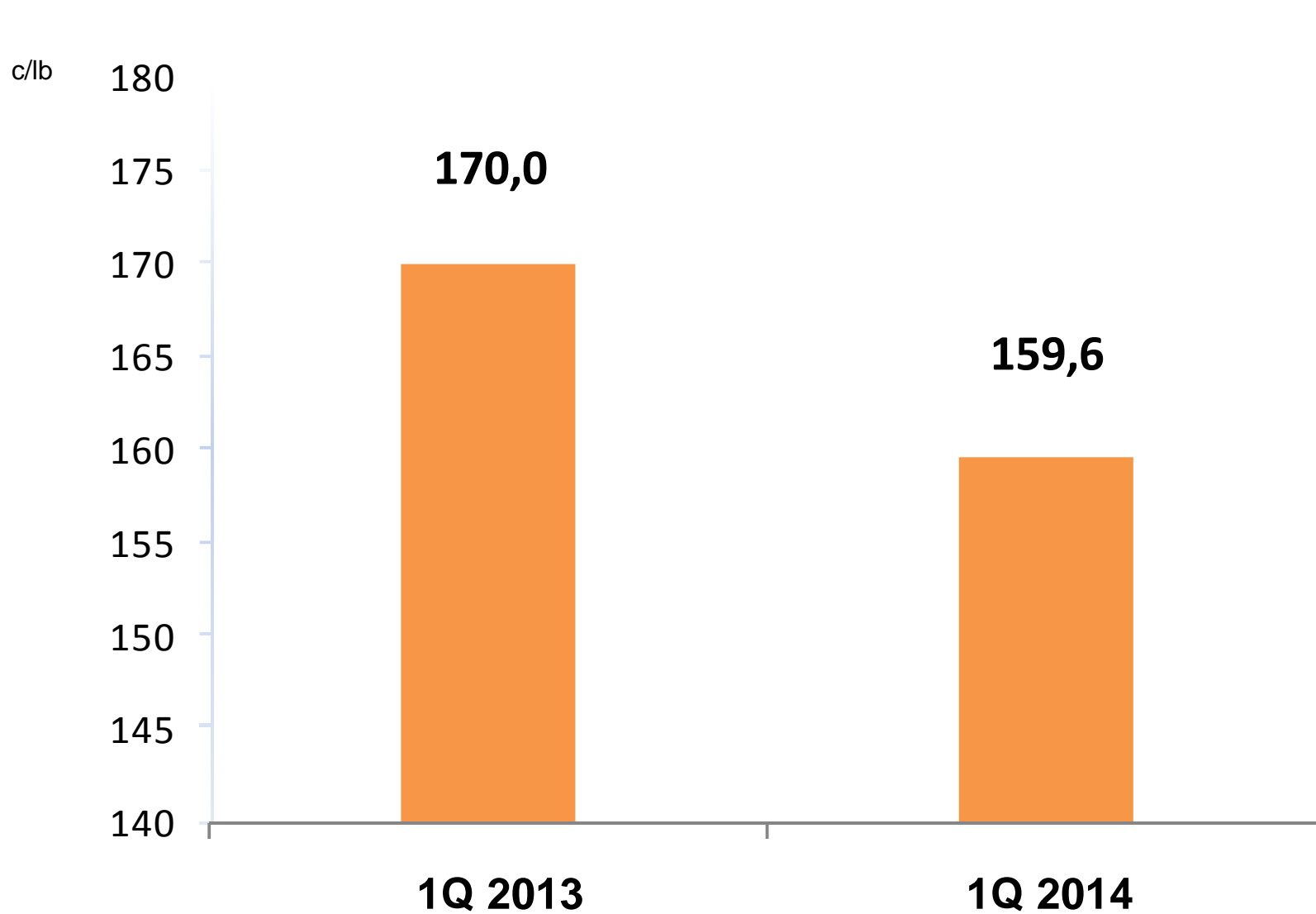


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C1 Cost Chart

(US\$ c/lb of copper)

