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For immediate release

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Unaudited Results for the Nine Months ended 30 September 2008

London, 27 November 2008

Highlights

	Nine months ended 30 September 2008	Nine months ended 30 September 2007	Change	Full year 2007
	US$'m	US$'m	%	US$'m
Group turnover	**3,310.3**	2,838.6	16.6%	3,826.7
Group EBITDA	**2,216.1**	2,152.0	3.0%	2,824.0

Turnover

Group turnover in the nine months ended 30 September 2008 was US$3,310.3 million compared with US$2,838.6 million in the same period of 2007. The increased revenue was mainly due to higher copper sales volumes, as well as lower tolling charges and to a lesser extent increased sales at the transport and water divisions. These factors were partly offset by reduced molybdenum sales.

LME copper prices averaged 361.3 cents per pound compared with 321.5 cents per pound in the nine months ended 30 September 2007. However, negative mark-to-market adjustments of open provisional sales due to the reduction in the copper price at the end of the third quarter resulted in a realised copper price lower than the LME average for the nine-month period, at 349.1 cents per pound. This compared with a similar realised copper price of 348.1 cents per pound for the nine months ended 30 September 2007, when an increasing copper price resulted in positive pricing adjustments in that period. The net impact of provisional pricing adjustments for the nine months ended 30 September 2008 was a cumulative negative adjustment of US$95.7 million (which comprised a positive adjustment of US$111.5 million in respect of the settlement of open sales during the period, and a negative period end mark-to-market adjustment of US$207.2 million). The phasing of the cumulative negative adjustment of US$95.7 million in the nine months ended 30 September 2008 was a positive adjustment of US$220.3 million in the first half of 2008, and a negative adjustment of US$316.0 million in the third quarter of 2008 reflecting the falling copper price that quarter.

Market molybdenum prices, which did not differ significantly from prices realised by Los Pelambres, averaged US$33.2 per pound in the nine months, an increase from the average price of US$29.5 per pound in the nine months ended 30 September 2007.

Pricing adjustments in the final quarter of the year will depend on average metal prices during the fourth quarter and mark-to-market prices at the end of the year, relative to the mark-to-market prices at 30 September 2008 as disclosed in Note 4. The weighted average mark to market price at 30 September 2008 was 289.2 cents per pound for open copper sales (30 June 2008 – 387.8 cents per pound) and US$33.1 per pound for open molybdenum sales (30 June 2008 – US$33.3 per pound).

The volume of copper sold was 362,100 tonnes (nine months ended 30 September 2007 – 298,700 tonnes). This mainly reflected the increased production of 357,300 tonnes (nine months ended 30 September 2007 – 312,600 tonnes), predominantly due to the higher throughput and ore grades at Los Pelambres. Sales volumes in the comparative period in 2007 were also affected by temporary differences in shipping and loading schedules which resulted in an increase in inventories at the end of September 2007; there were no significant timing differences at the end of September 2008.

Molybdenum sales volumes were 5,600 tonnes and production volumes were 5,700 tonnes (nine months ended 30 September 2007 – sales and production volumes were both 7,400 tonnes). The expected reduced production, which was mainly due to lower molybdenum ore grades, remains marginally ahead of year-to-date forecast.

The transport and water divisions both performed strongly, with each business generating revenue growth of more than 30%, reflecting a combination of increased volumes, normal tariff adjustments and the stronger average Chilean Peso exchange rate in the period.

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 third quarter production report released on 4 November 2008.

EBITDA

Group EBITDA in the nine months ended 30 September 2008 was US$2,216.1 million, compared with US$2,152.0 million in the first nine months of 2007. The increased revenues discussed above were partly offset by higher on-site and shipping costs. As reported in the third quarter production report, weighted average cash costs for the Group's mining operations, which are stated net of by-product credits, were 73.6 cents per pound in the nine months ended 30 September 2008, compared with 30.2 cents per pound in the comparative period in 2007. 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 88.1 cents per pound in the first nine months of 2007 to 117.8 cents per pound in the nine months ended 30 September 2008. This forecast increase in costs was largely due to increased energy costs at all three mines, and higher sulphuric acid prices at El Tesoro and Michilla; these cumulative weighted average costs remain in line with budget. Further details of the cash costs of each mine are given in the Group's third quarter production report.

