

Antofagasta plc



Results presentation

2000 first half

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5 September 2000

First half 2000

highlights

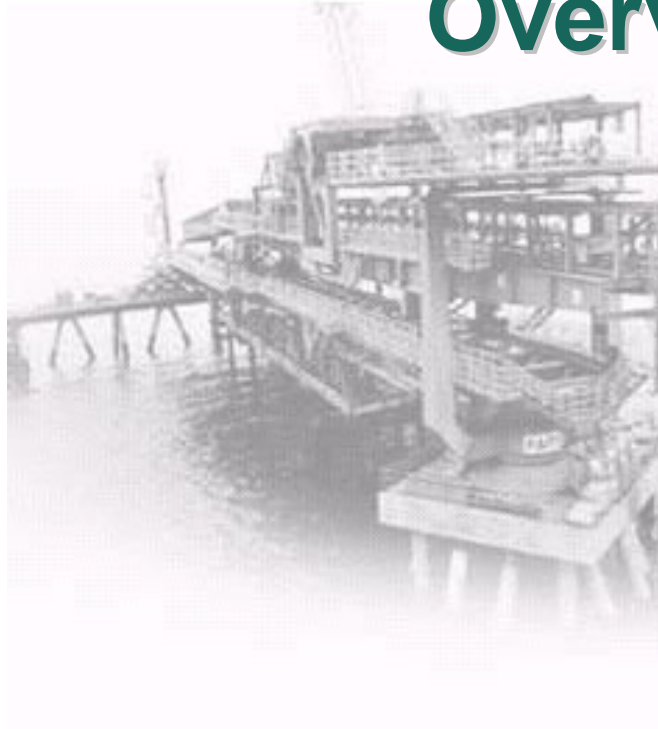
- Copper production of 167,700 tons (1999 H1: 30,500 tons)
- Los Pelambres - completion test achieved and planned capacity exceeded
- El Tesoro - construction 40% completed by June and over 50% by August
- Michilla - mine life extended to 2007
- Exploration - encouraging results at Esperanza near El Tesoro
- Railway - tonnage up 7%, turnover up 10%
- Other investments - dividend of US\$ 31.3m from Quiñenco

First half 2000 highlights

	2000 H1	1999 H1	%
Profit before tax	100.0	18.2	+ 449%
Operating cash flow	91.4	15.2	+ 501%
Earnings per share	36.4c	8.0c	+ 355%
Interim dividend	3.25p	2.25p	+ 44%

