



FINANCIAL RESULTS 2014

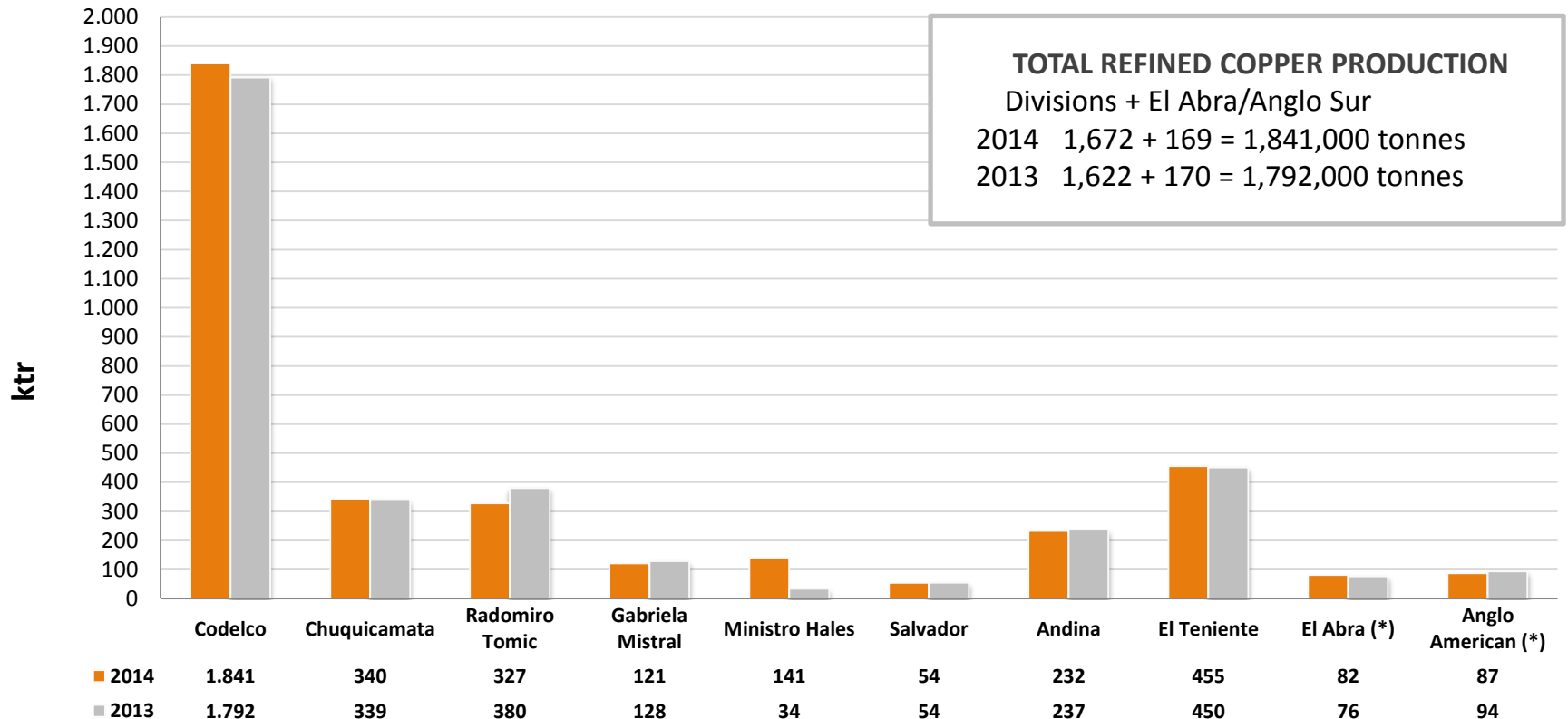
Nelson Pizarro C.
President & CEP

Press Conference, 27 March 2015

PRODUCTION & COSTS

Copper Production | January - December: 2014 - 2013

Copper production at Codelco divisions **up by 3.1%** mainly due to contribution by Ministro Hales Division.



