For immediate release

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Unaudited Results for the Third Quarter ended 30 September 2006

London, 29 November 2006

Highlights

	Nine months ended 30 September 2006 US$'m	Nine months ended 30 September 2005 US$'m	Change %	Full year 2005 US$'m
Group turnover	**2,980.4**	1,752.8	70.0	2,445.3
Group EBITDA	**2,297.0**	1,231.8	86.5	1,674.1

Turnover

Group turnover in the nine months ended 30 September 2006 increased by 70.0% to US$2,980.4 million, compared with US$1,752.8 million in the comparative period in 2005.

The significant increase was mainly due to higher LME copper prices, which averaged 299.9 cents per pound compared with 157.5 cents per pound in the nine months ended 30 September 2005. The Group also benefited from pricing adjustments on the close out of provisional sales due to the increase in the copper price during the period, resulting in an average realised copper price of 354.2 cents per pound (nine months ended 30 September 2005 – 170.9 cents per pound). Market molybdenum prices, which did not differ significantly from prices realised by Los Pelambres, were lower averaging US$24.5 per pound in the nine months ended 30 September 2006 (nine months ended 30 September 2005 – US$32.6 per pound).

The volume of copper sold was virtually unchanged at 339,100 tonnes (nine months ended 30 September 2005 – 341,400 tonnes). Production decreased slightly to 334,300 tonnes (nine months ended September 2005 – 343,400 tonnes) mainly due to lower processing levels at Los Pelambres and lower ore grades at El Tesoro. Molybdenum production and sales volumes were both higher at 7,000 tonnes and 6,900 tonnes respectively (nine months ended 30 September 2005 – 6,700 tonnes and 6,500 tonnes respectively). In the case of both copper and molybdenum, sales volumes vary from the production volumes reported on 31 October 2006 as a result of timing differences in shipping and loading schedules.

The transport and water divisions continued to perform well.

Further details of production and sales volumes and realised prices by mining operation are given in Note 2, and an analysis of turnover by business segment is given in Note 3.

EBITDA

Group EBITDA in the nine months ended 30 September 2006 increased by 86.5% to US$2,297.0 million (nine months ended 30 September 2005 – US$1,231.8 million). The improved EBITDA resulted from the higher realised copper prices as explained in connection with turnover above. The benefit of higher copper prices was partly offset by lower molybdenum prices as set out above, as well as higher operating and hedging costs as compared with 2005.

As reported on 31 October 2006, weighted average cash costs for the Group's mining operations, which are stated net of by-product credits, were 41.0 cents per pound in the nine months ended 30 September 2006. This compared with 4.8 cents per pound in the comparative period in 2005 when Los Pelambres benefited from exceptionally strong molybdenum prices.

Weighted average cash costs excluding by-product credits were 95.7 cents per pound (nine months ended 30 September 2005 – 74.5 cents per pound). These costs include tolling charges and production costs for both copper and molybdenum. Compared with the same period in 2005, cost increases were mainly due to higher tolling charges at Los Pelambres (mainly due to price participation with smelters), general industry pressures and the lower production level at Los Pelambres and El Tesoro. Nevertheless, with the exception of tolling charges which have increased due to the copper price, cash costs for each mine remain in line with the Group's initial forecasts for the year.

Total charges for the Group's commodity hedging programme amounted to US$94.7 million in the nine months ended 30 September 2006, although the additional charge in the third quarter only amounted to US$5.0 million. This relates to commodity instruments in place at the end of 2005 and which mature during 2006. No new hedges were entered during 2006.

Further details of cash costs by mining operation are given in Note 2, and an analysis of EBITDA by business segment is given in Note 3. Details of commodity instruments are given in Note 5.

Basis of Information

The Group turnover and EBITDA figures included in this release for the nine-month period ended 30 September 2006 are presented on a basis consistent with the accounting policies used in the Group's 2005 Annual Report and Financial Statements under International Financial Reporting Standards and Interpretations ("IFRS").

The Group's three mining companies, Los Pelambres, El Tesoro and Michilla, will today also file quarterly financial statements under Chilean GAAP for the nine-month period ended 30 September 2006 with the Chilean securities regulator, the Superintendencia de Valores y Seguros de Chile ("SVS"). These filings are in accordance with mining tax legislation introduced in Chile last year which requires companies that have elected to enter a new tax stability regime to publish quarterly financial information from the 2006 financial year. This release includes a summary of the Chilean GAAP income statement, balance sheet and cash flow statement for each of the three mining companies to be filed with the SVS.

