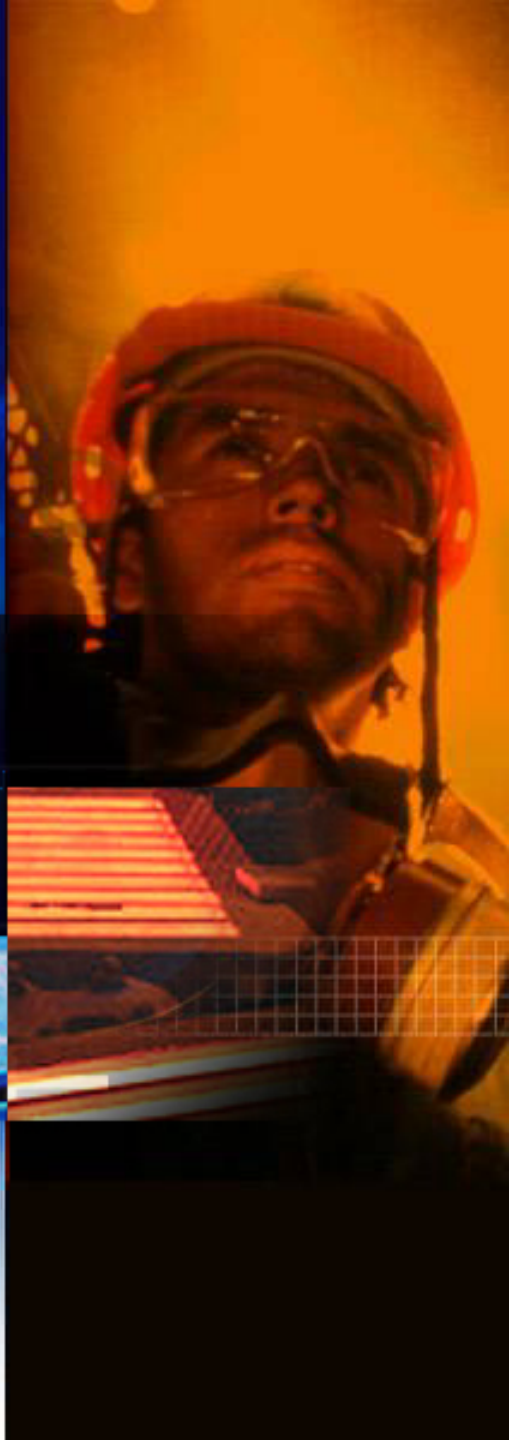




**CODELCO**  
Produciendo Futuro



**FIRST HALF 2003**

**FRANCISCO TOMIC, Senior Vice President  
of Finance and Human Resources**

## January-March Results

(millions US\$)