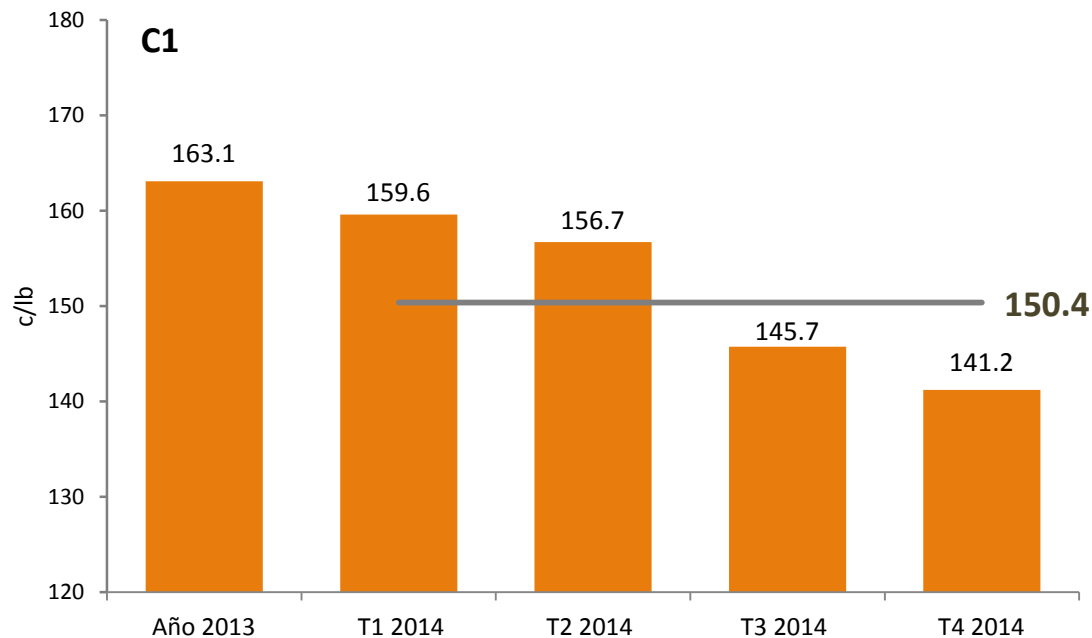
(*) Production includes Codelco's interest in : El Abra 49%, Anglo American 20%

Codelco Unit Costs

| January-December: 2014 - 2013

	2014 (c/lb)	2013 (c/lb)	Var (%)
Direct Cost (C1)	150.4	163.1	-7.8%
Net Cathode Cost (C3)	213.3	217.0	-1.7%
Total Costs & Expenses	230.6	231.5	-0.4%

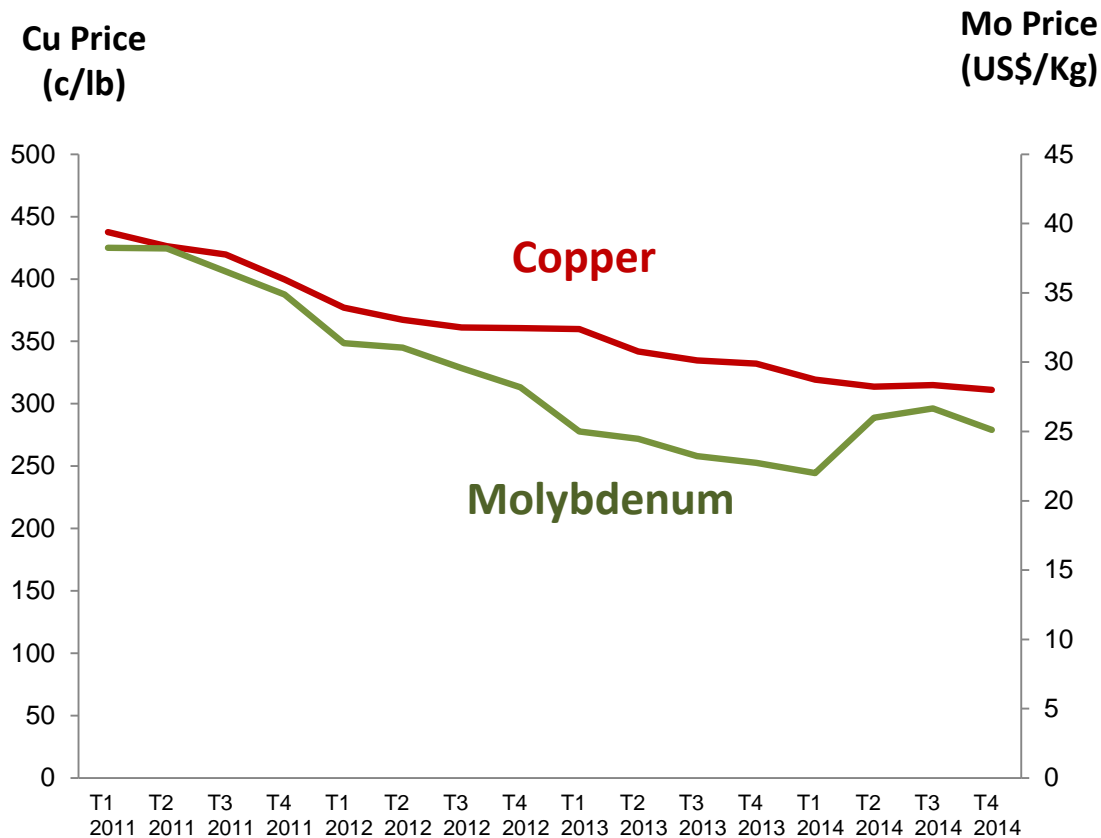
In 2014, Codelco **reduced its C1 cost 7.8%** compared to 2013