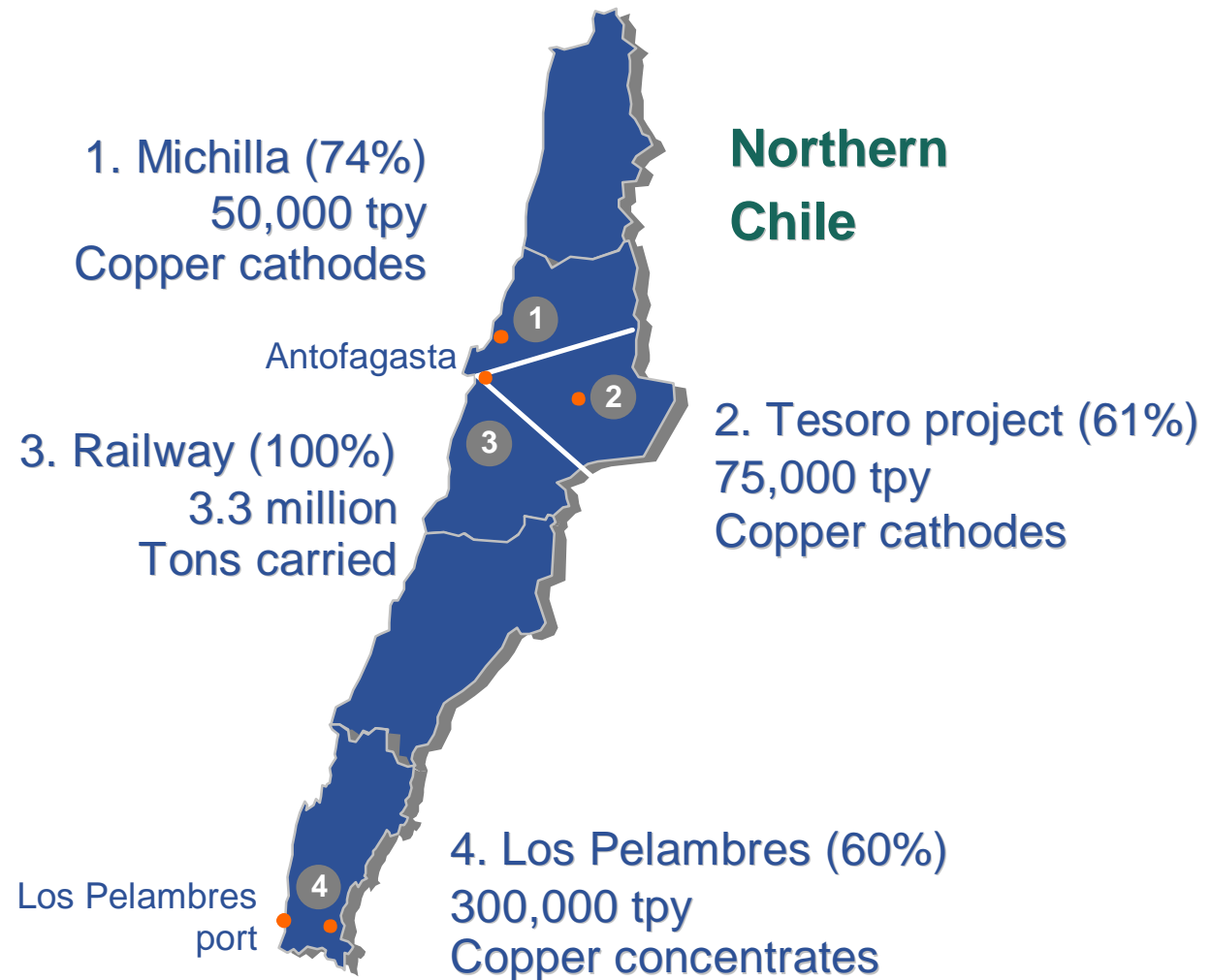
Group

Overview



Group overview

operations and ongoing projects



2000 first half

Los Pelambres

- Completion test achieved – financial guarantees released
- Design capacity of 85,000 tpd exceeded – July 90,000 tpd
- First six months
 - 141,200 tons copper production
 - 35.4 c/lb average cash cost
 - US\$ 54.6 million contribution to Group PBT of US\$ 100m

2000 first half

El Tesoro

- Construction on budget - 40% completed by June
 - over 50% by August
- Life of mine extended from 18 to 21 years
- First production expected on schedule in May 2001

2000 first half

Michilla

- New mine plan - life of mine extended to 2007
- First six months
 - 26,500 tons total production
 - 59.4 c/lb average cash cost
- Ongoing exploration program

2000 first half

Railway operations

- Chile
 - Tonnage carried increased 7% to 1.6 million tons
 - Revenues increased 10%
 - Expansions planned by major mining clients
- Bolivia
 - Control acquired of Andino railway, which connects directly to group's Chilean network

2000 first half

other investments

- Quiñenco S.A. (33.6%) – diversified industrial and financial group
 - Listed in Santiago and New York (LQ)
 - Market value of Antofagasta share US\$ 329 million (August 29)
 - Book value of US\$ 180 million for Antofagasta
 - Dividend of US\$ 31.3 million received in May