**FIRST HALF  
2003**

**FIRST HALF  
2002**

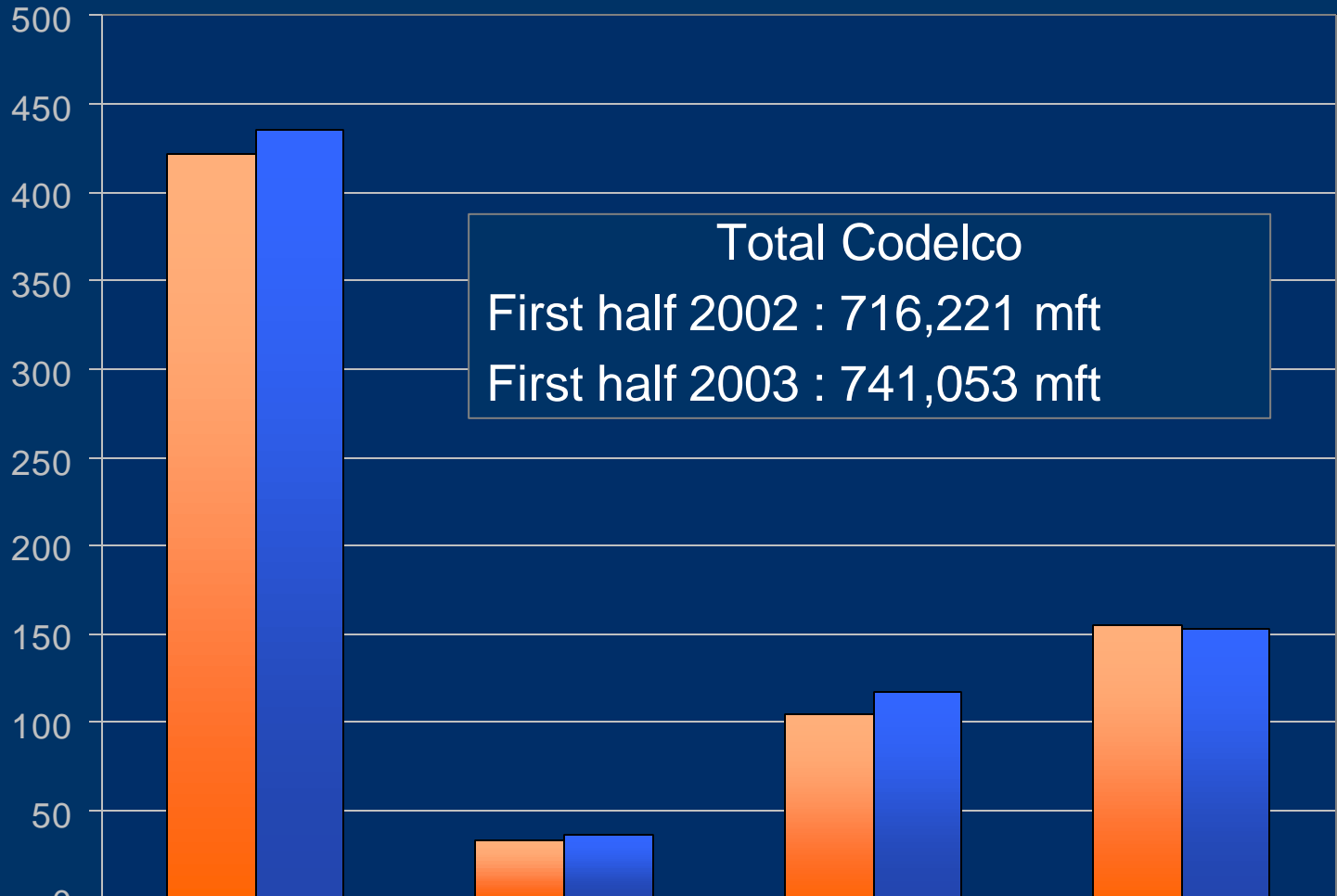
Total sales	1,668.3	1,797.7
Cost of Sales	1,291.9	1,411.1
Gross Profit	376.4	386.6
Administrative and selling expenses	80.6	76.1
<b>OPERATING INCOME</b>	<b>295.8</b>	<b>310.5</b>
Non-operating income and expenses	-94.0	-83.3
Minority interest	0.3	
<b>INCOME BEFORE TAXES</b>	<b>202.1</b>	<b>227.2</b>
<b>Sales of copper -thousand mft</b>	<b>795.3</b>	<b>934.3</b>
<b>Precio Cobre (c/lb)</b>		
LME copper price	74.9	71.8
Own copper price	73.5	71.2

Income before taxes distributions  
(millones de US\$)

	JAN-JUN 2003	JAN-JUN 2002
Law 13,196	113.2	125.2
Income tax	55.1	57.7
Net profits	33.8	44.3
<b>Total</b>	<b>202.1</b>	<b>227.1</b>