Codelco achieved its cost reduction plan goals, **Saving around US\$600 million in two years**

PRICES & PRE-TAX PROFIT

Copper & Molybdenum Price Chart

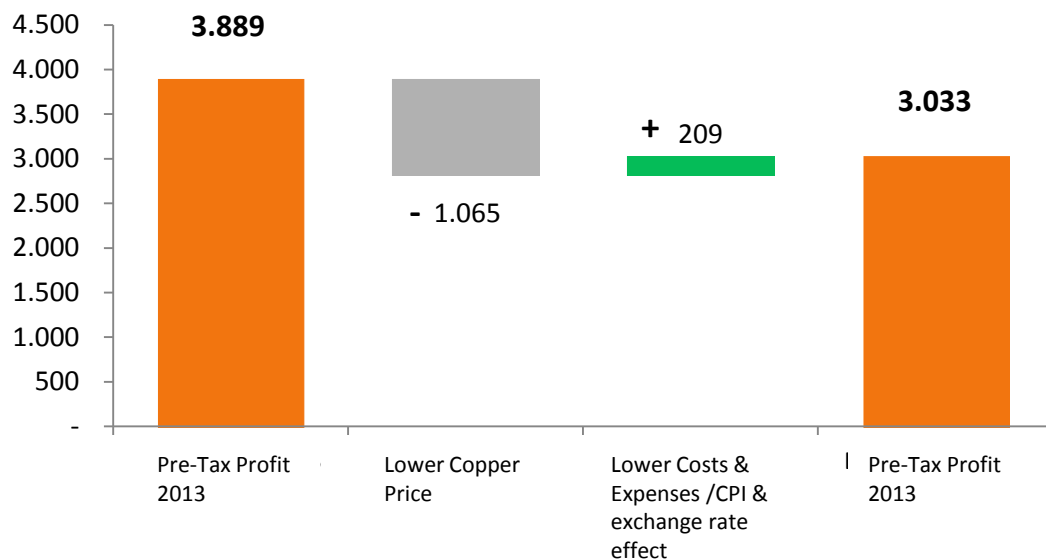


Average Price	2013	2014
copper	332.1	311.3
molybdenum	22.7	25.1

In 2014 **copper** prices were down **6.3%** compared to 2013

In 2014 **Molybdenum** prices were up **11%** compared to 2013

Pre-Tax Profit | January - December: 2014 - 2013 (US\$ millions)



Although **production increased by 3.1%** and **costs fell by US\$ 209 million**, due to lower copper prices, Codelco's **pre-tax profits** were down **US\$ 856 million** from 2013.

FINANCING & INVESTMENTS

FINANCING

Capitalization up to US\$ 4 billion

- In 2014 a Capitalisation Law was passed for **up to US\$ 4 billion** for a 5-year period in order to implement the Company's **US\$ 25 billion** investment plan.