The Group released its production report for this nine-month period on 31 October 2006.

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Notes

1. General information and accounting policies

These unaudited third quarter results are for the nine-month period ending 30 September 2006. The Group turnover and EBITDA information, including all comparatives, have been prepared on the basis of the accounting policies set out in the Group's statutory accounts for the year to 31 December 2005 and in accordance with applicable International Financial Reporting Standards and Interpretations (IFRS) which have been endorsed by the European Union.

While the turnover and EBITDA information contained in this nine month results announcement has been computed in accordance with IFRS, this announcement does not itself contain sufficient information to comply with IFRS. The information included in this announcement for the nine month periods ending 30 September 2005 and 30 September 2006 is unaudited.

The information contained in this announcement for the year ended 31 December 2005 does not constitute statutory accounts. The statutory accounts for that year have been approved by the Board and reported on by the auditors, and have been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain statements under section 237(2) of the Companies Act 1985 (regarding adequacy of accounting records and returns) or under section 237(3) (regarding provision of necessary information and explanations). The comparative information contained in Note 2 of this announcement is not derived from the statutory accounts for the year ended 31 December 2005 and is accordingly not covered by the auditors' report.

2. Production and Sales Statistics

(See notes following Note 2(b).)

(a) Production and sales volumes for copper and molybdenum

	Production			Sales		
	Nine months ended 30 September 2006	Nine months ended 30 September 2005	Full year 2005	**Nine months ended 30 September 2006**	Nine months ended 30 September 2005	Full year 2005
	000 tonnes	000 tonnes	000 tonnes	**000 tonnes**	000 tonnes	000 tonnes
Copper						
Los Pelambres	**230.4**	235.9	322.8	**233.2**	233.5	319.1
El Tesoro	**68.4**	73.8	98.1	**69.6**	74.3	96.1
Michilla	**35.4**	33.7	46.4	**36.3**	33.6	45.3
Group total	**334.3**	343.4	467.3	**339.1**	341.4	460.5
Molybdenum						
Los Pelambres	**7.0**	6.7	8.7	**6.9**	6.5	8.5

(b) Cash costs per pound of copper produced and realised prices per pound of copper and molybdenum sold

	Cash cost			Realised prices		
	Nine months ended 30 September 2006	Nine months ended 30 September 2005	Full year 2005	**Nine months ended 30 September 2006**	Nine months ended 30 September 2005	Full year 2005
	US cents	US cents	US cents	**US cents**	US cents	US cents
Copper						
Los Pelambres	**17.2**	(29.7)	(17.1)	**369.1**	173.2	189.2
El Tesoro	**78.3**	63.5	66.1	**320.5**	165.7	175.7
Michilla	**123.9**	117.3	118.8	**322.8**	166.0	177.1
Group weighted average (net of by-products)	**41.0**	4.8	13.9	**354.2**	170.9	185.2
Group weighted average (before deducting by-products)	**95.7**	74.5	77.3			
Cash costs at Los Pelambres comprise:						
On-site and shipping cost	**55.9**	44.6	47.1			
Tolling charges for concentrates	**40.6**	27.2	27.6			
Cash costs before deducting by-product credits	**96.5**	71.8	74.7			
By-product credits (principally molybdenum)	**(79.4)**	(101.5)	(91.8)			
Cash costs (net of by-product credits)	**17.2**	(29.7)	(17.1)			
LME average				**299.9**	157.5	167.1
				US$	US$	US$
Molybdenum						
Los Pelambres				**25.2**	33.7	31.4
Market average price				**24.5**	32.6	32.0

Notes to the production and sales statistics

(i) The production and sales figures represent the actual amounts produced and sold, not the Group's share of each mine. The Group owns 60% of Los Pelambres, 100% of El Tesoro (61% prior to 24 August 2006) and 74.2% of Michilla.

(ii) Los Pelambres produces copper and molybdenum concentrates, and the figures for Los Pelambres are expressed in terms of payable metal contained in concentrate. Los Pelambres is also credited for the gold and silver contained in the copper concentrate sold. El Tesoro and Michilla produce cathodes with no by-products.