# COPPER PRODUCTION BY DIVISION

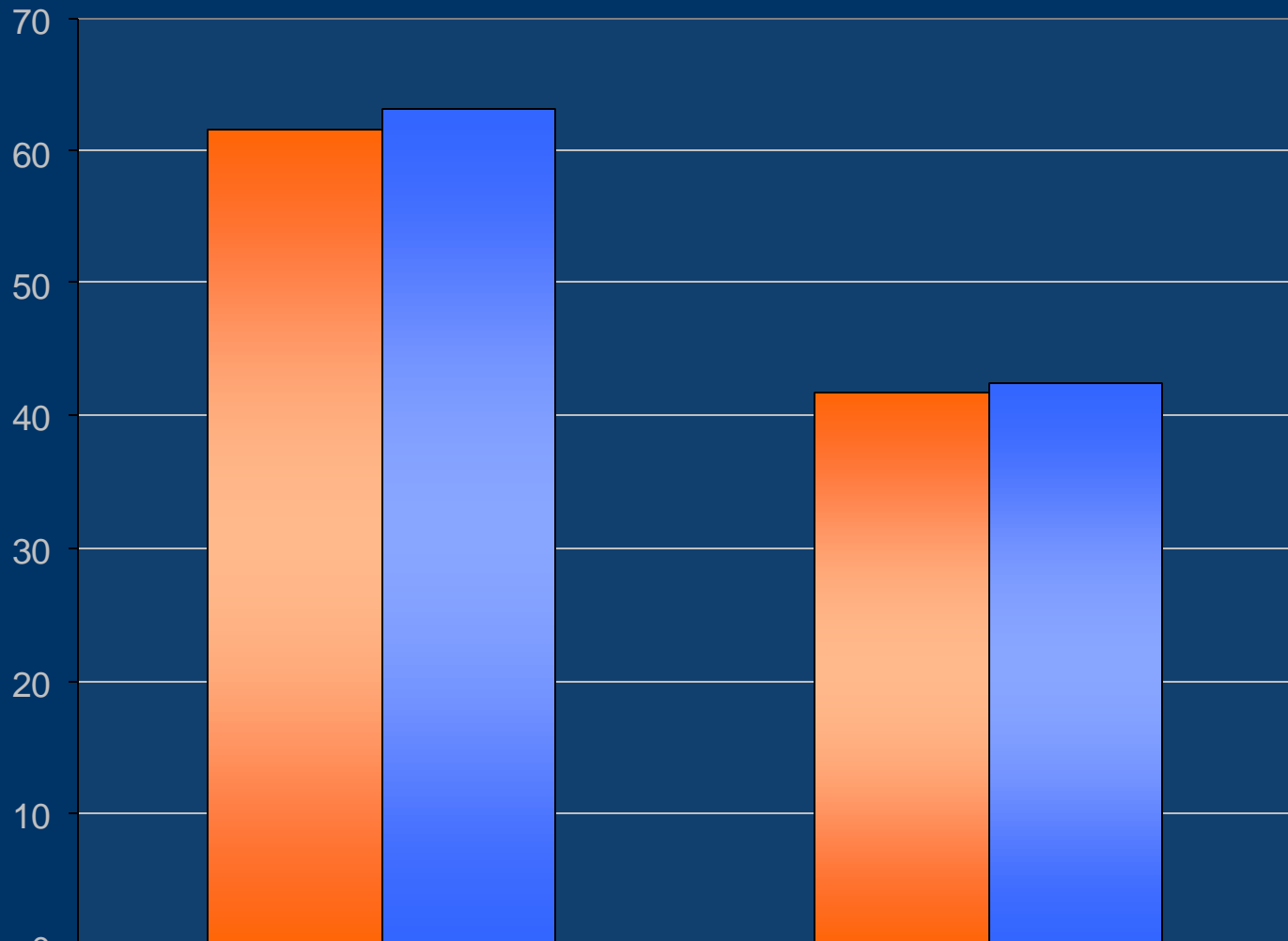
(thousand metric fine tons)



