Rating Report

Report Date:
January 30, 2014

Previous Report:
December 6, 2012

DBRS
Insight beyond the rating.

Corporación Nacional del Cobre de Chile

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The Company

Corporación Nacional del Cobre de Chile (Codelco), owned by the Chilean government, is the world's largest producer of copper and second largest producer of molybdenum. The Company explores, develops, processes and sells mineral resources, mining and producing approximately 1.8 million tonnes of fine copper from six wholly-owned mines and its minority interests in El Abra and AA Sur.

Recent Actions

January 20, 2014
Confirmed

October 16, 2013
Assigns "A" rating with Stable trend to $950 million debt issue

August 7, 2013
Assigns "A" rating with Stable trend to $750 million debt issue

Rating

Debt	Rating	Rating Action	Trend
Issuer Rating	A	Confirmed	Stable
Senior Unsecured Debt	A	Confirmed	Stable

Rating Update

On January 20, 2014, DBRS confirmed the Issuer and Senior Unsecured Debt ratings of the Corporación Nacional del Cobre de Chile (Codelco or the Company) at "A" with a Stable trend. The rating confirmations and stable trend reflect Codelco's position as a world-leading and cost-competitive copper producer, with large reserve and resource bases. Codelco is wholly owned by the Republic of Chile (rated AA (low), by DBRS), but its debt is not guaranteed by the Chilean government. In addition, as a state-owned entity, Codelco faces higher payments to the government than a normal, non-government company (about 85% of EBITDA for the past five years), making the Company reliant on the government or external debt to fund an ambitious capital expenditure program. Accordingly, Codelco's rating also incorporates the support of the Republic of Chile.

Codelco's financial metrics have weakened but remain adequate for its current ratings with good coverage metrics but debt leverage and return measures are poor. Generally steady copper production and sales volumes combined with sharply rising costs and, since 2011, declining copper and molybdenum prices have shrunk Codelco's earnings and operating cash flow in 2012 and in 2013. Combined with high capital expenditures and the acquisition of a 20% interest in Anglo American Sur S.A. (AA Sur), net debt has increased by $3.9 billion since the end of 2011 despite special funding allowances by the Chilean government.

The Company's business profile remains stable although cost competitiveness has weakened. Codelco's 2013 five-year plan included approximately $27 billion of investment to refurbish and extend operations as well as to increase copper production to about 2.0 million tonnes by 2017 (2012 production was 1.8 million tonnes). The need for additional funding is expected due to continued cost pressures and volatile but weaker copper prices in the near-to-mid-term. DBRS therefore expects Codelco's debt levels will increase further despite the Chilean government continuing to provide additional financial support for the Company's expenditure plans and its funding needs.

Rating Considerations

Strengths

(1) Very large base of copper reserves and resources
(2) Competitive-cost, large-scale integrated producer of copper and molybdenum
(3) Support from the Chilean government
(4) Solid cash flow and coverage metrics

Challenges

(1) Volatile metal markets
(2) Lack of product and geographic diversification
(3) Thin capitalization and high debt leverage
(4) Mining is highly regulated and subject to significant specific operating risks

Financial Information

(USD, millions)	IFRS Six Months to JUNE 30 2013	IFRS 2012	IFRS Twelve Months to JUNE 30 2013	IFRS For years ended DEC. 31 2012	IFRS DEC. 31 2011	IFRS DEC. 31 2010	IFRS DEC. 31 2009	CLGAAP DEC. 31 2008
Sales	7,217	7,625	15,453	15,860	17,515	16,066	12,379	14,425
EBITDA	2,379	3,275	4,338	5,234	7,503	7,149	5,163	6,233
Operating Income	1,542	2,490	2,635	3,583	6,017	5,844	3,892	5,228
Net income before non-recurring	495	758	1,304	1,568	1,905	1,878	1,176	1,567
% gross debt in capital structure	45.7%	52.4%	45.7%	41.1%	54.2%	58.9%	52.0%	55.4%
% net debt in capital structure	43.8%	50.1%	43.8%	37.2%	48.9%	55.3%	47.7%	53.4%
Cash flow from operations	1,503	1,198	1,921	1,615	1,974	3,718	3,318	2,822
Cash flow/total debt	28.6%	31.8%	18.3%	19.0%	27.5%	57.3%	68.8%	58.5%
EBITDA gross interest coverage	13.4	15.9	10.2	11.5	27.9	28.8	21.3	26.2
Return on equity	9.6%	23.5%	15.1%	19.4%	36.0%	41.9%	28.3%	36.4%

Rating Considerations Details

Strengths

(1) **Large copper reserves and resources.** Codelco has a large portfolio of proven and probable copper reserves, which also contain by-product molybdenum. At 2012 mining rates (256 million tonnes of ore), proven and probable reserves of Codelco's producing properties would have an estimated life of 35 years. Its additional reserves and resources could extend operating life significantly further. Codelco has the world's largest reserves of copper ores (approximately 9% of the world's copper reserves).

(2) **Cost-competitive producer.** Codelco's estimated net cash cost of copper production of $1.65 per pound for the first nine months of 2013 places its costs near the median on the industry cost curve. Combined with the Company's scale of production and multiple operations, it is able to profitably produce copper under most market conditions. The Company's operations are vertically integrated, from mine exploration and development through to finished metal production adding to opportunities for cost efficiency.

(3) **Implicit support from the government.** Codelco is 100%-owned by the Republic of Chile (rated AA (low), by DBRS) and is the largest company in Chile in terms of sales. Although Codelco's debt obligations are not generally guaranteed by the Chilean government, the Company's success is closely linked to industrial development in Chile and the exploitation of one of the country's most important natural resources. DBRS's current ratings for Codelco are based on the expectation of support from the Chilean government, as Codelco remains a key contributor to the Chilean state's budget.

(4) **Solid cash flow and interest coverage metrics.** Codelco's EBITDA-interest coverage and cash flow-to-debt ratios remain solid for its ratings, supported by expected strong earnings and cash flow throughout the business cycle.

Challenges

(1) **Volatile metal markets.** Copper and molybdenum prices are volatile and dependent on factors outside the control of the Company. Codelco currently does not have any hedging in place to offset product price volatility, although it has done so in the past. The Company is also exposed to foreign exchanges risk, as both metals are generally sold at U.S. dollar prices but costs are largely denominated in Chilean pesos.

(2) **Lack of product and geographic diversifications.** Codelco is largely focused on the development, mining and sale of copper. Its earnings and cash flow are tied to copper markets, particularly copper demand and prices. Furthermore, its operations are concentrated in Chile. Accordingly, the Company's earnings and cash flow can be expected to be more volatile than a more diversified commodity producer.

