

For immediate release

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Unaudited Results for the First Quarter ended 31 March 2007

London, 30 May 2007

Highlights

	Three months ended 31 March 2007 US\$m	Three months ended 31 March 2006 US\$m	Change %	Full year 2006 US\$m
Group turnover	<u>830.4</u>	<u>748.6</u>	10.9%	<u>3,870.0</u>
Group EBITDA	<u>625.0</u>	<u>522.7</u>	19.6%	<u>2,957.3</u>

Turnover

Group turnover in the three months ended 31 March 2007 was US\$830.4 million compared with US\$748.6 million in the first quarter of 2006, reflecting higher copper and molybdenum prices.

LME copper prices averaged 269.5 cents per pound compared with 224.3 cents per pound in the three months ended 31 March 2006. Pricing adjustments on the close out of provisional sales resulted in an average realised copper price of 297.1 cents per pound as prices improved toward the end of the quarter, compared with 276.3 cents per pound in the comparative period. Market molybdenum prices, which did not differ significantly from prices realised by Los Pelambres, averaged US\$26.2 per pound in the three months, an increase from the average price of US\$23.0 per pound in Q1 2006.

The volume of copper sold was 106,300 tonnes (three months ended 31 March 2006 – 108,100 tonnes). Production was 105,900 tonnes (three months ended 31 March 2006 – 107,000 tonnes). The marginal reduction was mainly due to the expected decrease in ore grades at Los Pelambres, partly offset by higher ore throughput. The overall decrease was also partly offset by improved production at El Tesoro, where ore grades improved compared with the first quarter of 2006. Molybdenum sales and production volumes were 2,200 tonnes and 2,100 tonnes respectively (three months ended 31 March 2006 – both sales and production of 2,000 tonnes). In the case of both copper and molybdenum, sales volumes vary from the production volumes reported on 3 May 2007 as a result of timing differences in shipping and loading schedules.

The transport and water divisions continued to perform well, benefiting in both cases from increased volumes.

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. Further details of the operating performance of each mine and the rail and water division are also given in the Group's first quarter production report released on 3 May 2007.

EBITDA

Group EBITDA in the three months ended 31 March 2007 was US\$625.0 million, compared with US\$522.7 million in Q1 2006. The improved EBITDA resulted mainly from the higher realised copper and molybdenum prices in the current period as explained in connection with turnover above, and the impact in the comparative period of charges related to the Group's commodity hedging programme, as discussed below.

As reported on 3 May 2007, weighted average cash costs for the Group's mining operations, which are stated net of by-product credits, were 35.8 cents per pound in the three months ended 31 March 2007. This compared with 49.7 cents per pound in the comparative period in 2006. This decrease was largely the result of improved by-product credits at Los Pelambres. By-product credits (expressed in cents per pound of copper produced) improved as a result of lower copper production at Los Pelambres in this quarter, and the higher molybdenum prices outlined above.

Weighted average cash costs excluding by-product credits were 93.4 cents per pound (three months ended 31 March 2006 – 90.9 cents per pound). These costs include tolling charges and production costs for both copper and molybdenum. Compared with the same period in 2006, cost increases were mainly due to higher on-site costs at the Group's mines, largely offset by lower tolling charges at Los Pelambres (reflecting lower treatment and refining charges and a reduced impact of price participation with smelters). Cash costs for each mine remain in line with the Group's initial forecasts for the year. Further details of the cash costs of each mine are given in the Group's first quarter production report of 3 May 2007.

The amount recognised in the income statement during the current period in respect of the Group's commodity hedging programme was a gain of US\$1.4 million, recorded within turnover as the Group has applied hedge accounting provisions of IAS 39 "Financial Instruments: Recognition and Measurement" with effect from 1 January 2007. During the three months ended 31 March 2006 a charge of US\$37.8 million was recognised in respect of commodity hedging, recorded within other operating expenses. The gain recognised during the current period relates to those commodity instruments in place at the end of 2006 which matured during the period.

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. Additional commodity hedging has recently been put in place at El Tesoro and Michilla; details of commodity instruments are given in Note 5.

Basis of Information

The Group turnover and EBITDA figures included in this release for the three-month period ended 31 March 2007 are presented on a basis consistent with the accounting policies used in the Group's 2006 Annual Report and Financial Statements (except in relation to the application by the Group of the hedge accounting provisions of IAS 39 "Financial Instruments: Recognition and Measurement" with effect from 1 January 2007 as set out in Note 5) 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 three-month period ended 31 March 2007 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 in 2005 which required companies that have elected to enter a tax stability regime to publish quarterly financial information from the 2006 financial year onwards. 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.