Total Codelco  
 First half 2002 : 716,221 mft  
 First half 2003 : 741,053 mft

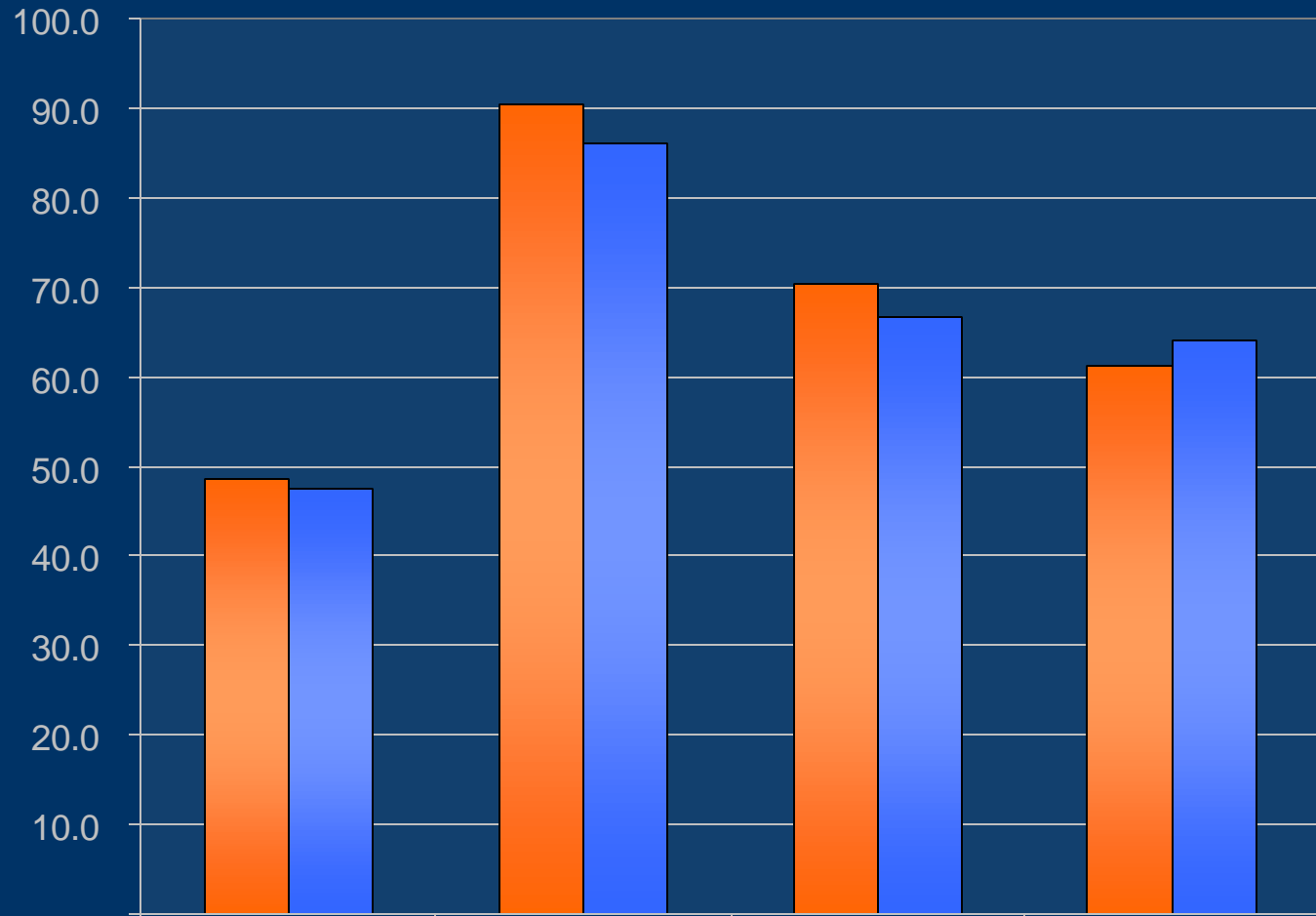
	Codelco Norte	Salvador	Andina	Teniente
First half 2002	422	33	105	155
First half 2003	435	36	117	153