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

(iv) Realised copper prices are determined by comparing turnover from copper sales (grossing up for tolling charges for concentrates) with sales volumes for each mine in the period. Realised molybdenum prices at Los Pelambres are calculated on a similar basis. Realised prices do not take into account gains and losses (including those arising from fair value adjustments) on commodity derivatives which are included in other operating income or expense as the Group has not yet adopted the hedge accounting provisions of IAS 39 “Financial Instruments: Recognition and Measurement”.

(v) The totals in the tables above may include some small apparent differences as the specific individual figures have not been rounded.

(vi) The production information in Note 2(a) and the cash cost information in Note 2(b) is derived from the Group’s production report for the third quarter of 2006 published on 31 October 2006.

3. Turnover and EBITDA analysed by business segment

	Turnover			EBITDA		
	Nine months ended 30 September 2006	Nine months ended 30 September 2005	Full year 2005	**Nine months ended 30 September 2006**	Nine months ended 30 September 2005	Full year 2005
	US$'m	US$'m	US$'m	**US$'m**	US$'m	US$'m
Los Pelambres	**2,103.7**	1,251.5	1,749.8	**1,812.0**	1,027.1	1,420.5
El Tesoro	**491.8**	271.5	372.2	**329.6**	158.3	203.2
Michilla	**258.3**	123.0	177.1	**110.3**	14.5	16.3
Exploration	**-**	-	-	**(14.9)**	(14.2)	(22.4)
Corporate and other items	**-**	-	-	**(8.0)**	(11.1)	(15.6)
Mining	**2,853.8**	1,646.0	2,299.1	**2,229.0**	1,174.6	1,602.0
Railway and other transport services	**79.5**	68.3	92.5	**32.4**	30.1	38.2
Water concession	**47.1**	38.5	53.7	**35.6**	27.1	33.9
Group turnover and EBITDA	**2,980.4**	1,752.8	2,445.3	**2,297.0**	1,231.8	1,674.1

Turnover at Los Pelambres by mineral:

	Before deducting tolling charges			Tolling charges			Net of tolling charges		
	Nine months ended 30 September 2006	Nine months ended 30 September 2005	Full year 2005	**Nine months ended 30 September 2006**	Nine months ended 30 September 2005	Full year 2005	**Nine months ended 30 September 2006**	Nine months ended 30 September 2005	Full year 2005
	US$'m	US$'m	US$'m	**US$'m**	US$'m	US$'m	**US$'m**	US$'m	US$'m
Copper	**1,897.7**	891.5	1,331.0	**(192.5)**	(116.8)	(166.9)	**1,705.2**	774.7	1,164.1
Molybdenum	**383.1**	482.4	588.4	**(16.0)**	(22.0)	(25.6)	**367.1**	460.4	562.8
Gold and silver	**31.9**	16.8	23.4	**(0.5)**	(0.4)	(0.5)	**31.4**	16.4	22.9
Los Pelambres	**2,312.7**	1.390.7	1,942.8	**(209.0)**	(139.2)	(193.0)	**2,103.7**	1,251.5	1,749.8

Notes to turnover and EBITDA by business segment

(i) Turnover from Railway and other transport services is stated after eliminating inter-segmental sales to the mining division of US$6.8 million (nine months ended 30 September 2005 – US$6.3 million; full year 2005 – US$8.8 million).

(ii) Turnover includes the effect of both final pricing and mark-to-market adjustments to provisionally priced sales of copper and molybdenum concentrates and copper cathodes. Further details of such adjustments are given in Note 4.

(iii) Turnover does not include the effect of gains and losses on commodity derivatives, which are included as part of operating profit in other operating income or expense. Further details of such gains or losses are given in Note 5.

(iv) Los Pelambres produces and sells copper and molybdenum concentrates. It is also credited for the gold and silver content in the copper concentrate it sells. Turnover by type of metal is analysed below to show separately the amounts prior to deduction of tolling charges, the tolling charges involved and the net amounts included in turnover. El Tesoro and Michilla do not generate by-products from their copper cathode operations.

(v) EBITDA is calculated by adding back depreciation, amortisation and disposals of plant, property and equipment and any impairment charges to operating profit from subsidiaries.

(vi) EBITDA is stated after deducting losses on commodity derivatives (including both losses realised in each period and period-end mark-to-market adjustments) at El Tesoro of US$46.9 million (nine months ended 30 September 2005 – US$10.5 million; full year 2005 – US$24.8 million); and Michilla of US$47.8 million (30 September 2005 – US$19.5 million; full year 2005 – US$43.8 million). Further details are given in Note 5.