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$7.9 million in respect of derivative instruments which matured during the period. In addition to this amount recognised within EBITDA, a gain of US$5.8 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$2.0 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 nine months ended 30 September 2007 the amount recognised in turnover and EBITDA in relation to commodity hedging was a net loss of US$11.8 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.

Cash and Borrowings

At 30 September 2008 the Group had cash and cash equivalents of US$3,648.6 million (31 December 2007 – US$2,212.5 million). Excluding the minority share in each partly-owned operation, the Group's attributable share of total cash and cash equivalents was US$3,332.5 million (31 December 2007 – US$2,135.4 million). During the period the Group received proceeds of US$1,401.2 million following the completion of the transaction with Marubeni Corporation ("Marubeni") on 25 August 2008, whereby Marubeni acquired a 30% interest in each of Minera Esperanza and Minera El Tesoro, both of which were until then wholly owned by the Group. Total Group borrowings at 30 September 2008 were US$245.5 million (31 December 2007 – US$266.0 million). Of this, US$163.5 million (31 December 2007 – US$169.5 million) is proportionally attributable to the Group after excluding the minority shareholdings in partly-owned operations.

Basis of Information

The Group turnover and EBITDA figures included in this release for the nine-month period ended 30 September 2008 are presented on a basis consistent with the accounting policies used in the Group's 2008 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 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 third quarter results are for the nine-month period ending 30 September 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 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 2007 and 30 September 2008 is unaudited.

The information contained in this announcement for the year ended 31 December 2007 does not constitute statutory accounts. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on these accounts was unqualified and did not contain a statement under section 237(2) (regarding adequacy of accounting records and returns) or section 237(3) (regarding provision of necessary information and explanations) of the Companies Act 1985. 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

	Production			Sales		
	Nine months ended 30 September 2008	Nine months ended 30 September 2007	Full year 2007	**Nine months ended 30 September 2008**	Nine months ended 30 September 2007	Full year 2007
	000 tonnes	000 tonnes	000 tonnes	**000 tonnes**	000 tonnes	000 tonnes
Copper						
Los Pelambres	**253.8**	208.4	289.9	**258.1**	192.9	289.4
El Tesoro	**68.1**	69.4	93.0	**69.3**	70.6	93.3
Michilla	**35.4**	34.9	45.1	**34.7**	35.2	45.8
Group total	**357.3**	312.6	428.1	**362.1**	298.7	428.5
Molybdenum						
Los Pelambres	**5.7**	7.4	10.2	**5.6**	7.4	10.0

(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 2008	Nine months ended 30 September 2007	Full year 2007	**Nine months ended 30 September 2008**	Nine months ended 30 September 2007	Full year 2007
	US cents	US cents	US cents	**US cents**	US cents	US cents
Copper						
Los Pelambres	**37.4**	(12.1)	(10.8)	**344.4**	358.5	328.3
El Tesoro	**144.2**	103.4	109.8	**364.0**	334.3	327.6
Michilla	**197.4**	137.7	143.5	**354.9**	318.8	313.8
Group weighted average (net of by-products)	**73.6**	30.2	31.6	**349.1**	348.1	326.6
Group weighted average (before deducting by-products)	**130.6**	108.4	110.7			
Cash costs at Los Pelambres comprise:						
On-site and shipping cost	**99.6**	74.7	76.3			
Tolling charges for concentrates	**18.0**	30.4	29.6			
Cash costs before deducting by-product credits	**117.6**	105.1	105.9			
By-product credits (principally molybdenum)	**(80.2)**	(117.2)	(116.7)			
Cash costs (net of by-product credits)	**37.4**	(12.1)	(10.8)			
LME average				**361.3**	321.5	323.3
				US$	US$	US$
Molybdenum						
Los Pelambres				**33.4**	31.7	31.7
Market average price				**33.2**	29.5	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, 70% of El Tesoro with effect from 25 August 2008, on which date the transaction with Marubeni Corporation completed (100% prior to that date) 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) 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) were 117.8 cents per pound in the nine months ended 30 September 2008 (nine months ended 30 September 2007 - 88.1 cents per pound; full year 2007 - 90.6 cents per pound).

(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. The difference between the realised prices and the average market prices for the period are mainly due to the impact of provisional pricing adjustments, as set out in Note 4. 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 third quarter of 2008 published on 4 November 2008.