(3) **Relatively high debt leverage.** The Company's debt leverage remains relatively high (about 46%) due in part to the requirement that 100% of Codelco's net income "after a deduction of the amounts authorized for capitalization and reserve" be transferred to the Chilean treasury reducing earnings retained in the Company. As a result, the Company paid an average of 85% of EBITDA (2008 to 2012) to the Chilean state. In addition, Codelco has an ambitious schedule of capital investments (approximately $27 billion over the five years 2013 to 2017) that will require allocation of additional funding from the government and/or further external funding. High government payments inhibit its ability to internally fund the development of its resource base.

(4) **Industry regulation and operational risk.** Exploration, development, mining, smelting and refining operations are highly regulated and most of the Company's activities are subject to a variety of environmental, health and safety laws and regulations. Such regulations may change and may give rise to significant costs and liabilities. The Company is also subject to a number of specific risks and hazards, including industrial accidents, labour disputes, unexpected geological conditions, mine collapses, unusual weather conditions and other natural phenomena such as earthquakes and floods. Some mining regions of Chile are subject to water shortages and others are in active earthquake zones. Both Codelco's surface and underground operations could experience damage and/or cessation of production as a result of these conditions, which could impair the Company's ability to meet its financial and other obligations.

Earnings and Outlook

(USD millions)	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	CLGAAP
	Six Months to JUNE 30		Twelve Months to JUNE 30	For years ended DEC. 31	DEC. 31	DEC. 31	DEC. 31	DEC. 31
	2013	2012	2013	2012	2011	2010	2009	2008
Revenues	7,217	7,625	15,453	15,860	17,515	16,066	12,379	14,425
EBITDA	2,379	3,275	4,338	5,234	7,503	7,149	5,163	6,233
Operating income	1,542	2,490	2,635	3,583	6,017	5,844	3,892	5,228
Net income before non-recurring	495	758	1,304	1,568	1,905	1,878	1,176	1,567
Net income	495	758	3,605	3,868	2,056	1,878	1,176	1,567
Return on equity	9.6%	23.5%	15.1%	19.4%	36.0%	41.9%	28.3%	36.4%
Copper prodn (thousands of tonnes)	843	803	1,798	1,758	1,796	1,760	1,782	1,548
Moly prodn (thousands of tonnes)	11.3	10.0	21.0	19.7	23.1	21.7	21.6	20.5
Copper price (USD/lb.)	$3.42	$3.67	$3.35	$3.61	$4.00	$3.42	$2.34	$3.15

- **Overview:** Codelco's earnings before non-recurring items recovered strongly from the 2008/2009 recession as average annual copper prices rose from $2.34 per pound in 2009 to $4.00 per pound in 2011. The upswing masked a rapid rise in the Company's unit cost of copper production. With prices trending downward in 2012 and to date in 2013 and despite more stable costs in 2013, margins and earnings have contracted.
- **Revenues:** Revenue declined by 9.4% to $15.9 billion in 2012 versus 2011. H1 2013 revenue ($7.2 billion) was 5.4% below H1 2012 revenue. Revenue declined in part due to 4.4% lower copper sales (including sales of third-party copper) in 2012 over 2011. Sales continued to sag in the first half of 2013 to 1.7 million tonnes (annualized). More importantly, average copper and molybdenum prices fell throughout 2012 and to date in 2013 (currently about $3.30 and $10.00 per pound, respectively). The weakness reflected slowing growth in China, partly offset by better growth in North America and ongoing weakness in Europe: all in the face of higher copper production due to an investment boom in the industry.
- **Production and costs.** Aggregate operating expenses rose to $12.3 billion in 2012, up 6.8% from 2011, but declined in the first half of 2013 to $11.4 billion (annualized), in part due to early results of a cost-control program initiated in 2013. On a unit direct net cash cost basis (C1 costs), unit copper costs continued to increase, rising from $1.16 per pound in 2011 to $1.64 in 2012 and $1.71 in H1 2013, before the full impact of Codelco's cost savings program had been achieved. Lower molybdenum prices contributed to higher net costs. A 5.1% decline in copper production from Codelco-run mines in 2012 to 1.6 million tonnes fell further in H1 2013 to an annualized rate of 1.5 million tonnes. Higher production at El Abra (49% owned) and the addition of a 20% interest in AA Sur production reduced the decline in output.
- **Other costs**: Interest expense increased by 56% in 2012, in part due to higher average debt and adjustments related to domestic bonds. Interest expense declined somewhat in H1 2013 despite again higher debt balances and a smaller proportion of interest being capitalized. Net non-operating expenses in 2012 were higher than in 2011 despite lower foreign currency revenue taxes as a result of lower foreign exchange gains than in 2011. Expenses were reduced in H1 2013 due lower revenue tax impacts and higher foreign exchange gains. Effective income tax rates were much lower in 2012 on lower income, but recovered in H1 2013. Equity earnings increased by 29.5% in 2012 to $457 million, holding steady in H1 2013.
- **Net income.** DBRS classified $2.3 billion of after-tax income as non-recurring in 2013 ($151 million in 2012), largely as a result of income impacts of purchase and sales transactions related to AA Sur. Before non-recurring items, net income was $1.6 billion in 2012, down 17.7% from 2011. After non-recurring items, net income totalled $3.9 billion. Net income for the first half of 2013 was only $495 million.

Outlook

- Codelco earnings in the near term are expected to continue to deteriorate in the face lower copper prices and stabilized costs partially offset by income from AA Sur and higher output at Ministro Hales
- Cost savings programs implemented in 2013 are expected to stabilize unit costs, but a recovery of molybdenum prices will be required to materially reverse the trend towards growing unit cash costs.
- Copper prices remain vulnerable to growing world copper production as a result of heavy investment by copper miners 2010 through to 2013 and lagging demand growth from China and elsewhere.
- In the medium term, Codelco's own investment program is expected to lead to a modest increase in copper output and to lower costs but the key determinate of profitability will be copper (and molybdenum) prices.