4. Embedded derivatives – provisionally priced sales

Copper and molybdenum concentrate sale agreements and copper cathode sale agreements generally provide for provisional pricing of sales at the time of shipment, with final pricing being based on the monthly average London Metal Exchange copper price or monthly average molybdenum price for specified future periods. This normally ranges from 30 to 180 days after delivery to the customer.

Under IFRS, both gains and losses from the marking-to-market of open sales are recognised through adjustments to turnover in the income statement and to trade debtors in the balance sheet. The Group determines mark-to-market prices using forward prices at each period end for copper concentrate and cathode sales, and period-end month average prices for molybdenum concentrate sales due to the absence of a futures market for that commodity.

The mark-to-market adjustments at the end of each period and the effect on turnover in the income statement for each period are as follows:

	Balance sheet - net mark to market effect on debtors			Income statement - net mark to market effect on turnover		
	At 30.09.06	At 30.09.05	At 31.12.05	**Nine months ended 30 September 2006**	Nine months ended 30 September 2005	Full year 2005
	US$'m	US$'m	US$'m	**US$'m**	US$'m	US$'m
Los Pelambres - copper concentrate	**(2.7)**	16.2	33.2	**(35.9)**	(1.4)	15.6
Los Pelambres - molybdenum concentrate	**7.0**	5.3	(12.6)	**19.6**	(27.6)	(45.5)
El Tesoro - copper cathodes	**0.1**	0.2	0.2	**(0.1)**	(0.6)	(0.6)
Michilla - copper cathodes	**(0.1)**	-	(0.1)	**-**	(0.4)	(0.5)
	4.3	21.7	20.7	**(16.4)**	(30.0)	(31.0)

(a) Copper concentrate sales at Los Pelambres

Revenues in the nine months to 30 September 2006 included total positive pricing adjustments of US$368.0 million, representing the difference between reported revenues and initially invoiced amounts. This comprised actual pricing adjustments compared with initial provisionally invoiced prices of US$403.9 million (of which US$169.2 million related to sales of concentrate open at 31 December 2005 and US$234.7 million related to sales of concentrate during 2006), together with net mark-to-market adjustments of US$35.9 million as disclosed above. At 30 September 2006, copper concentrate sales at Los Pelambres totalling 117,300 tonnes remained open as to price, with an average mark-to-market price of 342.4 cents per pound.

(b) Molybdenum concentrate sales at Los Pelambres

Revenues in the nine months to 30 September 2006 included total negative pricing adjustments of US$0.1 million, representing the difference between reported revenues and initially invoiced amounts. This comprised negative actual pricing adjustments compared with initial provisionally invoiced prices of US$19.7 million (of which a negative adjustment of US$27.5 million related to sales of concentrate open at 31 December 2005 and a positive adjustment of US$7.8 million related to sales of concentrate during 2006) together with net positive mark-to-market adjustments of US$19.6 million as disclosed above. At 30 September 2006, molybdenum concentrate sales at Los Pelambres totalling 1,723.7 tonnes remained open as to price, with an average mark-to-market price of US$27.6 per pound.

5. Commodity derivatives

The Group periodically uses derivative financial instruments to reduce exposure to commodity price movements. The Group does not use such derivative instruments for speculative trading purposes. The Group has not yet adopted the hedge accounting provisions of IAS 39 "Financial Instruments: Recognition and Measurement". Accordingly, under IFRS, derivatives are measured at each balance sheet date at fair value. Gains and losses arising from changes in fair value are included in the income statement for the year, within operating profit and EBITDA.

The mark-to-market adjustments at the end of each period and the effect on operating profit and net finance costs in the income statement for each period are as follows:

	Balance sheet - net mark to market effect on creditors			Income statement net mark to market effect on EBITDA		
	At 30.09.06	At 30.09.05	At 31.12.05	**Nine months ended 30 September 2006**	Nine months ended 30 September 2005	Full year 2005
	US$'m	US$'m	US$'m	**US$'m**	US$'m	US$'m
El Tesoro	**(19.5)**	(10.0)	(17.0)	**(2.5)**	(10.0)	(17.0)
Michilla	**(8.9)**	(15.5)	(27.5)	**18.6**	(15.7)	(27.7)
	(28.4)	(25.5)	(44.5)	**16.1**	(25.7)	(44.7)

The balance sheet mark-to-market effect is stated before taking into account any payments on account of margin calls.

