

For immediate release

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Unaudited Results for the First Quarter ended 31 March 2008

London, 29 May 2008

Highlights

	Three months ended 31 March 2008 US\$m	Three months ended 31 March 2007 US\$m	Change %	Full year 2007 US\$m
Group turnover	<u><u>1,129.6</u></u>	<u><u>830.4</u></u>	36.0%	<u><u>3,826.7</u></u>
Group EBITDA	<u><u>825.9</u></u>	<u><u>625.0</u></u>	32.1%	<u><u>2,824.0</u></u>

Turnover

Group turnover in the three months ended 31 March 2008 was US\$1,129.6 million compared with US\$830.4 million in the first quarter of 2007, reflecting higher realised copper and molybdenum prices.

LME copper prices averaged 352.1 cents per pound compared with 269.5 cents per pound in the three months ended 31 March 2007. Pricing adjustments on the close out and mark-to-market of provisional sales resulted in an average realised copper price of 439.2 cents per pound as prices improved significantly during the quarter, compared with 297.1 cents per pound in the comparative period. Market molybdenum prices, which did not differ significantly from prices realised by Los Pelambres, averaged US\$33.2 per pound in the three months, an increase from the average price of US\$26.2 per pound in the first three months of 2007.

The volume of copper sold was 100,700 tonnes (three months ended 31 March 2007 – 106,300 tonnes). Sales in the current period were affected by timing differences in shipping and loading schedules which resulted in an increase in inventories at the end of March which were subsequently shipped in April. Production however increased to 114,600 tonnes, from 105,900 tonnes in the three months ended 31 March 2007. This was the result of increased plant throughput at Los Pelambres due to a higher proportion of softer secondary ore treated. Molybdenum sales volumes were 1,700 tonnes and production volumes were 1,800 tonnes (three months ended 31 March 2007 – sales and production volumes were 2,200 tonnes and 2,100 tonnes respectively). The reduced molybdenum production was in line with forecast, and was mainly due to the lower molybdenum ore grade, partly offset by the higher plant throughput. As with copper, molybdenum sales volumes vary from the production volumes reported on 30 April 2008 as a result of timing differences in shipping and loading schedules.

The transport and water divisions continued to perform well, with both businesses generating increased revenues.

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 30 April 2008.

EBITDA

Group EBITDA in the three months ended 31 March 2008 was US\$825.9 million, compared with US\$625.0 million in the first three months of 2007. The improved EBITDA resulted mainly from the higher realised copper and molybdenum prices in the current period, partly offset by lower sales volumes and increased cash costs.

As reported in the first quarter production report of 30 April 2008, weighted average cash costs for the Group's mining operations, which are stated net of by-product credits, were 72.2 cents per pound in the three months ended 31 March

2008, compared with 35.8 cents per pound in the comparative period in 2007. This increase mainly reflects higher on-site and shipping costs at each of the three mines. The increase also reflects slightly lower by-product credits (expressed in cents per pound of copper produced) as a result of the lower molybdenum sales volumes outlined above. These higher costs were partly offset by lower tolling charges at Los Pelambres. 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 30 April 2008.

The amount recognised within turnover and EBITDA during the current period in respect of the Group's commodity hedging programme was a loss of US\$2.5 million in respect of derivative instruments which matured during the period. In addition to this amount recognised within EBITDA, a loss of US\$28.9 million was recognised within other finance items, in respect of the time value element of the mark-to-market adjustments, which is excluded from the designated hedging relationship. A loss of US\$21.8 million (on a pre-tax basis) was recognised directly within reserves and minority interests, in respect of the intrinsic value element of the mark-to-market adjustments, which forms part of the designated effective hedging relationship. During the three months ended 31 March 2007 the amount recognised in turnover and EBITDA in relation to commodity hedging was a gain of US\$1.4 million.

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, including those entered into after the period end, 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 2008 are presented on a basis consistent with the accounting policies used in the Group's 2007 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 three-month period ended 31 March 2008 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 2008. 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 2007 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 2007 and 31 March 2008 is unaudited.