Financial Profile

(USD millions)	IFRS Six Months to JUNE 30	IFRS	IFRS Twelve Months to JUNE 30	IFRS For years ended DEC. 31	IFRS DEC. 31	IFRS DEC. 31	IFRS DEC. 31	CLGAAP DEC. 31	CLGAAP DEC. 31
	2013	2012	2013	2012	2011	2010	2009	2008	2007
EBITDA	2,379	3,275	4,338	5,234	7,503	7,149	5,163	6,233	9,449
Net Income before non-recurring	495	758	1,304	1,568	1,905	1,878	1,176	1,567	2,982
Add: DD&A	838	785	1,703	1,651	1,485	1,305	1,272	1,005	836
Add: other non-cash items	171	(346)	(1,087)	(1,604)	(1,417)	536	870	251	308
Cash Flow from Operations	1,503	1,198	1,921	1,615	1,974	3,718	3,318	2,822	4,125
Less: capital expenditures	2,226	1,518	4,395	3,687	2,252	2,309	1,681	1,975	1,605
Less: dividends	143	0	249	106	1,472	2,206	836	3,232	2,268
Gross Free Cash Flow	(865)	(320)	(2,723)	(2,178)	(1,750)	(798)	801	(2,385)	253
Add: change in working capital	(186)	(803)	438	(178)	379	(681)	(285)	439	622
Net Free Cash Flow	(1,051)	(1,123)	(2,285)	(2,357)	(1,371)	(1,479)	517	(1,946)	875
Net dispositions (acquisitions)	27	22	(2,773)	(2,779)	1,128	(117)	(83)	(228)	(12)
Other	40	53	(73)	(59)	37	110	135	0	0
Subtotal	(984)	(1,048)	(5,132)	(5,195)	(206)	(1,486)	569	(2,174)	863
Net debt issuance (repayment)	499	337	4,138	3,976	715	1,587	(189)	486	378
Net equity issuance (buyback)	0	0	1,100	1,100	0	0	0	0	0
Change in Cash	(485)	(711)	106	(119)	509	101	380	(1,688)	1,241
Total debt	10,503	7,533	10,503	8,498	7,178	6,486	4,821	4,824	4,904
% gross debt in the capital structure	45.7%	52.4%	45.7%	41.1%	54.2%	58.9%	52.0%	55.4%	50.8%
% net debt in the capital structure	43.8%	50.1%	43.8%	37.2%	48.9%	55.3%	47.7%	53.4%	37.3%
EBITDA gross interest coverage (times)	13.4	15.9	10.2	11.5	27.9	28.8	21.3	26.2	38.5
Cash flow/total debt	28.6%	31.8%	18.3%	19.0%	27.5%	57.3%	68.8%	58.5%	84.1%
Cash flow/capital expenditure	0.68	0.79	0.44	0.44	0.88	1.61	1.97	1.43	2.57
Cash flow/(capex + dividends)	0.63	0.79	0.41	0.43	0.53	0.82	1.32	0.54	1.07
Debt/EBITDA	2.21	1.15	2.42	1.62	0.96	0.91	0.93	0.77	0.52

- **Overview:** Codelco's business model, in which it returns its net income to the state except for depreciation, amortization and deferred taxes, requires special consideration in times when the Company is seeking to expand operations. It also results in relatively high debt leverage, as equity financing is unavailable and dividend payouts tend to be high, reducing its equity base. 2012 and 2013 represent such periods and despite special funding considerations, Codelco's debt has risen and its financial metrics have weakened.
- **Net free cash flow:** Reduced earnings and operating cash flow and high capex have resulted in strongly negative net free cash flow in 2012 and H1 2013, despite a significant reduction in dividends paid.
- **Capital Expenditures:** Capex in 2012 and 2013 has remained well in excess of depreciation and depletion levels as Codelco invests heavily in a number of mine refurbishment/life extension projects including the Mina Ministro Hales new mine build, Chuquicamata underground transition and El Teniente deep mine development. The pace of expenditures continued to increase in the first half of 2013.
- **Dividends.** With the agreement of the Government of Chile**,** the Company paid almost no dividends in 2012 and H1 2013, offsetting a portion of high capex needs.
- **Financing.** Codelco uses bond issues and bilateral term loans as its major external funding sources. Also, since 2007, the Government of Chile has specially authorized the retention of almost $4.2 billion to help the Company meet its financing needs. Nonetheless, since December 2006 Codelco's external net debt has increased by about $6.6 billion to $9.7 billion at June 30, 2013. The funding of the AA Sur purchase in 2012 added to financing requirements. Post June 30, 2013, Codelco issued a net $1.2 billion in bonds and negotiated approximately $1.5 billion of new term loan facilities of various lengths.

  Credit ratios. Key credit metrics weakened in 2012 and H1 2013. Interest coverage metrics remain robust, but cash flow to total debt has declined to less than 30%. Anomalously, gross debt leverage has decreased to 46% despite higher debt levels due to reduced dividend payments and gains on the AA Sur transactions strengthening Codelco's equity base.

Outlook

- Codelco's near-term credit metrics are expected to weaken further as a result of lower operating cash flow due to lower copper prices and the need to fund a heavy capex program.
- The funding needs of the Mina Ministro Hales new mine build can be expected to be supplanted by the Radomiro Tomic sulphides project potentially followed by Andina Phase II keeping capex levels high. Approximately $27 billion of project expenditures are expected over the five years (2013to 2017).
- DBRS expects the Chilean Ministries of Mining and Finance to annually approve retention of 10% to 15% of its pre-tax profits and added external debt to provide a portion of funding needs.
- Over the longer term, improved copper prices and competitive operations (in addition to Codelco's relationship with the Government of Chile) are expected to support the Company's financial obligations.

Debt and Liquidity

- DBRS expects Codelco will be provided with sufficient liquidity to support near-term debt maturities, sustaining and expansion capital needs and ongoing working capital requirements.
- Codelco's liquidity is sourced from its strong operating cash flow (five-year average to 2012 of $2.7 billion), cash and marketable securities on hand of $778 million at June 30, 2013, its close relationship with the Chilean government and its access to domestic and international debt markets.
- Codelco is generally required to transfer its net income to the Chilean Treasury, and is limited to funding its capital expenditure programs with internally generated cash from amortization, depreciation and deferred taxes –either positive or negative, (about $2.6 billion total in 2012) or from outside sources.
- The Chilean government has also had a history of providing specific additional funding to Codelco through various means, including making extraordinary direct contributions to the Company or allowing portions of sale proceeds of assets/ investments to be retained by the Company. These various sources of funds have totalled almost $4.2 billion from 2007 to mid-2013 and may or may not continue in the future.
- The major sources of Codelco's external financing at June 30, 2013, were bonds ($7.1 billion), loans from financial institutions ($3.3 billion) and financial leases ($111 million).
- Total debt outstanding has increased significantly since the end of 2009.

Debt Outstanding	**JUNE 30**	**DECEMBER 31**			
(USD millions)	**2013**	**2012**	**2011**	**2010**	**2009**
Short-term debt	743	220	41	341	215
Long-term debt due in one year	621	630	826	79	76
	1,364	849	867	420	291
Long-term debt	9,140	7,649	6,311	6,066	4,530
	10,503	8,498	7,178	6,486	4,821

- Codelco's debt maturities are well spread over the next few years and remain well within the financial capabilities of the Company. The maturity schedule is as follows**:**

Debt Maturity Estmate									
As of June 30, 2013	**H2, 2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**Thereafter**	**Total (1)**
(USD millions)									
Debt due	587	668	881	1,004	52	592	665	6,055	10,503
% of total	6%	6%	8%	10%	0%	6%	6%	58%	

(1) Debt maturity estimate including financial leases and excluding debt issued post June 2013..