3. Turnover and EBITDA analysed by business segment

	Turnover			EBITDA		
	Nine months ended 30 September 2008	Nine months ended 30 September 2007	Full year 2007	**Nine months ended 30 September 2008**	Nine months ended 30 September 2007	Full year 2007
	US$'m	US$'m	US$'m	**US$'m**	US$'m	US$'m
Los Pelambres	**2,304.8**	1,936.5	2,651.9	**1,740.8**	1,626.9	2,178.0
El Tesoro	**556.1**	520.2	673.9	**335.2**	338.7	430.9
Michilla	**271.5**	247.4	316.8	**121.0**	140.7	169.2
Exploration	**-**	-	-	**(34.6)**	(21.8)	(38.1)
Corporate and other items	**-**	-	-	**(34.8)**	0.7	(5.6)
Mining	**3,132.4**	2,704.1	3,642.6	**2,127.6**	2,085.2	2,734.4
Railway and other transport services	**113.0**	85.2	117.0	**47.3**	36.1	48.9
Water concession	**64.9**	49.3	67.1	**41.2**	30.7	40.7
Group turnover and EBITDA	**3,310.3**	2,838.6	3,826.7	**2,216.1**	2,152.0	2,824.0

Turnover at Los Pelambres by mineral:

	Before deducting tolling charges			Tolling charges			Net of tolling charges		
	Nine months ended 30 September 2008	Nine months ended 30 September 2007	Full year 2007	**Nine months ended 30 September 2008**	Nine months ended 30 September 2007	Full year 2007	**Nine months ended 30 September 2008**	Nine months ended 30 September 2007	Full year 2007
	US$'m	US$'m	US$'m	**US$'m**	US$'m	US$'m	**US$'m**	US$'m	US$'m
Copper	**1,959.6**	1,524.6	2,094.6	**(92.7)**	(120.8)	(169.4)	**1,866.9**	1,403.8	1,925.2
Molybdenum	**412.5**	516.3	699.8	**(9.5)**	(18.1)	(23.4)	**403.0**	498.2	676.4
Gold and silver	**35.2**	35.0	51.0	**(0.3)**	(0.5)	(0.7)	**34.9**	34.5	50.3
Los Pelambres	**2,407.3**	2,075.9	2,845.4	**(102.5)**	(139.4)	(193.5)	**2,304.8**	1,936.5	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$10.2 million (nine months ended 30 September 2007 – US$7.5 million; full year 2007 – US$10.5 million).

Turnover from the water concession is stated after elimination inter-segmental sales to the transport and mining divisions of US$2.2 million (nine months ended 30 September 2007 – US$0.2 million; full year 2007 – US$0.6 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 and EBITDA includes a realised net loss of US$7.9 million in respect of commodity derivatives which matured during the period (nine months ended 30 September 2007 – net loss of US$11.8 million; full year 2007 – net 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, and does not include the profit on part disposal of subsidiaries relating to the transaction with Marubeni Corporation.

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 30.09.08	At 30.09.07	At 31.12.07
	US$'m	US$'m	US$'m
Los Pelambres - copper concentrate	**(199.3)**	30.9	(72.8)
Los Pelambres - tolling charges for copper concentrate	**2.4**	(0.9)	2.6
Los Pelambres - molybdenum concentrate	**(1.5)**	(0.1)	0.1
El Tesoro - copper cathodes	**(5.7)**	2.7	(1.0)
Michilla - copper cathodes	**(2.2)**	1.3	0.1
	(206.3)	33.9	(71.0)