The information contained in this announcement for the year ended 31 December 2007 does not constitute statutory accounts. The statutory accounts for that year have been approved by the Board and will be delivered to the Registrar of Companies following the Company's Annual General Meeting which will be held on 11 June 2008. The auditors have reported on those accounts and their report 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 2007 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 2008 000 tonnes	Three months ended 31 March 2007 000 tonnes	Full year 2007 000 tonnes	Three months ended 31 March 2008 000 tonnes	Three months ended 31 March 2007 000 tonnes	Full year 2007 000 tonnes
Copper						
Los Pelambres	79.1	70.7	289.9	65.8	71.9	289.4
El Tesoro	23.9	23.6	93.0	23.6	22.2	93.3
Michilla	11.5	11.6	45.1	11.3	12.2	45.8
Group total	114.6	105.9	428.1	100.7	106.3	428.5
Molybdenum						
Los Pelambres	1.8	2.1	10.2	1.7	2.2	10.0

(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 2008 US cents	Three months ended 31 March 2007 US cents	Full year 2007 US cents	Three months ended 31 March 2008 US cents	Three months ended 31 March 2007 US cents	Full year 2007 US cents
Copper						
Los Pelambres	37.4	4.2	(10.8)	469.6	304.8	328.3
El Tesoro	129.4	87.4	109.8	383.8	278.9	327.6
Michilla	191.4	123.1	143.5	378.9	284.8	313.8
Group weighted average (net of by-products)	72.2	35.8	31.6	439.2	297.1	326.6
Group weighted average (before deducting by-products)	129.5	93.4	110.7			
Cash costs at Los Pelambres comprise:						
On-site and shipping cost	100.4	64.7	76.3			
Tolling charges for concentrates	20.3	25.7	29.6			
Cash costs before deducting by-product credits	120.7	90.4	105.9			
By-product credits (principally molybdenum)	(83.2)	(86.3)	(116.7)			
Cash costs (net of by-product credits)	37.4	4.2	(10.8)			
LME average				352.1	269.5	323.3
				US\$	US\$	US\$
Molybdenum						
Los Pelambres				32.5	27.4	31.7
Market average price				33.2	26.2	30.2

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 and 74.2% of Michilla. On 24 April 2008 the Group entered into an agreement to sell 30% of El Tesoro together with 30% of Esperanza to Marubeni Corporation; completion of this transaction, which is subject to a number of conditions, is expected to take place in the third quarter of 2008.
- (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) Excluding by-product credits (which are reported as part of turnover) and tolling charges for concentrates (which are deducted from turnover), weighted average cash costs for the Group (comprising on-site and shipping costs in the case of Los Pelambres and cash costs in the case of the other two operations) increased

from 76.2 cents per pound in the first three months of 2007 to 115.6 cents per pound in the first three months of 2008 (90.6 cents per pound in the year ended 31 December 2007).

- (v) 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 also reflect gains and losses on commodity derivatives, which are included within turnover.
- (vi) The totals in the tables above may include some small apparent differences as the specific individual figures have not been rounded.
- (vii) 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 2008 published on 30 April 2008.

3. Turnover and EBITDA analysed by business segment

	<u>Turnover</u>			<u>EBITDA</u>		
	Three months ended	Three months ended	Full year	Three months ended	Three months ended	Full year
	31 March 2008	31 March 2007	2007	31 March 2008	31 March 2007	2007
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
Los Pelambres	778.9	574.0	2,651.9	634.2	474.8	2,178.0
El Tesoro	199.7	136.5	673.9	132.5	93.4	430.9
Michilla	94.4	76.6	316.8	47.4	43.6	169.2
Exploration	-	-	-	(6.6)	(5.5)	(38.1)
Corporate and other items	-	-	-	(10.6)	(5.1)	(5.6)
Mining	1,073.0	787.1	3,642.6	796.9	601.2	2,734.4
Railway and other transport services	33.7	26.2	117.0	14.0	12.5	48.9
Water concession	22.9	17.1	67.1	15.0	11.3	40.7
Group turnover and EBITDA	1,129.6	830.4	3,826.7	825.9	625.0	2,824.0