Notes and Bonds

- The bulk of Codelco's external (non-government) financing is provided by way of bonds and notes issued in domestic markets (in pesos) and international markets (in U.S. dollars).
- These notes and bonds are direct unsecured and unsubordinated obligations of the Company.
- Although Codelco is owned by the Chilean government, Chile is not legally liable for Codelco's debt obligations unless expressly guaranteed by Chile, nor do such obligations form any part of the direct public debt of the country.
- Pursuant to the Chilean mining code, mining concessions and certain raw materials and property related to the extraction of minerals cannot be subject to an order of attachment, except with respect to mortgages or, in the case that the debtor consents to the attachment, the same enforcement proceedings or when the debtor is a stock corporation.
- Under the constitution of Chile, mining concessions designated for Codelco's exploitation at its creation in 1976 cannot be subject to attachment nor to an act of disposition by Codelco, which may limit the rights of Codelco's debt holders.
- Codelco's notes and bonds do not normally contain financial covenants but do contain certain covenants, including, but not limited to, covenants with respect to (1) limitations on liens, (2) limitations on sale and leaseback transactions, (3) limitations regarding consolidation, merger, conveyance, sale or lease transactions and (4) restrictions on the ability of Codelco and its subsidiaries to incur certain secured indebtedness. Codelco is permitted to issue additional unsecured debt that ranks on an equal and ratable basis with its existing notes.

- Subsequent to June 30, 2013, Codelco has issued $750 million in bonds due 2023 and $950 million in bonds due 2043. It has also repaid $500 million in bonds due in October 2013.

Bank Debt and Other Loans

- Codelco has a number of committed, unsecured bilateral term loans with various financial institutions. These loans are mostly U.S. dollar denominated and bear floating interest rates.
- They totalled approximately $2.8 billion at June 30, 2013, of which $320 million was undrawn.
- Subsequent to June 30, 2013, Codelco has entered into approximately $1.2 billion of new committed unsecured term loans with maturity dates 2018 to 2022 and repaid $540 million that matured in July 2013.
- In addition, Codelco has an $875 million non-recourse term loan secured by its investment in AA Sur. The loan is repayable over 20 years in semi-annual installments.
- Codelco-Kupferhandel GmbH has a short-term line of credit for EUR 60 million, with a comfort letter provided by Codelco.
- Codelco also has $2.5 billion of uncommitted short-term lines of credit available for which the Government of the Republic of Chile has authorized the Company the use of $1.0 billion.
- Codelco does not have any independent committed revolving lines of credit.

Contributions to the Chilean Treasury

Main Cash Payments to the Chilean Treasury (1)	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	CLGAAP
	Six Months to JUNE 30		Twelve Months to JUNE 30	For years ended DEC. 31	DEC. 31	DEC. 31	DEC. 31	DEC. 31
(USD, millions)	2013	2012	2013	2012	2011	2010	2009	2008
Income tax	168	937	1,038	1,807	3,852	2,515	1,218	2,134
Law No. 13,196	584	613	1,235	1,264	1,576	1,271	912	1,375
Dividends	143	0	249	106	1,472	2,206	836	3,232
Total	895	1,550	2,522	3,177	6,901	5,992	2,966	6,741

(1) As reported in Codelco annual reports and presentations.

- As a state-owned enterprise, Codelco pays taxes under Article 26 of Decree Law No. 1,350, which refers to Decree Law No. 824 on Income Tax of 1974 and a 40% special tax on its pre-tax earnings (Decree Law No. 2,398); 10% on the foreign currency received from the export sale of copper and by-products (Law No. 13,196), and is also subject to a specific mining tax Law No. 20,026, which is a tax on operating income at progressive rates ranging between 5% and 14%.
- The payments total an average of about 85% of EBITDA (2008–2012), reducing the earnings and cash retained in the Company. This means the Company has little cash on hand to finance its expansion / project capital expenditures and acquisitions, and must resort to debt or special contributions from the state to fund these.

Corporación Nacional del Cobre de Chile

Report Date:
January 30, 2014

Operational Results

- Codelco's earnings and operating cash flow are driven by the supply/demand balance of world copper markets as well as the Company's ability to produce and deliver copper on a cost-competitive basis.
- The largest contributors to Codelco's gross profit (after administrative costs) on average over the five years ending 2012 have been El Teniente (29%), Radomiro Tomic (28%) and Chuquicamata (24%) Divisions.
- During the same period, Chuquicamata averaged 462,000 tonnes per year (tpy) of copper production, and El Teniente and Radomiro Tomic just over 400,000 tonnes.
- Chuquicamata's profit contribution has deteriorated recently as is transitions from an open pit operations in its late stages to an underground operation. Ore grade and copper/molybdenum output have declined since 2010 and unit cash costs have risen significantly.
- Additionally, the small, high-cost Salvador Division has moved to a loss position in 2012.
- In 2012, Codelco added a 20% interest in AA Sur to its copper production totals.
- The new Mina Ministro Hales operation is expected to ramp-up production throughout 2014.

Gross profit after admin expenses (1)(2)	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	CLGAAP
	Six Months to JUNE 30		Twelve Months to JUNE 30	For years ended DEC. 31	DEC. 31	DEC. 31	DEC. 31	DEC. 31
(USD millions)	2013	2012	2013	2012	2011	2010	2009	2008
Chuquicamata	121	421	89	388	1,357	2,070	1,423	
Radomiro Tomic	773	877	1,465	1,569	2,190	1,415	852	
Codelco Norte (1)	894	1,298	1,554	1,958	3,547	3,485	2,275	2,894
Salvador Division	(70)	(42)	(156)	(128)	142	220	91	75
Andina Division	322	391	707	776	854	726	660	733
El Teniente Division	539	881	1,253	1,595	1,917	1,785	1,055	1,594
Minera Gaby	104	188	230	315	365	425	384	(17)
Ventanas	(61)	(40)	(85)	(64)	(56)	(69)	(44)	(49)
Ministro Hales/Other	(90)	(73)	(16)	0	(0)	(0)		
	1,638	2,603	3,487	4,453	6,769	6,572	4,421	5,230

(1) As reported by Codelco gross profit less administrative and distribution costs.

Revenue

- Copper markets have been strong with growing consumption and rapidly advancing prices to a peak annual average of $4.00 per pound in 2011. These robust markets have led to a large investment in new production capacity contributing to price declines in 2012 and 2013 to date. Although production costs have increased, the bulk of producers remain viable at current prices making pricing vulnerable to supply increases. That said, the recent price declines will reduce the number of mine projects being initiated.
- Declining copper prices in 2012 ($3.61 per pound) and to date in 2013 ($3.42 per pound) as well as declining molybdenum prices (2011 - $15.51 to H1 2013 - $11.11), have led to a decline in Codelco's revenue from a record $17.5 billion in 2011 to $15.9 billion in 2012 and $7.2 billion in H1 2013.
- In addition, copper sales volumes (including purchased and re-sold copper) declined 4.4% in 2012 to 1.8 million tonnes, largely due to lower grades at Chuquicamata, which reduced both copper and molybdenum output. Copper sales volumes in H1 2013 were again modestly lower than H1 2012, but molybdenum sales increased in part due to better output from Chuquicamata.
- Notably, the proportion of copper in concentrates of total copper sales volumes has risen from 9.0% in 2008 to 21.5% currently, in part due to scheduled plant maintenance at Chuquicamata.

