

3 May 2007

Highlights

- **Group copper production in Q1 was 105,900 tonnes, in line with forecast but 9.0% below the quarterly average for 2006.**
- **Molybdenum production at Los Pelambres in Q1 was 2,100 tonnes compared with the quarterly average of 2,500 tonnes in 2006, mainly due to inventory movements and lower recoveries in the quarter.**
- **Group cash costs for Q1 were 35.8 cents per pound compared with 40.2 cents per pound in the 2006 full year, due to improved by-product credits and lower tolling charges.**

Group Total	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Acc 2007	Acc 2006	Full Year 2006
Total production of payable copper ('000 tonnes)	105.9				105.9	107.0	465.5
Total production of payable moly ('000 tonnes)	2.1				2.1	2.0	9.8
Weighted average cash costs (cents per pound)	35.8				35.8	49.7	40.2

Los Pelambres

Los Pelambres produced 70,700 tonnes of payable copper in the first quarter of the year, a decrease of 12.8% over the quarterly average for 2006. This reduction was mainly due to the expected decrease in grades and also to the lower plant throughput resulting from the higher proportion of hard ore this quarter. This was partly offset by the improved recoveries due to the increase in plant capacity.

Molybdenum production in the first quarter was 2,100 tonnes, compared with the quarterly average in 2006 of 2,500 tonnes. The decrease resulted mainly from inventory movements. Lower recoveries and the lower plant throughput were offset by higher molybdenum grades.

Cash costs during the first quarter of the year decreased to 4.2 cents per pound, compared with 16.4 cents per pound in the 2006 full year. This resulted from a combination of lower tolling charges and higher by-product credits, partly offset by higher on-site costs. Tolling charges decreased by 14.0 cents per pound, due to improved annual terms and lower price participation. By-product credits (expressed in cents per pound of copper produced) improved by 6.6 cents as a result of lower copper production in the quarter and higher molybdenum prices. On-site costs increased by 8.3 cents mainly due to the impact of lower ore grades and plant throughput.

As explained in the Group's 2006 preliminary results announcement of 13 March 2007, there are a number of claims currently at first instance or on appeal in the Chilean courts against third parties (either governmental authorities or former owners of land in the El Mauro area) which relate to the Mauro tailings dam project. None of these cases are directly against Los Pelambres, but in some cases the company has participated in proceedings in case an eventual judgement affects the Mauro tailings dam project. The Group is confident that these claims will not have any material impact on the project. Construction of the dam is continuing in accordance with the original schedule and the project is expected to be completed as planned by the end of 2007.

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El Tesoro

Cathode production at El Tesoro in the first quarter was 23,600 tonnes, marginally above the quarterly average for 2006. This reflected the increase in ore grades, partly offset by the decrease in plant throughput and slightly lower recoveries.

Cash costs in the first quarter were 87.4 cents per pound, 8.8 cents above the previous full year but below forecast levels. The increase resulted from the higher waste to ore ratio, and also from the higher prices and consumption of sulphuric acid.

Michilla

Michilla produced 11,600 tonnes of copper cathodes in the first quarter of the year, in line with forecast but slightly below the quarterly average of 2006. This was due to minor reductions in throughput and ore grades, offset by improved recoveries due to the higher proportion of sulphide ore processed.

Cash costs in Q1 were 123.1 cents per pound, 2.6% lower than the 2006 full year. This was mainly due to lower transportation costs.

Transport

The transport division continued to perform strongly. Rail tonnages in the first quarter were 1,253,000 tons, 11.7% higher than the quarterly average for 2006. This compensated for a reduction in road tonnages.

Water

The water division also performed well with volumes up by 6.6% over the quarterly average for 2006 mainly due to increased sales to industrial customers.

Los Pelambres	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Acc 2007	Acc 2006	Full Year 2006
Production statistics							
Daily average ore treated ('000 tonnes)	125.0				125.0	120.9	127.4
Average ore grade (%)	0.71				0.71	0.81	0.81
Average recovery (%)	92.5				92.5	88.1	88.7
Concentrate produced ('000 tonnes)	186.5				186.5	194.8	842.6
Average concentrate grade (%)	39.6				39.6	39.6	39.9
Fine copper in concentrate ('000 tonnes)	73.1				73.1	76.6	335.2
Payable copper in concentrate ('000 tonnes)	70.7				70.7	74.1	324.2
Average moly ore grade (%)	0.033				0.033	0.026	0.028
Average moly recovery (%)	66.7				66.7	74.4	76.1
Payable moly ('000 tonnes)	2.1				2.1	2.0	9.8
Cash costs statistics							
On-site and shipment costs (cents per pound)	64.7				64.7	54.5	56.4
Tolling charges for concentrates (cents per pound)	25.7				25.7	34.8	39.7
By - product credits (cents per pound) *	(86.3)				(86.3)	(59.5)	(79.7)
Cash costs (cents per pound)	4.2				4.2	29.8	16.4

(*) Note: By-products credits do not include any costs attributable to the production of molybdenum concentrate. By-product calculations also do not take into account unrealised mark-to-market gains at the beginning or end of each period.

El Tesoro	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Acc 2007	Acc 2006	Full Year 2006
Daily average ore treated ('000 tonnes)	27.8				27.8	29.7	28.7
Average ore grade (%)	1.21				1.21	0.99	1.16
Average recovery (%)	77.4				77.4	77.9	78.1
Copper cathodes ('000 tonnes)	23.6				23.6	20.8	94.0
Cash costs (cents per pound)	87.4				87.4	79.6	78.6

Michilla	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Acc 2007	Acc 2006	Full Year 2006
Daily average ore treated ('000 tonnes)	15.2				15.2	14.6	15.2
Average ore grade (%)	1.04				1.04	1.13	1.05
Average recovery (%)	81.2				81.2	76.2	78.2
Copper cathodes ('000 tonnes)	11.6				11.6	12.1	47.3
Cash costs (cents per pound)	123.1				123.1	120.2	126.4

Transport	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Acc 2007	Acc 2006	Full Year 2006
Rail tonnage transported ('000 tons)	1,253				1,253	1,122	4,486
Road tonnage transported ('000 tons)	321				321	383	1,456

Water	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Acc 2007	Acc 2006	Full Year 2006
Water volume sold – potable and untreated ('000 m ³) **	10,069				10,069	9,304	37,798

(**) Note: Water volumes include water transportation of 300,000 m³ in Q1 (270,000 m³ in Q1 2006 and total for 2006 of 1,604,000 m³).