

For immediate release

5 Princes Gate
London
SW7 1QJ
United Kingdom

Telephone: + 44 20 7808 0988
Fax: + 44 20 7808 0986
Email: info@antofagasta.co.uk

Unaudited Results for the Nine Months ended 30 September 2009

London, 26 November 2009

Highlights

	Nine months ended 30 September 2009 US\$'m	Nine months ended 30 September 2008 US\$'m	Change %	Full year 2008 US\$'m
Group turnover	<u>2,019.6</u>	<u>3,310.3</u>	-39.0%	<u>3,372.6</u>
Group EBITDA	<u>1,127.3</u>	<u>2,216.1</u>	-49.1%	<u>1,899.8</u>

Turnover

Group turnover in the nine months ended 30 September 2009 was US\$2,019.6 million compared with US\$3,310.3 million in the same period of 2008. This decrease mainly reflected the impact of lower realised prices for copper and molybdenum during the period, as well as reduced copper sales volumes.

LME copper prices averaged 211.5 cents per pound compared with 361.3 cents per pound in the nine months ended 30 September 2008. Positive pricing adjustments on provisionally invoiced sales due to the increase in the copper price during the period resulted in a realised copper price higher than the LME average for the 2009 nine-month period, at 250.3 cents per pound. In contrast, for the nine months ended 30 September 2008 the realised copper price of 349.1 cents per pound was lower than the corresponding LME average price due to a decline in the copper price over that period.

Market molybdenum prices averaged US\$10.9 per pound compared with US\$33.2 per pound in the nine months ended 30 September 2008. The realised molybdenum price this period of US\$11.9 per pound (nine months ended 30 September 2008 - US\$33.4 per pound) was slightly higher than the corresponding average market price due to the impact of positive provisional pricing adjustments.

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 2009 as disclosed in Note 4. The weighted average mark to market price at 30 September 2009 was 279.2 cents per pound for open copper sales and US\$14.4 per pound for open molybdenum sales.

The volume of copper sold was 322,800 tonnes (nine months ended 30 September 2008 – 362,100 tonnes). This mainly reflected the decreased production of 328,100 tonnes (nine months ended 30 September 2008 – 357,300 tonnes), mainly due to the expected lower throughput at Los Pelambres.

Molybdenum sales and production volumes were 5,800 tonnes (nine months ended 30 September 2008 – sales volumes were 5,600 tonnes and production volumes were 5,700 tonnes).

The transport division's sales decreased to US\$103.2 million (nine months ended 30 September 2008 - US\$113.0 million) as a reduction in average haulage distances and downward indexation to existing contracts in line with costs offset increased transport volumes. The water division's sales decreased slightly to US\$61.3 million (nine months ended 30 September 2008 - US\$64.9 million) as increased volumes were offset by the impact of the weaker Chilean peso.

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 3 November 2009.

EBITDA

Group EBITDA in the nine months ended 30 September 2009 was US\$1,127.3 million, compared with US\$2,216.1 million in the first nine months of 2008. The decreased revenues discussed above were partly offset by decreased operating costs. 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) decreased from 117.8 cents per pound in the first nine months of 2008 to 103.0 cents per pound in the nine months ended 30 September 2009. This decrease was a result of the thorough cost reduction programme implemented by the Group from the start of 2009, complemented by a general easing of market pressures compared with 2008. 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\$28.5 million in respect of derivative instruments which matured during the period. In addition to this amount recognised within EBITDA, a loss of US\$9.4 million was recognised within other finance items, in respect of other amounts which do not form part of designated hedging relationships as well as realised and unrealised losses on exchange derivatives. A loss of US\$125.0 million (on a pre-tax basis) was recognised directly within reserves and minority interests, in respect of mark-to-market adjustments for commodity and interest rate derivatives, which form part of designated effective hedging relationship. During the nine months ended 30 September 2008 the amount recognised in turnover and EBITDA in relation to commodity hedging was a net loss of US\$7.9 million; a gain of US\$5.8 million was recognised in other finance items and a loss of US\$2.0 million was recognised within reserves and minority interests. There were no amounts relating to exchange or interest rate derivatives in this corresponding 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. Details of commodity derivative instruments, including those entered into after the period end, are given in Note 5.