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	Three months ended	Full year	Three months ended	Three months ended	Full year	Three months ended	Three months ended	Full year
	31 March 2008	31 March 2007	2007	31 March 2008	31 March 2007	2007	31 March 2008	31 March 2007	2007
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
Copper	681.2	483.1	2,094.6	(32.9)	(47.6)	(169.4)	648.3	435.5	1,925.2
Molybdenum	121.5	131.6	699.8	(3.0)	(4.5)	(23.4)	118.5	127.1	676.4
Gold and silver	12.2	11.6	51.0	(0.1)	(0.2)	(0.7)	12.1	11.4	50.3
Los Pelambres	814.9	626.3	2,845.4	(36.0)	(52.3)	(193.5)	778.9	574.0	2,651.9

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\$3.9 million (three months ended 31 March 2007 – US\$2.2 million; full year 2007 – US\$10.5 million).

Turnover from the water concession is stated after elimination inter-segmental sales to the mining division of US\$0.2 million (three months ended 31 March 2007 – US\$ nil; full year 2007 – US\$0.4 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 and EBITDA includes realised losses of US\$2.5 million in respect of commodity derivatives which matured during the period (three months ended 31 March 2007 – gain of US\$1.4 million; full year 2007 – loss of US\$14.0 million).
- (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 - mark to market effect on debtors		
	At 31.03.08 US\$m	At 31.03.07 US\$m	At 31.12.07 US\$m
Los Pelambres - copper concentrate	99.6	65.1	(72.8)
Los Pelambres - tolling charges for copper concentrate	(3.8)	(4.0)	2.6
Los Pelambres - molybdenum concentrate	1.0	6.8	0.1
El Tesoro - copper cathodes	3.3	3.6	(1.0)
Michilla - copper cathodes	0.8	0.9	0.1
	100.9	72.4	(71.0)

(a) Copper sales

	Three months ended 31 March 2008			Three months ended 31 March 2007			Full year 2007		
	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	503.6	177.9	90.2	429.7	136.6	75.4	2,041.8	678.8	332.2
Effects of pricing adjustments to previous period invoices									
Reversal of mark-to-market adjustments at the end of the previous period	72.8	1.0	(0.1)	110.1	(1.3)	0.6	110.1	(1.3)	0.6
Settlement of copper sales invoiced in the previous period	5.0	1.9	1.0	(125.8)	(6.6)	(3.2)	(88.1)	(6.5)	(3.3)
Total effect of adjustments to previous period invoices in the current period	77.8	2.9	0.9	(15.7)	(7.9)	(2.6)	22.0	(7.8)	(2.7)
Effects of pricing adjustments to current period invoices									
Settlement of copper sales invoiced in the current period	0.2	15.6	5.0	4.0	4.2	1.5	103.6	3.7	1.4
Mark-to-market adjustments at the end of the current period	99.6	3.3	0.8	65.1	3.6	0.9	(72.8)	(1.0)	0.1
Total effect of adjustments to current period invoices	99.8	18.9	5.8	69.1	7.8	2.4	30.8	2.7	1.5
Realised gains/(losses) on commodity derivatives	-	-	(2.5)	-	-	1.4	-	0.2	(14.2)
Turnover before deducting tolling charges	681.2	199.7	94.4	483.1	136.5	76.6	2,094.6	673.9	316.8
Tolling charges	(32.9)	-	-	(47.6)	-	-	(169.4)	-	-
Turnover net of tolling charges	648.3	199.7	94.4	435.5	136.5	76.6	1,925.2	673.9	316.8

Copper concentrate

Copper concentrate sales at Los Pelambres have an average settlement period of approximately four months from shipment date. At 31 March 2008, sales totalling 94,000 tonnes remained open as to price, with an average mark-to-market price of 382.0 cents per pound compared with an average provisional invoice price of 333.9 cents per pound. 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 December 2007, sales totalling 99,400 tonnes remained open as to price, with an average mark-to-market price of 302.4 cents per pound compared with an average provisional invoice price of 335.7 cents per pound.

