ANTOFAGASTA PLC

NEWS RELEASE, 25 AUGUST 2015

HALF YEARLY FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2015

Antofagasta plc CEO Diego Hernández said:

"With our robust balance sheet and cash generative operations we are well positioned for the current low point in the copper price cycle. Our position has recently been improved by the sale in June of our water division and this position of financial strength allows us to view the current trading environment both as a time that presents opportunities, as well as a time of challenge.

"Last month we announced the acquisition of a 50% stake in the world-class Zaldívar copper mine in Chile. Zaldívar is a high-quality asset that, on completion, will boost the Group's production and will be accretive to earnings and cash flow. This was a rare opportunity to acquire a good-quality copper asset, and we took it. We expect the new joint venture with Barrick Gold at Zaldívar to leverage the expertise of both companies and that improvements from operational and administrative synergies will be achieved and, in the longer term, additional upside will be realised following further exploration of the mine's resources.

"Operationally we continue to focus on delivering the Antucoya mine, which is due to start production in Q3 2015 and, together with Zaldívar and the expansion of Centinela Concentrates, is expected to translate into a period of steady growth through 2016. We are also studying further development options in our principal mining districts at Los Pelambres and Centinela, which will generate a pipeline of growth opportunities over the coming years.

"Throughout this period of lower copper prices Antofagasta has had a rigorous approach to cost control at our operations and we are on-track to make $160 million savings in 2015. Good-quality assets and tight capital discipline means we can weather the current downturn and maintain our competitive position in this challenging environment and when the copper cycle begins to recover, we will enjoy healthy margin growth."

Financial performance

- **Revenue was $1,785.9 million,** 31.4% lower than in the H1 2014 following significant declines in copper and by-product prices and lower sales volumes due to delayed shipments from bad weather
- **EBITDA was $561.6 million**, a 48.6% decline reflecting the lower revenue which was partly offset by a 18.9% decrease in operating costs
- **Total operating costs were $1,224.3 million,** $284.0 million lower than in H1 2014 of which $198 million was due to a reduction in costs and the balance was due to lower volumes
- **Net earnings from continuing operations, were $86.3 million**, in line with the decrease in EBITDA with improved net finance expenses and lower taxes
- **Operating cash flow was $807.7 million** compared with $1,170.0 million in the H1 2014
- **Interim dividend of 3.1 cents per share**, representing a 35% pay-out ratio of the half year net earnings
- **Capital expenditure was $595.9 million,** down from $767.3 million in first six months of 2014
- **Group attributable net cash was $1,030.5 million**, increased by the proceeds from the sale of the water division

Operational performance

- **Group copper production in H1 2015 was 303,400 tonnes**, 13% lower than in the same period last year primarily due to the impact of the protests at Los Pelambres and the heavy rains at Centinela in Q1

- **Copper sales for the half year were 290,100 tonnes** as bad weather delayed shipments over the period end. These normalised in July
- **Group cash costs before by-product credits were $1.88/lb**, in line with 2014 as improvements in costs were offset by lower production
- **Group net cash costs were $1.53/lb**, up 4.8% compared to 2014 primarily reflecting lower gold production and lower realised molybdenum prices at Los Pelambres
- **Group production guidance for the year is 665,000 tonnes** reflecting the delayed commissioning and ramp-up at Antucoya. Group net cash cost guidance for the year is $1.47/lb as a result of lower production and lower by-product prices

Project update

- **Antucoya first production delayed** to the end of Q3 due to commissioning issues relating to the crusher circuit
- **Environmental Impact Assessments ("EIA")** submitted for approval on the Centinela Second Concentrator and under preparation on the Los Pelambres Incremental Expansion project
- **Construction of Encuentro Oxides is underway** with first production expected in late 2016
- **Feasibility study on the molybdenum plant at Centinela completed** with first production expected in the Q1 2017

Zaldivar Acquisition

- **50% interest in the Zaldivar copper mine in Chile acquired** from Barrick Gold Corporation is expected to be earnings and cash flow accretive. Total consideration of $1.0 billion, $980 million to be paid at closing (expected end of 2015) with the balance paid in equal annual instalments of $5 million each during the following five years

SIX MONTHS ENDING 30 JUNE		2015	2014	%
Group revenue	$m	**1,785.9**	2,601.8 (1)	(31.4)
EBITDA (2)	$m	**561.6**	1,093.5 (1)	(48.6)
Earnings per share	cents	**8.8**	31.2 (1)	(71.9)
Dividend per share	cents	**3.1**	11.7	(73.5)
Cash flow from operations	$m	**807.7**	1,170.0	(31.0)
Group attributable net cash at period end (3)	$m	**1,030.5**	403.5	155.4
Average realised copper price	$/lb	**2.54**	3.08	(17.5)
Copper sales	kt	**290.1**	343.3	(15.5)
Gold sales	koz	**106.0**	125.2	(15.3)
Molybdenum sales	kt	**4.4**	3.2	37.5
Cash costs before by-product credits (4)	$/lb	**1.88**	1.87	0.5
Net cash costs	$/lb	**1.53**	1.46	4.8

(1) Restated to exclude the results from discontinued operations (the water division) for the period
(2) EBITDA refers to Earnings Before Interest, Tax, Depreciation and Amortisation and is calculated by adding back depreciation, amortisation, profit or loss on disposals and impairment charges to operating profit from subsidiaries. See Note 3 to the half yearly results below.
(3) Cash refers to the total of cash, cash equivalents and liquid investments, as analysed in Note 18 to the half yearly results below.
(4) Cash cost is a method used by the mining industry to express the cost of production in US dollars per pound of copper and is further explained in Note 22(b) to the half yearly results below.

Investors – London
Andrew Lindsay alindsay@antofagasta.co.uk
Paresh Bhanderi pbhanderi@antofagasta.co.uk
Telephone *+44 20 7808 0988*

Investors – Santiago
Alfredo Atucha aatucha@aminerals.cl
Telephone *+56 2 2798 7000*

Public Relations Advisors - London
Carole Cable antofagasta@brunswickgroup.com
Robin Wrench antofagasta@brunswickgroup.com
Telephone *+44 20 7404 5959*

Media – Santiago
Pablo Orozco porozco@aminerals.cl
Carolina Pica cpica@aminerals.cl
Telephone *+56 2 2798 7000*

DIRECTORS' COMMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

FINANCIAL

Group revenues for the first six months of the year were $1,785.9 million, 31.4% lower than in the same period last year reflecting the 17.8% fall in realised copper prices as well as lower by-product revenues and the 15.5% decrease in sales volumes.

EBITDA for the current period was $561.6 million, a 48.6% decrease on the comparative period in 2014, primarily reflecting the lower revenues, partly offset by lower operating costs and lower production. This has resulted in earnings per share from continuing operations for the period of 8.8 cents per share, a 71.9% decrease compared with the comparative period.

The sale of the water division in June for $947.3 million (following completion adjustments) and the division's results are reported as discontinued operations and 2014's results have been restated to reflect this.

The interim ordinary dividend of 3.1 cents per share, represents a 35% pay-out of the half year earnings per share for continuing operations.

PRODUCTION AND COSTS

Group copper production in the first half of 2015 was 303,400 tonnes, 12.9% lower than in the same period last year primarily due lower grades as expected and lower throughput and recoveries at Los Pelambres. Group gold production was 112,500 ounces in the first six months of the year, 11,300 ounces less than in the first half of 2014 due to lower production at Los Pelambres. Molybdenum production at Los Pelambres was 4,700 tonnes in the first half of 2014, compared with 3,300 tonnes in the first six months of 2014, principally due to a higher molybdenum-grade zone being mined during Q2 2015.

Total operating costs for the first half of 2015 were $1,224.3 million, 18.8% or $284.0 million less than in the equivalent period in 2014. Some 30% of the decrease was due to the fall in volumes and the balance of $198 million was due to reduced costs, including lower energy prices and foreign exchange savings.

Group cash costs before by-product credits in the first half of 2015 at $1.88/lb were flat compared with the same period last year.

Net cash costs for the first half of 2015 at $1.53/lb were 4.8% higher than the same period last year again due primarily to lower gold production and lower realised molybdenum prices at Los Pelambres.

WATER DIVISION SALE

As previously announced, the Group sold Aguas de Antofagasta S.A. (ADASA), its water division, to Empresas Públicas de Medellín (EPM) on 2 June 2015 for a total cash consideration of $947.3 million after completion adjustments and before taxes and transaction costs. The division contributed $53.9 million to the Group's 2015 profits before tax up until the date of sale, with EBITDA of $24.3 million. The gross assets of the division as of the date of sale were $225.9 million.

The sale will allow Antofagasta to focus more closely on its core business and advance its various development projects, whilst reinforcing the strength of its balance sheet.

ZALDIVAR ACQUISITION

On 30 July the Company announced it had entered into a definitive agreement with Barrick Gold Corporation ("Barrick") under which Antofagasta will acquire a 50% interest in Compañia Minera Zaldívar Limitada ("Zaldivar"), and will become the operator of the Zaldivar copper mine.

Zaldivar is an open-pit, heap-leach copper mine located in Northern Chile with over 20 years of operating history. In 2014, Zaldivar produced approximately 100,000 tonnes of copper at a net cash cost of $1.79/lb, and generated $244 million of income before income tax. As reported by Barrick, as of 31 December 2014, Zaldivar has 2.5 million tonnes of contained copper in proven and probable reserves, which supports a current reserve life of approximately 14 years, with further upside potential through exploration.

Total consideration for the transaction is $1,005 million in cash, which consists of $980 million upon closing, subject to customary adjustments, and five annual payments of $5 million per year, starting in 2016. The transaction is expected to be immediately accretive to Antofagasta's earnings and cash flow per share.

TAX

As previously announced, in September 2014 a comprehensive tax reform bill was enacted into Chilean law. The key changes set out in the bill which will impact the Group relate to corporation tax and withholding tax.

From 2017, two alternative taxation systems will apply – either the partially-integrated system or the attributable system. Companies can elect to pay corporation tax and withholding tax under either system and an election must be made by the end of 2016. The Chilean government is currently undertaking a review of the tax reform, in order to determine whether aspects of the new tax systems can be simplified or improved.

It is expected that the Group's effective tax rate will increase by around 2-3% from 2017 onwards when the new system is adopted.

The Group's effective tax rate for the first half of 2015 is 39.6% (H1 2014 – 33.2%) for continuing operations. This is mainly due to the increase in the Chilean statutory corporate tax rate to 22.5% in 2015 (20% in H1 2014), and higher net deferred tax charges which arise as the rate of Chilean corporate tax will increase to 24% in 2016 and 27% from 2017 onwards.

DEPRECIATION

Depreciation for the first half of 2015 is $253.0 million, $11.4 million higher than the same period last year, but $73.7 million lower than in the second half of 2014 when Michilla's assets were written-down to zero ahead of the planned mine closure and the depreciation of capitalised stripping costs (under IFRIC 20) at Centinela was lower.

COST REDUCTIONS

The Group continues to focus on cost control at each of the operations and projects, building on the savings that were achieved in 2014. The review of all costs including the supply chain, work practices and use of contractors continued in the first half of 2015 and further operational and capital cost savings have been identified.