Bond Issuance

- July: **€ 600 million**
- October: **US\$ 980 million**
- Both operations were under excellent financial conditions, boosting the company's prestige on the global credit markets

Structural Growth Projects in Progress

Chuquicamata Underground Mine

- Completing early works, and at year end it was 92.4% complete. Implementation stage of whole project was 17.4% complete.
-

El Teniente New Mine Level

- 31.8% complete.
-

RT Sulphide Expansion

- Detailed engineering progress (26%), and currently under environmental assessment procedure.
-

Andina Expansion

- The project is still under environmental assessment procedure: deadline to submit Addendum 2 is 31 July.
-

Rajo Inca

- Pre-feasibility study progress (68.7% complete).
-

Andina New Transfer System

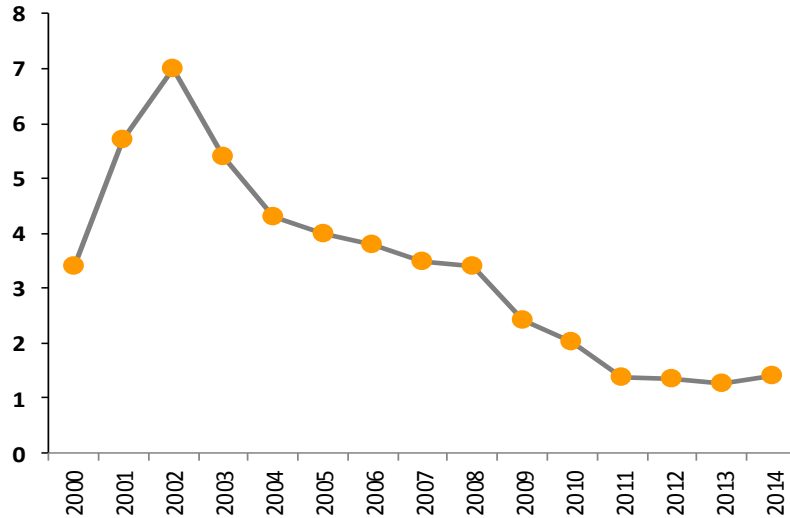
- At the end of 2014, the project was 12.6% complete.

SAFETY
ENVIRONMENT
LABOUR RELATIONS
CORPORATE GOVERNANCE

WORKPLACE SAFETY

Injury Frequency Rate – Employees & Contractors

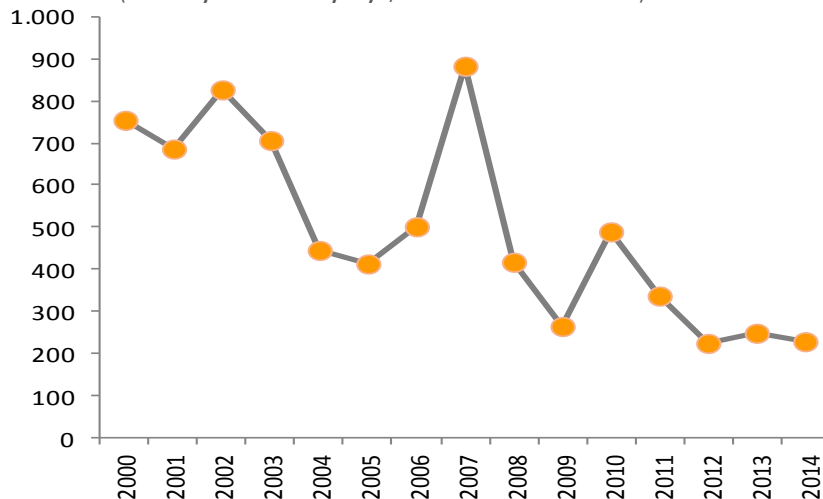
(Lost time incidents / Million man-hours worked)



Over the last 4 years, there has been a **consistent fall in injury frequency and severity rate.**

Injury Severity Rate - Employees & Contractors

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



However, the Company suffered **the death of two employees**

Improved Management

Environment and Communities

- In 2014 Codelco allocated **US\$ 205 million** to environmental investment.
- There were no serious or very serious environmental incidents.
- Codelco is striving to close its environmental gaps at current operations, before the new emission regulations enter into force.
- The Company has conceived its structural growth projects, applying sustainable development and land development.