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 2008, sales totalling 12,500 tonnes remained open as to price, with an average mark-to-market price of 384.7 cents per pound compared with an average provisional invoice price of 369.9 cents per pound. 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 December 2007, sales totalling 11,000 tonnes remained open as to price, with an average mark-to-market price of 301.7 cents per pound compared with an average provisional invoice price of 305.4 cents per pound.

(b) Molybdenum sales

	Three months ended 31 March 2008	Three months ended 31 March 2007	Full year 2007
	US\$m	US\$m	US\$m
	Los Pelambres	Los Pelambres	Los Pelambres
	Molybdenum concentrate	Molybdenum concentrate	Molybdenum concentrate
Provisionally invoiced gross sales	116.9	121.8	670.9
Effects of pricing adjustments to previous period invoices			
Reversal of mark-to-market adjustments at the end of the previous period	(0.1)	2.4	2.4
Settlement of molybdenum sales invoiced in the previous period	3.2	(1.7)	(1.0)
Total effect of adjustments to previous period invoices in the current period	3.1	0.7	1.4
Effects of pricing adjustments to current period invoices			
Settlement of molybdenum sales invoiced in the current period	0.5	2.3	27.4
Mark-to-market adjustments at the end of the current period	1.0	6.8	0.1
Total effect of adjustments to current period invoices	1.5	9.1	27.5
Turnover before deducting tolling charges	121.5	131.6	699.8
Tolling charges	(3.0)	(4.5)	(23.4)
Turnover net of tolling charges	118.5	127.1	676.4

Molybdenum sales at Los Pelambres have an average settlement period of approximately three months after shipment date. At 31 March 2008, sales totalling 1,300 tonnes remained open as to price, with an average mark-to-market price of US\$33.4 per pound compared with an average provisional invoice price of US\$33.1 per pound. 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 December 2007, sales totalling 2,100 tonnes remained open as to price, with an average mark-to-market price of US\$32.5 per pound compared with an average provisional invoice price of US\$32.4 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”. 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 such amounts subsequently recognised in the income statement in the period when the hedged item affects profit or loss. Any ineffective portion is recognised immediately in the income statement. Realised gains and losses on commodity derivatives recognised in the income statement have been recorded within turnover. The time value element of changes in the fair value of derivative options is excluded from the designated hedging relationship, and is therefore recognised directly in the income statement within other finance items.

The balance sheet mark-to-market adjustments in respect of commodity derivatives at the end of each period, and the effect on turnover and other finance items in the income statement for each period, are as follows:

	<u>Balance sheet</u>			<u>Income statement effect</u>		
	<u>Net financial asset/(liability)</u>					
	At 31.03.08	At 31.03.07	At 31.12.07	Three months ended 31 March 2008	Three months ended 31 March 2007	Full year 2007
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
El Tesoro	(35.6)	(0.2)	-	(26.6)	-	0.4
Michilla	(14.8)	(0.4)	0.5	(4.8)	1.4	(13.7)
	<u>(50.4)</u>	<u>(0.6)</u>	<u>0.5</u>	<u>(31.4)</u>	<u>1.4</u>	<u>(13.3)</u>

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

During the three months ended 31 March 2008 a loss of US\$2.5 million was recognised within turnover and EBITDA, in respect of derivative instruments which matured during the year. In addition to this amount recognised within EBITDA, a loss of US\$28.9 million was recognised within other finance items, in respect of the time value element of the mark-to-market adjustments, which is excluded from the designated hedging relationship. A loss of US\$21.8 million (on a pre-tax basis) was recognised directly within reserves and minority interests, in respect of the intrinsic value element of the mark-to-market adjustments, which forms part of the designated effective hedging relationship.