Work continues on centralising and simplifying the supply chain and the current focus of the Group's cost-reduction programme is on establishing common maintenance practices across all operations, improving the productivity of service contracts by re-engineering and streamlining processes where appropriate, improving the efficiency of the corporate centre (for example by consolidating supply management for the Group's operations, major projects and exploration activities) and improving energy efficiency across the Group in terms of both cost and consumption.

Cost savings have also been captured in relation to the supply of goods through agreements with major suppliers. The Group is also using high-performance steel grinding media at Los Pelambres and Centinela which are sourced from China and the central procurement department has allocated resources to source specific product categories directly from Chinese suppliers.

The Group is targeting savings of approximately $160 million in 2015 as a result of its cost-saving and productivity initiatives and as at 30 June 2015 approximately 44% of these had been achieved.

SAFETY

Sadly, during the first half of the year one of our contractors was involved in a fatal accident at Michilla. Antofagasta management and staff extend their heartfelt condolences to the family of Sergio Bruna Cortés who passed away. A thorough investigation process was completed at Michilla and administrative actions have been taken to safeguard the Group's employees and contractors. The Group remains committed to achieving zero fatalities and is continually working to strengthen and deepen the safety culture at all of the operations under the Group Safety and Health model. This model aims to eliminate fatalities and increase safety awareness by focusing on critical activities and controls, increasing organisational learning and emphasising responsibility, accountability and proactive risk control measures.

Further information on the Group's effort to support and develop safety culture within the business is set out on pages 53-54 of the 2014 Annual Report and Accounts.

OUTLOOK

As previously announced, the Group has reduced full year copper production guidance to 665,000 tonnes to reflect the delayed commissioning and ramp-up at Antucoya. As a result of lower production and lower by-products prices, particularly molybdenum and gold, net cash cost guidance for the Group has been updated to $1.47/lb. From 2016 onwards we expect growth in production driven by Antucoya, the expansion at Centinela Concentrates and the addition of Zaldivar.

The copper market is largely in balance with a small surplus expected in the second half of 2015 as demand is expected to improve following a very weak first half. In China, credit tightness over the last year or so has impacted demand and the focus is now on government policies incentivising industrial activity and consumption. This government economic stimulation, especially through investment programmes, significantly impacts both supply and demand and this is further impacted by global macroeconomic issues. In the medium to longer term the Group remains confident that steady demand growth from emerging markets – notably China, where we anticipate considerable additional spend on its power infrastructure in coming years – combined with the current slowdown in investment in new mine expansions will lead to a shortfall in supply and support a recovery in the copper prices.

The molybdenum price fell 32.2% in the first half of 2015 as demand from the oil industry weakened and in anticipation of new production from recently commissioned projects. In the short term the price is expected to remain at current levels.

This year will continue to be a year of prudence as the Group continues to capture operational and capital cost savings.

REVIEW OF OPERATIONS AND PROJECTS

MINING DIVISION

LOS PELAMBRES

Operating profit

Operating profit at Los Pelambres was $309.8 million in the first half of 2015, compared with $661.0 million in the first six months of 2014. This decrease in profitability is explained by lower realised copper prices which decreased from $3.04/lb to $2.51/lb and reduced revenue by $219.9 million, lower production as a result of disruptions following the actions of protesters in the first quarter of 2015 that impacted production by some 8,000 tonnes, lower grades and higher net cash costs due to lower gold production and lower realised molybdenum prices, which more than halved year-on-year.

Production

Copper production was 169,400 tonnes in the first half of 2015, compared with 196,600 tonnes in the same period last year. This 13.8% decrease was mainly due to disruptions following the actions of protesters in the first quarter of 2015 and lower recoveries and grades.

Molybdenum production of 4,700 tonnes was higher in the first half of 2015 compared to the same period last year, due to significantly higher grades as mining entered a new higher-grade phase of the pit. Gold production was 33.6% lower in the first half of 2015 at 22,300 ounces produced, compared with 33,600 ounces in the first six months of 2014.

Costs

Cash costs before by-product credits were $1.67/lb in the first half of the year, $0.05/lb higher than in the same period last year. This 3.1% increase was mostly due to lower production, partly offset by lower energy prices and the depreciation of the Chilean peso. Net cash costs for the first half of 2015 were $1.36/lb, compared with $1.21/lb in the first half of 2014 mainly due to lower gold production and lower realised molybdenum prices.

Capital expenditure

Capital expenditure in the first six months of 2015 was $92.8 million, which included new mine equipment and infrastructure.

Legal update – Mauro tailings dam

Since the Mauro tailings dam began operating in 2008 there have been a series of legal claims by some members of the local community at Caimanes who are seeking to stop the operation of the dam. Two of these claims are ongoing and allege that the dam interferes with the rights of the Caimanes community; the first claims that it affects the flow and quality of the Pupío stream, and the second that the tailings dam wall would not withstand an extreme seismic event.

These claims have been through various courts and stages of appeal, but Los Pelambres has always complied with all applicable laws, regulations and controls and successfully defended its right to continue operating the dam.

Claim that the dam affects the flow and quality of the Pupío stream

In March 2015 the trial Court of Los Vilos ruled that Los Pelambres' plan of works to ensure that the operation of the tailings dam does not affect the normal flow and quality of the Pupío stream was insufficient and ordered Los Pelambres to destroy part, or all, of the tailings dam wall. Los Pelambres has appealed the Court's decision and a decision on the appeal by the Court of Appeals of La Serena is expected in the second half of this year.

Claim that the dam wall would not withstand extreme seismic events

In May 2015, the Court of Appeals of La Serena reversed a previous ruling by the trial Court of Los Vilos concluding that the design, construction and operation of the Mauro tailings dam had been properly undertaken according to best practices and that there was no evidence or indication that the dam constituted a threat to the Caimanes community.

Legal update – Cerro Amarillo Waste Dump

In 2004, Los Pelambres received all of the required authorisations from the Chilean government to deposit a waste-rock dump ("Cerro Amarillo Waste Dump") in its current location which, according to the then official Chilean maps (1996), was located within Chile. In 2007 Chile modified the official maps in this area without making the changes public. Los Pelambres stopped using the relevant area of the Cerro Amarillo Waste Dump in 2011.

In February 2012, a binational border commission, established to clarify the exact position of the Chile/Argentina border, determined accurately the location of the border in the area of the Cerro Amarillo Waste Dump, which showed that part of the Cerro Amarillo Waste Dump was now located in Argentina.

In May 2014 Xstrata Pachón S.A. ("Xstrata Pachón"), a subsidiary of Glencore and the holder of the mining properties on the Argentinian side of the border, filed a claim against Los Pelambres before the Federal Court of San Juan, Argentina, alleging that Los Pelambres had unlawfully deposited waste-rock on its property.

Xstrata Pachón has also filed a criminal complaint before a different Federal Court of San Juan alleging that Los Pelambres has violated several Argentinian laws relating to the misappropriation of land, unlawful appropriation of water bodies and that people's health is in jeopardy from the alleged contamination that the Cerro Amarillo Waste Dump might generate.

In both cases, Los Pelambres has submitted preliminary objections to the Argentinian courts, which are still pending. Once they are resolved, each party may appeal to higher courts.

The Cerro Amarillo Waste Dump is a pile of inert waste rock and any potential future environmental impact could be easily prevented with the implementation of an environmental closure plan, which is the accepted and recommended practice. Los Pelambres has offered to implement a closure plan in line with the requirements of the Provincial Authorities of San Juan, but Xstrata Pachón has rejected this proposal outright, even though this solution would address all of the alleged environmental concerns.

Los Pelambres will exercise all available legal avenues to defend its position and will continue to seek to reach an understanding with the relevant authorities in Argentina to allow the environmental closure of the Cerro Amarillo Waste Dump.

Details of certain legal claims are set out in Note 19 to the half yearly results below.

CENTINELA

Operating profit

The operating profit at Centinela in the first six months of 2015 was $66.3 million, compared with $285.4 million in the same period last year. Whilst net cash costs were in line with the first half of 2014 supported by higher gold grades and recoveries, the realised copper price decreased from $3.09/lb in first half of 2014 to $2.56/lb in the same period in 2015 impacting revenues by $154.1 million.

Production

Centinela produced 118,400 tonnes of copper in the first half of 2015 compared with 128,300 tonnes in the first half of 2014 as a result of lower throughput at the concentrator plant and lower grades at Centinela Cathodes, partly offset by higher grades at Centinela Concentrates.

Copper in concentrate production for the first six months of the year was 4.7% lower compared with the same period last year at 78,400 tonnes reflecting lower throughput as a result of a shutdown following unexpected heavy rains in the Atacama desert and scheduled maintenance, partly offset by higher grades. Sales were some 7,900 tonnes lower than production as heavy ocean swells delayed shipments at the period end, but have been made up during July as weather conditions improved.

Gold production in the first half of the year was in line with the same period last year as lower throughput was offset by higher grades and recoveries.

Costs

Compared with the first six months of 2014, cash costs before by-product credits were 1.4% lower, mainly as a result of the ‘one-off’ signing bonuses paid to employees following the conclusion of labour negotiations in Q2 2014 and lower costs following the merger of Esperanza and El Tesoro into Minera Centinela, partly offset by higher TC/RCs. Net cash costs for the first half of 2015 were in line with those in the same period last year primarily reflecting higher gold grades and recoveries.

Capital expenditure

Capital expenditure in the first six months of 2015 was $222.9 million, which included approximately $76.1 million related to the expansion to throughput of 105,000 tonnes per day, $45.3 million related mine equipment and spare parts and $52.6 million related to stripping works at the Tesoro Central pit.

MICHILLA

Operating profit

Michilla had an operating profit of $10.6 million in the first six months of 2015, in comparison to $9.7 million in the same period last year. The operating profit was supported by an improvement in Michilla’s cash costs, which fell from $2.38/lb in the first half of 2014 to $2.25/lb in the same period in 2015 reflecting higher grades and lower input costs.

Production

Copper production at Michilla was 15,600 tonnes during the first six months of 2015, 32.8% lower than in the same period last year primarily as a result of significantly lower throughput as the mine comes towards its date of closure, partly offset by higher grades and increased production from secondary leaching.

Costs

Cash costs for the first half of 2015 were $2.25/lb compared with $2.38/lb in the first half of 2014. This decrease was primarily due to higher grades and lower input costs, partly offset by lower production.

Closure

As previously announced, the decision has been made to close the mine at the end of 2015.

GROWTH PROJECTS AND OPPORTUNITIES

The Group seeks growth in Chile and abroad through the development of projects and other growth opportunities with a focus on value. The Group's primary focus is on brownfield development to ensure that potential production from the Los Pelambres and Centinela district's is maximised through debottlenecking and incremental expansions. The Group also has a portfolio of longer-term growth options which are currently being evaluated as part of several pre-feasibility and feasibility studies. Given the early-stage nature of some of these projects, their potential and timing are inherently uncertain, therefore the following outline is only intended to provide a high-level indication of potential opportunities.

The Group's exploration and evaluation expenditure in the first six months of 2015 was $56.1 million in comparison to expenditure in the same period last year of $93.4 million with reduced evaluation expenditure at Twin Metals and lower exploration expenditure both in Chile and internationally, where several joint ventures have been terminated.