Financial

Analysis



Financial analysis

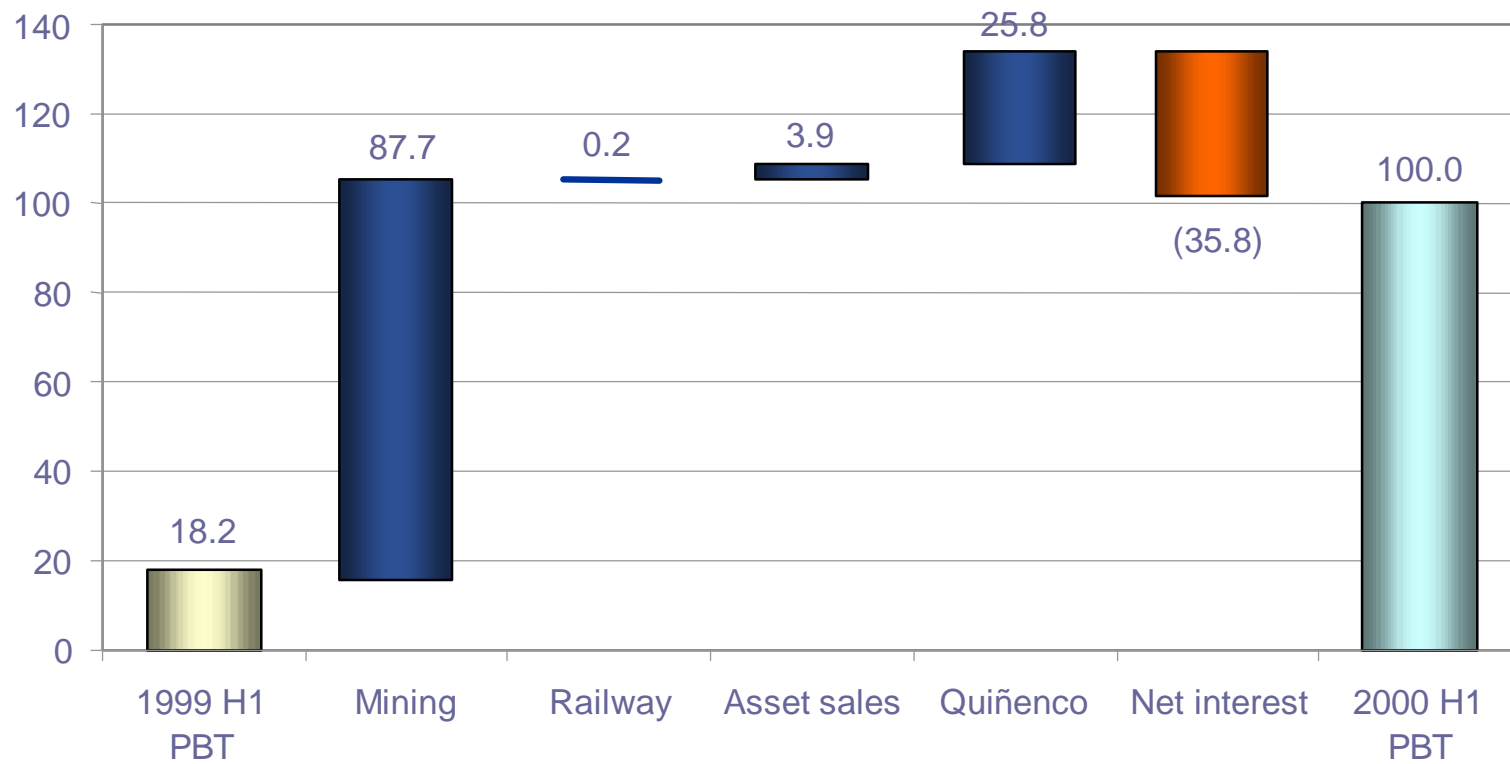
Results 2000 first half

	Mining US\$m	Transport US\$m	Investments US\$m	2000 H1 Total US\$m	1999 H1 Total US\$m
Revenues	282.3	33.9	-	316.2	70.7
Operating profit	80.3	11.8	-	92.1	3.2
Profit before tax	55.9	12.7	31.4	100.0	18.2
Profit after tax and minorities	30.4	10.1	31.4	71.9	15.2
Earnings per share				36.4c	8.0c
ROCE				11.8%	3.8%