Cash and Borrowings

At 30 September 2009 the Group had cash and cash equivalents of US\$2,945.9 million (31 December 2008 – US\$3,358.0 million). Excluding the minority share in each partly-owned operation, the Group's attributable share of total cash and cash equivalents was US\$2,648.5 million (31 December 2008 – US\$3,085.7 million). During the period the Group made total net drawdowns of US\$502.8 million from the Esperanza Project finance facility. Total Group borrowings at 30 September 2009 were US\$1,076.3 million (31 December 2008 – US\$438.9 million). Of this, US\$713.6 million (31 December 2008 – US\$282.3 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 2009 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 four mining companies, Los Pelambres, El Tesoro, Michilla and Esperanza will today also file quarterly financial statements under Chilean GAAP for the nine-month period ended 30 September 2009 with the Chilean securities regulator, the Superintendencia de Valores y Seguros de Chile ("SVS"). This release includes a summary of the Chilean GAAP income statement, balance sheet and cash flow statement for each of the four mining companies to be filed with the SVS.

Enquiries

London

Investor relations - Antofagasta plc

Tel: +44 20 7808 0988

www.antofagasta.co.uk

Desmond O'Connor - doconor@antofagasta.co.uk

Hussein Barma - hbarma@antofagasta.co.uk

Philip Holden - pholden@antofagasta.co.uk

Media enquiries - Bankside Consultants

Tel: +44 20 7367 8874

Oliver Winters - oliver.winters@bankside.com

Santiago

Antofagasta Minerals S.A.

Tel: +562 798 7000

Alejandro Rivera - arivera@aminerals.cl

Eduardo Tagle - etagle@aminerals.cl

Luis Eduardo Bravo - lbravo@aminerals.cl

Notes

1. General information and accounting policies

These unaudited third quarter results are for the nine-month period ending 30 September 2009. 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 2008 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 2008 and 30 September 2009 is unaudited.

The information contained in this announcement for the year ended 31 December 2008 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 2008 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>		
	Nine months ended 30 September 2009 '000 tonnes	Nine months ended 30 September 2008 '000 tonnes	Full year 2008 '000 tonnes	Nine months ended 30 September 2009 '000 tonnes	Nine months ended 30 September 2008 '000 tonnes	Full year 2008 '000 tonnes
Copper						
Los Pelambres	231.7	253.8	339.2	231.7	258.1	340.6
El Tesoro	65.9	68.1	90.8	62.0	69.3	90.9
Michilla	30.5	35.4	47.7	29.1	34.7	47.5
Group total	328.1	357.3	477.7	322.8	362.1	479.0
Molybdenum						
Los Pelambres	5.8	5.7	7.8	5.8	5.6	7.7

(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>		
	Nine months ended 30 September 2009 US cents	Nine months ended 30 September 2008 US cents	Full year 2008 US cents	Nine months ended 30 September 2009 US cents	Nine months ended 30 September 2008 US cents	Full year 2008 US cents
Copper						
Los Pelambres	77.0	37.4	57.3	264.7	344.4	246.5
El Tesoro	119.1	144.2	144.7	226.0	364.0	315.6
Michilla	150.5	197.4	191.1	186.4	354.9	317.7
Group weighted average (net of by-products)	92.2	73.6	87.3	250.3	349.1	266.7
Group weighted average (before deducting by-products)	116.7	130.6	129.3			
Group weighted average (before deducting by-products and excluding tolling charges from concentrate)	103.0	117.8	117.2			
Cash costs at Los Pelambres comprise:						
On-site and shipping cost	92.1	99.6	99.5			
Tolling charges for concentrates	19.5	18.0	17.0			
Cash costs before deducting by-product credits	111.6	117.6	116.5			
By-product credits (principally molybdenum)	(34.6)	(80.2)	(59.2)			
Cash costs (net of by-product credits)	77.0	37.4	57.3			
LME average				211.5	361.3	315.3
				US\$	US\$	US\$
Molybdenum						
Los Pelambres				11.9	33.4	23.9
Market average price				10.9	33.2	28.9

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) 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.
- (v) The totals in the tables above may include some small apparent differences as the specific individual figures have not been rounded.
- (vi) The production information in Note 2(a) and the cash cost information in Note 2(b) is derived from the Group's production report for the third quarter of 2009 published on 3 November 2009.

