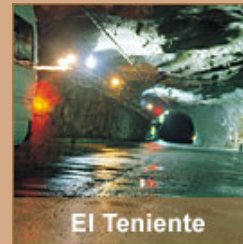
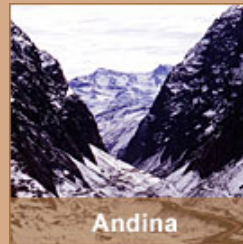
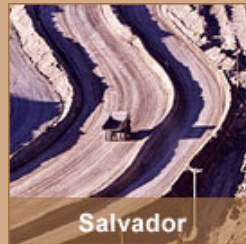




# Statement of Results Codelco January – September 2008

José Pablo Arellano, President & CEO  
Press conference  
30 October 2008



# Global accident rate Q32008 (Own and contract workers)

	2008	2007
Codelco Norte	3.64	3.70
Salvador	2.97	3.57
Andina	3.76	4.05
Ventanas	3.55	4.75
El Teniente	4.09	3.39
<b>CODELCO</b>	<b>3.57</b>	<b>3.58</b>

Accident rate: number of lost time accidents per 1,000,000 hours worked

# Results through Q3 2008 (\*)

Production and price information

	2008	2007
<b>Copper sales (1,000 metric tons)</b>	<b>1,385</b>	<b>1,475</b>
Of own production	1,095	1,217
Of third parties	289	258
<b>Molybdenum sales (1,000 metric tons)</b>	<b>19</b>	<b>21</b>
<b>Own copper production (1,000 metric tons)</b>	<b>1,047</b>	<b>1,141</b>
<b>Molybdenum production (1,000 metric tons)</b>	<b>15</b>	<b>21</b>
<b>LME Copper price (c/lb)</b>	<b>361.3</b>	<b>321.5</b>
<b>Metals Week Moly price (US\$/kg)</b>	<b>73.1</b>	<b>65.0</b>
<b>Exchange rate (CLP/US\$)</b>	<b>483.1</b>	<b>529.4</b>
<b>Inflation</b>	<b>138.4</b>	<b>127.2</b>

(\*) Individual financial statements

# Results through Q3 2008(\*)

(Million US\$)

	2008	2007
Income from exploitation of own products	7,242	8,394
Cost of exploitation of own products	-3,525	-2,654
Margin from exploitation of own products	3,717	5,740
Margin from exploitation of by-products and third party products	1,376	1,264
<b>Margin from exploitation</b>	<b>5,093</b>	<b>7,004</b>
Sales and administration costs	-276	-211
<b>OPERATING INCOME</b>	<b>4,817</b>	<b>6,793</b>
Non-operating income	-278	-408
Income from related companies	324	350
<b>PRE-TAX PROFIT</b>	<b>4,864</b>	<b>6,736</b>

(\*) Individual financial statements

# Pre-tax profit distribution through Q3 2008

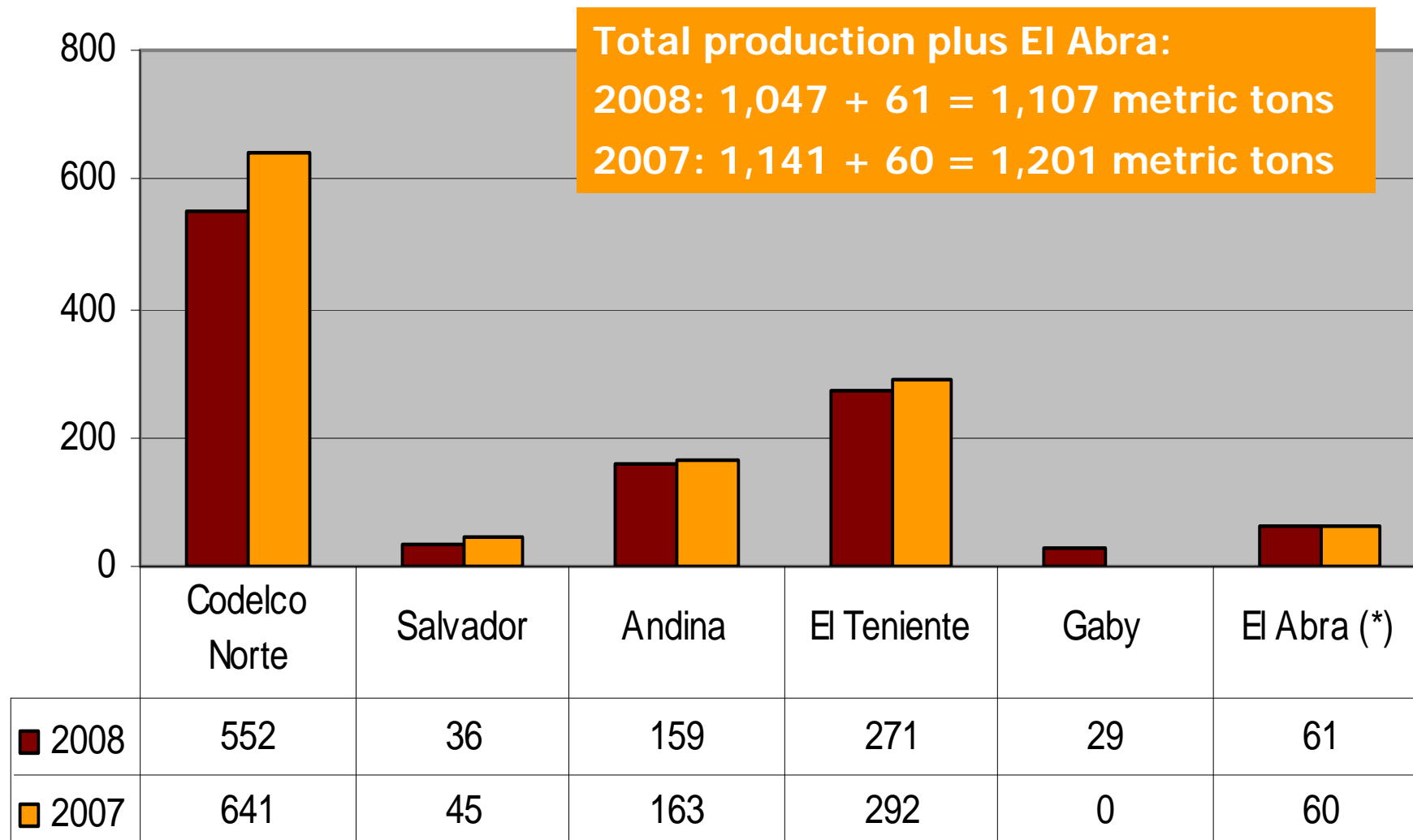
(Million US\$)

