

Highlights of 2006

- Profit before tax up 86% to US\$2,859 million

- Net earnings up 87% to US\$1,354 million

- Total dividend for the year up 119% to US 48.2 cents per share

- Copper production of 465,500 tonnes, 0.4% below 2005

- Molybdenum production increased by 13% to 9,800 tonnes

- Average LME copper price up 83% to US 305.3 cents per pound

- Average market molybdenum price US\$24.8 per pound, 22.5% below 2005

- Group weighted average cash costs* (net of by-product credits) of US 40.2 cents per pound (2005 – US 13.9 cents per pound) due to lower by-product credits, higher price participation with smelters and higher on-site costs

- Strong results from transport and water businesses

- Acquisition of Equatorial Mining has increased ownership of El Tesoro to 100% and consolidates the Group's position in the Sierra Gorda exploration area

- Los Pelambres plant expansion to 140,000 tpd completed ahead of schedule

- Esperanza project feasibility study to be completed by the end of April 2007

- Acquisition of new exploration interests in Pakistan, Colombia and Ecuador

* Cash costs are a measure of the cost of operational production expressed in terms of US cents per pound of payable copper produced. Cash costs are stated net of by-product credits and include tolling charges for concentrates for Los Pelambres. Cash costs exclude depreciation, financial income and expenses, hedging gains and losses, exchange gains and losses and corporation tax for all three mines. By-product calculations do not take into account unrealised mark-to-market gains for molybdenum at the beginning or end of each period.

Highlights of 2006

	US Dollars		Sterling ⁽¹⁾	
	2006 US\$m	2005 US\$m	2006 £m	2005 £m
Turnover	3,870.0	2,445.3	2,104.9	1,344.7
EBITDA ⁽²⁾	2,957.3	1,674.1	1,608.5	920.6
Profit before tax	2,859.0	1,536.3	1,555.0	844.8
Net earnings ⁽³⁾	1,354.3	725.8	736.6	399.1
Capital expenditure	539.0	186.3	293.2	102.4
Net assets	3,948.1	2,763.0	2,017.5	1,608.4
	2006 US cents	2005 US cents	2006 pence	2005 pence
Earnings per share ⁽⁴⁾	137.4	73.6	74.7	40.5
Dividend per ordinary share proposed in relation to year ^{(4), (5)}				
Ordinary dividend – interim	3.2	3.2		
– final	5.0	4.8		
Special dividend – interim	2.0	–		
– final	38.0	14.0		
Total	48.2	22.0		