Projects under construction

Antucoya

Antucoya is an oxide deposit located approximately 45km east of Michilla in Chile's Antofagasta Region. The Group has a 70% economic interest in the project.

The project is now in commissioning, however, production has been delayed by unexpected levels of dust in the crusher circuits and issues relating to the tripper in the tertiary crushers and, as a result, crushers have been operating at less than full capacity during the commissioning phase. Rectification work is underway to improve the performance of the tripper and control the dust emissions to allow the crushers to operate at full capacity and to reach full production of 85,000 tonnes per year of copper cathodes.

By the end of June, approximately 725,000 million tonnes of crushed material were stacked on the heap, however as a result of these delays, production for the year is now expected to be 10,000 tonnes, reduced from 40,000 tonnes. Cash costs are expected to be approximately $1.80/lb for the first five years of full production. The mine plan includes proved and probable ore reserves of 615.0 million tonnes of 0.35% copper (using a cut-off grade of 0.16%) over the 20-year mine life.

Total construction costs, pre-financing, for the project are within the budget of $1.9 billion, of which approximately $1.8 billion has been incurred up to 30 June 2015.

Molybdenum Plant

During the first half of the year, the feasibility study on the construction of a separate molybdenum plant at Centinela has been completed and the permitting process is now underway. The plant is expected to come into production in the first quarter of 2017 producing some 2,400 tonnes of molybdenum a year for the first five years, before it increases once the second concentrator at Centinela is completed to approximately 6,500 tonnes per year.

Encuentro Oxides

Construction of Encuentro Oxides is underway and will provide feed for Centinela's cathode plant. It is expected to produce approximately 50,000 tonnes of copper cathode per year over an eight-year period and allow the existing cathode plant to maintain its annual output at approximately 100,000 tonnes for the remainder of the mine life. Importantly the Encuentro Oxides project also acts as a funded pre-strip of the sulphide deposit that lies below that will be processed at Centinela's second concentrator, when it is built.

The main capital expenditure items of the project include the open pit mine, a crushing circuit, heap leach facilities and a pipeline to take the copper-rich solution to the existing Centinela SX-EW plant for processing. Additionally, a run-of-mine ("ROM") heap will be developed later for lower-grade copper ore.

The project is on time and on budget, with pre-stripping now well advanced and first production expected in late 2016.

Total capital costs for the project are expected to be $636 million, of which $148.8 million has been incurred up to 30 June 2015.

Brownfield growth projects

The Group recognises the importance of optimising production from existing operations and, as such, is focused on improving efficiency through debottlenecking and incremental plant expansions of its existing mines. Brownfield expansions offer lower-risk, lower-capital intensive operational performance and the Group has three main brownfield projects at its existing operations.

Centinela incremental expansion to 105,000tpd

During the first half of the year, work continued on the optimisation of Centinela concentrator plant to increase the level of throughput to 105,000 tonnes per day. This project, which includes the installation of additional tailings thickeners, crushing equipment and new flotation cells, was expected to be completed in late 2015 however the unexpected heavy rains in the Atacama desert in March 2015 have delayed the completion of the project by two months and the ramp-up to 105,000 tonnes a day is now expected to commence in early 2016.

The total capital expenditure required for this project is approximately $520 million, of which $412.9 million has been spent as at 30 June 2015.

Centinela Second Concentrator

During the first half of the year, the Environmental Impact Assessment ("EIA") on the Centinela Second Concentrator was submitted to the relevant authorities. The second concentrator is expected to have a daily ore throughput of approximately 90,000 tonnes, with annual copper, gold and molybdenum production of 140,000 tonnes, 150,000 ounces and 3,000 tonnes respectively. Production could commence in 2019 and the pre-feasibility capital development costs estimated at $2.7 billion have not changed. The project is currently undergoing internal review before moving to feasibility study stage in the second half of 2015.

Following the completion of the second concentrator in 2019, there is further scope to increase the plant capacity by over 60% and metal production by a further 60,000 tonnes of copper, 20,000 ounces of gold and 3,000 tonnes of molybdenum. The Centinela Mining District remains a key focus area for the Group with over 8 billion tonnes of resources giving significant optionality as to how the district is developed in the future.

Los Pelambres Incremental Expansion

The feasibility study on the incremental brownfield expansion which would increase Los Pelambres' daily plant throughput from the current 175,000 tonnes per day to 205,000 tonnes per day, representing a 15% increase, continued in the first half of 2015.

Data collection is underway for the Environmental Impact Assessment ("EIA") which is required by the Chilean authorities as part of the development if this project and the EIA is expected to be submitted during 2016. The feasibility study will be finalised upon approval of the EIA, as the outcome of the EIA may impact the content of the feasibility study.

The brownfield expansion is necessary to provide additional grinding capacity without which the mine would see a drop in throughput levels as the mine plan moves into a harder ore phase towards the end of the decade. The capacity of the expansion is constrained by the increased proportion of harder ore in the mill feed, which reduces the rate of throughput, and the maximum capacity of the conveyor that transports ore from the pit to the concentrator plant. Average copper production will increase by 90-95,000 tonnes, with a net increase in average production of approximately 40-45,000 tonnes of copper per year, over the production that would have been achieved if there had been no increase in the hardness of the ore.

Following the agreement earlier in the year to install a desalination plant as part of the expansion, the current estimate of the capital cost of the project is $1.6 billion.

Longer-term growth projects

Los Pelambres

Los Pelambres remains a world-class deposit with a resource base more than three times that of the current mine plan. A full expansion could see a considerable increase in the current throughput capacity, however, the Group's current focus remains on the nearer-term, incremental expansion.

An expansion of this scale and complexity will take time to progress requiring extensive permitting and the support of the local communities. Currently, no significant evaluation work is planned.

United States – Twin Metals

Twin Metals Minnesota LLC ("Twin Metals") is a copper, nickel and platinum group metals ("PGM") underground-mining project which holds the Maturi, Maturi Southwest, Birch Lake and Spruce Road copper-nickel PGM deposits in Minnesota, USA.

Optimisations of the pre-feasibility study, which was completed in June 2014, are being evaluated following the Group's acquisition of Duluth Metals Limited in January 2015 and the permitting process is advancing. It is expected that the updated pre-feasibility study will be approved during the course of 2016 and the permitting application will be submitted to the authorities in 2017. The project has significant reserves of copper and nickel with a long mine life, and is a world-class deposit in terms of size. During the first half of 2015 a total of $13.5 million (2014 half year $20.8 million) of expenditure was incurred on the project.

Other exploration and evaluation activities

The Group has a wide range of early-stage exploration activities in areas beyond the existing core locations of the Centinela and Los Pelambres mining districts, both through its in-house exploration team and through partnerships with third parties, in order to build a portfolio of longer-term opportunities across Chile and the rest of the world.

Given the downturn in the copper price in 2014 and the first half of this year, the Group continues to identify areas where it can capture cost savings. As a result, the Group has reduced its exploration and evaluation expenditure in 2015 from $93.4 million in the first half of 2014 to $56.1 million.

Chile

The Group has prioritised its exploration activities in Chile to identify prospective targets on the main copper porphyry belts in the northern and central regions and will advance several projects during the second half of 2015.

The total expenditure on exploration and evaluation activities in Chile during the first half of 2015 was $35.8 million (2014 half year - $61.5 million).

International

The Group has a portfolio of early-stage exploration interests held through a number of strategic alliances, joint ventures and earn-in agreements with companies focused on exploration in their respective regions. The Group's approach is to partner with experienced junior exploration companies, funding their exploration programmes and benefiting from their local expertise and knowledge.

During the first half of the year several joint ventures were terminated and as at 30 June 2015, the Group has over 18 earn-in agreements and strategic alliances across Africa, Australia, Europe, and the Americas.

International exploration expenditure during the first half of the year was $6.8 million (2014 half year - $11.1 million).

Energy Opportunities

Over the last few years the Group has acquired a series of interests in energy generators and projects as part of its strategy to support the power supply requirements of the mining operations. The strategy has a particular focus on renewable energy generation, supporting the Group's broader aim of increasing the sustainability of its operations.

El Arrayán

The Group has a 30% interest in Parque Eolico El Arrayán SpA ("El Arrayán"), approximately 400 km north of Santiago which in June 2014 commissioned the largest wind farm in Chile and now supplies approximately 20% (40MW) of Los Pelambres' energy requirements under a 20-year supply contract.

Inversiones Hornitos

The Antofagasta Railway Company ("FCAB") owns a 40% interest in Inversiones Hornitos SA ("Inversiones Hornitos"), which operates the 165MW Hornitos thermoelectric power plant in Mejillones, in Chile's Antofagasta Region. Inversiones Hornitos supplies Centinela under long-term power purchase agreements ("PPAs").

Alto Maipo

The Group holds a 40% interest in the 531MW Alto Maipo run-of-river hydroelectric project located in the upper section of the Maipo river, approximately 50km to the southeast of Santiago.

As part of the transaction, the Group signed two 20-year PPAs that will secure the provision of up to 160MW to Los Pelambres. The first PPA started in January 2015 and the second will start at the end of 2018 on completion of the Alto Maipo project.

Total capital costs for the project are expected to be $2.1 billion, of which approximately $250 million has been incurred by the Group up to 30 June 2015.

Solar Energy

Last year Los Pelambres signed long-term PPAs with two solar power providers for a total of 50MW of power, approximately 25% of its total energy requirement. Power has been provided to Los Pelambres under the first of these PPAs since June 2015 and the second will start in the second half of 2016. These PPAs provide secure renewable energy supply to Los Pelambres for a 20-year period.

TRANSPORT DIVISION

Total transport volumes in the first half of 2015 were 3.4 million tonnes compared with 3.5 million tonnes in the first half of 2014, comprising 2.8 million tonnes of rail volumes (2014 half year – 2.9 million tonnes) and 0.6 million tonnes of road volumes (2014 half year – 0.6 million tonnes).

Revenue decreased by 9.0% to $84.1 million, following unexpected heavy rains in the Atacama region which damaged the tracks the railway and stopped almost all operations for 15 days while repair work was carried out. Consequently, operating profit decreased by 36.5% to $20.2 million.

WATER DIVISION

As mentioned above, the Group sold the water division on 2 June 2015.

FINANCIAL REVIEW FOR THE SIX MONTHS ENDED 30 JUNE 2015

Results (unaudited)

	Six months ended 30.06.2015 $m	Six months ended 30.06.2014 $m	Movement $m	Movement %
Revenue	**1,785.9**	2,601.8	(815.9)	(31.4)
EBITDA	**561.6**	1,093.5	(531.9)	(48.6)
Depreciation, amortisation and disposals	**(253.0)**	(241.6)	11.4	4.7
Net finance expense	**(11.1)**	(23.6)	(12.5)	(53.0)
Profit before tax	**297.3**	820.8	(523.5)	(63.8)
Income tax expense	**(117.8)**	(272.6)	(154.8)	(56.8)
Profit from continuing operations	**179.5**	548.2	(368.7)	67.3
Profit from discontinued operations	**619.5**	23.4	596.1	2,547.4
Earnings per share from continuing operations (US cents)	**8.8**	31.2	(22.4)	(71.8)
Earnings per share from discontinued operations (US cents)	**62.8**	2.4	60.4	2,516.7
Total earnings per share from continuing and discontinued operations (US cents)	**71.6**	33.6	38.0	113.1
Net cash	**743.6**	(1.6)	742.2	-

A detailed segmental analysis of the components of the income statement is contained in Note 3 to the preliminary results announcement.