3. Turnover and EBITDA analysed by business segment

	<u>Turnover</u>			<u>EBITDA</u>		
	Nine months ended 30 September 2009	Nine months ended 30 September 2008	Full year 2008	Nine months ended 30 September 2009	Nine months ended 30 September 2008	Full year 2008
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
Los Pelambres	1,426.6	2,304.8	2,172.0	952.2	1,740.8	1,429.7
El Tesoro	308.9	556.1	632.4	139.2	335.2	342.8
Michilla	119.6	271.5	332.7	17.5	121.0	118.4
Exploration	-	-	-	(46.7)	(34.6)	(54.9)
Corporate and other items	-	-	-	(26.7)	(34.8)	(54.2)
Mining	1,855.1	3,132.4	3,137.1	1,035.5	2,127.6	1,781.8
Railway and other transport services	103.2	113.0	151.0	46.4	47.3	64.2
Water concession	61.3	64.9	84.5	45.4	41.2	53.8
Group turnover and EBITDA	2,019.6	3,310.3	3,372.6	1,127.3	2,216.1	1,899.8

Turnover by product:

	<u>Turnover by product</u>		
	Nine months ended 30 September 2009	Nine months ended 30 September 2008	Full year 2008
	US\$m	US\$m	US\$m
Copper concentrate			
- Los Pelambres	1,257.5	1,866.9	1,737.8
Copper cathode			
- El Tesoro	308.9	556.1	632.4
- Michilla	119.6	271.5	332.7
Molybdenum			
- Los Pelambres	142.1	403.0	394.8
Silver			
- Los Pelambres	12.3	19.2	21.8
Gold			
- Los Pelambres	14.7	15.7	17.6
Total Mining	1,855.1	3,132.4	3,137.1
Railway and transport services	103.2	113.0	151.0
Water concession	61.3	64.9	84.5
	2,019.6	3,310.3	3,372.6

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\$7.7 million (nine months ended 30 September 2008 – US\$10.2 million; full year 2008 – US\$13.2 million).

Turnover from the water concession is stated after eliminating inter-segmental sales to the mining division of US\$5.9 million (nine months ended 30 September 2008 – US\$2.0 million; full year 2008– US\$2.7 million), and to the Railway and other transport services of US\$0.2 million (nine months ended 30 September 2008 – US\$0.2 million; full year 2008 – US\$0.2 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\$28.5 million in respect of commodity derivatives which matured during the period (nine months ended 30 September 2008 – net loss of US\$7.9 million; full year 2008 – net gain of US\$30.1 million). Further details 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 above to show the amount net of tolling charges 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. The comparative 2008 full year EBITDA figure does not therefore include the profit on part-disposal of subsidiaries relating to the transaction with Marubeni Corporation which completed in August 2008.
- (vi) Exploration costs relating to Tethyan Copper Company Limited (“Tethyan”) have been included within the Exploration category. All other income and expenditure relating to Tethyan has been included within corporate and other items.

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 30.09.09	At 30.09.08	At 31.12.08
	US\$'m	US\$'m	US\$'m
Los Pelambres - copper concentrate	35.6	(199.3)	(257.6)
Los Pelambres - tolling charges for copper concentrate	(0.6)	2.4	4.5
Los Pelambres - molybdenum concentrate	(1.6)	(1.5)	(13.3)
El Tesoro - copper cathodes	(0.7)	(5.7)	(0.8)
Michilla - copper cathodes	(0.3)	(2.2)	0.2
	32.4	(206.3)	(267.0)

(a) Copper sales

	Nine months ended 30 September 2009			Nine months ended 30 September 2008			Full year 2008		
	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	1,068.1	290.3	134.3	2,055.2	554.4	281.2	2,392.8	644.2	331.0
Effects of pricing adjustments to previous period invoices									
Reversal of mark-to-market adjustments at the end of the previous period	257.6	0.8	(0.2)	72.8	1.0	(0.1)	72.8	1.0	(0.1)
Settlement of copper sales invoiced in the previous period	(179.6)	0.6	1.3	58.3	1.9	1.0	58.3	1.9	1.0
Total effect of adjustments to previous period invoices in the current period	78.0	1.4	1.1	131.1	2.9	0.9	131.1	2.9	0.9
Effects of pricing adjustments to current period invoices									
Settlement of copper sales invoiced in the current period	170.8	22.4	8.5	(27.4)	4.5	(0.5)	(415.4)	(30.0)	(13.3)
Mark-to-market adjustments at the end of the current period	35.6	(0.7)	(0.3)	(199.3)	(5.7)	(2.2)	(257.6)	(0.8)	0.2
Total effect of adjustments to current period invoices	206.4	21.7	8.2	(226.7)	(1.2)	(2.7)	(673.0)	(30.8)	(13.1)
Total pricing adjustments*	284.4	23.1	9.3	(95.6)	1.7	(1.8)	(541.9)	(27.9)	(12.2)
Realised (losses)/gains on commodity derivatives	-	(4.5)	(24.0)	-	-	(7.9)	-	16.1	13.9
Turnover before deducting tolling charges	1,352.5	308.9	119.6	1,959.6	556.1	271.5	1,850.9	632.4	332.7
Tolling charges	(95.0)	-	-	(92.7)	-	-	(113.1)	-	-
Turnover net of tolling charges	1,257.5	308.9	119.6	1,866.9	556.1	271.5	1,737.8	632.4	332.7