Metal Sales by Product Type and Prices (thousands of tonnes)	Six Months to JUNE 30		Twelve Months to JUNE 30	For years ended DEC. 31	DEC. 31	DEC. 31	DEC. 31	DEC. 31
	2013	2012	2013	2012	2011	2010	2009	2008
Cathodes	615	700	1,339	1,424	1,574	1,599	1,619	1,484
Fire refined	0	0	0	0	75	100	88	173
Blister	42	43	101	101	64	121	127	96
Concentrates	180	110	387	317	215	163	184	173
	837	853	1,827	1,843	1,928	1,982	2,017	1,927
Molybdenum sales (000 tonnes)	11	10	20	19	23	21	21	24
Copper Price (USD / pound) (1)	3.42	3.67	3.35	3.61	4.00	3.42	2.34	3.15
Molybdenum Price (USD / pound) (1)	11.11	13.91	9.95	12.75	15.51	15.79	11.11	28.42

(1) Market prices as reported by Codelco.

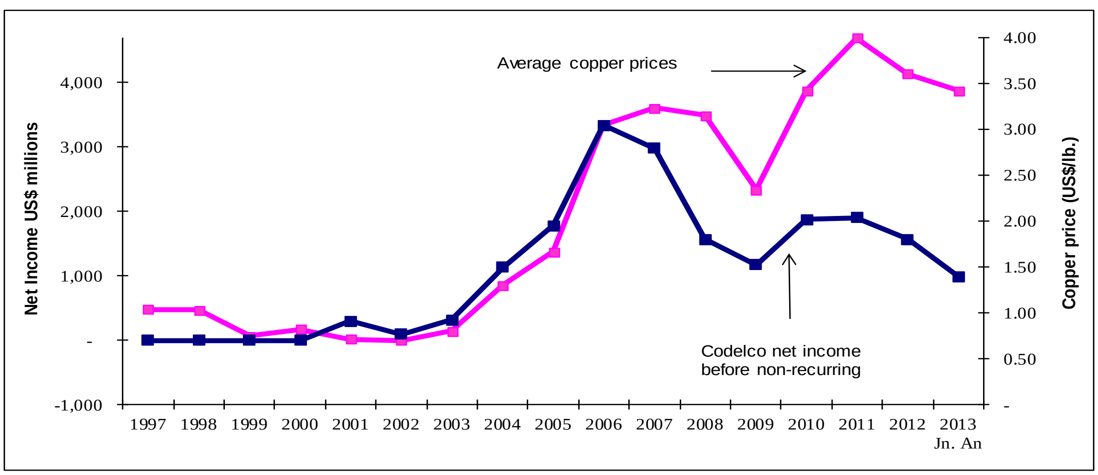
Production and Costs

- Codelco copper production in 2010 to 2012 (including its 49% share of El Abra and 20% share of AA Sur) remained close to 1.775 million tonnes, but has declined by about 90,000 tonnes on an annualized basis in H1 2013, despite added output from AA Sur. The 2013 decline was due mainly to lower output at Chuquicamata partially offset by an increase at El Teniente.
- By-product molybdenum production also declined (15 % in 2012), but has recovered somewhat in H1 2013.
- Since 2010, average copper ore grades at Codelco have fallen by 13% to 0.73% in 2012. During the same period C1 net direct cash costs have increased by 58% to $1.64 per pound. C1 costs in H1 2013 were $1.71.
- In addition to more materials moved and ore processed to maintain output, higher fuel, energy and other input prices, as well as a lower by-product credit have led to the strong cost inflation.

Metal Production and Copper Unit Costs (USD/lb.)	**Six Months to JUNE 30**		**Twelve Months to JUNE 30**	**For years ended DEC. 31**	**DEC. 31**	**DEC. 31**	**DEC. 31**	**DEC. 31**
	2013	2012	2013	2012	2011	2010	2009	2008
Copper production (000 tonnes) (2)	843	803	1,798	1,758	1,796	1,760	1,782	1,548
Molybdenum production (000 tonnes)(2)	11	10	21	20	23	22	22	21
Copper total costs (USD / pound)	2.36	2.37	2.64	2.65	2.06	1.98	1.58	1.78
Net cathode costs (C3 - USD / pound)	2.20	2.09	2.53	2.42	1.72	1.72	1.39	1.20
Direct cash costs (C1 -USD / pound.)	1.71	1.48	1.87	1.64	1.16	1.04	0.93	0.70

C1 costs = cash costs incurred at each processing stage to recoverable metal
delievered to market including treatment, refining anddirect selling costs, less by-product credits.
C3 costs = C1 costs plus depreciation, depletion and amortization as well as non-operating costs, corporate overhead, and net financing costs
Total costs = C3 costs before treatent and refining costs and before by-product credits
(1) From Codelco annual reports and presentations. (2) Including Cdelco share of El Abra and AA Sur

- As a result, aggregate cost of sales, including depreciation and amortization, increased by 5.5% in 2012 to $10.9 billion, but was slightly lower in H1 2013 on an annualized basis at $10.7 billion.
- Admin and other operating expenses, excluding foreign exchange taxes and one-time asset sale expenses, rose even more quickly in 2012, up by 17.4% to $1.4 billion, but were down sharply in H1 2013.
- Foreign exchange revenue taxes declined along with revenue in 2012 and to date in 2013.
- Net non-operating expenses in 2012 were higher than in 2012 despite lower taxes on foreign currency earnings due to lower foreign exchange gains than in 2011.
- Codelco introduced a cost optimization program in 2013 aimed at maximizing operational performance and reducing costs through lowering energy, third-party contractor and administrative costs.
- The Company is planning to increase its production level to about 2.0 million tonnes in 2017, requiring about $27 billion in capital expenditures to sustain and to add to productive capacity. If these expenditures are not made, the Company's productive capacity is expected to drop sharply post 2015.



Net Income

- Codelco's net income before non-recurring items has been highly correlated to copper prices, but in the last five years, declining ore grades and high cost inflation in Chile and in the mining sector generally have weakened the tie leading to lower earnings despite relatively strong copper prices.