The following table reconciles between EBITDA in the first half of 2014 and the first half of 2015:

	$m
EBITDA in the first half of 2014	**1,093.5**
Revenue	
Decrease in copper volumes sold	(297.5)
Decrease in copper realised price	(409.2)
Increase in tolling charges	(7.7)
Decrease in revenue from copper concentrate and cathodes	**(714.4)**
Decrease in gold revenues	(40.5)
Decrease in silver revenues	(14.7)
Increase in molybdenum revenues	(38.0)
Decrease in revenue from by-products	**(93.2)**
Decrease in transport division revenue	(8.3)
Decrease in Group revenue	**(815.9)**
Operating costs	
Decrease in mining operational costs	241.5
Increase in charge for closure provisions	(4.8)
Decrease in exploration and evaluation costs	37.3
Decrease in other mining division costs and corporate costs	7.6
Decrease in operating costs for mining division	**281.6**
Decrease in transport division operating costs	2.4
Decrease in EBITDA	(531.9)
EBITDA in the first half of 2015	**561.6**

Revenue

Group revenue in the first half of 2015 was $1,785.9 million, 31.4% below the $2,601.8 million achieved in the first half of 2014. The decrease of $815.9 million mainly reflected a decrease in the realised copper price and lower copper sales volumes, as well as lower by-product revenues.

Revenue from the mining division

Revenue from copper concentrate and copper cathodes
Revenue from copper concentrate and copper cathode sales decreased by $714.4 million, or 32.4%, to $1,498.8 million, compared with $2,204.1 million in first six months of 2014. The decrease reflected the impact of lower sales volumes and lower realised prices and increased tolling charges.

(i) Copper volumes
Copper sales volumes decrease from 343,400 tonnes in the first half of 2014 to 290,100 tonnes in this period. The decrease in sales volumes accounted for a decrease of $297.5 million in revenue from copper concentrate and cathode sales.

(ii) Realised copper prices
The Group's average realised copper price decreased to $2.54 per pound in first six months of 2015 (first six month of 2014 – $3.08 per pound). The level of decrease was higher than the reduction in the average LME copper price, which decreased to $2.69 per pound from $3.14 in 2013, due to a higher level of negative provisional pricing adjustments in the current period compared with the prior year. The decrease in average realised prices led to a $409.2 million reduction in revenue from copper concentrate and cathode sales.

Realised copper prices are determined by comparing revenue (gross of tolling charges for concentrate sales) with sales volumes in the period. Realised copper prices differ from market prices mainly because, in line with industry practice, concentrate and cathode sales agreements generally provide for provisional pricing at the time of shipment with final pricing based on the average market price for future periods (normally about 30 days after delivery to the customer in the case of cathode sales and up to 150 days after delivery to the customer in the case of concentrate sales). Realised copper prices also reflect the impact of realised gain or losses of commodity derivative instruments hedge accounted for in accordance with IAS 39 "Financial Instruments: Recognition and Measurements".

Provisional pricing adjustments decreased initially invoiced sales (before adjusting for tolling charges) by $109.2 million in first six months of 2015, compared with a decrease of $57.4 million in the first six months of 2014. The negative adjustment in the current period reflected the decrease in the copper price in first six months of 2015 and negative period-end mark to market adjustment reflecting the decrease in the price immediately prior to the period-end. Further details of provisional pricing adjustments are given in Note 4 to the half yearly financial report.

In first six months of 2015 revenue also includes a loss of $0.1 million (first six months of 2014 – gain of $8.2 million), mainly relating to commodity derivatives which matured during the year. Further details of hedging activity in the period are given in Note 4(b) to the half yearly financial report.

(iii) Tolling charges

Tolling charges for copper concentrate increased by $7.7 million to US$133.0 million in the first six months of 2015 from $125.3 million in the first six months of 2014. This reflected increased tolling charges at Los Pelambres and Centinela Concentrates (previously Esperanza), mainly due to an increase in average tolling charges during the period.

Tolling charges are deducted from concentrate sales in reporting revenue and hence the increase in these charges has had a negative impact on revenue.

Revenue from molybdenum, gold and other by-products

Revenue from by-products at Los Pelambres and Centinela Concentrates relate mainly to molybdenum and gold, and a lesser extent silver. Revenue from by-products decreased by $93.3 million or 30.6% to $212.0 million in the first half of 2015, compared with $305.3 million in the first half of 2014.

Revenue from gold in concentrate (net of tolling charges) was $129.1 million (first half of 2014 - $169.6 million), a decrease of $40.5 million, which mainly reflected a decrease in volumes as well as realised price. The realised gold price was $1,222.1 per ounce in the first half of 2015 compared with $1,355.3 per ounce in the first half of 2014, with the decrease largely reflecting the general reduction in average market prices. Gold sales volumes decreased from 125,200 ounces in the first half of 2014 to 106,000 ounces in this period, mainly due to the lower gold grades at Pelambres.

Revenue from molybdenum (net of roasting charges) was $59.7 million (first half of 2014 - $97.7 million), a decrease of $38.0 million. The decrease was mainly due to a lower realised price of $7.0 per pound (first half of 2014 - $14.8 per pound) partly offset by increased sales volumes of 4,400 tonnes (first half of 2014 – 3,200 tonnes).

Revenue from silver decreased by $14.8 million to $23.2 million in the first six month of 2015 (first six months of 2014 - $38.0 million). The decrease was due to lower sales volumes of 1.4 million ounces (first half of 2014 – 2.0 million ounces) as well as decreased realised silver price of $16.5 per ounce (first half of 2014 - $19.8 per ounce).

Revenue from the transport division

Revenue from the transport division (FCAB) decreased by $8.3 million or 9.0% to $84.1 million. This reflected a decrease in tonnages transported and the impact of the weaker Chilean peso.

Operating costs (excluding depreciation, amortisation and disposals)

Operating costs (excluding depreciation and amortisation) amounted to $1,224.3 million (first half of 2014 – $1,508.3 million), a decrease of $284.0 million. This was mainly due to lower mining operational costs, reduced exploration, evaluation and corporate costs, and lower sales volumes.

Operating costs (excluding depreciation and amortisation) at the mining division

Operating costs at the mining division decreased by $281.6 million to $1,174.1 million in the first six months of 2015, a decrease of 19.3%. Of this decrease, $241.5 million is attributable to lower mining operational costs. As explained above, copper sales volumes decrease from 343,400 tonnes in the first half of 2014 to 290,100 tonnes in this period.
In addition, weighted average unit cash costs for the Group excluding by-product credits (which are reported as part of revenue) and tolling charges for concentrates (which are deducted from revenue) decreased from $1.69/lb in first half of 2014 to $1.66/lb in this period.

Exploration and evaluation costs decreased by $37.3 million to $56.1 million (first half of 2014 – $93.4 million). This mainly reflected decreased exploration activity at the Centinela district in Chile and reduced expenditure at Twin Metals.

The income statement includes a charge for mine closure rehabilitation of $9.0 million (first half of 2014 – charge of $4.2 million). This mainly reflects higher costs at Michilla and to a lesser extent at Los Pelambres and Centinela in the period.

Operating costs (excluding depreciation, amortisation and disposals) at the transport division
Operating costs at the transport division decreased by $2.4 million to $50.2 million.

EBITDA and operating profit from subsidiaries and joint ventures

EBITDA
EBITDA (earnings before interest, tax, depreciation, and amortisation) from subsidiaries and joint ventures decreased by $531.9 million or 48.6% to $561.6 million in the first six months of 2015 (first six months of 2014 - $1,093.5 million).

EBITDA at the mining division decreased by 49.9% from $1,053.7 million in the first half of 2014 to $527.7 million in this period. As explained above, this was mainly due to the decrease in the realised copper price and copper volumes, partly offset by the lower unit cash cost and lower exploration and evaluation expenses.

EBITDA at the transport division decreased by $5.9 million to $33.9 million in the first half of 2015, mainly reflecting the decreased revenue as explained above and partly offset by lower operating costs.

Depreciation, amortisation and disposals
The depreciation, amortisation and disposals charge was slightly higher at $253.0 million (first half of 2014 - $241.6 million), with increased depreciation at Centinela partly offset by reduced depreciation at Michilla.

Operating profit from subsidiaries
As a result of the above factors, operating profit from subsidiaries decreased by 63.5% to $308.4 million.

Share of results from associates and joint ventures
The Group's share of results from its associates and joint ventures was a loss of $0.2 million (first half of 2014 – loss of $7.5 million). This mainly reflects lower expenditure in respect of the Energia Andina and Tethyan Copper joint ventures.

Net finance expense

Net finance expense in the first half of 2015 was $11.1 million, compared with a net finance expense of $23.6 million in the first half of 2014.

	Six months ended 30.06.15 $m	Six months ended 30.06.14 $m
Investment income	**8.8**	8.3
Interest expense	**(15.7)**	(27.9)
Other finance items	**(4.2)**	(4.0)
Net finance expense	**(11.1)**	(23.6)

Interest income increased from $8.3 million in first six months of 2014 to $8.8 million in first six months of 2015.

Interest expense decreased from $27.9 million in the first half of 2014 to $15.7 million in the first half of 2015, mainly due to a decrease of interest expense at Centinela due to a one-off interest expense in 2014 related to the renegotiation of the senior debt as well as lower interest expense at Los Pelambres.

Other finance items comprised a loss of $4.2 million (first half of 2014 – loss of $4.0 million). A gain of $0.1 million (first half of 2014 – loss of $3.3 million) has been recognised in respect of the time value element of changes in the fair value of commodity derivative options, which is excluded from the designated hedging relationship, and is therefore recognised directly in profit or loss. Foreign exchange gains included in finance items were $0.5 million in first half of 2015, compared with a gain of $6.7 million in first half of 2014. An expense of $4.8 million (first half of 2014 - $7.6 million) has been recognised in relation to the unwinding of the discount on provisions.

Profit before tax

As a result of the factors set out above, profit before tax decreased by $523.5 million or 63.8% to $297.3 million in the first half of 2015 compared with $820.8 million in the previous period.

Income tax expense

The tax charge in the first half of 2015 was $117.8 million (first half of 2014 – $272.6 million) and the effective tax rate was 39.6% (first half of 2014 – 33.2%).