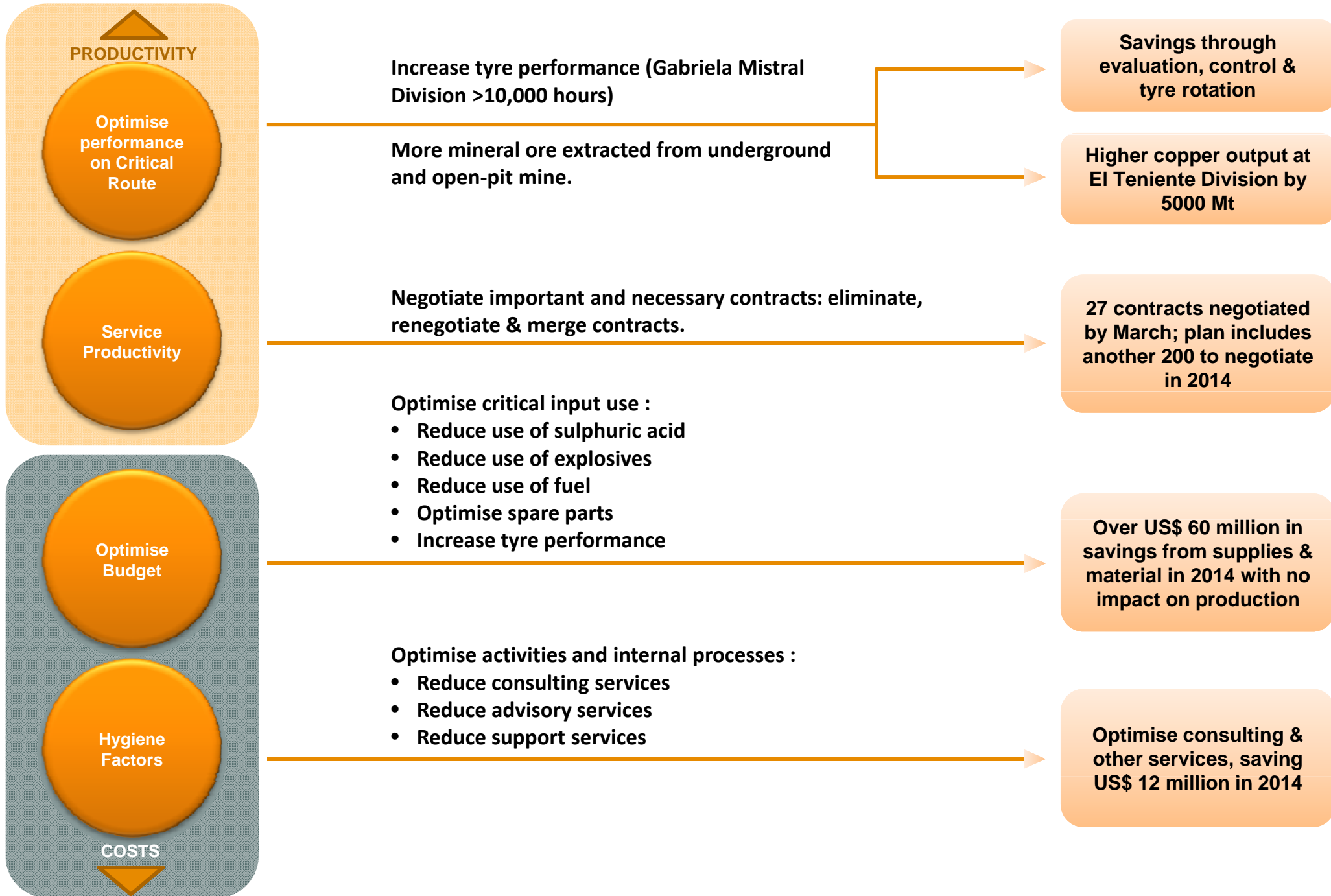


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Productivity & Costs

Examples 1st Q 2014



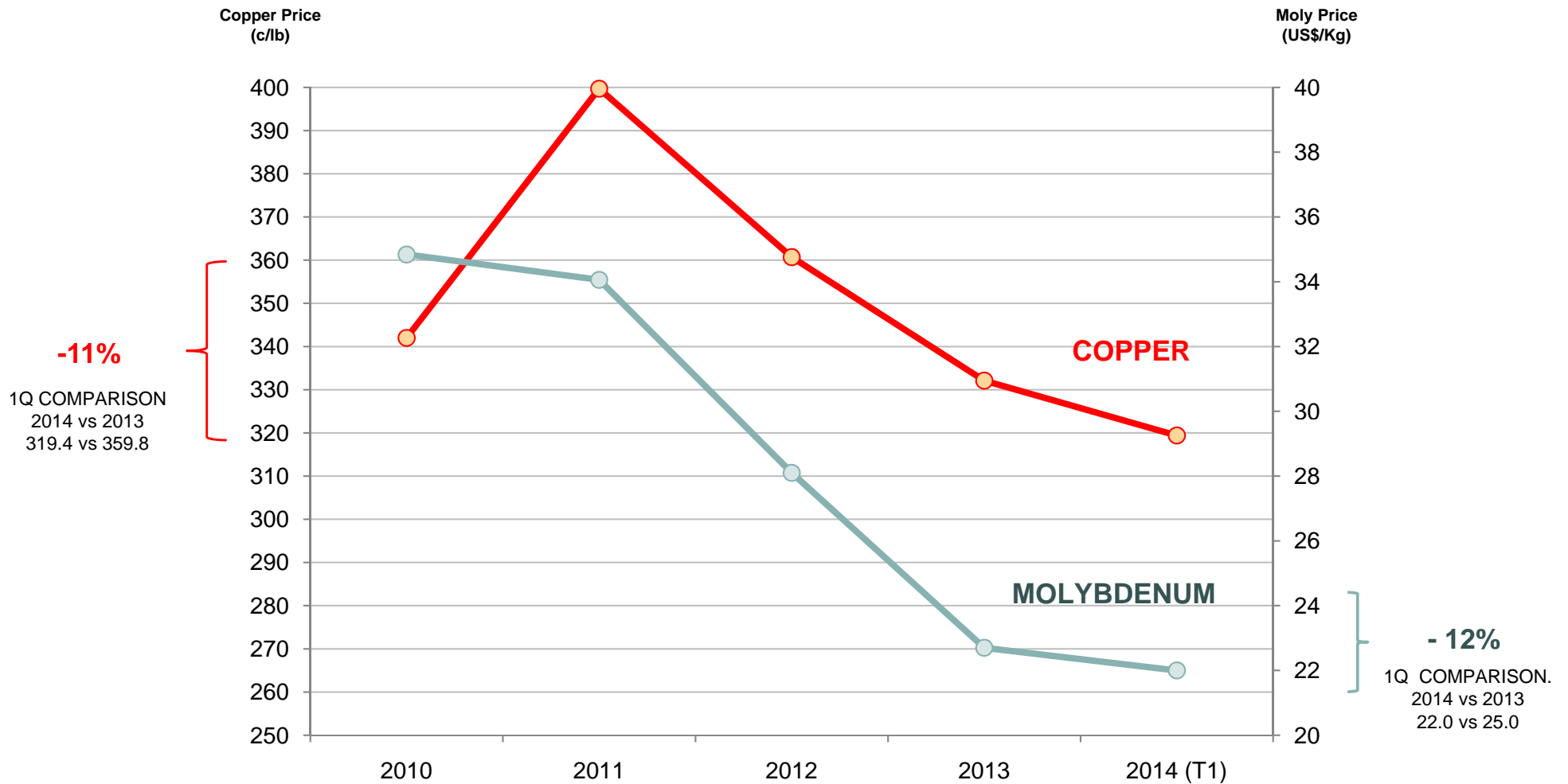
Codelco Financial Results

Pre-Tax Profit & Net Profit

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Copper & Molybdenum Price Chart