(a) Copper sales

	Nine months ended 30 September 2008			Nine months ended 30 September 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	**2,055.2**	**554.4**	**281.2**	1,342.2	512.7	255.5	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	**58.3**	**1.9**	**1.0**	(88.1)	(6.6)	(3.2)	(88.1)	(6.5)	(3.3)
Total effect of adjustments to previous period invoices in the current period	**131.1**	**2.9**	**0.9**	22.0	(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	**(27.4)**	**4.5**	**(0.5)**	129.5	12.6	5.1	103.6	3.7	1.4
Mark-to-market adjustments at the end of the current period	**(199.3)**	**(5.7)**	**(2.2)**	30.9	2.7	1.3	(72.8)	(1.0)	0.1
Total effect of adjustments to current period invoices	**(226.7)**	**(1.2)**	**(2.7)**	160.4	15.3	6.4	30.8	2.7	1.5
Total pricing adjustments*	**(95.6)**	**1.7**	**(1.8)**	182.4	7.4	3.8	52.8	(5.1)	(1.2)
Realised (losses)/gains on commodity derivatives	**-**	**-**	**(7.9)**	-	0.1	(11.9)	-	0.2	(14.2)
Turnover before deducting tolling charges	**1,959.6**	**556.1**	**271.5**	1,524.6	520.2	247.4	2,094.6	673.9	316.8
Tolling charges	**(92.7)**	**-**	**-**	(120.8)	-	-	(169.4)	-	-
Turnover net of tolling charges	**1,866.9**	**556.1**	**271.5**	1,403.8	520.2	247.4	1,925.2	673.9	316.8

* The total net impact of provisional pricing adjustments at all three mines for the nine months ended 30 September 2008, including both the settlement of open sales during the period and mark to market adjustments at the end of the period, was a negative adjustment of US$95.7 million (nine months ended 30 September 2007 – positive adjustment of US$193.6 million; full year 2007 – positive adjustment of US$46.5 million).

Copper concentrate

Copper concentrate sales at Los Pelambres have an average settlement period of approximately four months from shipment date. At 30 September 2008, sales totalling 133,100 tonnes remained open as to price, with an average mark-to-market price of 289.1 cents per pound compared with an average provisional invoice price of 357.1 cents per pound. At 30 September 2007, sales totalling 80,800 tonnes remained open as to price, with an average mark-to-market price of 364.8 cents per pound compared with an average provisional invoice price of 347.4 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 30 September 2008, sales totalling 10,300 tonnes remained open as to price, with an average mark-to-market price of 290.2 cents per pound compared with an average provisional invoice price of 325.2 cents per pound. At 30 September 2007, sales totalling 11,200 tonnes remained open as to price, with an average mark-to-market price of

365.9 cents per pound compared with an average provisional invoice price of 350.2 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

	Nine months ended 30 September 2008	Nine months ended 30 September 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	**409.6**	489.3	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	**2.7**	(1.0)	(1.0)
Total effect of adjustments to previous period invoices in the current period	**2.6**	1.4	1.4
Effects of pricing adjustments to current period invoices			
Settlement of molybdenum sales invoiced in the current period	**1.8**	25.7	27.4
Mark-to-market adjustments at the end of the current period	**(1.5)**	(0.1)	0.1
Total effect of adjustments to current period invoices	**0.3**	25.6	27.5
Total pricing adjustments	**2.9**	27.0	28.9
Turnover before deducting tolling charges	**412.5**	516.3	699.8
Tolling charges	**(9.5)**	(18.1)	(23.4)
Turnover net of tolling charges	**403.0**	498.2	676.4

Molybdenum sales at Los Pelambres have an average settlement period of approximately three months after shipment date. At 30 September 2008, sales totalling 1,500 tonnes remained open as to price, with an average mark-to-market price of US$33.1 per pound compared with an average provisional invoice price of US$33.6 per pound. At 30 September 2007, sales totalling 2,100 tonnes remained open as to price, with an average mark-to-market price of US$31.9 per pound compared with an average provisional invoice price of US$31.9 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:

	Balance sheet Net financial asset/(liability)			Income statement effect		
	At 30.09.08	At 30.09.07	At 31.12.07	**Nine months ended 30 September 2008**	Nine months ended 30 September 2007	Full year 2007
	US$'m	US$'m	US$'m	**US$'m**	US$'m	US$'m
El Tesoro	**1.1**	(21.4)	-	**0.8**	0.1	0.4
Michilla	**3.3**	(7.7)	0.5	**(2.9)**	(11.9)	(13.7)
	4.4	(29.1)	0.5	**(2.1)**	(11.8)	(13.3)

During the nine months ended 30 September 2008 a loss of US$7.9 million was recognised within turnover and EBITDA, in respect of derivative instruments at Michilla which matured during the year. In addition to this amount recognised within EBITDA, a gain of US$5.8 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$2.0 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 30 September 2008, the Group had min/max instruments for 44,350 tonnes of copper production (of which 35,700 tonnes relate to El Tesoro and 8,650 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 October 2008 is 6.7 months. The instruments have a weighted average floor of 245.6 cents per pound and a weighted average cap of 384.6 cents per pound.