	Six months ended 30.06.2015 $m	**Effective tax rate %**	Six months ended 30.06.2014 $m	Effective tax rate %
Profit before tax from continuing operations	**297.3**		820.8	
Taxes (Current and deferred)				
Corporate tax	**(79.4)**	**26.7**	(180.3)	22.0
Royalty	**(23.3)**	**7.8**	(43.4)	5.3
Withholding tax	**(14.8)**	**5.0**	(48.8)	5.9
Exchange rate	**(0.3)**	**0.1**	(0.1)	-
Total tax charge	**(117.8)**	**39.6**	(272.6)	33.2

The effective rate of corporate tax was 26.7% compared to the statutory tax rate of 22.5%. The difference was principally due to deferred tax charges which arise as the rate of Chilean corporate tax will increase in future years, and the effect of items not deductible for corporate tax (principally exploration and evaluation expenditure outside of Chile). In addition, the overall effective tax rate reflects the Chilean mining royalty charge of $23.3 million and a withholding tax charge of $14.8 million. In the first half of 2014 the total charge was $272.6 million, with an overall effective tax rate of 33.2% compared with the statutory rate of corporate tax of 20%. The effective rate of corporate tax was 22.0% compared to the statutory rate of 20.0%, principally due to the impact of items not deductible for corporate tax. In addition, the overall effective tax rate in the first half of 2014 reflected a Chilean mining royalty charge of $43.4 million and a withholding tax charge of $48.8 million. Further details are given in Note 7 of the half yearly financial report.

Profit from discontinued operations

On 2 June 2015 the Group completed the disposal of the water division and the resulting profit of $619.5 million has been reflected as within profit from discontinued operations. The water division's results have been restated for the comparative periods and therefore a profit of $23.4 million has been reflected for the first half of 2014. Further details are given in note 8 of the half yearly financial report.

Non-controlling interests

Profit for the first half of the year attributable to non-controlling interests was $93.2 million, compared with $240.8 million in the first half of 2014, reflecting the lower profit attributable to the non-controlling interests as a consequence of the decrease in the earnings of the mining operations analysed above.

Earnings per share

	Six months ended 30.06.15 US cents	Six months ended 30.06.14 US cents
Earnings per share from continuing operations	**8.8**	31.2
Earnings per share from discontinued operations	**62.8**	2.4
Total continuing and discontinued operations	**71.6**	33.6

Earnings per share calculations are based on 985,856,695 ordinary shares. As a result of the factors set out above, profit in the first half of 2015 attributable to equity shareholders of the Company was $705.8 million compared with $330.8 million in the first half of 2014. Accordingly, earnings per share from continuing and discontinued operations were 71.6 cents in the first half of 2015 compared with 33.6 cents in first half of 2014, an increase of 113.1%.

Dividends

Dividends per share proposed in relation to the period are as follows:

	Six months ended 30.06.15 US cents	Six months ended 30.06.14 US cents
Ordinary		
Interim	**3.1**	11.7
Final	**-**	-
Total dividends to ordinary shareholders	**3.1**	11.7

The Board determines the appropriate dividend each year based on consideration of the Group's cash balance, the level of free cash flow and earnings generated during the year and significant known or expected funding commitments. It is expected that the total annual dividend for each year would represent a payout ratio based on net earnings for that year of at least 35%.

The Board has recommended a final dividend for the first half of 2015 of 3.1 cents per ordinary share, which amounts to $30.6 million and will be paid on 8 October 2015 to shareholders on the Register at the close of business on 18 September 2015.

Capital expenditure

Capital expenditure decreased by $168.0 million from $767.3 million in the first half of 2014 to $599.8 million in the period. This was mainly due to decreased construction costs at Antucoya which is now in commissioning, partly offset by increased expenditure in respect of the Encuentro Oxides project.

Derivatives financial instruments

The Group periodically uses derivative financial instruments to reduce exposure to commodity price movements. At 30 June 2015, the Group had commodity swaps for 2,400 tonnes of copper production covering a total period up to 31 January 2016.

The Group also periodically uses interest rate swaps to swap the floating rate interest for fixed rate interest. At 30 June 2015 the Group had entered into contracts at Centinela for a maximum notional amount of $123 million at a weighted average fixed rate of 3.372 % fully maturing in August 2018. The Group had also entered into contracts in relation to a financing loan at Ferrocarril Antofagasta Bolivia for a maximum notional amount of $150 million at weighted average fixed rate of 1.634% fully maturing in August 2019.

Cash flows

The key features of the Group cash flow statement are summarised in the following table.

	Six months ended 30.06.15 $m	Six months ended 30.06.14 $m
Cash flows from continuing and discontinued operations	**807.7**	1,170.0
Income tax paid	**(191.2)**	(389.0)
Net interest paid	**(10.6)**	(17.2)
Disposal of subsidiary	**947.3**	-
Capital contribution and loan to associates	**(39.4)**	(84.9)
Capital increase from non-controlling interest	**-**	3.8
Change in ownership interest in subsidiary	**-**	(30.9)
Acquisition of available-for-sale investments	**-**	(1.5)
Purchases of property, plant and equipment	**(662.3)**	(788.5)
Acquisition of mining properties	**(78.0)**	-
Proceeds from sale of property, plant and equipment	**-**	0.6
Dividends paid to equity holders of the Company	**(96.6)**	(848.8)
Dividends paid to non-controlling interests	**-**	(192.2)
Dividends from associate	**6.6**	20.0
Other items	**-**	2.0
Changes in net cash relating to cash flows	**683.5**	(1,156.6)
Exchange and other non-cash movements	**61.7**	(7.5)
Movement in net cash in the period	**745.2**	(1,166.2)
Net cash at the beginning of the year	**(1.6)**	1,311.2
Net cash at the end of the year	**743.6**	145.0

Cash flows from continuing and discontinued operations were $807.7 million in the first half of 2015 compared with $1,170.0 million in the first half of 2014. This reflected EBITDA for the period of $561.6 million (first half of 2014 – $1,093.5 million) adjusted for a net working capital decrease of $240.8 million (first half of 2014 – decrease of $41.7 million).

Cash tax payments in the first half of 2015 year were $191.2 million (first half of 2014 – $389.0 million), comprising corporate tax of $165.6 million (first half of 2014 – $99.0 million), mining tax of $11.7 million (first half of 2014 – $59.0 million) and withholding tax of $12.9 million (first half of 2014 – $231.1 million). These amounts differ from the current tax charge in the consolidated income statement of $117.8 million (first half of 2014 – $272.6 million) mainly because cash tax payments for corporate tax and the mining tax partly comprise the settlement of outstanding balances in respect of the previous year’s tax charge and payments on account for the current year based on the prior year profit levels.

Disposal of subsidiary of $947.3 million relates to the disposal Aguas de Antofagasta S.A., which carried out of the group’s water operations. Further details are given in Note 8 of the half yearly financial report.

Contributions and loans to associates and joint ventures of $39.4 million mainly relate to the Group’s share of the funding of the development of the Alto Maipo project.

Cash disbursements relating to capital expenditure in the first half of 2015 were $662.3 million compared with $788.5 million in the first half of 2014. This included expenditure of $175.4 million at Antucoya (first half of 2014 – $373.5 million), $233.6 million relating to Centinela (first half of 2014 – $223.8 million) and $101.8 million relating to Los Pelambres (first half of 2014 – $109.5 million).

Dividends paid to ordinary shareholders of the Company in the first half of 2015 were $96.6 million (first half of 2014 – $848.8 million), which related to the payment of the final dividend declared in respect of the previous year.

Dividends paid by subsidiaries to non-controlling shareholders were nil (first half of 2014 – $192.2 million).

Financial position

	At 30.06.15 **$m**	At 30.06.14 $m
Cash, cash equivalents and liquid investments	**3,220.0**	2,264.4
Total borrowings	**(2,476.4)**	(2,119.4)
Net cash at the end of the period	**743.6**	145.0

At 30 June 2015 the Group had combined cash, cash equivalents and liquid investments of $3,220.0 million (30 June 2014 – $2,264.4 million). Excluding the non-controlling interest share in each partly-owned operation, the Group's attributable share of cash, cash equivalents and liquid investments was $2,785.0 million (30 June 2014 – $1,864.2 million).

New borrowings in the first half of 2015 were $357.3 million (first half of 2014 – $1,167.9 million), including new short-term borrowings at Los Pelambres of $200.0 million and new long-term borrowings at Antucoya of $85.3 million. Repayments of borrowings and finance leasing obligations in the first half of 2015 were $188.6 million, relating mainly to repayments at Los Pelambres of $177.4 million.

Total Group borrowings at 30 June 2015 were $2,479.4 million (at 30 June 2014 – $2,119.4 million). Of this, $1,754.8 million (at 30 June 2014 – $1,460.7 million) is proportionally attributable to the Group after excluding the non-controlling interest shareholdings in partly-owned operations.

Foreign currency exchange differences

The principal subsidiaries with a functional currency other than the US dollar are Chilean peso denominated, of which the most significant was Aguas de Antofagasta S.A. ("ADASA"), which was disposed of in June 2015. For the six months ended 30 June 2015 the currency translation loss recognised in net equity was $3.9 million (first six months ended 30 June 2014 – loss of $8.5 million) and reflect the effect between 1 January 2015 and the date of the disposal of ADASA.

Going concern

The Group's business activities, together with those factors likely to affect its future performance, are set out in the Review of Operations. Details of the cash flows of the Group during the period, along with its financial position at the period-end are set out in this Financial Review. The half yearly financial report includes details of the Group's cash, cash equivalent and liquid investment balances in Note 18, and details of borrowings are set out in Note 15.

In assessing the Group's going concern status the Directors have taken into account the above factors, including the financial position of the Group and in particular its significant balance of cash, cash equivalents and liquid investments, the borrowing facilities (including the undrawn committed facilities) in place and their terms, the current copper price and market expectations in the medium-term, the Group's expected operating cost profile and the its capital expenditure and financing plans.

After making appropriate enquiries, the Directors consider that it is appropriate to adopt the going concern basis of accounting in preparing the half yearly financial report.

Principal risks and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. The Directors do not consider that the principal risks and uncertainties have changed since the publication of the annual report for the year ended 31 December 2014. A detailed explanation of the risks summarised below can be found in the Risk Management section of that annual report which is available at www.antofagasta.co.uk. Key headline risks relate to the following:

- Community relations
- Strategic resources
- Operational risks
- Development projects
- Political, legal and regulatory risks
- Health and safety
- Environmental management
- Growth opportunities
- Commodity prices
- Foreign currency exchange
- Identification of new mineral resources
- Ore reserves and mineral resources estimates
- Talent and labour relations

Cautionary statement about forward-looking statements

This half yearly financial report contains certain forward-looking statements. All statements other than historical facts are forward-looking statements. Examples of forward-looking statements include those regarding the Group's strategy, plans, objectives or future operating or financial performance; reserve and resource estimates; commodity demand and trends in commodity prices; growth opportunities; and any assumptions underlying or relating to any of the foregoing. Words such as "intend", "aim", "project", "anticipate", "estimate", "plan", "believe", "expect", "may", "should", "will", "continue" and similar expressions identify forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that are beyond the Group's control. Given these risks, uncertainties and assumptions, actual results could differ materially from any future results expressed or implied by these forward-looking statements, which speak only as at the date of this report. Important factors that could cause actual results to differ from those in the forward-looking statements include: global economic conditions; demand, supply and prices for copper; long-term commodity price assumptions, as they materially affect the timing and feasibility of future projects and developments; trends in the copper mining industry and conditions of the international copper markets; the effect of currency exchange rates on commodity prices and operating costs; the availability and costs associated with mining inputs and labour; operating or technical difficulties in connection with mining or development activities; employee relations; litigation; and actions and activities of governmental authorities, including changes in laws, regulations or taxation. Except as required by applicable law, rule or regulation, the Group does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Past performance cannot be relied on as a guide to future performance.