Company Profile

- Codelco is a state-owned enterprise, organized under the laws of Chile, with a mandate for mining, trading and industrial activities. Codelco primarily explores, develops and mines ores bearing copper and by-products, processes the ore into refined copper and sells refined copper and by-products internationally.
- It is the world's largest copper producer producing about a third of Chile's copper output.
- In 2012, Codelco produced 1.8 million tonnes of fine copper, including its stakes in El Abra (49% owned) and AA Sur (20% owned) production, representing about 10% of the world's refined copper production.
- The Company is also one of the world's top producers of molybdenum, producing 19,676 tonnes in 2012.
- Codelco is the largest company in Chile in terms of revenues.
- The Company was formed in 1976 under Decree Law No. 1,350 (1976) to create a single company to house large ore deposits nationalized by the state in 1971. Codelco's mission is to responsibly develop all its mining and related business capacity in Chile and throughout the world in order to maximize its long-term economic value and contribution to the Chilean state.
- Codelco reports to the government through the Ministry of Mining and is governed by ordinary legislation, except for specific provisions included in Decree Law No. 1,350 as amended by Law 20.392, its bylaws and other applicable legislation.
- Management of Codelco since March 1, 2010, has been undertaken by a board consisting of three members appointed by the President of the Republic, two of whom represent Codelco employees based on a list of candidates presented by the Copper Workers' Federation and the National Association of Copper Supervisors; and four members appointed by the President of the Republic based on a list presented for each position by the Senior Public Management.
- As a state-owned enterprise and according to its governing law, Codelco's net income is required to be transferred to the Chilean Treasury, thereby limiting its normal-course funding to internally generated cash from deferred taxes, amortization and depreciation.
- Codelco is subject to Decree Law No. 13,196, which requires the payment to the Chilean government of 10% on the foreign currency received from the export sale of copper production and related by-products.
- Codelco's financial activities must be sanctioned by the government. It must submit its proposed annual budget to the Ministries of Mining and Finance for approval and possible revision. In addition, Codelco is required to include as part of its proposed annual budget a debt amortization budget that includes interest and principal payments on its debts. Codelco's annual budget is approved through a supreme decree jointly issued by the Ministries of Mining and Finance.
- In addition, Codelco must submit a three-year business development plan, approved by the Company's Board of Directors, to the Ministries of Mining and Finance by March of each year.
- Codelco is overseen by Chile's National Comptroller's Office (Contraloría General de la República) through the Chilean Copper Commission.
- The Company is subject to the provisions under the *Securities Market Law* and therefore has to submit to the Chilean Securities and Insurance Supervisor (SVS) and the general public the same information that is required of all Chilean publicly traded companies.
- The Company, in 2009, changed its reporting from generally accepted accounting principles issued by the Chilean Institute of Accountants (CLGAAP) to International Financial Reporting Standards (IFRS).
- Results are reported under seven operating divisions (Chuquicamata, Radomiro Tomic, Salvador, Andina, El Teniente, Ventanas and Gabriela Mistral). Ministro Hales Mine, which started production in 2013, will form an eighth business unit.
- The Company also has a 49% interest in the El Abra mine and a 20% equity interest in AA Sur.

Description of Operations

Proven and Probable Reserves as of December 31, 2012 (1)

Division	Proven plus Probable Reserves		
	Ore (Mt) (3)	Cu Grade (%)	Fine Cu (2) (Mt)
Radomiro Tomic	2,567	0.47	12.1
Chuquicamata	1,057	0.81	8.6
Ministro Hales (4)	280	1.00	2.8
Salvador	812	0.50	4.1
Andina	2,551	0.74	18.8
El Teniente	1,538	0.99	15.2
Gabriela Mistral	535	0.37	2.0
Codelco total	**9,340**	**0.68**	**63.6**

(1) As reported by Codelco under Chilean Code (2009) and JORC code (2004) and excluding El Abra.
(2) Copper contained in ore before recoveries applied.
(3) millions of tonnes (4) Under development

- Codelco has 9% of the world's copper reserves, one of the largest copper reserves and resources in the world. At 2012 mining rates (256 million tonnes), Codelco's proven and probable reserves would have an estimated life of 35 years excluding the Ministro Hales mine, which has not reached full production.
- Its additional resources could extend the lives of operations significantly further.
- In addition, Freeport-McMoRan Copper & Gold Inc. reported approximately 1.3 billion tonnes of proven and probable reserves grading 0.42% at El Abra (100% basis) and Anglo American plc reported approximately 2.3 billion tonnes of proven and probable reserves grading 0.55% at AA Sur (100% basis) as at December 31, 2012.

Codelco's key operating units include:
(1) Chuquicamata Division (100% owned)
- Operates the Chuquicamata mine, an open-pit copper mine, which is one of the largest copper- producing mines in the world.
- In operation since 1915, it produces predominantly sulfide concentrates that are smelted and refined largely on site to yield electro-refined and electro-won copper cathodes.

Projects
- Codelco is developing underground mining operations at Chuquicamata to process 140,000 tonnes per day (tpd) of ore to produce 366,000 tpy of copper and 18,000 tpy molybdenum.
- The project will mine reserves under the current deposit over approximately 50 years.
- The project has been estimated to require $2.7 billion over the five years (2013 to 2017) and to start up in 2018.

(2) Radomiro Tomic Division (100% owned)
- Operates the Radomiro Tomic open-pit mine producing electro-won copper cathodes. In production since 1997, it is the world's largest producer of copper using the SX-EW technology.

Projects
- The proposed construction of the RT Sulphides Phase II project is in the feasibility stage. Construction is expected to be completed in 2017 requiring investment of $4.6 billion over the five years (2013 to 2017).
- The project includes an open-pit mine and a doubling of capacity at the concentrator with a desalination plant to provide process water.
- The project is estimated to have 343,000 tpy of copper production capacity.
- Currently, the feasibility study is underway and progress is being made in the engineering studies for the development of the desalination plant. Environmental impact study was submitted in May 2013.

(3) El Teniente Division (100% owned)

- El Teniente, located south of Santiago, is the world's largest underground copper mine. It began production in 1905.
- The El Teniente Division includes the Caletones smelter and produces anodic copper bars and copper anodes, which are in part sold to the Ventanas smelter and electrolytic refinery complex. Caletones has the capacity to smelt 1.25 million tpy of concentrate.

Projects

- The New Mine Level project is intended to extend the life of El Teniente a further 50 years by accessing deeper sections of the mine to exploit 2.0 billion tonnes of reserves at an average grade of 0.86% copper. This will allow the mine to continue providing an output of approximately 434,000 tpy at capacity.
- The project has been estimated to require a $2.9 billion investment 2013 to 2017 and start up in 2017.
- When construction is completed at the end of 2018, the New Mine Level will allow El Teniente to maintain its current treatment capacity at 137,000 tpd.
- The project is in the execution stage and includes the construction of a new mine level under the current mine level. The new operations will be highly automated and remotely operated.

(4) Salvador Division (100% owned)

- Salvador includes the Salvador mine and concentrator and the smelter/refinery complex at Potrerillos, which has a capacity to treat 671,000 tonnes of concentrate annually.
- Production began in 1959. Products include electro-refined and electro-won cathodes.
- The Salvador Division is currently projected to close mining operations by about 2021, depending on copper market conditions. The Potrerillos smelter and refinery will continue to operate upon any cessation of the mining operations at Salvador.

