**Codelco reports pre-tax profit of USD 537 million in the first-quarter of 2018**

*Codelco CEO, Nelson Pizarro, reported the Company had increased it productivity and production compared to the same period last year.*

**Santiago, 25 May 2018.** “Thanks to disciplined and austere management, we have maintained our competitiveness and we will contribute USD 537 million to the country’s development,” Nelson Pizarro reported, Codelco CEO, at the Company’s press release for the first quarter 2018 results.

C1 costs continued to be highly competitive, despite a 1% increase. At Codelco, C1 costs were 135 US cents per pound (c/lb), 12% less than the rest of the industry in Chile, where it averaged 154 c/lb. While, net cathode costs (C3) rose 8% to 220.5 c/lb, this increase was strongly influenced by a lower exchange rate, input prices and other factors.

The company posted record figures for production in the first quarter. “Every employee at this Company is responsible for this achievement. Their work and commitment enabled us to face, once again, falling ore grades (-2.7%) and produce 416,000 tonnes of refined copper from our own mines, up 7% from the first quarter of 2017,” Pizarro explained. If Codelco’s stake in El Abra and Anglo American Sur were included, this figure would rise to 446,000 tonnes.

Codelco also increased its productivity. Between January and March 2018, its productivity was 50.8 tonnes per person, up 11% from the same period the year before (45.9 tonnes/person), after optimising third-party contracts, improving employee management and production.

The Company’s consolidated Ebitda for the period was USD 1.273 billion, up 11% over the first quarter of 2017.

**Negotiations and Transformation**

The CEO highlighted that during this period, collective bargaining agreements were negotiated with six trade unions that represent 3000 employees at Andina, Chuquicamata, Ministro Hales and Radomiro Tomic Divisions. All these agreements were negotiated under appropriate conditions and had a positive outcome, i.e., a 1% adjustment and no strikes.

“Our indicators demonstrate that we are on the right path, but this will not be enough if we don’t also implement the organisational transformation we need. We should take responsibility for our environmental commitments, confront collective bargaining with maturity, define a long-term funding formula and commit to an employee profile suitable for the change processes,” Pizarro analysed, emphasising the importance of this transformation in order to make the structural projects that represent Codelco’s future viable.

This project portfolio includes Chuquicamata Underground Mine (56.2% progress), El Teniente New Mine Level (46.7%) and Andina Transport System (53.2%).

**KEY FIGURES: 1Q 2018**

* **USD 537 million** in pre-tax profit.
* **416,000 tonnes** of refined copper from Codelco’s own mines, up 7% compared to the same period of 2017. And 446,000 tonnes, including its stake in El Abra and Anglo American Sur.
* **C1 costs were 135 c/lb,** 12% higher than the rest of the industry in Chile.
* **USD 1.273 billion** was Ebitda for the first quarter of 2018, and a 36% margin.
* **50.8 tonnes per person** was Codelco’s productivity in the first quarter of 2018.

**Communications Department**