At 31 March 2008, the Group had min/max instruments for 70,200 tonnes of copper production (of which 51,900 tonnes relate to El Tesoro and 18,300 tonnes relate to Michilla), covering a total period up to 31 December 2009. The weighted average remaining period covered by these hedges calculated with effect from 1 April 2008 is 7.1 months. The instruments have a weighted average floor of 253.8 cents per pound and a weighted average cap of 380.6 cents per pound.

At 31 March 2008, the Group also had futures for 5,000 tonnes, 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, covering a period to 31 January 2009. The weighted average remaining period covered by these hedges calculated with effect from 1 April 2008 is 5.5 months.

Between 31 March 2008 and the date of this report, Michilla entered into further min/max instruments for 6,750 tonnes of copper production, covering a total period up to 31 December 2008. The weighted average remaining period covered by these hedges calculated with effect from 1 April 2008 is 5 months. The instruments have a weighted average floor of 320 cents per pound and a weighted average cap of 460 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 31.03.08 US\$m	Los Pelambres At 31.03.07 US\$m	El Tesoro At 31.03.08 US\$m	El Tesoro At 31.03.07 US\$m	Michilla At 31.03.08 US\$m	Michilla At 31.03.07 US\$m
Cash and cash equivalents	477.0	761.1	560.4	285.0	67.6	105.0
Trade and other receivables	311.2	339.2	98.4	54.2	45.9	22.7
Inventories	101.4	51.2	49.7	61.9	23.8	16.1
Current and deferred tax assets	86.0	11.8	7.3	3.2	4.1	3.0
Current assets	975.6	1,163.3	715.8	404.3	141.4	146.8
Fixed assets	1,807.4	1,559.7	279.3	253.2	44.2	51.7
Other non-current assets	148.2	150.9	37.2	48.3	2.2	0.9
TOTAL ASSETS	2,931.2	2,873.9	1,032.3	705.8	187.8	199.4
Short term borrowings	82.5	86.6	-	14.6	-	-
Trade and other payables	423.5	111.5	58.0	35.9	39.8	18.8
Current and deferred tax liabilities	-	112.5	1.5	43.3	8.5	21.8
Current liabilities	506.0	310.6	59.5	93.8	48.3	40.6
Medium and long term borrowings	153.3	232.4	-	14.0	-	-
Trade and other payables	18.7	12.8	8.9	6.4	9.9	7.4
Deferred tax liabilities	152.1	141.1	34.3	31.8	-	-
Non-current liabilities	324.1	386.3	43.2	52.2	9.9	7.4
Total liabilities	830.1	696.9	102.7	146.0	58.2	48.0
Share capital	373.8	373.8	91.0	91.0	78.4	78.4
Reserves	1,727.3	1,803.2	838.6	468.8	51.2	73.0
Total shareholders' equity	2,101.1	2,177.0	929.6	559.8	129.6	151.4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,931.2	2,873.9	1,032.3	705.8	187.8	199.4

(b) Income statements

	Los Pelambres	Los Pelambres	El Tesoro	El Tesoro	Michilla	Michilla
	Three months ended 31 March 2008	Three months ended 31 March 2007	Three months ended 31 March 2008	Three months ended 31 March 2007	Three months ended 31 March 2008	Three months ended 31 March 2007
	US\$'m	US\$'m	US\$'m	US\$'m	US\$'m	US\$'m
Turnover	684.8	513.7	196.4	132.9	93.9	77.3
Operating costs	(133.2)	(100.1)	(67.5)	(44.7)	(47.5)	(35.3)
Operating margin	551.6	413.6	128.9	88.2	46.4	42.0
Administrative and distribution expenses	(29.3)	(17.5)	(8.8)	(6.8)	(7.3)	(3.4)
Operating profit	522.3	396.1	120.1	81.4	39.1	38.6
Other income	-	-	1.3	-	0.5	0.1
Financial income	2.6	8.5	5.1	3.5	0.5	1.1
Financial expenses	(3.3)	(4.8)	(0.5)	(0.5)	-	(0.1)
Other expenses	(0.8)	(0.1)	(0.7)	(0.6)	-	-
Exchange difference	5.2	1.3	(2.4)	0.3	1.5	-
Net non-operating income/(expenses)	3.7	4.9	2.8	2.7	2.5	1.1
Profit before tax	526.0	401.0	122.9	84.1	41.6	39.7
Income tax expense	(110.1)	(74.4)	(25.0)	(16.5)	(8.4)	(7.4)
Profit for the financial period	415.9	326.6	97.9	67.6	33.2	32.3

