



Half Yearly Financial Report for the six months ended 30 June 2008

27 August 2008

HIGHLIGHTS

SIX MONTHS TO 30 JUNE		2008	2007	% Change
Group turnover	US\$'m	2,407.0	1,942.1	23.9
Cash flows from operations	US\$'m	1,512.9	1,349.3	12.1
Profit before tax	US\$'m	1,656.6	1,436.7	15.3
Net earnings ¹	US\$'m	792.8	728.4	8.8
Earnings per share	cents	80.4	73.9	8.8
Dividend per share ² (2008 interim – ordinary 3.4 cents; special 3.0 cents) (2007 interim – ordinary 3.2 cents; special 3.0 cents)	cents	6.4	6.2	3.2
LME copper price (per pound)	cents	367.8	307.0	19.8
Group copper production	'000 tonnes	233.6	212.1	10.1
Group weighted average cash costs ³ (net of by-product credits)	cents	72.2	30.3	138.3
Group weighted average cash costs ³ (excluding by-product credits)	cents	130.6	104.4	25.1
Market molybdenum price (per pound)	US\$	33.1	28.4	16.5
Group molybdenum production	'000 tonnes	3.8	4.9	(22.4)

See footnotes on following page.

- Strong operating performance and financial results with net earnings¹ up 8.8% to US\$792.8 million (2007 half year – US\$728.4 million).** The Group has benefited from improved copper production, continued strength in commodity prices and favourable tolling charges. These factors helped offset the effect of higher operating costs which were in line with forecast and mainly due to industry pressures as well as expected lower molybdenum production. The Group's financial position remains strong.
- Total interim dividend of 6.4 cents per share, comprising an ordinary dividend of 3.4 cents per share and a special dividend of 3.0 cents per share.** This represents a 6.3% increase in the interim ordinary dividend and a 3.2% increase in the total interim dividend.
- Continued progress with capital projects.** Construction of the Mauro tailings dam, where one legal case remains pending, is virtually complete. A further plant upgrade at Los Pelambres was approved in July at a capital cost of approximately US\$1.0 billion and is expected to increase production from early 2010. The US\$1.9 billion Esperanza project received environmental approvals in June and remains on schedule to start production at the end of 2010. When fully operational, these two projects will increase Group production from expected current levels of 463,000 tonnes by approximately 285,000 tonnes or 60%.
- Introduction of Marubeni Corporation as an investment partner in the Sierra Gorda district.** Following completion in August of the agreement entered into in April, Marubeni has acquired a 30% interest in Minera Esperanza and Minera El Tesoro from the Group for a final consideration of US\$1,401 million and will fund its 30% share of the Esperanza project.
- Feasibility studies in progress to enhance the Group's project pipeline.** During the first half of 2008 feasibility studies were initiated at the Reko Diq project in Pakistan and the Antucoya project in Chile, both of which are expected to be completed in the first half of 2009.
- Further progress with the Group's exploration programme.** Further drilling is being conducted in the Sierra Gorda district (where in addition to El Tesoro and Esperanza, the Group has interests in the Telegrafo and Caracoles deposits) and a revised resource estimate is in progress at Los Pelambres. During the 2008 half year the Group also entered into mining exploration agreements in Chile and Zambia as well as for geothermal energy resources in southern Chile.

Marcelo Awad, Chief Executive Officer of Antofagasta Minerals S.A., commented:

"This has been an excellent first half for the Group with improved copper production and prices resulting in increased earnings. Our operations have performed well and despite substantial continuing industry-wide cost pressures including fuel, energy and acid, production levels and costs across the Group remain in line with forecast. Fundamentals for both the copper and molybdenum markets remain solid and we expect this to continue well into 2009. With our sound financial position, we continue to make good progress with the Group's plans for sustainable growth through both brownfield and greenfield projects as well as exploration in Chile and internationally, and this should result in further profitable volume growth from 2010 and beyond."

- 1 *Net earnings refer to profit for the financial year attributable to equity holders of the Company.*
- 2 *Dividends are paid in either sterling or US dollars. The conversion rate for dividends to be paid in sterling will be set on 23 September 2008.*
- 3 *Cash cost is a method used by the mining industry to express the cost of production in cents per pound of copper, and is further explained in Note 26(b)(iii) to the condensed financial statements.*

Enquiries

London

Investor relations - Antofagasta plc

Tel: +44 20 7808 0988

www.antofagasta.co.uk

Desmond O'Connor - doconor@antofagasta.co.uk

Hussein Barma - hbarma@antofagasta.co.uk

Media enquiries - Bankside Consultants

Tel: +44 20 7367 8873

Keith Irons - keith@bankside.com

Oliver Winters - oliver.winters@bankside.com

Santiago

Antofagasta Minerals S.A.

Tel: +562 798 7000

Alejandro Rivera - arivera@aminerals.cl