* The total net impact of provisional pricing adjustments at all three mines for the nine months ended 30 September 2009, including both the settlement of open sales during the period and mark to market adjustments at the end of the period, was a positive adjustment of US\$316.8 million (nine months ended 30 September 2008 – negative adjustment of US\$95.7 million; full year 2008 – negative adjustment of US\$582.0 million).

Copper concentrate

Copper concentrate sales at Los Pelambres have an average settlement period of approximately four months from shipment date. At 30 September 2009, sales totalling 81,300 tonnes remained open as to price, with an average mark-to-market price of 279.3 cents per pound compared with an average provisional invoice price of 259.5 cents per pound. 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 31 December 2008, sales totalling 123,800 tonnes remained open as to price, with an average mark-to-market price of 138.9 cents per pound compared with an average provisional invoice price of 233.3 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 2009, sales totalling 7,400 tonnes remained open as to price, with an average mark-to-

market price of 279.1 cents per pound compared with an average provisional invoice price of 285.1 cents per pound. 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 31 December 2008, sales totalling 13,200 tonnes remained open as to price, with an average mark-to-market price of 138.3 cents per pound compared with an average provisional invoice price of 140.3 cents per pound.

(b) Molybdenum sales

	Nine months ended 30 September 2009	Nine months ended 30 September 2008	Full year 2008
	US\$m	US\$m	US\$m
	Los Pelambres	Los Pelambres	Los Pelambres
	Molybdenum concentrate	Molybdenum concentrate	Molybdenum concentrate
Provisionally invoiced gross sales	137.8	409.6	508.2
Effects of pricing adjustments to previous period invoices			
Reversal of mark-to-market adjustments at the end of the previous period	13.3	(0.1)	(0.1)
Settlement of molybdenum sales invoiced in the previous period	(15.5)	2.7	2.7
Total effect of adjustments to previous period invoices in the current period	(2.2)	2.6	2.6
Effects of pricing adjustments to current period invoices			
Settlement of molybdenum sales invoiced in the current period	17.6	1.8	(90.5)
Mark-to-market adjustments at the end of the current period	(1.6)	(1.5)	(13.3)
Total effect of adjustments to current period invoices	16.0	0.3	(103.8)
Total pricing adjustments	13.8	2.9	(101.2)
Turnover before deducting tolling charges	151.6	412.5	407.0
Tolling charges	(9.5)	(9.5)	(12.2)
Turnover net of tolling charges	142.1	403.0	394.8

Molybdenum sales at Los Pelambres have an average settlement period of approximately three months after shipment date. At 30 September 2009, sales totalling 1,400 tonnes remained open as to price, with an average mark-to-market price of US\$14.4 per pound compared with an average provisional invoice price of US\$14.9 per pound. 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 31 December 2008, sales totalling 2,000 tonnes remained open as to price, with an average mark-to-market price of US\$9.5 per pound compared with an average provisional invoice price of US\$12.5 per pound.

5. Derivative Financial Instruments

The Group periodically uses derivative financial instruments to reduce its exposure to commodity price, foreign exchange and interest rate 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. Realised gains and losses and changes in the fair value of exchange and interest derivatives are recognised within other finance items.

(a) Mark-to-market adjustments and income statement impact

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

For the period ended 30 September 2009

	<u>Income statement impact for nine months ended</u> <u>30.09.09</u>			<u>Impact on</u> <u>reserves at</u> <u>30.09.09</u>	<u>Total balance</u> <u>sheet impact of</u> <u>mark-to-market</u> <u>adjustments at</u> <u>30.09.09</u>
	Realised losses	Gains/(losses) resulting from mark-to-market adjustments on hedging instruments	Total net loss	Gains/(losses) resulting from mark-to-market adjustments on hedging instruments	Net financial asset/(liability)
	US\$'m	US\$'m	US\$'m	US\$'m	US\$'m
Commodity Derivatives					
El Tesoro	(4.5)	0.9	(3.6)	(65.2)	(12.6)
Michilla	(24.0)	(6.2)	(30.2)	(54.5)	(60.7)
Exchange Derivatives					
Railway and other transport services	(1.2)	0.5	(0.7)	-	0.5
Water concession	(1.4)	(2.0)	(3.4)	-	(2.0)
Interest Derivatives					
Esperanza	-	-	-	(5.3)	(5.3)
	(31.1)	(6.8)	(37.9)	(125.0)	(80.1)