During the nine months ended 30 September 2006, the amount charged to operating profit on commodity derivatives was US$94.7 million, comprising US$46.9 million at El Tesoro and US$47.8 million at Michilla. This comprised losses on derivatives which matured in the nine months ended 30 September 2006 of US$110.8 million and net mark-to-market gains in the period of US$16.1 million.

The Group had min/max instruments at 30 September 2006 for 6,450 tonnes of copper production, with a weighted average floor of 113.0 cents per pound and a weighted average cap of 140.9 cents per pound. These instruments covered a period of 3 months.

6. Summary of mining companies' Chilean GAAP financial statements

(See notes following Note 6(c)).

The balance sheets, income statements and cash flow statements prepared under Chilean GAAP and to be filed with the SVS are summarised below.

(a) Balance sheets

	Los Pelambres At 30.09.2006 US$'m	El Tesoro At 30.09.2006 US$'m	Michilla At 30.09.2006 US$'m
Cash and cash equivalents	539.2	116.7	36.4
Trade and other receivables	420.3	65.0	19.8
Inventories	46.9	51.4	2.3
Current and deferred tax assets	6.5	2.9	17.9
Current assets	**1,012.9**	**236.0**	**76.4**
Fixed assets	**1,406.2**	**259.6**	**59.2**
Other non-current assets	**149.8**	**54.7**	**0.6**
TOTAL ASSETS	**2,568.9**	**550.3**	**136.2**
Short term borrowings	87.4	14.6	-
Trade and other payables	116.4	37.2	21.4
Current and deferred tax liabilities	92.1	29.3	10.6
Current liabilities	**295.9**	**81.1**	**32.0**
Medium and long term borrowings	273.1	21.0	-
Trade and other payables	13.9	6.2	7.5
Deferred tax liabilities	135.9	30.3	-
Non-current liabilities	**422.9**	**57.5**	**7.5**
Total liabilities	**718.8**	**138.6**	**39.5**
Share capital	373.8	91.0	78.4
Reserves	1,476.3	320.7	18.3
Total shareholders' equity	**1,850.1**	**411.7**	**96.7**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,568.9**	**550.3**	**136.2**

(b) Income statements

	Los Pelambres Nine months ended 30 September 2006 US$'m	El Tesoro Nine months ended 30 September 2006 US$'m	Michilla Nine months ended 30 September 2006 US$'m
Turnover	**2,130.0**	**447.6**	**192.0**
Operating costs	(288.8)	(129.1)	(102.9)
Operating margin	1,841.2	318.5	89.1
Administrative and distribution expenses	(54.3)	(20.2)	(11.9)
Operating profit	**1,786.9**	**298.3**	**77.2**
Other income	0.7	0.2	0.3
Financial income	26.8	1.8	1.2
Financial expenses	(16.4)	(2.4)	(0.2)
Other expenses	(1.4)	(1.1)	(0.4)
Exchange difference	1.1	2.2	0.8
Net non-operating income	**10.8**	**0.7**	**1.7**
Profit before tax	**1,797.7**	**299.0**	**78.9**
Income tax expense	(333.1)	(55.8)	(15.2)
Profit for the financial period	**1,464.6**	**243.2**	**63.7**

(c) Cash flow statements

	Los Pelambres Nine months ended 30 September 2006 US$'m	El Tesoro Nine months ended 30 September 2006 US$'m	Michilla Nine months ended 30 September 2006 US$'m
Net cash flow from operating activities	**1,435.1**	**238.1**	**79.5**
Investing activities			
Additions to fixed assets	(344.9)	(8.9)	(8.2)
Disposals of fixed assets	1.4	-	-
Other items	-	-	(0.1)
Net cash used in investing activities	**(343.5)**	**(8.9)**	**(8.3)**
Financing activities			
Dividends paid	(1,070.0)	(95.0)	(50.0)
Loans repaid	(43.1)	(21.0)	-
Net cash used in financing activities	**(1,113.1)**	**(116.0)**	**(50.0)**
Net increase in cash and cash equivalents	**(21.5)**	**113.2**	**21.2**
Cash and cash equivalents at the beginning of the period	560.7	3.5	15.2
Cash and cash equivalents at the end of the period	**539.2**	**116.7**	**36.4**

Notes to Chilean GAAP financial statements

(i) The above balance sheets, income statements and cash flow statements have been derived from the quarterly financial statements of Los Pelambres, El Tesoro and Michilla to be filed with the SVS in Chile. Certain detailed lines in the individual statements have been combined for convenience.