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Notes

1. General information and accounting policies

These unaudited first quarter results are for the three-month period ending 31 March 2007. 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 2006 (except in relation to the application by the Group of the hedge accounting provisions of IAS 39 "Financial Instruments: Recognition and Measurement" with effect from 1 January 2007 as set out in Note 5) 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 three 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 three month periods ending 31 March 2006 and 31 March 2007 is unaudited.

The information contained in this announcement for the year ended 31 December 2006 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 2006 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

	<u>Production</u>			<u>Sales</u>		
	Three months ended 31 March 2007 000 tonnes	Three months ended 31 March 2006 000 tonnes	Full year 2006 000 tonnes	Three months ended 31 March 2007 000 tonnes	Three months ended 31 March 2006 000 tonnes	Full year 2006 000 tonnes
Copper						
Los Pelambres	70.7	74.1	324.2	71.9	75.0	324.8
El Tesoro	23.6	20.8	94.0	22.2	21.9	95.3
Michilla	11.6	12.1	47.3	12.2	11.2	47.7
Group total	105.9	107.0	465.5	106.3	108.1	467.8
Molybdenum						
Los Pelambres	2.1	2.0	9.8	2.2	2.0	9.9

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

	<u>Cash cost</u>			<u>Realised prices</u>		
	Three months ended 31 March 2007 US cents	Three months ended 31 March 2006 US cents	Full year 2006 US cents	Three months ended 31 March 2007 US cents	Three months ended 31 March 2006 US cents	Full year 2006 US cents
Copper						
Los Pelambres	4.2	29.8	16.4	304.8	291.1	335.0
El Tesoro	87.4	79.6	78.6	278.9	242.1	316.4
Michilla	123.1	120.2	126.4	284.8	244.6	318.5
Group weighted average (net of by-products)	35.8	49.7	40.2	297.1	276.3	329.5
Group weighted average (before deducting by-products)	93.4	90.9	95.6			
Cash costs at Los Pelambres comprise:						
On-site and shipping cost	64.7	54.5	56.4			
Tolling charges for concentrates	25.7	34.8	39.7			
Cash costs before deducting by-product credits	90.4	89.3	96.1			
By-product credits (principally molybdenum)	(86.3)	(59.5)	(79.7)			
Cash costs (net of by-product credits)	4.2	29.8	16.4			
LME average				269.5	224.3	305.3
				US\$	US\$	US\$
Molybdenum						
Los Pelambres				27.4	22.5	24.6
Market average price				26.2	23.0	24.8

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. In the current period realised prices reflect gains and losses on commodity derivatives, which are included within turnover. The classification of these amounts within turnover is due to the application of the hedge accounting provisions of IAS 39 "Financial Instruments:

Recognition and Measurement” with effect from 1 January 2007. Prior to this point, gains and losses on commodity derivatives were included in other operating income or expense, and so are not reflected within the realised price figures for the comparative periods.

- (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 first quarter of 2007 published on 3 May 2007.

3. Turnover and EBITDA analysed by business segment

	<u>Turnover</u>			<u>EBITDA</u>		
	Three months ended 31 March 2007 US\$m	Three months ended 31 March 2006 US\$m	Full year 2006 US\$m	Three months ended 31 March 2007 US\$m	Three months ended 31 March 2006 US\$m	Full year 2006 US\$m
Los Pelambres	574.0	531.1	2,701.3	474.8	439.0	2,297.0
El Tesoro	136.5	116.9	664.8	93.4	61.6	456.0
Michilla	76.6	60.4	334.9	43.6	8.6	158.4
Exploration	-	-	-	(5.5)	(2.4)	(21.5)
Corporate and other items	-	-	-	(5.1)	(3.9)	(16.9)
Mining	787.1	708.4	3,701.0	601.2	502.9	2,873.0
Railway and other transport services	26.2	23.5	105.3	12.5	8.5	42.9
Water concession	17.1	16.7	63.7	11.3	11.3	41.4
Group turnover and EBITDA	830.4	748.6	3,870.0	625.0	522.7	2,957.3

Turnover at Los Pelambres by mineral:

	<u>Before deducting tolling charges</u>			<u>Tolling charges</u>			<u>Net of tolling charges</u>		
	Three months ended 31 March 2007 US\$m	Three months ended 31 March 2006 US\$m	Full year 2006 US\$m	Three months ended 31 March 2007 US\$m	Three months ended 31 March 2006 US\$m	Full year 2006 US\$m	Three months ended 31 March 2007 US\$m	Three months ended 31 March 2006 US\$m	Full year 2006 US\$m
Copper	483.1	481.3	2,399.0	(47.6)	(51.8)	(254.0)	435.5	429.5	2,145.0
Molybdenum	131.6	99.3	536.4	(4.5)	(6.1)	(22.6)	127.1	93.2	513.8
Gold and silver	11.6	8.5	43.1	(0.2)	(0.1)	(0.6)	11.4	8.4	42.5
Los Pelambres	626.3	589.1	2,978.5	(52.3)	(58.0)	(277.2)	574.0	531.1	2,701.3

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\$2.2 million (three months ended 31 March 2006 – US\$2.1 million; full year 2006 – US\$9.6 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) In the current period turnover includes realised gains on commodity derivatives at Michilla of US\$1.4 million. The classification of these amounts within turnover is due to the application of the hedge accounting provisions of IAS 39 “Financial Instruments: Recognition and Measurement” with effect from 1 January 2007. Prior to this point, gains and losses on commodity derivatives were included in other operating income or expense. In the comparative periods, other operating expense included losses at El Tesoro of US\$17.3 million in the three months ended 31 March 2006 and US\$44.8 million in the 2006 full year, and losses at Michilla of US\$20.5 million in the three months ended 31 March 2006 and US\$39.7 million in the 2006 full year. 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.

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		
	At 31.03.07	At 31.03.06	At 31.12.06
	US\$m	US\$m	US\$m
Los Pelambres - copper concentrate	65.1	78.0	(110.1)
Los Pelambres - tolling charges for copper concentrate	(4.0)	(3.7)	7.6
Los Pelambres - molybdenum concentrate	6.8	(5.8)	(3.9)
El Tesoro - copper cathodes	3.6	3.1	1.3
Michilla - copper cathodes	0.9	1.0	(0.6)
	72.4	72.6	(105.7)

(a) Copper sales

	Three months ended 31 March 2007			Three months ended 31 March 2006			Full year 2006		
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
	Los Pelambres	El Tesoro	Michilla	Los Pelambres	El Tesoro	Michilla	Los Pelambres	El Tesoro	Michilla
	Copper concentrate	Copper cathodes	Copper cathodes	Copper concentrate	Copper cathodes	Copper cathodes	Copper concentrate	Copper cathodes	Copper cathodes
Provisionally invoiced gross sales	429.7	136.6	76.8	362.9	109.7	56.7	2,175.5	653.1	326.0
Effects of pricing adjustments to previous period invoices									
Reversal of mark-to-market adjustments at the end of the previous period	110.1	(1.3)	0.6	(33.2)	(0.2)	0.1	(33.2)	(0.2)	0.1
Settlement of copper sales invoiced in the previous period	(125.8)	(6.6)	(3.2)	73.6	1.4	0.8	169.2	2.0	0.6
Total effect of adjustments to previous period invoices in the current period	(15.7)	(7.9)	(2.6)	40.4	1.2	0.9	136.0	1.8	0.7
Effects of pricing adjustments to current period invoices									
Settlement of copper sales invoiced in the current period	4.0	4.2	1.5	-	2.9	1.8	197.6	8.6	8.8
Mark-to-market adjustments at the end of the current period	65.1	3.6	0.9	78.0	3.1	1.0	(110.1)	1.3	(0.6)
Total effect of adjustments to current period invoices	69.1	7.8	2.4	78.0	6.0	2.8	87.5	9.9	8.2
Turnover before deducting tolling charges	483.1	136.5	76.6	481.3	116.9	60.4	2,399.0	664.8	334.9
Tolling charges	(47.6)	-	-	(51.8)	-	-	(254.0)	-	-
Turnover net of tolling charges	435.5	136.5	76.6	429.5	116.9	60.4	2,145.0	664.8	334.9

Copper concentrate

Copper concentrate sales at Los Pelambres have an average settlement period of approximately four months from shipment date. At 31 March 2007, sales totalling 112,000 tonnes remained open as to price, with an average mark-to-market price of 311.7 cents per pound compared with an average provisional invoice price of 285.3 cents per pound. At 31 March 2006, sales totalling 113,500 tonnes remained open as to price, with an average mark-to-market price of 245.3 cents per pound compared with an average provisional invoice price of 215.1 cents per pound. At 31 December 2006, sales totalling 127,100 tonnes remained open as to price, with an average mark-to-market price of 287.0 cents per pound compared with an average provisional invoice price of 326.3 cents per pound.