At 30 September 2008, the Group also had futures for 8,000 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 2010. The weighted average remaining period covered by these hedges calculated with effect from 1 October 2008 is 8.5 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 30.09.08 US$'m	Los Pelambres At 30.09.07 US$'m	**El Tesoro At 30.09.08 US$'m**	El Tesoro At 30.09.07 US$'m	**Michilla At 30.09.08 US$'m**	Michilla At 30.09.07 US$'m
Cash and cash equivalents	**457.1**	554.4	**201.1**	466.0	**34.6**	67.6
Trade and other receivables	**101.6**	315.2	**157.1**	70.0	**22.6**	27.7
Inventories	**74.5**	75.2	**41.5**	37.4	**27.6**	18.5
Current and deferred tax assets	**56.4**	33.8	**7.0**	4.1	**4.2**	5.3
Current assets	**689.6**	978.6	**406.7**	577.5	**89.0**	119.1
Fixed assets	**1,984.9**	1,678.0	**528.0**	249.9	**39.1**	47.1
Other non-current assets	**141.2**	151.5	**47.0**	42.7	**2.6**	1.4
TOTAL ASSETS	**2,815.7**	2,808.1	**981.7**	870.1	**130.7**	167.6
Short term borrowings	**78.6**	86.0	**-**	14.4	**-**	-
Trade and other payables	**282.5**	504.6	**68.7**	41.4	**37.0**	69.7
Current and deferred tax liabilities	**37.9**	-	**2.8**	10.8	**-**	10.5
Current liabilities	**399.0**	590.6	**71.5**	66.6	**37.0**	80.2
Medium and long term borrowings	**115.0**	191.7	**-**	7.0	**-**	-
Trade and other payables	**16.0**	14.4	**19.6**	7.6	**9.1**	8.6
Deferred tax liabilities	**164.6**	146.6	**35.9**	32.4	**-**	-
Non-current liabilities	**295.6**	352.7	**55.5**	47.0	**9.1**	8.6
Total liabilities	**694.6**	943.3	**127.0**	113.6	**46.1**	88.8
Share capital	**373.8**	373.8	**91.0**	91.0	**78.4**	78.4
Reserves	**1,747.3**	1,491.0	**763.7**	665.5	**6.2**	0.4
Total shareholders' equity	**2,121.1**	1,864.8	**854.7**	756.5	**84.6**	78.8
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,815.7**	2,808.1	**981.7**	870.1	**130.7**	167.6

(b) Income statements

	Los Pelambres	Los Pelambres	**El Tesoro**	El Tesoro	**Michilla**	Michilla
	Nine months ended 30 September 2008	Nine months ended 30 September 2007	**Nine months ended 30 September 2008**	Nine months ended 30 September 2007	**Nine months ended 30 September 2008**	Nine months ended 30 September 2007
	US$'m	US$'m	**US$'m**	US$'m	**US$'m**	US$'m
Turnover	**2,305.1**	1,913.1	**556.1**	517.5	**271.5**	253.2
Operating costs	**(506.1)**	(316.3)	**(223.1)**	(183.4)	**(161.0)**	(112.5)
Operating margin	**1,799.0**	1,596.8	**333.0**	334.1	**110.5**	140.7
Administrative and distribution expenses	**(115.3)**	(54.9)	**(27.2)**	(22.1)	**(14.0)**	(11.9)
Operating profit	**1,683.7**	1,541.9	**305.8**	312.0	**96.5**	128.8
Other income	**5.0**	7.8	**1.8**	0.5	**1.6**	2.3
Financial income	**9.0**	24.3	**12.5**	13.6	**1.5**	2.9
Financial expenses	**(8.4)**	(13.8)	**(0.8)**	(2.2)	**-**	(0.2)
Other expenses	**(3.2)**	(1.9)	**(0.8)**	(1.6)	**-**	(0.1)
Exchange difference	**(30.3)**	6.5	**1.2**	(0.9)	**(4.5)**	0.6
Net non-operating income/(expenses)	**(27.9)**	22.9	**13.9**	9.4	**(1.4)**	5.5
Profit before tax	**1,655.8**	1,564.8	**319.7**	321.4	**95.1**	134.3
Income tax expense	**(340.0)**	(294.0)	**(67.6)**	(57.0)	**(19.0)**	(25.3)
Profit for the financial period	**1,315.8**	1,270.8	**252.1**	264.4	**76.1**	109.0