(5) Andina Division (100% owned)

- The Andina Division consists of two mines, the Andina underground mine and the Sur-Sur open-pit mine.
- Operations began in 1970 and both mines extract sulphide ores and produce copper concentrate.
- Concentrate is delivered to Caletones smelter, Ventanas refinery or to third parties.

Projects

- Andina Phase II project (currently undergoing feasibility studies), is expected to increase the nominal mill capacity from 94,000 to 244,000 tpd and copper output capacity by 350,000 tpy to 600,000 tpy in 2021.
- The $6.8 billion project (2012 dollars - $1.0 billion to be spent 2013 to 2017) will consist of a major expansion of mine operations, including a primary crushing process on the mine site, the construction of new concentrator facilities and the development of infrastructure consistent with a large-scale operation.

(6) Gabriela Mistral Division (formerly Minera Gaby S.p.A. -100% owned)

- The Gabriela Mistral mine is a low-grade, open-pit, copper mine operating since 2008 and producing electro-refined cathodes using SX-EW technology.
- Ramp-up of the Phase II expansion of Gabriela Mistral from 150,000 tpy to 170,000 tpy of copper output has proceeded more slowly than expected.

(7) Ventanas Division (100% owned)

- The Ventanas Division was created following the 2005 acquisition of the Ventanas smelter and electrolytic refinery complex from Chile's state-owned mining company Empresa Nacional de Minería (ENAMI).
- It has been in operation since 1964 and produces copper cathodes, gold bars and silver grains as well as sulphuric acid as a by-product.
- The Ventanas smelter has a capacity to treat 400,000 tpy of concentrate.
- It processes concentrate from Codelco's Andina mine and from third-party mines in central Chile.

(8) Mina Ministro Hales Division (100% owned)

- The Division is building an open pit mine located in Calama region of Chile that will produce electro-won copper cathodes. Production began in late 2013.
- Ministro Hales deposit has 280 million tonnes of proven and probable copper reserves grading 1.00% copper as well as additional resources.
- The $3.1 billion project (2012 dollars) includes an open-pit mine operation, mill and concentrator (primary crushing, grinding and flotation) that will process 50,000 tpd and, in addition to other works, a roasting plant.
- Once in full operation, it will produce an average of 183,000 tonnes of copper and 300 tonnes of silver per year.

Other Holdings

El Abra (49% owned)

- El Abra is a joint venture formed in 1994 between Codelco (49%) and Freeport-McMoRan Copper & Gold Inc. (51%).
- It is an open-pit mine and processing facility in Chile producing electro-won copper cathodes since 1996. Capacity (100% basis) is approximately 136,000 tpy.
- During 2011, El Abra commenced production from newly commissioned stacking and leaching facilities to begin transitioning from production of oxide to sulphide ores. Production from the sulphide ore will ramp up to 2015 and is expected to approximately replace the depleting oxide copper production.
- El Abra continues to evaluate the potential large-scale milling operation to process additional sulphide material and to achieve higher recoveries.
- Exploration results indicate the potential for a significant additional sulphide resource.

Anglo American Sur (20% owned)

- **Anglo American Sur S.A. (AA Sur)** is a Chilean copper producer that owns and operates the Los Bronces, and El Soldado open-pit copper mines and the Chagres smelter in Chile.
- These operations produced about 419,000 tonnes of contained copper in 2012 (100% basis) in the form of concentrate and copper cathode plus molybdenum and silver by-products.
- In 2012, Codelco and Anglo American plc (Anglo American) agreed to establish a joint venture to participate in the copper mining assets of AA Sur marking the resolution of a dispute between Anglo American and Codelco over Codelco's option agreement to acquire an interest in AA Sur.
- As a result of the agreement and subsequent transactions, AA Sur is owned 50.1% by Anglo American, 20.4% by Mitsubishi Corporation (Mitsubishi), 20.0% by Codelco and 9.5% by Mitsui. & Co., Ltd.
- Codelco's interest in AA Sur is pledged as collateral to support the project financing of the acquisition, which is non-recourse to Codelco.
- In addition, AA Sur transferred to Codelco certain undeveloped mining properties to the east of Codelco's Andina mine, which are expected to offer significant synergies to Codelco while being of nominal commercial value to AA Sur.

Other

- In addition to its copper operations, Codelco has a number of joint ventures and other interests.
- Codelco is also involved in a number of exploration joint ventures with other mining companies, both locally and internationally.

Corporación Nacional del Cobre de Chile

Report Date:

January 30, 2014

Corporación Nacional del Cobre de Chile (Codelco)

Balance Sheet (USD millions)	June 30	As at December 31			
Assets	**2013**	**2012**	**2011**	**2010**	**2009**
Cash and securities	778	1,264	1,383	874	773
Accounts receivable	1,785	2,179	2,025	2,872	2,291
Inventories	2,415	2,432	2,015	1,783	1,472
Prepaid expenses and others	400	660	485	423	460
Total Current Assets	**5,378**	**6,535**	**5,907**	**5,951**	**4,996**
Fixed assets	17,625	17,078	13,438	11,991	10,804
Evaluation properties	829	0	0	360	407
Goodwill and Intangibles	29	19	12	22	21
Investments	7,834	8,046	1,478	1,955	2,027
Total Assets	**31,695**	**31,678**	**20,835**	**20,279**	**18,254**

	June 30	As at December 31			
Liabilities & Equity	**2013**	**2012**	**2011**	**2010**	**2009**
Short-term borrowings	743	220	41	341	215
Accounts payable	1,552	2,389	1,909	1,975	2,009
L.T.D. due in 1 year	621	630	826	79	76
Taxes Payable	290	50	137	308	64
Other current liabilities	777	851	1,502	2,541	1,733
Total Current Liabilities	**3,984**	**4,139**	**4,416**	**5,244**	**4,097**
Long-term debt	9,397	7,924	6,620	6,418	5,061
Provisions & other liabilities	2,871	4,495	2,194	3,374	3,930
Deferred tax	2,962	2,929	1,540	711	722
Minority interest	2,051	2,099	2	2	2
Common equity	10,430	10,092	6,063	4,529	4,441
Total Liabilities & Equity	**31,695**	**31,678**	**20,835**	**20,279**	**18,254**