Financial analysis

profit before tax – 2000 H1 vs 1999 H1

US\$m



Financial analysis

cash flow

	Mining US\$m	Transport US\$m	Investments US\$m	2000 H1 Total US\$m	1999 H1 Total US\$m
Operating profit	80.3	11.8	-	92.1	3.2
Depreciation and loss on disposals	54.3	3.2	-	57.5	11.0
Working capital movements	(54.2)	(4.0)	-	(58.2)	1.0
Operating cash flow	80.4	11.0	-	91.4	15.2
Investment income	-	-	31.4	31.4	5.6
Capital expenditure	(163.5)	(2.3)	-	(165.8)	(301.1)
Other (mainly interest costs, minorities tax and group dividend)	(36.6)	0.8	-	(35.8)	4.4
Movement in net debt in period	(119.7)	9.5	31.4	(78.8)	(275.9)

Financial analysis

balance sheet

	Los Pelambres US\$m	EI Tesoro US\$m	Other US\$m	2000 H1 Total US\$m	1999 H1 Total US\$m
Cash and time deposits	43	79	222	344	292
Long and short term debt	(977)	(170)	(16)	(1,163)	(693)
Net (debt)/cash	(934)	(91)	206	(819)	(401)
Fixed assets and investments	1,410	164	412	1,985	1,471
Other net assets	19	2	11	31	(11)
	495	74	628	1,197	1,059
Minority interests	(182)	(22)	(46)	(250)	(189)
Equity	313	52	582	947	870