Tolling charges include a mark-to-market loss for copper concentrate sales open as to price at 31 March 2007 of US\$11.6 million (31 March 2006 – loss of US\$3.7 million, 31 December 2006 – gain of US\$7.6 million).

Copper cathodes

Copper cathode sales at El Tesoro and Michilla have an average settlement period of approximately one month from shipment date.

At 31 March 2007, sales totalling 10,900 tonnes remained open as to price, with an average mark-to-market price of 312.8 cents per pound compared with an average provisional invoice price of 294.0 cents per pound. At 31 March 2006, sales totalling 11,400 tonnes remained open as to price, with an average mark-to-market price of 246.8 cents per pound compared with an average provisional invoice price of 230.7 cents per pound. At 31 December 2006, sales totalling 11,600 tonnes remained open as to price, with an average mark-to-market price of 286.6 cents per pound compared with an average provisional invoice price of 294.0 cents per pound.

(b) Molybdenum sales

	Three months ended 31.03.07	Three months ended 31.03.06	Year ended 31.12.06
	US\$m	US\$m	US\$m
	Los Pelambres	Los Pelambres	Los Pelambres
	Molybdenum concentrate	Molybdenum concentrate	Molybdenum concentrate
Provisionally invoiced gross sales	121.8	117.8	547.8
Effects of pricing adjustments to previous period invoices			
Reversal of mark-to-market adjustments at the end of the previous period	2.4	12.6	12.6
Settlement of molybdenum sales invoiced in the previous period	(1.7)	(22.8)	(27.5)
Total effect of adjustments to previous period invoices in the current period	0.7	(10.2)	(14.9)
Effects of pricing adjustments to current year invoices			
Settlement of molybdenum sales invoiced in the current period	2.3	(2.5)	5.9
Mark-to-market adjustments at the end of the current period	6.8	(5.8)	(2.4)
Total effect of adjustments to current period invoices	9.1	(8.3)	3.5
Turnover before deducting tolling charges	131.6	99.3	536.4
Tolling charges	(4.5)	(6.1)	(22.6)
Turnover net of tolling charges	127.1	93.2	513.8

Molybdenum sales at Los Pelambres have an average settlement period of approximately three months after shipment date. At 31 March 2007, sales totalling 1,500 tonnes remained open as to price, with an average mark-to-market price of US\$27.9 per pound compared with an average provisional invoice price of US\$25.9 per pound. At 31 March 2006, sales totalling 1,500 tonnes remained open as to price, with an average mark-to-market price of US\$22.9 per pound compared with an average provisional invoice price of US\$24.1 per pound. At 31 December 2006, sales totalling 2,100 tonnes remained open as to price, with an average mark-to-market price of US\$25.0 per pound compared with an average provisional invoice price of US\$25.5 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 applied the hedge accounting provisions of IAS 39 "Financial Instruments: Recognition and Measurement" with effect from 1 January 2007. From that date, changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows have been recognised directly in equity, with any ineffective portion recognised immediately in the income statement. Realised gains and losses on commodity derivatives recognised in the income statement have been recorded within turnover. Prior to 1 January 2007 derivatives were measured at fair value through the income statement, with gains or losses on commodity derivatives being recorded within other operating income or expense.

The balance sheet mark-to-market adjustments at the end of each period and the total effect of commodity derivatives on operating profit in the income statement for each period are as follows:

	<u>Balance sheet</u>			<u>Income statement</u>		
	<u>Net financial asset/(liability)</u>			<u>Total effect</u>		
	At 31.03.07	At 31.03.06	At 31.12.06	Three months ended 31 March 2007	Three months ended 31 March 2006	Full year 2006
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
El Tesoro	(0.2)	(27.5)	-	-	(17.3)	(44.8)
Michilla	(0.4)	(30.8)	7.3	1.4	(20.5)	(39.7)
	<u>(0.6)</u>	<u>(58.3)</u>	<u>7.3</u>	<u>1.4</u>	<u>(37.8)</u>	<u>(84.5)</u>

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

The US\$1.4 million gain recognised within turnover during the three months ended 31 March 2007 related to amounts realised on derivatives which matured in the period. During the period net mark-to-market losses of US\$6.5 million were recognised within reserves.

The Group had min/max instruments at 31 March 2007 for 10,800 tonnes of copper production, with a weighted average floor of 281.0 cents per pound and a weighted average cap of 338.5 cents per pound. These instruments had a weighted average duration of 4.5 months and a maximum duration of 9 months.

