

**CORPORACION NACIONAL DEL COBRE DE CHILE AND SUBSIDIARIES**INTERIM CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2004 AND 2005  
(In thousands of U.S. dollars -ThUS\$)

<b>ASSETS</b>	<b>2004</b> ThUS\$	<b>2005</b> ThUS\$
<b>CURRENT:</b>		
Cash	19,723	27,174
Time deposits	265,750	300,397
Marketable securities	304	1,721
Trade receivables, net	546,767	766,647
Notes receivable	125	3,531
Other receivables, net	97,470	115,982
Due from related companies	4,902	41,642
Inventories, net	788,267	966,001
Income taxes recoverable	73,335	64,598
Prepaid expenses	15,609	28,231
Deferred taxes	43,994	69,729
Other current assets	2,065	5,147
<b>Total current assets</b>	<b>1,858,311</b>	<b>2,390,800</b>
<b>PROPERTY, PLANT AND EQUIPMENT:</b>		
Land	30,425	55,701
Buildings and infrastructure	6,242,055	6,603,727
Machinery and equipment	5,570,842	6,333,308
Other plant and equipment	49,502	91,580
Technical appraisal revaluation	383,105	369,004
Accumulated depreciation	(6,957,328)	(7,388,194)
<b>Net property, plant and equipment</b>	<b>5,318,601</b>	<b>6,065,126</b>
<b>OTHER ASSETS:</b>		
Investments in related companies	490,285	628,820
Investments in other companies	3,368	3,443
Goodwill	0	27,341
Long-term receivables	130,814	140,338
Due from related companies	82,013	45,400
Intangibles	11,706	17,612
Accumulated amortization	(62)	(1,148)
Other assets	347,652	445,796
<b>Total other assets</b>	<b>1,065,776</b>	<b>1,307,602</b>
<b>TOTAL ASSETS</b>	<b>8,242,688</b>	<b>9,763,528</b>

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<b>LIABILITIES AND EQUITY</b>	<b>2004</b> ThUS\$	<b>2005</b> ThUS\$
<b>CURRENT LIABILITIES:</b>		
Banks and financial institutions:		
Current	196,247	374,872
Current portion of long-term debt	203,043	4,783
Current portion of bonds payable	15,343	20,822
Dividends payable	65,952	163,479
Accounts payable	305,951	443,999
Notes payable	975	499
Miscellaneous payables	55,775	57,479
Due to related companies	44,602	52,401
Accruals	208,448	301,264
Withholdings	70,100	81,662
Income taxes payable	253	151,866
Deferred income	5,320	3,177
Other current liabilities	662	2,281
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Total current liabilities	1,172,671	1,658,584
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<b>LONG- TERM LIABILITIES:</b>		
Due to banks and financial institutions	900,000	900,000
Bonds payable	1,422,098	2,154,921
Notes payable	92,375	88,616
Miscellaneous payables	46,211	88,815
Accruals	684,468	802,163
Deferred taxes	1,043,376	1,108,688
Other long-term liabilities	5,811	58,365
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Total long-term liabilities	4,194,339	5,201,568
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<b>MINORITY INTEREST</b>	1,866	2,315
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<b>EQUITY:</b>		
Paid-in capital	1,524,423	1,524,423
Other reserves	1,311,175	1,321,102
Net income for the period	521,572	807,178
Profits distribution to the Chilean Treasury	(483,358)	(751,642)
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Total net equity	2,873,812	2,901,061
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<b>TOTAL LIABILITIES AND EQUITY</b>	<u>8,242,688</u>	<u>9,763,528</u>

**CORPORACION NACIONAL DEL COBRE DE CHILE AND SUBSIDIARIES**

INTERIM CONSOLIDATED STATEMENTS OF INCOME  
FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2004 AND 2005  
(In thousands of U.S. dollars -ThUS\$)

	<b>2004</b> ThUS\$	<b>2005</b> ThUS\$
SALES	3,905,961	4,752,302
COST OF SALES	<u>(2,211,241)</u>	<u>(2,171,836)</u>
GROSS PROFIT	1,694,720	2,580,466
ADMINISTRATIVE AND SELLING EXPENSES	<u>(90,131)</u>	<u>(128,289)</u>
OPERATING INCOME	<u>1,604,589</u>	<u>2,452,177</u>
NON-OPERATING INCOME (EXPENSES):		
Interest income	4,521	7,871
Equity in income of related companies	54,406	46,946
Other income	123,357	74,823
Interest expense	(69,859)	(84,795)
Equity in losses of related companies	(10,168)	(4,272)
Amortization of goodwill	0	(230)
Other expense	(462,436)	(634,356)
Price-level restatement	(50)	(27)
Foreign exchange differences	<u>20,019</u>	<u>11,004</u>
NON - OPERATING EXPENSES, NET	<u>(340,210)</u>	<u>(583,036)</u>
INCOME BEFORE INCOME TAXES AND MINORITY INTEREST	1,264,379	1,869,141
INCOME TAXES	<u>(742,861)</u>	<u>(1,067,909)</u>
INCOME BEFORE MINORITY INTEREST	521,518	801,232
MINORITY INTEREST	<u>54</u>	<u>5,946</u>
NET INCOME FOR THE PERIOD	<u><u>521,572</u></u>	<u><u>807,178</u></u>

**CORPORACION NACIONAL DEL COBRE DE CHILE AND SUBSIDIARIES**

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2004 AND 2005  
(In thousands of U.S. dollars -ThUS\$)

	<b>2004</b> ThUS\$	<b>2005</b> ThUS\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income for the period	521,572	807,178
Gain on sale of assets	(75,825)	(1,395)
Charges (credits) to income which do not represent cash flows:		
Depreciation	194,883	213,037
Amortization	56,646	80,934
Write-offs and accruals	191,252	126,031
Equity in income of related companies	(54,406)	(46,946)
Equity in losses of related companies	10,168	4,272
Amortization of goodwill	0	230
Price-level restatement	50	27
Foreign exchange differences	(20,019)	(11,004)
Other credits to income which do not represent cash flows	(25,177)	(48,597)
Minority interest	(54)	(5,946)
(Increase) decrease in assets which affect operating cash flows:		
Trade receivables	(192,645)	(103,103)
Inventories	90,841	(212,370)
Other assets	320,489	37,565
Increase (decrease) in liabilities which affect operating cash flows:		
Accounts payable	20,001	48,342
Interest payable	6,060	21,059
Income tax payable	(100)	151,515
Value added tax and other similar taxes payable, net	12,730	74,311
Net cash provided by operating activities	<u>1,056,466</u>	<u>1,135,140</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Loans obtained	340,000	350,000
Bonds payable	0	229,652
Other financing activities	0	32,870
Profits distribution to the Chilean Treasury	(402,782)	(696,022)
Loan repayment	(411,100)	(28,600)
Net cash used in financing activities	<u>(473,882)</u>	<u>(112,100)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales of property, plant and equipment	76,936	0
Proceeds from sale of other investments	7,203	0
Other investment income	34,906	60,932
Purchases of property, plant and equipment	(433,464)	(965,939)
Investment in related companies	(10,242)	(1,274)
Investments in financial instruments	0	(1,550)
Other investment disbursements	(31,990)	(40,945)
Net cash used in investing activities	<u>(356,651)</u>	<u>(948,776)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	225,933	74,264
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>59,844</u>	<u>255,028</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>285,777</u></u>	<u><u>329,292</u></u>