Condensed Consolidated Income Statement

	Notes	Six months ended 30 June 2015 (Unaudited) $m	Six months ended 30 June 2014 (Restated /Unaudited) $m	Year ended 31 December 2014 (Restated) $m
Group revenue	2,3	**1,785.9**	2,601.8	5,165.5
Total operating costs		**(1,477.3)**	(1,749.9)	(3,587.3)
Operating profit from subsidiaries	2,3	**308.6**	851.9	1,578.2
Share of results from associates and joint ventures	3	**(0.2)**	(7.5)	(4.1)
Total profit from operations, associates and joint ventures	2,3	**308.4**	844.4	1,574.1
Investment income		**8.8**	8.3	16.8
Interest expense		**(15.7)**	(27.9)	(44.6)
Other finance items		**(4.2)**	(4.0)	(36.4)
Net finance expense	6	**(11.1)**	(23.6)	(64.2)
Profit before tax		**297.3**	820.8	1,509.9
Income tax expense	7	**(117.8)**	(272.6)	(702.9)
Profit for the period from continuing operations		**179.5**	548.2	807.0
Discontinued operations				
Profit for the period from discontinued operations	8	**619.5**	23.4	43.7
Profit for the period		**799.0**	571.6	850.7
Attributable to:				
Non-controlling interests		**93.2**	240.8	390.9
Equity holders of the Company (net earnings)		**705.8**	330.8	459.8
		US cents	US cents	US cents
Basic earnings per share	9			
From continuing operations		**8.8**	31.2	42.2
From discontinued operations		**62.8**	2.4	4.4
Total continuing and discontinued operations		**71.6**	33.6	46.6

Condensed Consolidated Statement of Comprehensive Income

	Notes	**Six months ended 30 June 2015 (Unaudited) $m**	Six months ended 30 June 2014 (Unaudited) $m	Year ended 31 December 2014 $m
Profit for the period		**799.0**	571.6	850.7
Items that may be were reclassified subsequently to profit or loss:				
Gains/(losses) in fair value of cash flow hedges deferred in reserves		**2.5**	6.9	(0.2)
Gains/(losses) in fair value of cash flow hedges of associates deferred in reserves		**0.7**	(26.2)	(42.0)
Losses in fair value of available-for-sale investments	13	**(1.3)**	(2.9)	(6.1)
Currency translation adjustment	8	**(3.9)**	(8.5)	(26.2)
Deferred tax effects arising on cash flow hedges deferred in reserves		**(0.3)**	(1.5)	2.1
Losses/(gains) in fair value of cash flow hedges transferred to the income statement		**2.5**	(4.7)	(8.5)
Losses in fair value of available-for-sale investments transferred to income statement		**-**	-	26.3
Deferred tax effects arising on amounts transferred to the income statement		**(0.5)**	0.9	1.8
Total Items that may be were reclassified subsequently to loss		**(0.3)**	(36.0)	(52.8)
Items that will not be subsequently reclassified to profit or loss:				
Actuarial (losses)/gains on defined benefit plans		**(5.7)**	2.0	(17.4)
Tax on items that will not be subsequently reclassified		**0.9**	(0.4)	4.2
Total Items that will not be subsequently reclassified to loss		**(4.8)**	(1.6)	(13.2)
Total other comprehensive income		**(5.1)**	(34.4)	(66.0)
Total comprehensive income for the period		**793.9**	537.2	784.7
Attributable to:				
Non-controlling interests		**93.8**	233.6	370.1
Equity holders of the Company		**700.1**	303.6	414.6

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015

	Share capital	Share premium	Hedging reserves	Fair value reserves	Translation reserves	Actuarial reserves	Retained earnings	**Net equity**	Non-controlling interests	**Total**
	$m	$m	$m	$m	$m	$m	$m	**$m**	$m	**$m**
Balance at 1 January 2015	89.8	199.2	(36.2)	(10.7)	(0.5)	(20.2)	5,952.3	**6,173.7**	1,861.0	**8,034.7**
Total comprehensive income for the period	-	-	0.8	(1.3)	(3.9)	(1.4)	705.9	**700.1**	93.8	**793.9**
Dividends	-	-	-	-	-	-	(96.6)	**(96.6)**	(80.0)	**(176.6)**
Balance at 30 June 2015	**89.8**	**199.2**	**(35.4)**	**(12.0)**	**(4.4)**	**(21.6)**	**6,561.6**	**6,777.2**	**1,874.8**	**8,652.0**

For the six months ended 30 June 2014

	Share capital	Share premium	Hedging reserves	Fair value reserves	Translation reserves	Actuarial reserves	Retained earnings	**Net equity**	Non-controlling interests	**Total**
	$m	$m	$m	$m	$m	$m	$m	**$m**	$m	**$m**
Balance at 1 January 2014	89.8	199.2	(6.8)	(30.9)	25.7	(10.4)	6,457.9	**6,724.5**	1,939.1	**8,663.6**
Total comprehensive income for the period	-	-	(17.4)	(2.9)	(8.5)	1.6	330.8	**303.6**	233.6	**537.2**
Change in ownership interest in subsidiaries	-	-	-	-	-	-	1.5	**1.5**	(32.4)	**(30.9)**
Capital increase in non-controlling interest	-	-	-	-	-	-	(2.7)	**(2.7)**	2.7	**-**
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	**-**	3.8	**3.8**
Dividends	-	-	-	-	-	-	(848.8)	**(848.8)**	(192.2)	**(1,041.0)**
Balance at 30 June 2014	**89.8**	**199.2**	**(24.2)**	**(33.8)**	**17.2**	**(8.8)**	**5,938.7**	**6,178.1**	**1,954.6**	**8,132.7**

For the year ended 31 December 2014

	Share capital	Share premium	Hedging reserves	Fair value reserves	Translation reserves	Actuarial reserves	Retained earnings	**Net equity**	Non-controlling interests	**Total**
	$m	$m	$m	$m	$m	$m	$m	**$m**	$m	**$m**
Balance at 1 January 2014	89.8	199.2	(6.8)	(30.9)	25.7	(10.4)	6,457.9	**6,724.5**	1,939.1	**8,663.6**
Total comprehensive income for the year	-	-	(29.4)	20.2	(26.2)	(9.8)	459.8	**414.6**	370.1	**784.7**
Change in ownership interest in subsidiaries	-	-	-	-	-	-	1.5	**1.5**	(32.0)	**(30.5)**
Loss of control in subsidiaries	-	-	-	-	-	-	-	**-**	(56.7)	**(56.7)**
Capital increase in non-controlling interest	-	-	-	-	-	-	(2.7)	**(2.7)**	2.7	**-**
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	**-**	50.0	**50.0**
Dividends	-	-	-	-	-	-	(964.2)	**(964.2)**	(412.2)	**(1,376.4)**
Balance at 31 December 2014	**89.8**	**199.2**	**(36.2)**	**(10.7)**	**(0.5)**	**(20.2)**	**5,952.3**	**6,173.7**	**1,861.0**	**8,034.7**

Dividends

Dividends to ordinary shareholders of the Company	Notes			
Per share		**US cents**	US cents	US cents
Dividends per share proposed in relation to the period	10			
- ordinary dividend (interim)		**3.1**	11.7	11.7
- ordinary dividend (final)		**-**	-	9.8
		3.1	11.7	21.5
Dividends per share paid in the period and deducted from net equity				
- ordinary dividend (interim)		**-**	11.7	11.7
- ordinary dividend (final)		**9.8**	86.1	86.1
		9.8	97.8	97.8
In aggregate		**$m**	$m	$m
Dividends proposed in relation to the period	10	**30.6**	115.4	212.0
Dividends paid in the period and deducted from net equity		**96.6**	964.2	964.2

Condensed Consolidated Balance Sheet

	Notes	At 30.06.15	At 30.06.14 (Restated)	At 31.12.14 (Restated)
Non-current assets		**$m**	$m	$m
Intangible assets	11	**150.1**	122.9	118.6
Property, plant and equipment	12	**8,535.1**	7,924.6	8,213.9
Investment property		**2.2**	2.7	2.6
Inventories		**233.8**	247.8	247.8
Investment in associates and in joint ventures		**161.4**	129.0	198.1
Trade and other receivables		**233.9**	242.3	239.5
Available-for-sale investments	13	**4.5**	15.7	15.6
Deferred tax assets		**144.6**	87.2	104.6
		9,465.6	8,772.2	9,140.7
Current assets				
Inventories		**442.4**	460.0	382.5
Trade and other receivables		**511.6**	915.2	810.3
Current tax assets		**129.5**	87.7	106.9
Derivative financial instruments	5	**0.1**	10.8	0.2
Liquid investments	18	**1,366.8**	1,426.8	1,529.1
Cash and cash equivalents	18	**1,853.2**	837.6	845.4
		4,303.6	3,738.1	3,674.4
Total assets		**13,769.2**	12,510.3	12,815.1
Current liabilities				
Short-term borrowings	15	**(465.8)**	(327.6)	(284.5)
Derivative financial instruments	5	**(2.9)**	(3.5)	(7.5)
Trade and other payables		**(806.0)**	(807.1)	(793.8)
Current tax liabilities		**(254.3)**	(33.2)	(77.6)
		(1,529.0)	(1,171.4)	(1,163.4)
Non-current liabilities				
Medium and long-term borrowings	15	**(2,010.6)**	(1,791.8)	(2,091.6)
Derivative financial instruments	5	**(2.8)**	(4.9)	(3.5)
Trade and other payables		**(3.2)**	(3.5)	(4.8)
Post-employment benefit obligations		**(102.6)**	(84.5)	(103.0)
Decommissioning & restoration and other long term provisions		**(432.3)**	(508.3)	(434.3)
Deferred tax liabilities		**(1,036.7)**	(813.2)	(979.8)
		(3,588.2)	(3,206.2)	(3,617.0)
Total liabilities		**(5,117.2)**	(4,377.6)	(4,780.4)
Net assets		**8,652.0**	8,132.7	8,034.7
Equity				
Share capital	16	**89.8**	89.8	89.8
Share premium	16	**199.2**	199.2	199.2
Other reserves		**(73.4)**	(40.8)	(67.6)
Retained earnings		**6,561.6**	5,929.9	5,952.3
Equity attributable to equity holders of the Company		**6,777.2**	6,178.1	6,173.7
Non-controlling interests		**1,874.8**	1,954.6	1,861.0
Total equity		**8,652.0**	8,132.7	8,034.7

The interim financial information was approved by the Board of Directors on 24 August 2015.