At 31 March 2007, the Group also had futures at Michilla for 10,800 tonnes of copper production with an average price of US 306.9 cents, a weighted average duration of 5.5 months and a maximum duration of 9 months. It also had futures to both buy and sell copper production at El Tesoro, with the effect of swapping COMEX prices for LME prices without eliminating underlying market price exposure. These have a weighted average price of US 312.0 cents, a weighted average duration of 5.5 months and a maximum duration of 10 months.

Between 31 March 2007 and the date of this report the Group has entered into additional min/max instruments for 85,800 tonnes of copper production (of which 82,400 tonnes relate to El Tesoro and 3,400 tonnes relate to Michilla), covering a total period up to 31 December 2009. The weighted average period covered by these instruments calculated with effect from 1 April 2007 is 21 months. The maximum duration of the individual instruments in place during this period is 12 months. The instruments have a weighted average floor of 261.8 cents per pound and a weighted average cap of 394.6 cents per pound.

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 31.03.2007 US\$m	Los Pelambres At 31.03.2006 US\$m	El Tesoro At 31.03.2007 US\$m	El Tesoro At 31.03.2006 US\$m	Michilla At 31.03.2007 US\$m	Michilla At 31.03.2006 US\$m
Cash and cash equivalents	761.1	780.7	285.0	40.9	105.0	7.8
Trade and other receivables	339.2	248.1	54.2	47.1	22.7	16.4
Inventories	51.2	46.2	61.9	35.6	16.1	20.9
Current and deferred tax assets	11.8	14.8	3.2	22.7	3.0	5.2
Current assets	1,163.3	1,089.8	404.3	146.3	146.8	50.3
Fixed assets	1,559.7	1,242.2	253.2	264.9	51.7	64.4
Other non-current assets	150.9	149.4	48.3	61.4	0.9	1.1
TOTAL ASSETS	2,873.9	2,481.4	705.8	472.6	199.4	115.8
Short term borrowings	86.6	87.2	14.6	14.9	-	-
Trade and other payables	111.5	65.9	35.9	34.3	18.8	18.3
Current and deferred tax liabilities	112.5	97.8	43.3	35.2	21.8	0.6
Current liabilities	310.6	250.9	93.8	84.4	40.6	18.9
Medium and long term borrowings	232.4	313.8	14.0	42.0	-	-
Trade and other payables	12.8	11.7	6.4	5.9	7.4	7.6
Deferred tax liabilities	141.1	132.4	31.8	27.8	-	-
Non-current liabilities	386.3	457.9	52.2	75.7	7.4	7.6
Total liabilities	696.9	708.8	146.0	160.1	48.0	26.5
Share capital	373.8	373.8	91.0	91.0	78.4	78.4
Reserves	1,803.2	1,398.8	468.8	221.5	73.0	10.9
Total shareholders' equity	2,177.0	1,772.6	559.8	312.5	151.4	89.3
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,873.9	2,481.4	705.8	472.6	199.4	115.8

(b) Income statements

	Los Pelambres	Los Pelambres	El Tesoro	El Tesoro	Michilla	Michilla
	Three months ended 31 March 2007	Three months ended 31 March 2006	Three months ended 31 March 2007	Three months ended 31 March 2006	Three months ended 31 March 2007	Three months ended 31 March 2006
	US\$'m	US\$'m	US\$'m	US\$'m	US\$'m	US\$'m
Turnover	513.7	490.0	132.9	107.2	77.3	42.1
Operating costs	(100.1)	(90.4)	(44.7)	(40.5)	(35.3)	(31.2)
Operating margin	413.6	399.6	88.2	66.7	42.0	10.9
Administrative and distribution expenses	(17.5)	(17.8)	(6.8)	(6.0)	(3.4)	(3.5)
Operating profit	396.1	381.8	81.4	60.7	38.6	7.4
Other income	-	0.1	-	0.3	0.1	0.2
Financial income	8.5	7.1	3.5	-	1.1	0.1
Financial expenses	(4.8)	(5.4)	(0.5)	(0.9)	(0.1)	(0.1)
Other expenses	(0.1)	(0.2)	(0.6)	(0.3)	-	(0.3)
Exchange difference	1.3	2.6	0.3	0.6	-	0.5
Net non-operating income/(expenses)	4.9	4.2	2.7	(0.3)	1.1	0.4
Profit before tax	401.0	386.0	84.1	60.4	39.7	7.8
Income tax expense	(74.4)	(68.9)	(16.5)	(11.3)	(7.4)	(1.5)
Profit for the financial period	326.6	317.1	67.6	49.1	32.3	6.3