(c) Cash flow statements

	Los Pelambres	Los Pelambres	El Tesoro	El Tesoro	Michilla	Michilla
	Three months ended 31 March 2008	Three months ended 31 March 2007	Three months ended 31 March 2008	Three months ended 31 March 2007	Three months ended 31 March 2008	Three months ended 31 March 2007
	US\$'m	US\$'m	US\$'m	US\$'m	US\$'m	US\$'m
Net cash flow from operating activities	384.0	334.2	64.0	66.6	33.5	37.8
Investing activities						
Additions to fixed assets	(68.8)	(56.0)	(23.9)	(0.6)	(7.4)	(2.3)
Other items	-	-	-	-	(1.6)	-
Net cash used in investing activities	(68.8)	(56.0)	(23.9)	(0.6)	(9.0)	(2.3)
Financing activities						
Loans repaid	(2.4)	(2.4)	(14.0)	-	-	-
Net cash used in financing activities	(2.4)	(2.4)	(14.0)	-	-	-
Net increase in cash and cash equivalents	312.8	275.8	26.1	66.0	24.5	35.5
Cash and cash equivalents at the beginning of the period	164.2	485.3	534.3	219.0	43.1	69.5
Cash and cash equivalents at the end of the period	477.0	761.1	560.4	285.0	67.6	105.0

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 and 74.2% of Michilla. On 24 April 2008 the Group entered into an agreement to sell 30% of El Tesoro together with 30% of Esperanza to Marubeni Corporation; completion of this transaction, which is subject to a number of conditions, is expected to take place in the third quarter of 2008.
- (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 2008	Three months ended 31 March 2007	Three months ended 31 March 2008	Three months ended 31 March 2007	Three months ended 31 March 2008	Three months ended 31 March 2007
	Notes	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
Chilean GAAP - Turnover		684.8	513.7	196.4	132.9	93.9	77.3
Mark-to-market of provisionally priced sales	7(i)	94.1	60.3	3.3	3.6	0.7	0.9
Reclassification of realised gains on commodity derivatives to other operating expense/reserves	7(ii)	-	-	-	-	(0.2)	(1.6)
IFRS - Turnover		778.9	574.0	199.7	136.5	94.4	76.6

(b) EBITDA

		Los Pelambres	Los Pelambres	El Tesoro	El Tesoro	Michilla	Michilla
		Three months ended 31 March 2008	Three months ended 31 March 2007	Three months ended 31 March 2008	Three months ended 31 March 2007	Three months ended 31 March 2008	Three months ended 31 March 2007
	Notes	US\$'m	US\$'m	US\$'m	US\$'m	US\$'m	US\$'m
Chilean GAAP - Operating profit		522.3	396.1	120.1	81.4	39.1	38.6
Depreciation & amortisation		17.9	17.4	9.4	8.7	6.3	4.8
Chilean GAAP - EBITDA		540.2	413.5	129.5	90.1	45.4	43.4
Mark-to-market of provisionally priced sales	7(i)	94.1	60.3	3.3	3.6	0.7	0.9
Mark-to-market of financial derivatives	7(ii)	-	-	-	-	(0.2)	(1.6)
Other IFRS and consolidation adjustments	7(iii)	(0.1)	1.0	(0.3)	(0.3)	1.5	0.9
IFRS - EBITDA		634.2	474.8	132.5	93.4	47.4	43.6

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\$93.2 million in respect of copper concentrate sales, and a credit of US\$0.9 million in respect of molybdenum concentrate sales. The adjustment in respect of El Tesoro is a credit of US\$3.3 million, and the adjustment in respect of Michilla is a credit of US\$0.7 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.

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