(ii) The balance sheets, income statements and cash flow statements above have been prepared under Chilean GAAP and therefore do not necessarily equate to the amounts that would be included in the Group's consolidated financial statements for a corresponding period either as to measurement or classification.

(iii) The amounts disclosed above represent the full amount for each company and not the Group's attributable share. The Group owns 60% of Los Pelambres, 100% of El Tesoro (61% prior to 24 August 2006) and 74.2% of Michilla.

(iv) A translation into English of the full quarterly financial statements for each company shown in summary form above will be available on the Group's website www.antofagasta.co.uk.

7. Reconciliation of Chilean GAAP results to Turnover and EBITDA under IFRS for individual business segments

(a) Turnover

	Notes	Los Pelambres Nine months ended 30 September 2006 US$'m	El Tesoro Nine months ended 30 September 2006 US$'m	Michilla Nine months ended 30 September 2006 US$'m
Chilean GAAP - Turnover		**2,130.0**	**447.6**	**192.0**
Mark-to-market of provisionally priced sales	7(i)	(26.2)	(0.2)	(0.1)
Reclassification of realised losses on commodity derivatives to other operating expense	7(ii)	-	44.4	66.4
IFRS - Turnover		**2,103.7**	**491.8**	**258.3**

(b) EBITDA

	Notes	Los Pelambres Nine months ended 30 September 2006 US$'m	El Tesoro Nine months ended 30 September 2006 US$'m	Michilla Nine months ended 30 September 2006 US$'m
Chilean GAAP - Operating profit		1,786.9	298.3	77.2
Depreciation & amortisation		52.6	29.5	13.6
Chilean GAAP - EBITDA		1,839.5	327.8	90.9
Mark-to-market of provisionally priced sales	7(i)	(26.2)	(0.2)	(0.1)
Mark-to-market of financial derivatives	7(ii)	0.3	(2.5)	18.6
Other IFRS and consolidation adjustments	7(iii)	(1.6)	4.5	0.9
IFRS - EBITDA		**1,812.0**	**329.6**	**110.3**

Notes to reconciliation of turnover and EBITDA

(i) Copper and molybdenum concentrate sale agreements and copper cathode sale agreements generally provide for provisional pricing of sales at the time of shipment, with final pricing being based on the monthly average London Metal Exchange copper price or monthly average molybdenum price for specified future periods. This normally ranges from 30 to 180 days after delivery to the customer.

Under Chilean GAAP, the Group's accounting treatment is to value sales, which remain open as to final pricing at the period end, in aggregate at the lower of provisional invoice prices and mark-to-market prices at the balance sheet date. The Group determines mark-to-market prices using forward prices at each period end for copper concentrate and cathode sales, and period-end month average prices for molybdenum concentrate sales due to the absence of a futures market for that commodity.

Under IFRS, both gains and losses from the marking-to-market of open sales are recognised through adjustments to turnover in the income statement and to trade debtors in the balance sheet. Under IFRS, the Group determines mark-to-market prices in the same way as under Chilean GAAP.

This results in a GAAP adjustment in cases where the mark-to-market prices are higher than the provisional invoice prices. For Los Pelambres this results in a charge of US$33.2 million in respect of copper concentrate sales, and a credit of US$7.0 million in respect of molybdenum concentrate sales. The adjustment in respect of El Tesoro is a charge of US$0.2 million, and the adjustment in respect of Michilla is a charge of US$0.1 million.

(ii) The Group uses derivative financial instruments to reduce exposure to commodity price movements. The Group does not use such derivative instruments for trading purposes.

Under Chilean GAAP, such derivatives are held off the balance sheet. Gains or losses on derivative instruments are matched in the income statement against the item intended to be hedged. Such gains or losses are reflected by way of adjustment to turnover.

To date, the Group has not yet adopted the hedge accounting provisions of IAS 39 "Financial Instruments: Recognition and Measurement", although this decision will be kept under review. Accordingly, under IFRS, derivatives are initially measured at cost including transaction costs (which may be nil), and measured at subsequent reporting dates at fair value. Gains and losses arising from changes in fair value, or from derivatives which mature or are liquidated in the period, are included in the income statement for the period as part of other operating income or expense. Any amounts included in turnover under Chilean GAAP are reclassified accordingly.

(iii) Other IFRS and consolidation adjustments are not material either individually or in aggregate.