(c) Cash flow statements

	Los Pelambres	Los Pelambres	El Tesoro	El Tesoro	Michilla	Michilla
	Three months ended 31 March 2007	Three months ended 31 March 2006	Three months ended 31 March 2007	Three months ended 31 March 2006	Three months ended 31 March 2007	Three months ended 31 March 2006
	US\$'m	US\$'m	US\$'m	US\$'m	US\$'m	US\$'m
Net cash flow from operating activities	334.2	367.9	66.6	40.2	37.8	(3.3)
Investing activities						
Additions to fixed assets	(56.0)	(146.1)	(0.6)	(2.8)	(2.3)	(3.7)
Disposals of fixed assets	-	0.6	-	-	-	-
Other items	-	-	-	-	-	(0.4)
Net cash used in investing activities	(56.0)	(145.5)	(0.6)	(2.8)	(2.3)	(4.1)
Financing activities						
Dividends paid	-	-	-	-	-	-
Loans repaid	(2.4)	(2.4)	-	-	-	-
Net cash used in financing activities	(2.4)	(2.4)	-	-	-	-
Net increase in cash and cash equivalents	275.8	220.0	66.0	37.4	35.5	(7.4)
Cash and cash equivalents at the beginning of the period	485.3	560.7	219.0	3.5	69.5	15.2
Cash and cash equivalents at the end of the period	761.1	780.7	285.0	40.9	105.0	7.8

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

		Los Pelambres	Los Pelambres	El Tesoro	El Tesoro	Michilla	Michilla
		Three months ended 31 March 2007	Three months ended 31 March 2006	Three months ended 31 March 2007	Three months ended 31 March 2006	Three months ended 31 March 2007	Three months ended 31 March 2006
	Notes	US\$'m	US\$'m	US\$'m	US\$'m	US\$'m	US\$'m
Chilean GAAP – Turnover		513.7	490.0	132.9	107.2	77.3	42.1
Mark-to-market of provisionally priced sales	7(i)	60.3	41.1	3.6	2.9	0.9	1.1
Reclassification of realised (gains)/losses on commodity derivatives to other operating expense/reserves	7(ii)	-	-	-	6.8	(1.6)	17.2
IFRS – Turnover		574.0	531.1	136.5	116.9	76.6	60.4

(b) EBITDA

		Los Pelambres	Los Pelambres	El Tesoro	El Tesoro	Michilla	Michilla
		Three months ended 31 March 2007	Three months ended 31 March 2006	Three months ended 31 March 2007	Three months ended 31 March 2006	Three months ended 31 March 2007	Three months ended 31 March 2006
	Notes	US\$'m	US\$'m	US\$'m	US\$'m	US\$'m	US\$'m
Chilean GAAP - Operating profit		396.1	381.8	81.4	60.7	38.6	7.4
Depreciation & amortisation		17.4	16.5	8.7	8.8	4.8	3.5
Chilean GAAP - EBITDA		413.5	398.3	90.1	69.5	43.4	10.9
Mark-to-market of provisionally priced sales	7(i)	60.3	41.1	3.6	2.9	0.9	1.1
Mark-to-market of financial derivatives	7(ii)	-	-	-	(10.5)	(1.6)	(3.3)
Other IFRS and consolidation adjustments	7(iii)	1.8	(0.4)	(0.3)	(0.3)	0.9	(0.1)
IFRS - EBITDA		474.8	439.0	93.4	61.6	43.6	8.6

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 credit of US\$53.5 million in respect of copper concentrate sales, and a credit of US\$6.8 million in respect of molybdenum concentrate sales. The adjustment in respect of El Tesoro is a credit of US\$3.6 million, and the adjustment in respect of Michilla is a credit of US\$0.9 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.

The Group has applied the hedge accounting provisions of IAS 39 "Financial Instruments: Recognition and Measurement" with effect from 1 January 2007. From that date, changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows have been recognised directly in equity, with any ineffective portion recognised immediately in the income statement. Realised gains and losses on commodity derivatives recognised in the income statement have been recorded within turnover. Prior to 1 January 2007 derivatives were measured at fair value through the income statement, with gains or losses on commodity derivatives being recorded within other operating income or expense. For the comparative periods, any amounts included in turnover under Chilean GAAP were reclassified accordingly.

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