For the period ended 30 September 2008

	<u>Income statement impact for nine months ended</u> <u>30.09.08</u>			<u>Impact on</u> <u>reserves at</u> <u>30.09.08</u>	<u>Total balance</u> <u>sheet impact of</u> <u>mark-to-market</u> <u>adjustments at</u> <u>30.09.08</u>
	Realised losses	Gains resulting from mark-to-market adjustments on hedging instruments	Total net gain/(loss)	Gains/(losses) resulting from mark-to-market adjustments on hedging instruments	Net financial asset
	US\$'m	US\$'m	US\$'m	US\$'m	US\$'m
Commodity Derivatives					
El Tesoro	-	0.8	0.8	(0.2)	1.1
Michilla	(7.9)	5.0	(2.9)	2.2	3.3
	(7.9)	5.8	(2.1)	2.0	4.4

For the year ended 31 December 2008

	<u>Income statement impact for year ended 31.12.08</u>			<u>Impact on reserves at 31.12.08</u>	<u>Total balance sheet impact of mark-to-market adjustments at 31.12.08</u>
	Realised gains	Losses resulting from mark-to-market adjustments on hedging instruments	Total net gain/(loss)	Gains/(losses) resulting from mark-to-market adjustments on hedging instruments	Net financial asset/(liability)
	US\$m	US\$m	US\$m	US\$m	US\$m
Commodity Derivatives					
El Tesoro	16.2	(1.1)	15.1	52.6	51.7
Michilla	13.9	(0.5)	13.4	-	-
Exchange Derivatives					
Railway and other transport services	-	(1.4)	(1.4)	-	(1.4)
	30.1	(3.0)	27.1	52.6	50.3

The gains/(losses) recognized in reserves are disclosed before minority interest and tax.

The net financial asset/(liability) resulting from the balance sheet mark-to-market adjustments are analysed as follows:

	<u>At 30.09.09</u>	<u>At 30.09.08</u>	<u>At 31.12.08</u>
	US\$m	US\$m	US\$m
Analysed between:			
Non-current assets	-	0.3	-
Current assets	0.5	6.5	51.7
Current liabilities	(53.4)	(2.2)	(1.4)
Non-current liabilities	(27.2)	(0.2)	-
	(80.1)	4.4	50.3

(b) Outstanding derivative financial instruments**(i) Commodity derivatives**

The Group periodically uses commodity derivatives to reduce its exposure to fluctuation in the copper price.

Min/max instruments

	'000 tonnes of copper production hedged				For instruments held at 30.09.09			
	At 30.09.09	Entered into post period end	Matured post period end	At 15.11.09	Weighted average remaining period from 1 October 2009	Covering a period up to:	Weighted average floor	Weighted average cap
	'000 tonnes	'000 tonnes	'000 tonnes	'000 tonnes	Months		US cents	US cents
El Tesoro	12,900	-	4,300	8,600	2.0	31/12/09	181.7	286.1
Michilla	29,175	-	2,325	26,850	7.0	31/12/10	174.5	222.2
	42,075	-	6,625	35,450	5.4		176.7	241.8

Up to 15 November 2009:

- 61,400 tonnes of 2009 Group copper production has been hedged with min-max options of which 48,150 tonnes matured and 13,250 tonnes remain outstanding and will mature by the end of the year.
- 22,200 tonnes of 2010 Group copper production has been hedged.

Futures – copper production

	000 tonnes of copper production hedged				For instruments held at 30.09.09		
	At 30.09.09 '000 tonnes	Entered into post period end '000 tonnes	Matured post period end '000 tonnes	At 15.11.09 '000 tonnes	Weighted average remaining period from 1 October 2009 Months	Covering a period up to:	Weighted average price US cents
Michilla	10,400	-	200	10,200	8.0	31/12/10	197.6

Up to 15 November 2009:

- (i) 17,850 tonnes of 2009 Group copper production has been hedged with futures of which 17,450 tonnes has matured and 400 tonnes remain outstanding and will mature by the end of the year.
- (ii) 9,800 tonnes of 2010 Group copper production has been hedged.