Condensed Consolidated Cash Flow Statement

	Notes	**Six months ended 30 June 2015** $m	Six months ended 30 June 2014 $m	Year ended 31 December 2014 $m
Cash flows from continuing and discontinuing operations	17	**807.7**	1,170.0	2,507.8
Interest paid		**(20.2)**	(25.0)	(45.4)
Income tax paid		**(191.2)**	(389.0)	(641.5)
Net cash from continuing and discontinued activities		**596.3**	756.0	1,820.9
Investing activities				
Capital contributions and loans to associates and joint ventures		**(39.4)**	(84.9)	(125.2)
Dividends from associate		**6.6**	20.0	20.0
Acquisition of available-for-sale investments	13	**-**	(1.5)	(5.9)
Disposal of subsidiary	8	**947.3**	-	-
Acquisition of mining properties		**(78.0)**	-	-
Reclassification		**-**	-	(7.6)
Proceeds from sale of property plant and equipment		**-**	0.6	1.7
Purchases of property, plant and equipment		**(662.3)**	(788.5)	(1,646.3)
Net decrease in liquid investments		**162.3**	644.6	542.3
Interest received		**9.6**	7.8	16.5
Net cash used in investing activities		**346.1**	(201.9)	(1,204.5)
Financing activities				
Dividends paid to equity holders of the Company		**(96.6)**	(848.8)	(964.2)
Dividends paid to preference shareholders of the Company		**(0.1)**	(0.1)	(0.2)
Dividends paid to non-controlling interests		**-**	(192.2)	(412.2)
Capital increase from non-controlling interests		**-**	3.8	50.0
Net proceeds from issue of new borrowings	16	**357.3**	1,167.9	1,583.4
Repayments of borrowings		**(182.9)**	(413.8)	(570.9)
Repayments of obligations under finance leases	16	**(5.7)**	(6.5)	(12.2)
Change in ownership interest in subsidiaries		**-**	(30.9)	(30.9)
Net cash used in financing activities		**72.0**	(320.6)	(357.2)
Net increase in cash and cash equivalents		**1,014.4**	233.5	259.2
Cash and cash equivalents at beginning of the period		**845.4**	613.7	613.7
Net increase/(decrease) in cash and cash equivalents	18	**1,014.4**	233.5	259.2
Effect of foreign exchange rate changes	18	**(6.6)**	(9.6)	(27.5)
Cash and cash equivalents at end of the period	18	**1,853.2**	837.6	845.4

Notes

1. General information and accounting policies

a) General information

These June 2015 interim condensed consolidated financial statements ("the condensed financial statements") are for the six months ended 30 June 2015. The condensed financial statements are unaudited.

The information for the year ended 31 December 2014 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor's report on these accounts was not qualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report and did not contain statements under section 498(2) (regarding adequacy of accounting records and returns) or section 498(3) (regarding provision of necessary information and explanations) of the Companies Act 2006.

The Group completed the sale of its Water Division, Aguas de Antofagasta S.A. to Empresas Públicas de Medellín, on 2 June, 2015. In these interim consolidated financial statements the results of the Water Division for the current period relating to the five months to May 2015 are shown in the income statement on the line for "Profit for the period from discontinued operations". The comparative results for the prior periods have accordingly been restated in order to present the comparative figures on the "Profit for the period from discontinued operations" line.

A reclassification between property, plant and equipment and current inventories has been made in the prior period comparative figures related to Ferrocarril Antofagasta Bolivia (FCAB). This has resulted in an increase in current inventories and a corresponding decrease in property, plant and equipment of $13.0 million as at 30 June 2014 and $13.2 million as at 31 December 2014.

A reclassification between current and long-term inventories has been made in the prior period comparatives figures, to ensure that the classification of inventory balances is fully in the line with the detailed mine plans. This has resulted in a $72.0 million increase in the long-term inventory balance as at 30 June 2014 from $175.8 million to $247.8 million and a corresponding $72.0 million decrease in the current inventory balances as at 30 June 2014 from $519.0 million to $447.0 million.

During 2014 the Group merged Minera Esperanza and Minera El Tesoro into a single entity – Minera Centinela. The production of copper concentrate which was previously within Minera Esperanza is now referred to as Centinela concentrates, and the production of copper cathodes which was previously within Minera El Tesoro is referred to as Centinela cathodes. In the comparatives for the six months ended 30 June 2014 the results and balances for Esperanza and El Tesoro have been combined into a single segment for Centinela, consistent with the current year presentation.

b) Basis of preparation

The annual financial statements of Antofagasta plc for the year ended 31 December 2014 were prepared in accordance with International Financial Reporting Standards (IFRS) and with those parts of the companies Act 2006 applicable to companies reporting under IFRS. For these purposes, IFRS comprise the standards issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) that have been endorsed by the European Union ("EU"). The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with the accounting policies for the year ended 31 December 2014 and the International Accounting Standard (IAS) 34 *Interim Financial Reporting* and the requirements of the UK Disclosure and Transparency Rules (DTR) of the Financial Conduct Authority (FCA) in the United Kingdom as applicable to interim financial reporting.

The condensed financial statements represent a "condensed set of financial statements" as referred to in the DTR issued by the FCA. Accordingly, they do not include all of the information required for a full annual financial report and are to be read in conjunction with the Group's financial statements for the year ended 31 December 2014.

c) Going concern

Having reassessed the principal risks of the Group the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the half-yearly financial report.

d) Accounting policies

The following International Financial Reporting Standards (IFRS), amendments and interpretations are effective for the first time in the current period.

Adoption of new accounting standards

Annual improvements 2011 – 2013 Cycle - improvements to four IFRSs

IFRIC 21, Levies.

The application of these standards and interpretations effective for the first time in the current period has had no significant impact on the amounts reported in these condensed consolidated financial statements.

Accounting standards issued but not yet effective applied

The following accounting standards, interpretations and amendments have been issued by the IASB, but are not yet effective:

New Standards	Effective date (Subject to EU endorsement)
IFRS 9, Financial instruments	Annual periods beginning on or after January 1, 2018
IFRS 14, Regulatory Deferral Accounts	Annual periods beginning on or after January 1, 2016
IFRS 15, Revenue from Contracts with Customers	Annual periods beginning on or after January 1, 2018

Amendments to IFRSs	Effective date (Subject to EU endorsement)
IAS 19,Defined Benefit Plans, Employee Contributions (Amendments to IAS 19)	*Annual periods beginning on or after February 1, 2015*
Annual improvements 2010 – 2012 Cycle - improvements to six IFRSs	*Annual periods beginning on or after February 1, 2015*
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	*Annual periods beginning on or after January 1, 2016*
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	*Annual periods beginning on or after 1 January 2016*
Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)	*Annual periods beginning on or after 1 January 2016*
Equity Method in Separate Financial Statements (Amendments to IAS 27)	*Annual periods beginning on or after January 1, 2016*
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, (Amendments to IFRS 10 and IAS 28)	*Annual periods beginning on or after January 1, 2016*
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10,IFRS 12 and IAS 28)	*Annual periods beginning on or after January 1, 2016*
Disclosure Initiative (Amendments to IAS 1)	*Annual periods beginning on or after January 1, 2016*
Annual improvements 2012 – 2014 Cycle – improvements to four IFRSs	*Annual periods beginning on or after July 1, 2016*

The Group is continuing to evaluate the impact of adopting these new standards and interpretations.

The Group is continuing to evaluate in detail the potential impact of IFRS 15 Revenue from contracts with customers, but does not currently expect this to have a material impact.

2. Total profit from operations, associates and joint ventures

	Six months ended 30 June 2015	Six months ended 30 June 2014	Year ended 31 December 2014
	$m	$m	$m
Group revenue	**1,785.9**	2,601.8	5,165.5
Cost of sales	**(1,185.9)**	(1,379.8)	(2,887.1)
Gross profit	**600.0**	1,222.0	2,278.4
Administrative and distribution expenses	**(213.6)**	(248.9)	(463.9)
Closure provision	**(9.0)**	(4.2)	7.2
Severance charges	**(7.7)**	(6.3)	(18.1)
Exploration and evaluation costs	**(56.1)**	(93.4)	(167.5)
Other operating income	**6.3**	7.7	21.1
Other operating expenses	**(11.3)**	(25.0)	(79.0)
Operating results from subsidiaries	**308.6**	851.9	1,578.2
Share of income from associates and joint ventures	**(0.2)**	(7.5)	(4.1)
Total profit from operations, associates and joint ventures	**308.4**	844.4	1,574.1

3. Segmental analysis

The Group's reportable segments are as follows:

- Los Pelambres
- Centinela
- Michilla
- Antucoya
- Exploration and evaluation
- Railway and other transport services
- Water concession
- Corporate and other items

For management purposes, the Group is organised into three business divisions based on their products – Mining, Railway and other transport services and the Water concession. The mining division is split further for management reporting purposes to show results by mine and exploration activity. Los Pelambres, Centinela and Michilla are all operating mines and Antucoya is a development project. Los Pelambres produces primarily copper concentrate and molybdenum as a by-product, Centinela produces primarily copper concentrate containing gold as a by-product and copper cathodes. Michilla produces copper cathodes. The transport division provides rail cargo (based in Chile and Bolivia) and road cargo (based in Chile) together with a number of ancillary services (based in Chile). The water division produces and distributes potable water to domestic customers and untreated water to industrial customers in Chile's Antofagasta Region. The Exploration and evaluation segment incurs exploration and evaluation expenses. "Corporate and other items" also comprise costs incurred by the Company, Antofagasta Minerals S.A., the Group's mining corporate centre and other entities, that are not allocated to any individual business segment. Consistent with its internal management reporting, the Group's corporate and other items are included within the mining division.

Management monitors the operating results of business segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on the operating profit of each of the segments.

a) Segment revenues and results

For the six months ended 30 June 2015

	Los Pelambres	Centinela	Michilla	Antucoya	Exploration and evaluation	Corporate and other items	**Mining**	**Railway and other transport services**	**Water concession**	**Total**
	$m	$m	$m	$m	$m	$m	**$m**	**$m**	**$m**	**$m**
Revenue	**918.3**	**688.4**	**95.1**	**-**	**-**	**-**	**1,701.8**	**84.1**	**-**	**1,785.9**
EBITDA	**396.8**	**217.6**	**10.6**	**-**	**(56.1)**	**(41.2)**	**527.7**	**33.9**	**-**	**561.6**
Depreciation and amortisation	(86.3)	(151.3)	-	-	-	(1.1)	**(238.7)**	(13.8)	-	**(252.5)**
Gain/(loss) on disposals	(0.7)	-	-	-	-	-	**(0.7)**	0.2	-	**(0.5)**
Operating profit/(loss)	**309.8**	**66.3**	**10.6**	**-**	**(56.1)**	**(42.3)**	**288.3**	**20.3**	**-**	**308.6**
Share of results from associates and joint ventures	(0.9)	-	-	-	-	(3.5)	**(4.4)**	4.2	-	**(0.2)**
Investment income	4.6	1.9	0.3	-	-	1.6	**8.4**	0.4	-	**8.8**
Interest expense	(0.6)	(12.7)	-	-	-	(0.6)	**(13.9)**	(1.8)	-	**(15.7)**
Other finance items	(1.3)	2.5	0.5	(1.1)	-	(2.9)	**(2.3)**	(1.9)	-	**(4.20)**
Profit/(loss) before tax	**311.6**	**58.0**	**11.4**	**(1.1)**	**(56.1)**	**(47.7)**	**276.1**	**21.2**	**-**	**297.3**
Tax	(94.3)	(5.9)	(2.2)	2.6		1.9	**(97.9)**	(19.9)		**(117.8)**
Profit for the period from continuing operations	**217.3**	**52.1**	**9.2**	**1.5**	**(56.1)**	**(45.8)**	**178.2**	**1.3**	**-**	**179.5**
Profit for the period from discontinued operations	-	-	-	-	-	-	**-**	-	619.5	**619.5**
Profit for the period	**217.3**	**52.1**	**9.2**	**1.5**	**(56.1)**	**(45.8)**	**178.2**	**1.3**	**619.5**	**799.0**
Non-controlling interests	(84.3)	(9.7)	(0.1)	0.4	-	-	**(93.7)**	0.5	-	**(93.2)**
Net earnings/(losses)	**133.0**	**42.4**	**9.1**	**1.9**	**(56.1)**	**(45.8)**	**84.5**	**1.8**	**619.5**	**705.8**
Additions to non-current assets										
Capital expenditure	92.8	222.9	-	132.5	-	124.1	**572.3**	7.2	16.4	**595.9**
Segment assets and liabilities										
Segment assets	3,906.8	5,081.9	174.5	1,787.4	-	1,423.9	**12,374.5**	1,394.7	-	**13,769.2**
Segment liabilities	(1,352.2)	(2,004.1)	(96.5)	(1,073.7)	-	(111.3)	**(4,637.8)**	(479.4)	-	**(5,117.2)**