Looking ahead



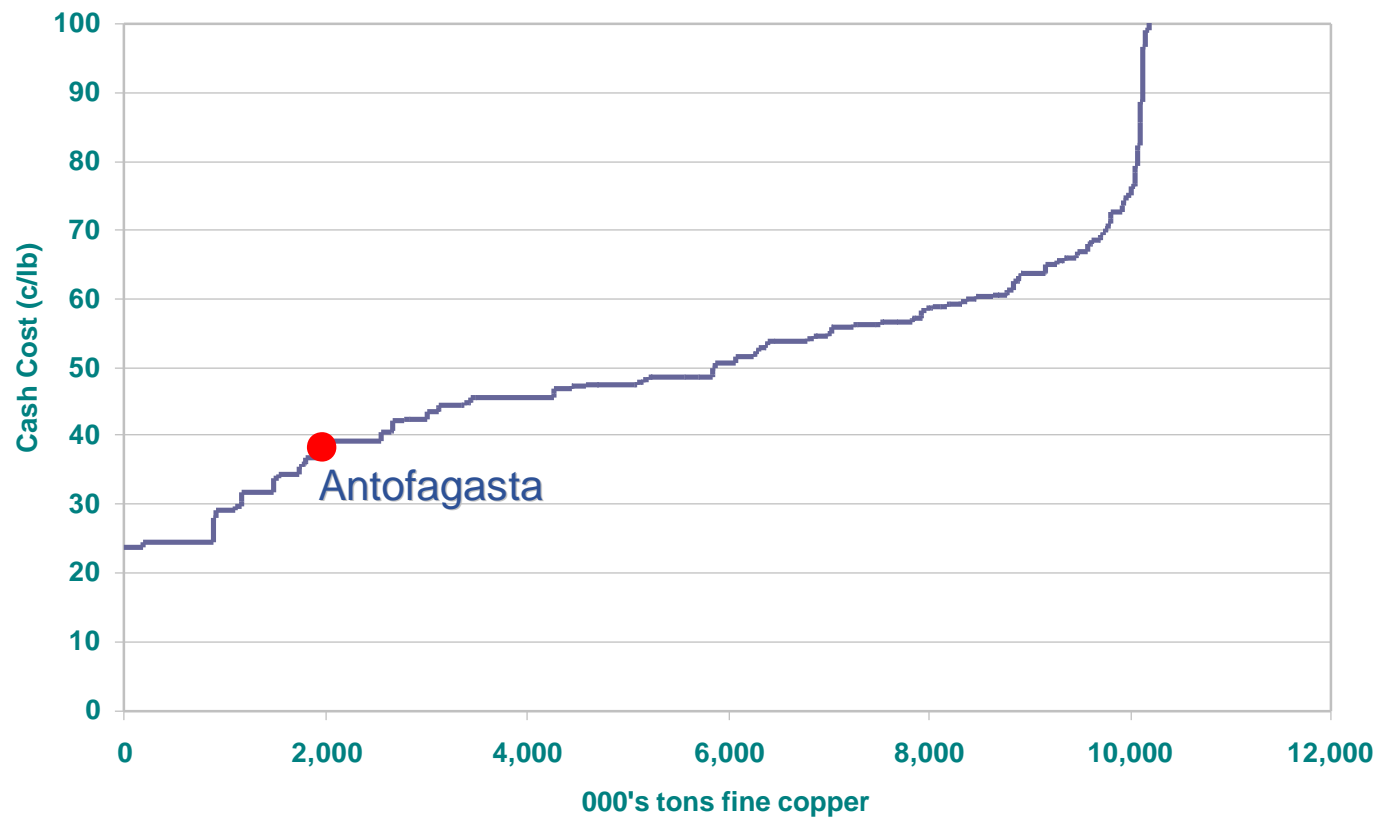
Looking ahead

- Low cost producer
- Significant expansion capacity
- High potential exploration areas
- Strong financial position
- Control of key risks
- Growth at the right time

Looking ahead

low cost operations

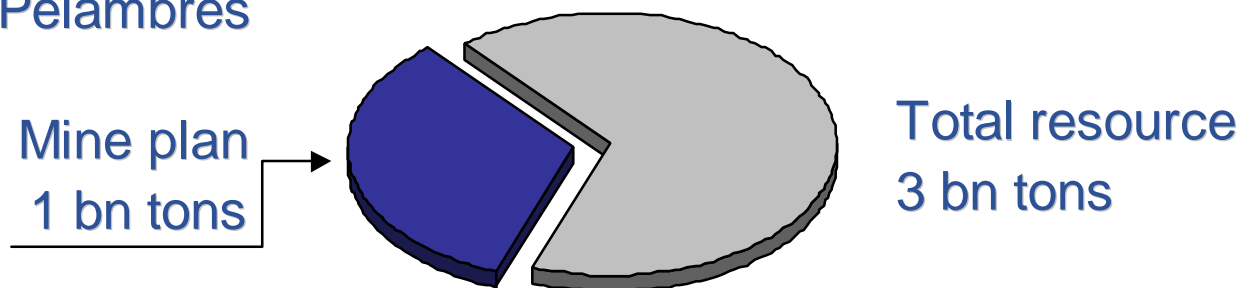
Cash cost curve of the copper industry - 2000



Expected cash costs around 40 c/lb next five years

Looking ahead expansion capacity

- Los Pelambres



- Expansion alternatives under evaluation
- Tesoro - new geological resources in surrounding area
- Michilla - extensive unexplored mining properties

Looking ahead

high potential exploration areas



Esperanza copper gold porphyry

- 150 million tons sulphides
0.81% Cu 0.46 g/ton Au
- 10 million tons oxides
0.62% Cu

Looking ahead

high potential exploration areas



Magistral copper – moly skarn

- Drilling phase 2 completed
- Group can acquire 51% after 3 years

Cotabambas

- Copper - gold porphyry
- 74 million tonnes
0.68% copper & 0.37 g/t gold

Looking ahead

strong financial position

- Increasing cash flow
 - Production increase to 425,000 tons in 2002 (1999 - 60,500 tons)
 - Low cost operations
- Decreasing leverage
 - Peak leverage of 0.7 in 2000
 - Expected leverage below 0.3 in 2003