Combined min-max instruments and futures-copper production

In total, up to 15 November 2009:

- (i) 79,250 tonnes of 2009 Group copper production has been hedged of which 65,600 tonnes has matured and 13,650 tonnes remain outstanding and will mature by the end of the year.
- (ii) 32,000 tonnes of 2010 Group copper production has been hedged.

Futures – arbitrage

The Group also has futures for copper production, to buy and sell copper production with the effect of swapping COMEX prices for LME prices without eliminating underlying market price exposure.

	000 tonnes of copper production hedged				For instruments held at 30.09.09		
	At 30.09.09 '000 tonnes	Entered into post period end '000 tonnes	Matured post period end '000 tonnes	At 15.11.09 '000 tonnes	Weighted average remaining period from 1 October 2009 Months	Covering a period up to:	Weighted average price US cents
El Tesoro	8,000	-	500	7,500	7.8	31/01/11	362.3
Michilla	330	-	330	-	1.0	31/10/09	293.5
	<u>8,330</u>	<u>-</u>	<u>830</u>	<u>7,500</u>	<u>7.5</u>		<u>359.6</u>

(ii) Exchange derivatives

The Group periodically uses foreign exchange derivatives to reduce its exposure to fluctuations in the fair value of non-US dollar denominated assets or liabilities.

Cross currency swaps

The Group has used cross currency swaps to swap Chilean pesos for US dollars.

	Principal value of cross currency swaps held				For instruments held at 30.09.09		
	At 30.09.09 US\$m	Entered into post period end US\$m	Matured post period end US\$m	At 15.11.09 US\$m	Weighted average remaining period from 1 October 2009 Months	Covering a period up to:	Weighted average rate Ch\$/US\$
Railway and other transport services	70.5	72.3	70.5	72.3	1.0	30/10/10	546.8
Water concession	18.6	-	6.2	12.4	3.5	05/03/10	608.6
	<u>89.1</u>	<u>72.3</u>	<u>76.7</u>	<u>84.7</u>	<u>1.5</u>		<u>559.7</u>

(iii) Interest derivatives

The Group periodically uses interest derivatives to reduce its exposure to interest rate movements.

Interest rate swaps

The Group has used interest rate swaps to swap the floating rate interest relating to the Esperanza financing for fixed rate interest. At 30 September 2009 the Group had entered into the contracts outlined below.

	Start date	Maturity date	Maximum notional amount US\$m	Weighted Average Fixed Rate %
Esperanza	15/02/10	15/02/11	562.6	1.399
	15/02/11	15/02/18	567.5	3.462

Between 30 September 2008 and 15 November 2009 the Group entered into further contracts outlined below.

	Start date	Maturity date	Maximum notional amount US\$m	Weighted Average Fixed Rate %
Esperanza	15/02/10	15/02/11	148.7	1.268
	15/02/11	15/02/18	150.0	3.260

6. Summary of mining companies' Chilean GAAP financial statements

The Group's four mining companies, Los Pelambres, El Tesoro, Michilla and Esperanza, will file financial statements under Chilean GAAP for the nine month period ended 30 September 2009 with the Chilean securities regulator, the Superintendencia de Valores y Seguros de Chile ("SVS").