# Unit costs (cents per pound)



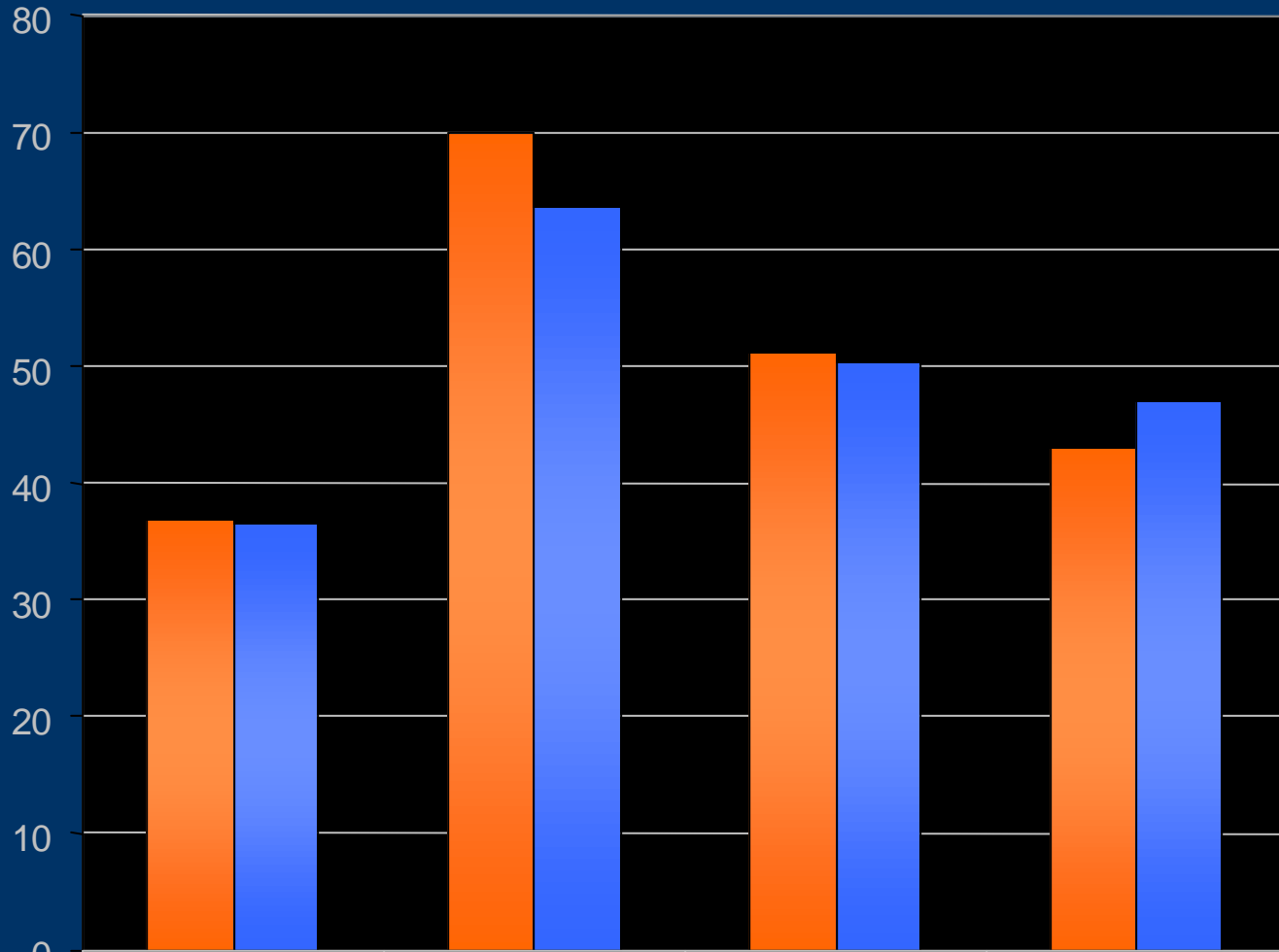
	Net cathode cost	Cash cost
First half 2002	61.6	41.7
First half 2003	63.1	42.4

# NET CATHODE COST (CENTS PER POUND)



	Codelco Norte	Salvador	Andina	Teniente
First half 2002	48.7	90.5	70.5	61.3
First half 2003	47.6	86.1	66.7	64.1