	2008	2007
Reserve Law N° 13,196 tax	1,036	1,040
Income tax (57%)	2,027	3,059
Specific mining tax	206	282
Net profit	1,595	2,354
<b>TOTAL PROFIT</b>	<b>4,864</b>	<b>6,736</b>
<b>COMPARABLE NET PROFIT (*)</b>	<b>3,880</b>	<b>5,368</b>

(\*) Equivalent to the profit Codelco would obtain by applying the same taxation regime that private companies face (17%)

# Copper production, own and third party, through Q3

Thousand fine metric tons



(\*) Share of production that relates to Codelco

# Costs

Concepts included	Total costs and expenses	Net cathode cost C3	Direct Cost C1
Cash operating costs	✓	✓	✓
Other operating costs	✓	✓	-
Head office	✓	✓	-
Financial costs	✓	✓	-
Depreciation and amortization	✓	✓	-
Treatment and refining charges (TC-RC)	-	✓	✓
By-product credits	-	✓	✓

# CodeLco Costs through the third quarter

(US\$ /lb of copper)

	2008	2007
Total costs and expenses	180.7	134.6
+ Treatment and refining charges (TC/RC)	2.3	2.2
– By-product credits	-72.1	-59.0
<b>Net Cathode Cost C3</b>	<b>110.9</b>	<b>77.8</b>
– Depreciation and amortization	-29.8	-22.5
– Non-operational costs and provisions	-17.9	-21.2
<b>Direct Cash Cost C1</b>	<b>63.2</b>	<b>34.1</b>



# Net cathode cost variation analysis

(US\$/lb of copper)

**Net Cathode Cost (C3) 2007** **77.8**

Increase in consumable costs	9.3
Electrical energy tariff adjustments	4.7
Exchange rate effect	4.1

**Subtotal** **18.1**

Lower production due to lower grade	17.8
Lower production due to climatic effects and contractor conflicts	4.6
Higher depreciation and amortization	4.5
Higher provisions	1.3
Other net variations	-0.2
Higher TC/RCs	0.1
Higher by-product credits	-13.1

**Net Cathode Cost (C3) 2008** **110.9**

**Difference** **33.1**

# Highlights – Q3 2008

- **Codelco-Minmetals agreement:** China Minmetals agreed to indefinitely suspend its rights and obligations relating to the Gaby deposit. Both companies agreed to work together to develop new copper businesses and exploration in Latin America and Africa. The agreement did not contemplate economic compensation.
- **El Abra:** The development of the Sulfolix project was approved (investment of US\$450 million) that will allow the extension of its exploitation by at least a decade from 2010. Codelco has a 49% interest in the property.
- **Codelco-Rio Tinto:** Agreed an exploration joint venture. The companies signed contracts for exploration and a joint venture for the Esteli and Paloma prospects, under which Codelco provides the mineral concessions and Rio Tinto the exploration funding.
- **Codelco–Enami:** Agreement to treat 1.75 million tons of mineral from small- and medium-scale miners in Region III at Salvador.
- **Collective contracts without conflict:** for the Andina Division supervisors and Head Office. These processes closed the 2006-2008 contract cycle, with ten collective negotiations, involving 17,000 workers, without conflict. The period also saw the first collective negotiation at Minera Gaby.
- **Public disclosure:** The Executive President of Codelco reported before the Mining Commissions of the Senate and Chamber of Deputies.
- **Notable woman in mining:** Alejandra Arévalo, a geologist at El Teniente, received the prize.

# Highlights– Q3 2008

- **Codelco Costs Investigative Commission:** The Chamber of Deputies delivered its conclusions, highlighting irregularities. The Commission recommended the modernization of Codelco's corporate governance.
- **International Meeting:** Codelco was the host of the 20th Annual Meeting of the International Molybdenum Association (IMOA). 180 delegates participated from the largest molybdenum producers and converters in the world.
- **Carbon Bonds:** The Chicago Climate Exchange authorized Codelco to issue carbon bonds in the voluntary transaction market in the USA. This issue stems from the reduction of emissions by 140,000 tons from two Codelco smelters.
- **Bactericidal Copper:** A project to test the bactericidal effect of copper in the UCI room of the Copper Hospital won the Mining Cluster Innovation Program of Corfo-Innova. The project sought to reduce the rate of intra-hospital infection.
- **ISO 26001:** Codelco sponsored and actively participated in the VI International Meeting of the ISO 26000 Social Responsibility Working Group. It sought to generate a norm that recognizes social responsibility as essential to the good performance of an organization.
- **Teacher Encounter:** Codelco met with more than 120 teachers to evaluate technological support platforms, including the Copper Rooms located in the Natural History Museum and the portal [www.CodelcoEduca.cl](http://www.CodelcoEduca.cl)