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 30.09.09	Los Pelambres At 30.09.08	El Tesoro At 30.09.09	El Tesoro At 30.09.08	Michilla At 30.09.09	Michilla At 30.09.08	Esperanza At 30.09.09	Esperanza At 30.09.08
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
Cash and cash equivalents	471.3	457.1	151.7	201.1	41.7	34.6	184.1	180.9
Trade and other receivables	269.0	101.6	76.8	157.1	9.2	22.6	45.2	129.4
Inventories	92.5	74.5	120.0	41.5	26.8	27.6	1.2	1.1
Current and deferred tax assets	16.9	56.4	9.5	7.0	6.7	4.2	48.2	50.1
Current assets	849.7	689.6	358.0	406.7	84.4	89.0	278.7	361.5
Fixed assets	2,458.0	1,984.9	425.1	528.0	15.6	39.1	1,094.4	419.2
Other non-current assets	133.2	141.2	283.6	47.0	7.8	2.6	250.6	103.8
TOTAL ASSETS	3,440.9	2,815.7	1,066.7	981.7	107.8	130.7	1,623.7	884.5
Short term borrowings	(462.4)	(78.6)	(0.2)	-	-	-	(3.1)	-
Trade and other payables	(146.6)	(282.5)	(50.0)	(68.7)	(27.7)	(37.0)	(115.9)	(377.7)
Current and deferred tax liabilities	(10.4)	(37.9)	(5.7)	(2.8)	-	-	-	-
Current liabilities	(619.4)	(399.0)	(55.9)	(71.5)	(27.7)	(37.0)	(119.0)	(377.7)
Medium and long term borrowings	(38.3)	(115.0)	(0.2)	-	-	-	(686.6)	-
Trade and other payables	(57.6)	(16.0)	(16.9)	(19.6)	(21.4)	(9.1)	(97.0)	(4.3)
Deferred tax liabilities	(256.2)	(164.6)	(58.8)	(35.9)	-	-	(26.6)	-
Non-current liabilities	(352.1)	(295.6)	(75.9)	(55.5)	(21.4)	(9.1)	(810.2)	(4.3)
Total liabilities	(971.5)	(694.6)	(131.8)	(127.0)	(49.1)	(46.1)	(929.2)	(382.0)
Share capital	(373.8)	(373.8)	(91.0)	(91.0)	(42.6)	(78.4)	(694.5)	(502.5)
Reserves	(2,095.6)	(1,747.3)	(843.9)	(763.7)	(16.1)	(6.2)	-	-
Total shareholders' equity	(2,469.4)	(2,121.1)	(934.9)	(854.7)	(58.7)	(84.6)	(694.5)	(502.5)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	(3,440.9)	(2,815.7)	(1,066.7)	(981.7)	(107.8)	(130.7)	(1,623.7)	(884.5)

(b) Income statements

	Los Pelambres Nine months ended 30 September 2009 US\$'m	Los Pelambres Nine months ended 30 September 2008 US\$'m	El Tesoro Nine months ended 30 September 2009 US\$'m	El Tesoro Nine months ended 30 September 2008 US\$'m	Michilla Nine months ended 30 September 2009 US\$'m	Michilla Nine months ended 30 September 2008 US\$'m	Esperanza Nine months ended 30 September 2009 US\$'m	Esperanza Nine months ended 30 September 2008 US\$'m
Turnover	1,396.1	2,305.1	308.9	556.1	119.8	271.5	-	-
Operating costs	(479.7)	(506.1)	(192.0)	(223.1)	(100.0)	(161.0)	-	-
Operating margin	916.4	1,799.0	116.9	333.0	19.8	110.5	-	-
Administrative and distribution expenses	(84.1)	(115.3)	(23.4)	(27.2)	(11.6)	(14.0)	-	-
Operating profit	832.3	1,683.7	93.5	305.8	8.2	96.5	-	-
Other income	1.6	5.0	0.9	1.8	6.4	1.6	-	-
Financial income	1.9	9.0	3.4	12.5	0.2	1.5	-	-
Financial expenses	(17.5)	(8.4)	(0.4)	(0.8)	(0.1)	-	-	-
Other expenses	(5.6)	(3.2)	(1.3)	(0.8)	(1.9)	-	-	-
Exchange difference	1.7	(30.3)	12.1	1.2	(0.2)	(4.5)	-	-
Net non-operating income	(17.9)	(27.9)	14.7	13.9	4.4	(1.4)	-	-
Profit before tax	814.4	1,655.8	108.2	319.7	12.6	95.1	-	-
Income tax expense	(171.1)	(340.0)	(23.2)	(67.6)	3.4	(19.0)	-	-
Profit for the financial period	643.3	1,315.8	85.0	252.1	16.0	76.1	-	-