Balance Sheet Ratios	Six Months to		Twelve months to	For the year ended December 31				
	June 30 2013	**June 30 2012**	**June 30 2013**	**2012**	**2011**	**2010**	**2009**	**2008**
Current ratio	1.35	1.44	1.35	1.58	1.34	1.13	1.22	1.22
Acc. rec. + invent./short-term debt	3.08	4.52	3.08	5.43	4.66	11.08	12.93	1.99
Cash flow/current liabilities	0.74	0.58	0.49	0.38	0.41	0.80	0.94	0.90
Accounts payable/inventory	0.64	0.63	0.64	0.98	0.95	1.11	1.36	0.63
EBITDA gross interest coverage	11.6	15.4	9.8	11.7	27.9	28.8	20.6	26.2
EBIT gross interest coverage	7.5	11.7	6.0	8.1	22.4	23.5	16.1	22.0
% gross debt in the capital structure	45.7%	52.4%	45.7%	41.1%	54.2%	58.9%	52.0%	55.4%
% net debt in the capital structure	43.8%	50.1%	43.8%	37.2%	48.9%	55.3%	47.7%	53.4%
Total debt/EBITDA	2.21	1.15	2.45	1.64	0.96	0.91	0.97	0.77
Cash flow/total debt	28.6%	31.8%	18.3%	19.0%	27.5%	57.3%	68.8%	58.5%
% gross debt (incl. operating leases)	49.7%	56.6%	49.7%	44.4%	57.6%	62.0%	52.0%	55.4%
% net debt (incl. operating leases)	48.1%	54.6%	48.1%	41.0%	53.1%	59.0%	47.7%	53.4%
Cash flow/total debt (incl. oper. leases)	26.8%	29.5%	18.0%	18.7%	26.1%	52.3%	68.8%	58.5%
Fixed-charges coverage	7.5	11.7	6.0	8.1	22.4	23.5	16.1	22.0
Asset coverage	2.19	1.91	2.19	2.43	1.84	1.70	1.92	1.80
Cash flow/capital expenditure	0.68	0.79	0.44	0.44	0.88	1.61	1.97	1.43
Cash flow/(capex + dividends)	0.63	0.79	0.41	0.43	0.53	0.82	1.32	0.54

Income Statements	Six Months to		Twelve months to	For the year ended December 31				
(USD millions)	**June 30 2013**	**June 30 2012**	**June 30 2013**	**2012**	**2011**	**2010**	**2009**	**2008**
Sales	**7,217**	**7,625**	**15,453**	**15,860**	**17,515**	**16,066**	**12,379**	**14,425**
Less operating expenses	4,838	4,350	11,159	10,671	10,013	8,917	7,405	8,191
EBITDA	2,379	3,275	4,293	5,189	7,503	7,149	4,974	6,233
Less depreciation, depletion, amort.	838	785	1,658	1,606	1,485	1,305	1,082	1,005
Operating Income (EBIT)	**1,542**	**2,490**	**2,635**	**3,583**	**6,017**	**5,844**	**3,892**	**5,228**
Less interest expense	154	191	312	348	223	239	240	238
Add other income (expense)	(397)	(630)	(1,001)	(1,234)	(978)	(1,421)	(975)	(1,464)
Income before Taxes	**990**	**1,669**	**1,321**	**2,000**	**4,816**	**4,185**	**2,677**	**3,527**
Less income tax	704	1,144	442	883	3,265	2,612	1,814	2,246
Income after Taxes	**287**	**525**	**879**	**1,118**	**1,551**	**1,573**	**864**	**1,281**
Equity inc. and minority int.	208	233	425	450	355	305	313	286
Net Income before Non-recurring	**495**	**758**	**1,304**	**1,568**	**1,905**	**1,878**	**1,176**	**1,567**
Non-recurring items & disc oper.	0	0	2,300	2,300	151	0	0	0
Net Income	**495**	**758**	**3,605**	**3,868**	**2,056**	**1,878**	**1,176**	**1,567**
Cash Flow (US$ millions)								
Cash flow from operations	**1,503**	**1,198**	**1,921**	**1,615**	**1,974**	**3,718**	**3,318**	**2,822**
Less capital expenditures	2,226	1,518	4,395	3,687	2,252	2,309	1,681	1,975
Less dividends	143	0	249	106	1,472	2,206	836	3,232
Gross Free Cash Flow	**(865)**	**(320)**	**(2,723)**	**(2,178)**	**(1,750)**	**(798)**	**801**	**(2,385)**
Working capital changes	(186)	(803)	438	(178)	379	(681)	(285)	439
Net Free Cash Flow	**(1,051)**	**(1,123)**	**(2,285)**	**(2,357)**	**(1,371)**	**(1,479)**	**517**	**(1,946)**
Acquisitions	(2)	(4)	(2,837)	(2,840)	0	(117)	(83)	(256)
Divestitures	28	26	63	61	1,128	0	0	29
Other	40	53	(73)	(59)	37	110	135	0
Subtotal	**(984)**	**(1,048)**	**(5,132)**	**(5,195)**	**(206)**	**(1,486)**	**569**	**(2,174)**
Debt issue	891	769	5,603	5,481	1,232	2,387	2,105	886
Debt repayment	(392)	(432)	(1,465)	(1,505)	(518)	(801)	(2,294)	(400)
Change in Cash	**(485)**	**(711)**	**106**	**(119)**	**509**	**101**	**380**	**(1,688)**
Profitability Ratios								
Gross margin	36.2%	46.1%	31.2%	36.1%	45.4%	46.9%	44.3%	45.7%
EBITDA margin	33.0%	43.0%	27.8%	32.7%	42.8%	44.5%	40.2%	43.2%
EBIT (operating) margin	21.4%	32.7%	17.1%	22.6%	34.4%	36.4%	31.4%	36.2%
Net profit margin	6.9%	9.9%	8.4%	9.9%	10.9%	11.7%	9.5%	10.9%
Return on equity	9.6%	23.5%	15.1%	19.4%	36.0%	41.9%	28.3%	36.4%
Return on capital	4.9%	11.8%	8.1%	10.4%	16.3%	19.4%	14.0%	18.0%

Note: Financial data before 2009 was based on Chilean GAAP and financial data since 2009 was based on IFRS, with the year 2009 re-stated.

Corporación Nacional del Cobre de Chile

Report Date:
January 30, 2014

Rating

Debt	Rating	Rating Action	Trend
Issuer Rating	A	Confirmed	Stable
Senior Unsecured Debt	A	Confirmed	Stable

Rating History

	Current	2013	2012	2011	2010	2009	2008
Senior Unsecured Debt	A	A	A	A	A	A	A
Issuer Rating	A	A	A	NR	NR	NR	NR

Related Research

- DBRS Assigns “A” Rating with Stable Trend to $950 Million Codelco Debt Issue, Oct 16, 2013
- DBRS Assigns “A” Rating with Stable Trend to $750 Million Codelco Debt Issue, Aug 7, 2013

Notes:
All figures are in U.S. dollars unless otherwise noted.

For the definition of Issuer Rating, please refer to Rating Definitions under Rating Policy on www.dbrs.com.

Generally, Issuer Ratings apply to all senior unsecured obligations of an applicable issuer, except when an issuer has a significant or unique level of secured debt.