Employees

- **Joint statement of Codelco management and FTC**, joining will and commitment to undertake Codelco's Strategic Project.
- Commenced **Technical Convergence Tables**.
- **7 collective bargaining negotiations**, 5 were carried out in advance. All reached agreement and there were no conflicts.
- **8.7% female staff**, the largest percentage in the Chilean mining industry. 14% employees hired were women.

Improved Management

Improved Corporate Governance

- The Board approved the incorporation of **world class standards** in terms of transparency, probity and rendering of accounts.
- Implementation of **transparent and traceable system** to manage hiring, promotion and termination of Codelco executives and employees.
- Mechanisms to **regulate relationship** between the Board and corporate management and related parties.
- The Board is assessing **new reforms** to regulate **lobbying** in the Company, strengthen and reform the **internal audit system**, and rules to prevent conflicts of interest.

Transparency and Complaint Channels

Codelco has **3 channels for Questions and Complaints** :

- **Report Hotline**, for violations of the Business Conduct Code: 229 reports were filed, of which 188 were reviewed and completed and 41 are under review. 32 sanctions were applied, 13% resulted in termination.
- **Social-Environmental Contact Line**, for environmental and community questions and complaints : 147 questions.
- Codelco **website contact**: this channel generates 33,693 questions, most refer to recruiting topics

Summary of Our Performance 2014

- Codelco had **two fatal accidents**.
- Codelco's record capitalisation - **US\$ 4 billion**.
- This enables the **US\$ 25 billion investment plan** for a five-year period.
- **Approval** of Chuquicamata Underground Mine.
- Dialogue and understanding with **employees**.
- Improved **corporate governance** standards.
- Codelco **produces 1.841 billion tonnes of refined copper**.
- **3.1% increase in production** at Codelco divisions.
- Direct cost (C1) **down 7.8%**.
- Achieved goals of **Cost Reduction Plan**.
- **Copper prices fell 6%** compared to 2013.
- In 2014, Codelco delivered **US\$ 3.033 billion pre-tax profit to the Chilean State**.

NORTH DIVISION STATUS

NORTH DIVISION STATUS

Safety

- There were no incidents or injuries associated with the emergency.

Operations

- Chuquicamata, Radomiro Tomic, Ministro Hales and Gabriela Mistral operations 100% running.
- Salvador Division operations interrupted. Work in progress to repair roads to restart normal operations.

Dams

- Talabre and Pampa Austral have not been affected.

Inputs

- Electricity and water supply are normal at Calama divisions.
- Acid, fuel and explosive supply has some restrictions, but sufficient stock to continue running.
- Drinking water restricted at El Salvador camp.
- Air bridge implemented to supply to El Salvador.

Support to Communities

- In Calama we have maintained on-going contact with regional authority and provided logistic support to shelters and other activities.
- In El Salvador we carried out rescue operations in Cachiyuyo district, saved Pabla Morales, member of Colla ethnic group.

PAMPA AUSTRAL TAILINGS DAM – EL SALVADOR



North Wall 1

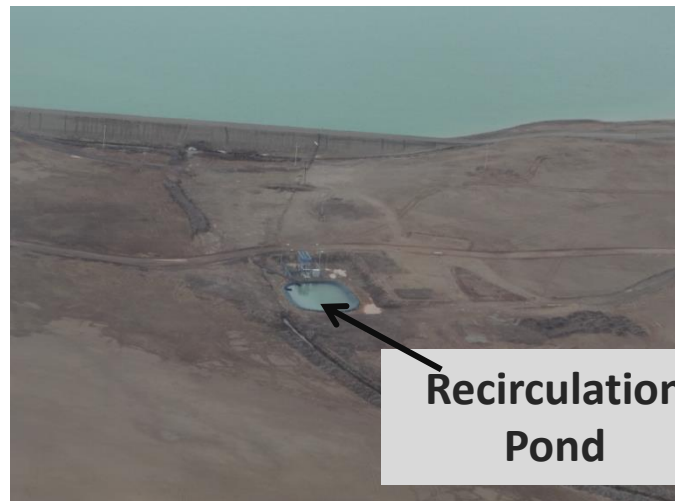


North Wall 2



**Recirculation
Pond**

Main Wall



**Recirculation
Pond**

South Wall

Thank You

Appendices

Income Statement | January- December: 2014 - 2013

(US\$ millions)