# CASH COST (CENTS PER POUND)

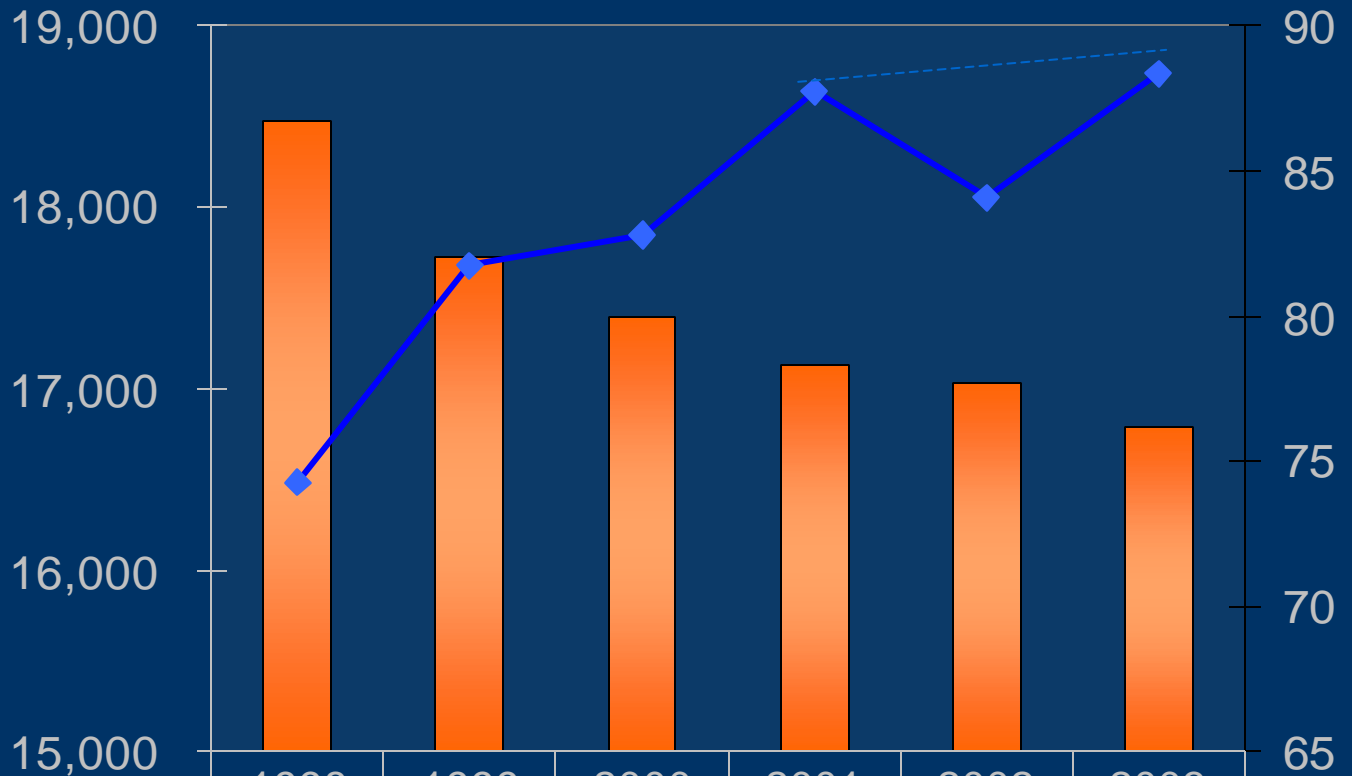


	Codelco Norte	Salvador	Andina	Teniente
■ First half 2002	36.9	70.0	51.2	43
■ First half 2003	36.5	63.6	50.4	47.1

# PRODUCTIVITY FIRST HALF (tons of copper per worker)

Workers

mft/workers



 WORKERS	18,473	17,728	17,393	17,124	17,034	16,782
 PRODUCTIVITY	74.3	81.7	82.8	87.7	84.1	88.3



# INVESTMENTS

	FIRST HALF 2003	FIRST HALF 2002
Codelco Norte	194,275	144,108
Salvador	36,744	38,684
Andina	11,388	23,794
Teniente	174,490	133,370
Others	30,145	49,076
<b>Total</b>	<b>447,042</b>	<b>389,032</b>

## Financial Statements June 2002-2003

(in US\$ million)	2002	2003
Copper Production (Million Mft)	716	741
Cash Cost (US c/lb)	41.7	42.4
Avg. LME Copper price (US c/lb)	71.8	75.0
Total Sales	1,797.7	1,668.3
Gross Profit	386.6	376.4
Gross margin	21.5%	22.6%
EBITDA	548.2	523.9
EBITDA margin	30.5%	31.4%
Interest Expense	37	49
Total Financial Debt	1,588	2,190
Total Equity	2,730	2,777
EBITDA/Interest Expense	14.9	10.6

<b>Balance Sheets Assets</b> <b>(amount in thousand of US\$)</b>	<b>2002</b>	<b>2003</b>
<b>Current assets</b>	<b>1,097</b>	<b>1,322</b>
Time deposits and marketable sec.	75	56
Trade receivables	295	257
Other receivables	133	97
Inventories (net)	457	597
Income taxes recoverable	91	270
Other current assets	47	45
<b>Property, plan and equipment</b>	<b>4,650</b>	<b>4,979</b>
<b>Other assets</b>	<b>499</b>	<b>722</b>
Investments in related companies	184	289
Long term receivables	81	93
Amounts due from related companies	74	81
Other	157	259
<b>Total assets</b>	<b>6,247</b>	<b>7,023</b>

**Balance Sheets Liabilities and Equity****Amounts in thousand of US\$****2002****2003**

<b>Current liabilities</b>	<b>1,088</b>	<b>1,239</b>
Líneas de crédito	336	582
Obligaciones LP al CP	256	209
Cuentas por pagar	268	242
Provisiones y retenciones	217	199
Otros	12	27
<b>Long term liabilities</b>	<b>2,428</b>	<b>3,007</b>
Due to banks and financial inst	700	500
Bonds	300	905
Provisions	500	549
Deferred income taxes	898	984
Other	30	69
Minority interest	1	1
<b>Equity</b>	<b>2,731</b>	<b>2,777</b>
<b>Total liabilities and equity</b>	<b>6,247</b>	<b>7,023</b>