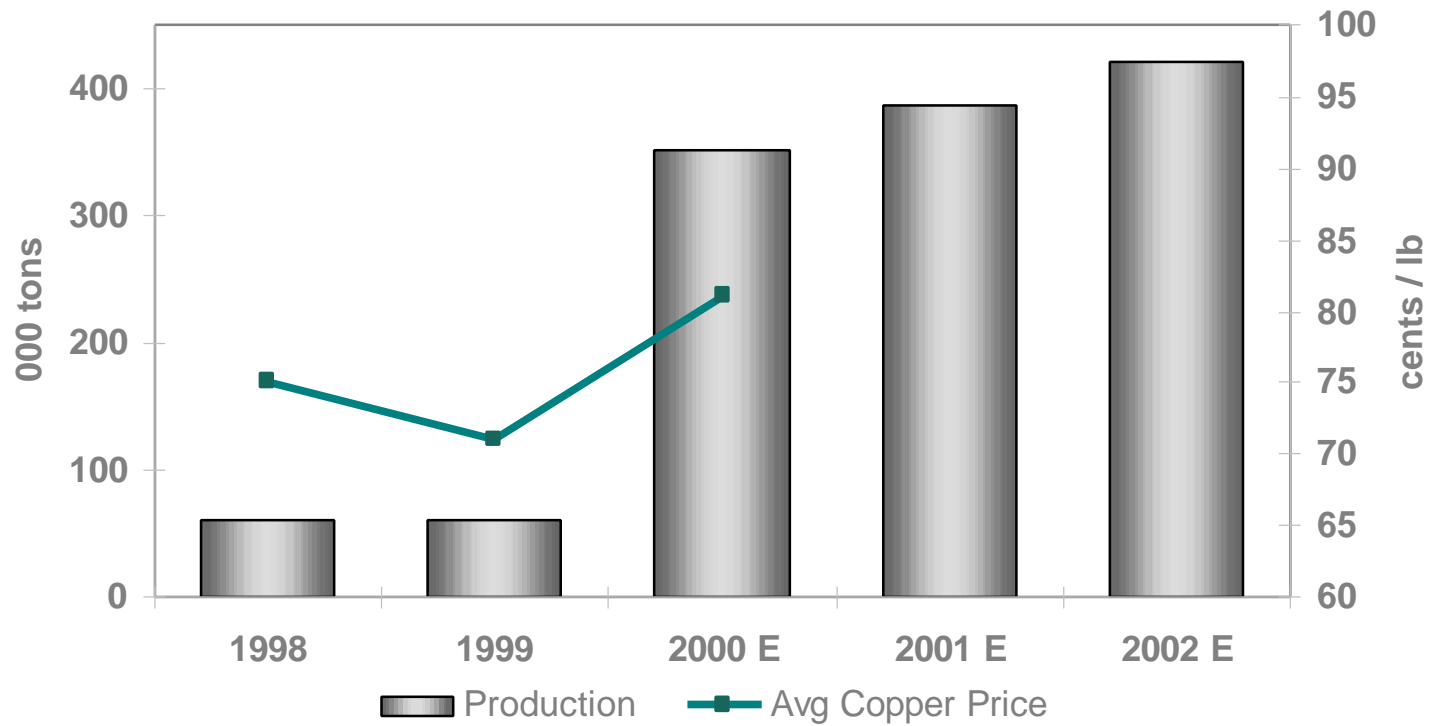
Looking ahead

control of key risks

- High level of demonstrated reserves
 - 91.5 % in Los Pelambres
 - 98.6 % in El Tesoro
- Management experience - copper mining country
- Commodity price risk - low cost operations
- Long term sales contracts - mining and railway
- Low risk customers
- Long term labor union agreements - 4 to 6 years

Looking ahead
growth at the right time

Production and copper price



Looking ahead

growth at the right time

- World copper consumption growing
 - Estimated growth of 4.5% in 2000 and 3.5% in 2001
 - Inventories declining - 40% decrease from peak in March
- Key drivers
 - Continued growth in both US and Europe
 - Asian recovery
- Positive outlook for copper prices
 - Current price of 85 c/lb
 - No major new mine capacity until 2002
 - Production growth around 2.5%

Antofagasta summary

- Consolidated position as a low cost copper producer
- Proven experience in large scale operations
- Significant expansion potential
- Well positioned to benefit from an improving copper market

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