(c) Cash flow statements

	Los Pelambres Nine months ended 30 September 2009 US\$'m	Los Pelambres Nine months ended 30 September 2008 US\$'m	El Tesoro Nine months ended 30 September 2009 US\$'m	El Tesoro Nine months ended 30 September 2008 US\$'m	Michilla Nine months ended 30 September 2009 US\$'m	Michilla Nine months ended 30 September 2008 US\$'m	Esperanza Nine months ended 30 September 2009 US\$'m	Esperanza Nine months ended 30 September 2008 US\$'m
Net cash flow from operating activities	368.7	1,628.1	123.5	195.8	14.0	94.8	82.9	(109.6)
Investing activities								
Additions to fixed assets	(345.0)	(272.1)	(143.4)	(286.0)	(9.0)	(15.5)	(473.6)	(475.4)
Other loans to related companies	-	-	-	-	-	-	-	339.8
Net cash used in investing activities	(345.0)	(272.1)	(143.4)	(286.0)	(9.0)	(15.5)	(473.6)	(135.6)
Financing activities								
Issue of share capital	-	-	-	-	-	-	-	426.1
New Loans	569.0	-	-	-	-	-	685.4	-
Dividends paid	-	(1,020.0)	-	(229.0)	-	(87.8)	-	-
Loans repaid	(447.3)	(43.1)	-	(14.0)	-	-	(383.4)	-
Net cash used in financing activities	121.7	(1,063.1)	-	(243.0)	-	(87.8)	302.0	426.1
Net (decrease)/increase in cash and cash equivalents	145.4	292.9	(19.9)	(333.2)	5.0	(8.5)	(88.7)	180.9
Cash and cash equivalents at the beginning of the period	325.9	164.2	171.6	534.3	36.7	43.1	272.8	-
Cash and cash equivalents at the end of the period	471.3	457.1	151.7	201.1	41.7	34.6	184.1	180.9

Notes to Chilean GAAP financial statements

- (i) The above balance sheets, income statements and cash flow statements have been derived from the financial statements of Los Pelambres, El Tesoro, Michilla and Esperanza for the nine months ended 30 September 2009 to be filed with the SVS in Chile on 26 November 2009. Certain detailed lines in the individual statements have been combined.
- (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 (100% prior to 25 August 2008), 74.2% of Michilla and 70% of Esperanza.
- (iv) All income and expenditure incurred in the development of Esperanza is capitalised as part of the mining property asset, and accordingly there are no income statement gains or losses in respect of Esperanza.
- (v) A translation into English of the full financial statements as filed with the SVS for each company shown in summary form above will be available on the Group's website www.antofagasta.co.uk after these have been filed.

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

(a) Turnover

	Notes	Los Pelambres Nine months ended 30 September 2009 US\$'m	Los Pelambres Nine months ended 30 September 2008 US\$'m	El Tesoro Nine months ended 30 September 2009 US\$'m	El Tesoro Nine months ended 30 September 2008 US\$'m	Michilla Nine months ended 30 September 2009 US\$'m	Michilla Nine months ended 30 September 2008 US\$'m	Esperanza Nine months ended 30 September 2009 US\$'m	Esperanza Nine months ended 30 September 2008 US\$'m
Chilean GAAP - Turnover		1,396.1	2,305.1	308.9	556.1	119.8	271.5	-	-
Mark-to-market of provisionally priced sales	7(i)	30.5	(0.3)	-	-	(0.2)	-	-	-
IFRS - Turnover		1,426.6	2,304.8	308.9	556.1	119.6	271.5	-	-

(b) EBITDA

	Notes	Los Pelambres Nine months ended 30 September 2009 US\$'m	Los Pelambres Nine months ended 30 September 2008 US\$'m	El Tesoro Nine months ended 30 September 2009 US\$'m	El Tesoro Nine months ended 30 September 2008 US\$'m	Michilla Nine months ended 30 September 2009 US\$'m	Michilla Nine months ended 30 September 2008 US\$'m	Esperanza Nine months ended 30 September 2009 US\$'m	Esperanza Nine months ended 30 September 2008 US\$'m
Chilean GAAP - Operating profit		832.3	1,683.7	93.5	305.8	8.2	96.5	-	-
Depreciation & amortisation		93.6	56.3	49.3	31.3	5.3	19.6	-	-
Chilean GAAP - EBITDA		925.9	1,740.0	142.8	337.1	13.5	116.1	-	-
Mark-to-market of provisionally priced sales	7(i)	30.5	(0.3)	-	-	(0.2)	-	-	-
Other IFRS and consolidation adjustments	7(iii)	(4.2)	1.1	(3.6)	(1.9)	4.2	4.9	-	-
IFRS - EBITDA		952.2	1,740.8	139.2	335.2	17.5	121.0	-	-

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. Mark-to-market adjustments in respect of tolling charges (whether positive or negative) are not taken into account. 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 either at the opening or closing periods. For Los Pelambres this results in a credit of US\$30.5 million in respect of copper concentrate sales and no adjustment in respect of molybdenum concentrate sales. For Michilla this results in a loss of US\$ 0.2 million. The adjustment in respect of El Tesoro is nil.

- (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 relate mainly to amortisation of consolidation fair value adjustments and are not material either individually or in aggregate.