	2014	2013	Var
Own copper sales revenue	10.729	12.021	-1.291
Own copper cost of sales	-7.662	-8.299	637
Gross profit in copper sales	3.067	3.722	-655
Gross profit in by-product & other product sales	648	433	215
Gross profit	3.715	4.154	-439
Non-operating income	-682	-265	-417
Pre-tax Profit	3.033	3.889	-856
COMPARABLE PROFIT(*)	2.440	3.009	-569

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

Pre-Tax Profit | January- December: 2014 – 2013 (US\$ millions)

	2014	2013	Var
Reserve Tax Law No. 13.196	1.081	1.157	-75
Income Tax	1.140	1.486	-346
Specific Mining Tax	101	131	-30
Net Profit	711	1.115	-404
Total Pre-Tax Profit	3.033	3.889	-856
COMPARABLE PROFIT (*)	2.440	3.009	-569

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

Performance

(January- December: 2014 - 2013)

	2014	2013	Var	Var (%)
Own Copper Production – (1,000 tonnes refined) (*)	1,841	1,792	48	2.7%
Divisions' Copper Production - (1,000 tonnes refined)	1,672	1,622	50	3.1%
Divisions' Molybdenum Production – 1,000 tonnes refined	31	23	8	33%
Copper Sales (**) - 1,000 tonnes refined	1,688	1,723	-35	-2%
Own Copper Ore Sales	1,624	1,599	25	2%
Third-Party Copper Ore Sales	64	124	-60	-49%
Molybdenum Sales – 1,000 tonnes refined	27	22	5	23%
LME Copper Prices BML (cl/lb)	311.3	332.1	-20.9	-6%
Metals Week Molybdenum Prices (US\$/kg)	25.1	22.7	2.4	11%
Exchange Rate	570	495	75	15%

(*) Includes El Abra (49%) and Anglo American Sur (20%)

(**) Includes third-party mineral ore

Key Events 2014

Changes to Board of Directors

- In May, the President of the Republic, Michelle Bachelet, **appointed Óscar Landerretche, Laura Albornoz and Dante Contreras** as her representatives on the Codelco Board.
 - Óscar Landerretche was appointed **Board Chairman**.
-

Changes to Executive Team

- On 1st September Nelson Pizarro Contador assumed his new role as Codelco **CEO**.
 - **Vice-Presidents** for North, Centre and South Operations, Projects, Mineral Resources & Development, and Human Resources were appointed.
 - **General managers** for divisions: Chuquicamata, Radomiro Tomic, Ministro Hales, Gabriela Mistral, Salvador and El Teniente were appointed.
 - **Management team** was constituted based on characteristics and magnitude of the challenges
-

International Audit of Structural Growth Projects

- In order to obtain an expert and independent view on project engineering and implementation plans.

Key Events 2014

Investment approved for Chuquicamata Underground Mine Project

- In December, the Codelco Board approved a **US\$ 3.306 billion** investment to implement Chuquicamata Underground Mine, a record amount allocated by Codelco, in addition to **US\$ 894 million** already implemented in early works. A total investment of **US\$ 4.2 billion**.

Other Projects

- Ministro Hales: In 2014, the first structural growth project **started operations**.
- Molybdenum Plant: **started construction of molybdenum processing plant at Mejillones**. A **US\$ 400 million** investment and an estimated annual production of 16,000 tonnes of molybdenum per year.

2014 Performance in Numbers

PRODUCTION OF 1,841,000 tonnes of refined copper

THIS INVOLVED

WORK of
47,000 people
(employees &
contractors at 8
divisions)

PROCUREMENT of
inputs & services
US\$ 16 million
per day

36% of **EXPORTS**
to **China**, our key
buyer.

**PRE-TAX PROFIT FOR
THE STATE**
US\$ 3.033
billion

MOVED
263 million tonnes
of mineral ore per year

TO PRODUCE
5,044 tonnes of refined copper
on average per day

SHIPMENT of **4,624**
tonnes of copper
(on average per day)

PRE-TAX PROFIT
diarios por **US\$ 8**
millones
(descontados los
costos de production)

BUSINESS with **4,523 suppliers**: strong
link with private-sector companies