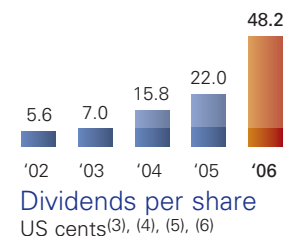
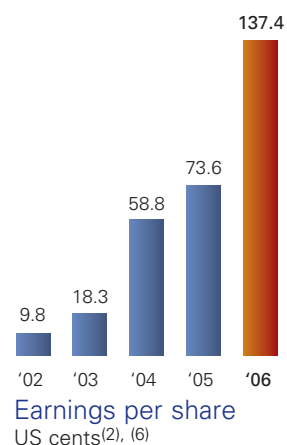
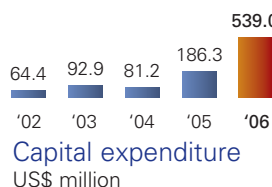
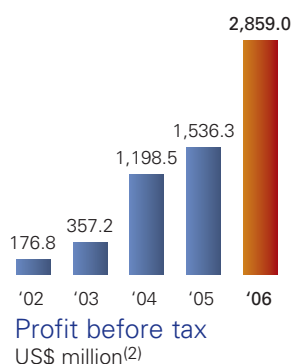
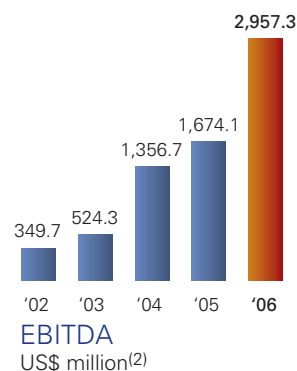
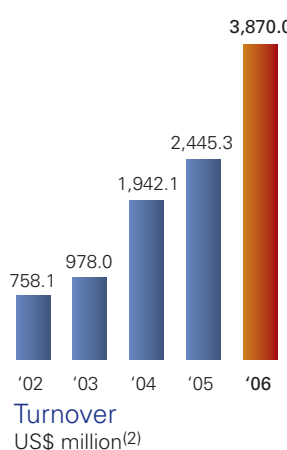
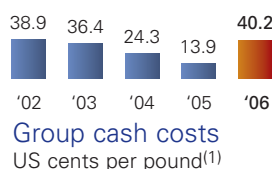
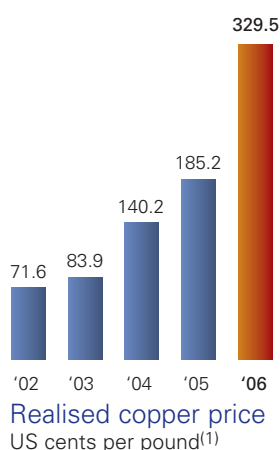
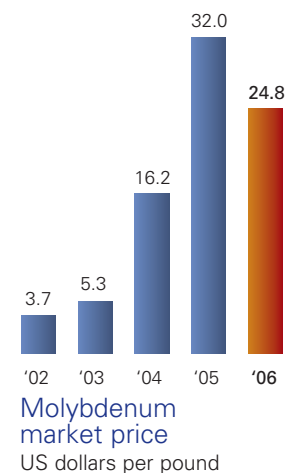
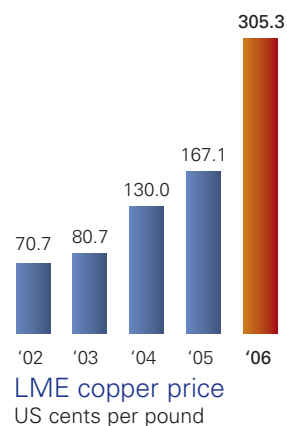
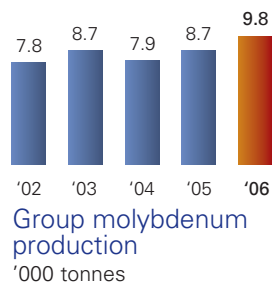
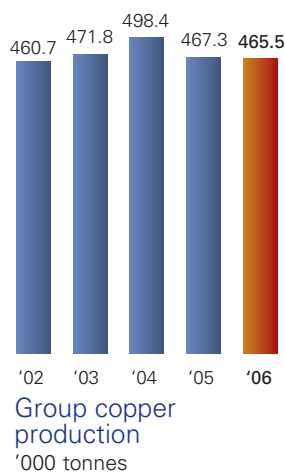
(1) The sterling numbers are for illustrative purposes only. For 2006, an average rate of £1 = US\$1.8386 (2005 – US\$1.8185) has been used for the income statement and capital expenditure and a year-end rate of £1 = US\$1.9569 (2005 – US\$1.7179) has been used for the balance sheet.

(2) EBITDA refers to Earnings Before Interest, Tax, Depreciation and Amortisation (defined in Note 5(a)(i)(vii)) to the financial statements on page 92). EBITDA is reconciled to operating profit from subsidiaries and joint ventures in the Financial Review on page 26.

(3) Net earnings refer to profit for the financial year attributable to equity holders of the Company.

(4) Earnings per share and dividends per share have been restated for the effects of the 4-for-1 bonus issue on 19 June 2006.

(5) Dividends are paid in either sterling or US dollars. The conversion rate for final dividends to be paid in sterling will be set on 15 May 2007.



(1) Realised copper prices are determined by comparing revenues from copper sales (grossed up for tolling charges for concentrates) with sales volumes for each mine in the year and are further explained on page 35. Cash costs are an industry measure of the cost of production and are further explained in the footnote on page 3.

(2) Information for the years 2004 to 2006 is stated under IFRS. Information for the years 2002 and 2003 is stated under UK GAAP based on the 2004 financial statements, without adjustment for any changes in UK GAAP which would have applied in 2005 or 2006.

(3) Dividends per share refers to the ordinary dividend per share proposed in relation to each year and does not relate to the amount deducted from equity under IFRS.

(4) The lighter colour part denotes the special dividends of US 8.0 cents in 2004, US 14.0 cents in 2005 and US 40.0 cents in 2006. Excluding the special dividends, the ordinary dividend per share proposed in relation to each year was US 7.8 cents in 2004, US 8.0 cents in 2005 and US 8.2 cents in 2006.

(5) The 2003 dividend per share excludes the dividend in specie of shares ('the demerger dividend'). Ordinary shareholders in the Company received one share in Andsberg Limited for each share held in the Company on 1 October 2003. The Andsberg shares carried a redemption value until 30 October 2003 of US 22.2 cents per share (restated). Andsberg's principal asset was the Group's 33.6% investment in Quiñenco S.A.

(6) Earnings per share and dividends per share have been restated for the effects of the 4-for-1 bonus issue on 19 June 2006.