(c) Cash flow statements

	Los Pelambres	Los Pelambres	**El Tesoro**	El Tesoro	**Michilla**	Michilla
	Nine months ended 30 September 2008	Nine months ended 30 September 2007	**Nine months ended 30 September 2008**	Nine months ended 30 September 2007	**Nine months ended 30 September 2008**	Nine months ended 30 September 2007
	US$'m	US$'m	**US$'m**	US$'m	**US$'m**	US$'m
Net cash flow from operating activities	**1,628.1**	1,199.4	**195.8**	262.8	**94.8**	110.3
Investing activities						
Additions to fixed assets	**(272.1)**	(207.9)	**(286.0)**	(8.8)	**(15.5)**	(6.8)
Disposals of fixed assets	**-**	7.1	**-**	-	**-**	-
Other items	**-**	-	**-**	-	**-**	-
Net cash used in investing activities	**(272.1)**	(200.8)	**(286.0)**	(8.8)	**(15.5)**	(6.8)
Financing activities						
Dividends paid	**(1,020.0)**	(886.4)	**(229.0)**	-	**(87.8)**	(105.4)
Loans repaid	**(43.1)**	(43.1)	**(14.0)**	(7.0)	**-**	-
Net cash used in financing activities	**(1,063.1)**	(929.5)	**(243.0)**	(7.0)	**(87.8)**	(105.4)
Net increase in cash and cash equivalents	**292.9**	69.1	**(333.2)**	247.0	**(8.5)**	(1.9)
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	**457.1**	554.4	**201.1**	466.0	**34.6**	67.6

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, 70% of El Tesoro with effect from 25 August 2008, on which date the transaction with Marubeni Corporation completed (100% prior to that date) 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**	Los Pelambres	**El Tesoro**	El Tesoro	**Michilla**	Michilla
		Nine months ended 30 September 2008	Nine months ended 30 September 2007	**Nine months ended 30 September 2008**	Nine months ended 30 September 2007	**Nine months ended 30 September 2008**	Nine months ended 30 September 2007
		US$'m	US$'m	**US$'m**	US$'m	**US$'m**	US$'m
Chilean GAAP - Turnover		**2,305.1**	1,913.1	**556.1**	517.5	**271.5**	253.2
Mark-to-market of provisionally priced sales	7(i)	**(0.3)**	23.4	**-**	2.6	**-**	1.4
Reclassification of realised gains/(losses) on commodity derivatives to other operating expense/reserves	7(ii)	**-**	-	**-**	0.1	**-**	(7.2)
IFRS - Turnover		**2,304.8**	1,936.5	**556.1**	520.2	**271.5**	247.4

(b) EBITDA

	Notes	**Los Pelambres Nine months ended 30 September 2008 US$'m**	Los Pelambres Nine months ended 30 September 2007 US$'m	**El Tesoro Nine months ended 30 September 2008 US$'m**	El Tesoro Nine months ended 30 September 2007 US$'m	**Michilla Nine months ended 30 September 2008 US$'m**	Michilla Nine months ended 30 September 2007 US$'m
Chilean GAAP - Operating profit		**1,683.7**	1,541.9	**305.8**	312.0	**96.5**	128.8
Depreciation & amortisation		**56.3**	51.9	**31.3**	26.9	**19.6**	14.4
Chilean GAAP - EBITDA		**1,740.0**	1,593.8	**337.1**	338.9	**116.1**	143.2
Mark-to-market of provisionally priced sales	7(i)	**(0.3)**	23.4	**-**	2.6	**-**	1.4
Mark-to-market of financial derivatives	7(ii)	**-**	-	**-**	0.1	**-**	(7.2)
Other IFRS and consolidation adjustments	7(iii)	**1.1**	9.7	**(1.9)**	(2.9)	**4.9**	3.3
IFRS – EBITDA		**1,740.8**	1,626.9	**335.2**	338.7	**121.0**	140.7

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 loss of US$0.2 million in respect of copper concentrate sales, and a loss of US$0.1 million in respect of molybdenum concentrate sales. No adjustment is required in respect of El Tesoro or Michilla.

(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.

Under IFRS, 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.

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