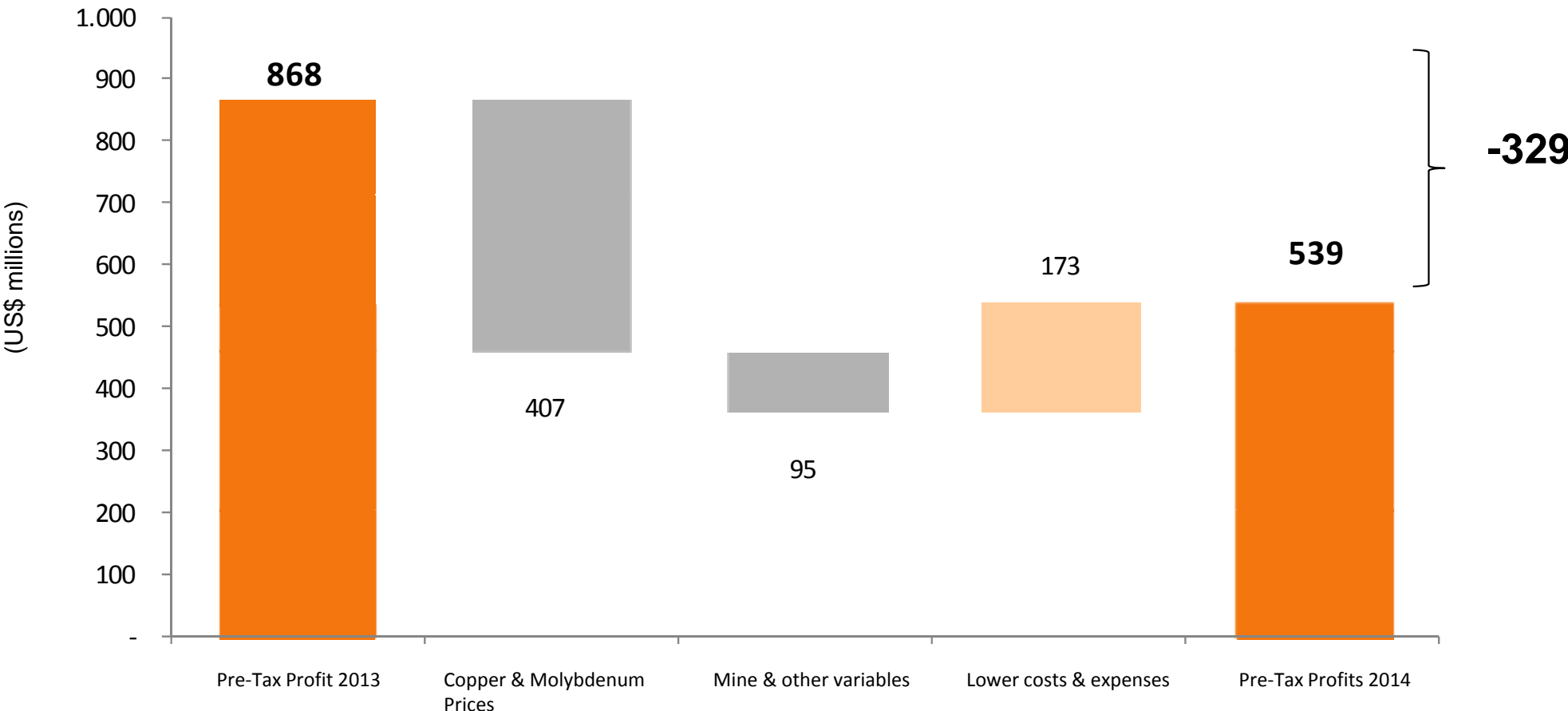


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Pre-tax Profit 2014 vs. 2013

US\$ millions



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Income Statement

1st Quarter : 2014 vs. 2013

(US\$ millions)

	2014	2013	Var
Copper sales revenue	2.317	2.668	-350
Copper sales cost	-1.755	-1.749	-6
Gross profit – copper sales	562	919	-356
Gross profit – by-product & other product sales	107	109	-2
GROSS PROFIT	669	1.028	-358
Non-operating income	-130	-160	30
PRE-TAX PROFIT	539	868	-329
COMPARABLE PROFIT (*)	473	665	-192

(*) Equivalent to Codelco's earnings, applying the same tax requirements as private-sector companies.

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Pre-Tax Profit Distribution

1st Quarter : 2014 vs. 2013

(US\$ millions)

	2014	2013	Var
Reserve Tax Law No.13.196	241	268	-27
Income Tax	147	307	-161
Specific Mining Tax	7	35	-28
Net Profit	144	258	-114
TOTAL PRE-TAX PROFIT	539	868	-329
COMPARABLE PROFIT (*)	473	665	-192

(*) Equivalent to Codelco's earnings applying the same tax requirements as private-sector companies.



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