For the six months ended 30 June 2014

	Los Pelambres	Centinela	Michilla	Antucoya	Exploration and evaluation	Corporate and other items	**Mining**	**Railway and other transport services**	**Water concession**	**Total**
	$m	$m	$m	$m	$m	$m	**$m**	**$m**	**$m**	**$m**
Revenue	**1,356.6**	**988.8**	**164.0**	**-**	**-**	**-**	**2,509.4**	**92.4**	**-**	**2,601.8**
EBITDA	**743.8**	**402.1**	**42.4**	**-**	**(93.4)**	**(41.2)**	**1,053.7**	**39.8**	**-**	**1,093.5**
Depreciation and amortisation	(83.2)	(116.7)	(32.2)	-	-	(1.4)	**(233.5)**	(8.0)	-	**(241.5)**
Gain/(loss) on disposals	0.4	-	(0.5)	-	-	-	**(0.1)**	-	-	**(0.1)**
Operating profit/(loss)	**661.0**	**285.4**	**9.7**	**-**	**(93.4)**	**(42.6)**	**820.1**	**31.8**	**-**	**851.9**
Share of results from associates and joint ventures	(1.7)	-	-	-	-	(10.5)	**(12.2)**	4.7	-	**(7.5)**
Investment income	3.3	2.0	0.3	-	-	2.5	**8.1**	0.2	-	**8.3**
Interest expense	(2.5)	(23.7)	-	-	-	(1.5)	**(27.7)**	(0.2)	-	**(27.9)**
Other finance items	(3.1)	2.7	(5.2)	2.2	-	0.1	**(3.3)**	(0.7)	-	**(4.0)**
Profit/(loss) before tax	**656.9**	**266.4**	**4.8**	**2.2**	**(93.4)**	**(52.0)**	**785.0**	**35.8**	**-**	**820.8**
Tax	(165.7)	(58.5)	(0.6)	1.1	-	5.7	**(218.0)**	(54.6)	-	**(272.6)**
Profit for the period from continuing operations	**491.2**	**207.9**	**4.2**	**3.3**	**(93.4)**	**(46.3)**	**567.0**	**(18.8)**	**-**	**548.2**
Profit for the period from discontinued operations	-	-	-	-	-	-	**-**	-	23.4	**23.4**
Profit for the period	**491.2**	**207.9**	**4.2**	**3.3**	**(93.4)**	**(46.3)**	**567.0**	**(18.8)**	**23.4**	**571.6**
Non-controlling interests	(195.5)	(57.9)	(0.1)	(0.4)	-	12.3	**(241.6)**	0.8	-	**(240.8)**
Net earnings/(losses)	**295.7**	**150.0**	**4.1**	**2.9**	**(93.4)**	**(34.0)**	**325.4**	**(17.7)**	**23.1**	**330.8**
Additions to non-current assets										
Capital expenditure	111.2	249.4	5.1	374.4	-	11.0	**751.1**	8.3	7.9	**767.3**
Segment assets and liabilities										
Segment assets	4,045.7	4,996.1	214.8	1,220.3	-	1,352.9	**11,829.8**	446.3	234.2	**12,510.3**
Segment liabilities	(1,310.2)	(1,894.9)	(97.4)	(833.2)	-	(98.0)	**(4,233.7)**	(102.3)	(41.6)	**(4,377.6)**

For the year ended 31 December 2014

	Los Pelambres	Centinela	Michilla	Antucoya	Exploration and evaluation	Corporate and other items	**Mining**	**Railway and other transport services**	**Water concession**	**Total**
	$m	$m	$m	$m	$m	$m	**$m**	**$m**	**$m**	**$m**
Revenue	2,663.6	1,985.7	335.4	-	-	-	4,984.7	180.8	-	**5,165.5**
EBITDA	**1,518.6**	**767.2**	**58.7**	**-**	**(167.5)**	**(99.2)**	**2,077.8**	**68.7**	**-**	**2,146.5**
Depreciation and amortisation	(178.3)	(301.5)	(87.3)	-	-	(2.6)	**(569.7)**	(22.5)	-	**(592.2)**
Gain/(loss) on disposals	(2.5)	(1.3)	(0.4)	-	-	28.7	**24.5**	(0.6)	-	**23.9**
Operating profit/(loss)	**1,337.8**	**464.4**	**(29.0)**	**-**	**(167.5)**	**(73.1)**	**1,532.6**	**45.6**	**-**	**1,578.2**
Share of results from associates and joint ventures	(1.3)	-	-	-	-	(9.3)	**(10.6)**	6.5	-	**(4.1)**
Investment income	7.5	4.2	0.7	-	-	3.9	**16.3**	0.5	-	**16.8**
Interest expense	(3.8)	(36.6)	-	-	-	(2.4)	**(42.8)**	(1.8)	-	**(44.6)**
Other finance items	(2.5)	2.9	(8.3)	3.3	-	(31.4)	**(36.0)**	(0.4)	-	**(36.4)**
Profit/(loss) before tax	**1,337.7**	**434.9**	**(36.6)**	**3.3**	**(167.5)**	**(112.3)**	**1,459.5**	**50.4**	**-**	**1,509.9**
Tax	(441.7)	(214.9)	1.3	(9.7)	-	25.0	**(640.0)**	(62.9)	-	**(702.9)**
Profit for the period from continuing operations	**896.0**	**220.0**	**(35.3)**	**(6.4)**	**(167.5)**	**(87.3)**	**819.5**	**(12.5)**	**-**	**807.0**
Profit for the period from discontinued operations	-	-	-	-	-	-	**-**	-	43.7	**43.7**
Profit for the period	**896.0**	**220.0**	**(35.3)**	**(6.4)**	**(167.5)**	**(87.3)**	**819.5**	**(12.5)**	**43.7**	**850.7**
Non-controlling interests	(352.3)	(56.2)	0.3	3.8	-	12.4	**(392.0)**	1.1	-	**(390.9)**
Net earnings/(losses)	**543.7**	**163.8**	**(35.0)**	**(2.6)**	**(167.5)**	**(74.9)**	**427.5**	**(11.4)**	**43.7**	**459.8**
Additions to non-current assets										
Capital expenditure	229.6	535.6	11.1	707.1	-	51.4	**1,534.8**	21.2	25.0	**1,581.0**
Segment assets and liabilities										
Segment assets	3,680.2	5,152.9	181.9	1,619.8	-	1,557.9	**12,192.7**	410.0	212.4	**12,815.1**
Segment liabilities	(1,255.2)	(2,014.6)	(114.6)	(994.7)	-	(138.2)	**(4,517.3)**	(212.1)	(51.0)	**(4,780.4)**

b) Entity wide disclosures

Revenue by product

	Six months ended 30 June 2015	Six months ended 30 June 2014	Year ended 31 December 2014
	$m	$m	$m
Copper			
- Los Pelambres	**817.0**	1.192.3	2,348.6
- Centinela concentrates	**339.7**	534.3	1,073.8
- Centinela cathodes	**238.0**	313.5	631.9
- Michilla	**95.1**	164.0	335.4
Gold			
- Los Pelambres	**26.9**	40.3	80.5
- Centinela concentrates	**102.1**	129.3	256.3
Molybdenum			
- Los Pelambres	**59.7**	97.7	182.8
Silver			
- Los Pelambres	**14.7**	26.3	51.7
- Centinela concentrates	**8.5**	11.7	23.7
Total Mining	**1,701.8**	2,509.4	4,984.7
Railway and transport services	**84.1**	92.4	180.8
	1,785.9	2,601.8	5,165.5

Revenue by location of customer

	Six months ended 30 June 2015	Six months ended 30 June 2014	Year ended 31 December 2014
	$m	$m	$m
Europe			
- United Kingdom	**2.7**	4.7	8.2
- Switzerland	**72.7**	66.1	138.5
- Spain	**28.7**	58.3	160.6
- Germany	**63.2**	43.1	146.1
- Rest of Europe	**46.3**	104.9	137.7
Latin America			
- Chile	**85.6**	112.1	215.3
- Rest of Latin America	**27.2**	68.7	180.9
North America			
- United States	**61.0**	71.2	133.7
Asia Pacific			
- Japan	**615.7**	1,005.8	1,965.4
- China	**444.1**	584.7	1,253.1
- Rest of Asia	**338.7**	482.2	826.0
	1,785.9	2,601.8	5,165.5

Information about major customers

In the first half of 2015 the Group´s mining revenues included $351.0 million related to one large customer that individually accounted for more than 10% of the Group’s revenues (six months ended 30 June 2014 – one large customer representing $454.2 million; year ended 31 December 2014 – one large customer representing $970.0 million).

Non-current assets by location of asset

	At 30.06.15	At 30.06.14	At 31.12.14
	$m	$m	$m
- Chile	**9,270.6**	8,479.2	8,934.8
- Bolivia	**26.0**	36.7	30.9
- USA	**171.2**	94.4	67.4
- Other	**(1.3)**	-	0.6
	9,316.5	8,610.3	9,033.7

The non-current assets balance disclosed by location of assets excludes financial instruments, available-for-sale investments and deferred tax assets.

4. Revenues

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 one to five months after shipment to the customer. The provisional pricing mechanism within the sale agreements is an embedded derivative under IFRS. Gains and losses from the marking-to-market of open sales are recognised through adjustments to revenue 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 in the market price references for that commodity in the majority of the Group's contracts.

In addition to mark-to-market and final pricing adjustments, revenue also includes realised gains and losses relating to derivative commodity instruments. Details of these realised gains or losses are shown in the tables below. Further details of derivative commodity instruments in place at the period end are given in Note 6.

Copper and molybdenum concentrate sales are stated net of deductions for tolling charges, as shown in the tables below.

For the period ended 30 June 2015

	Los Pelambres	**Centinela**	**Centinela**	**Michilla**	**Los Pelambres**	**Centinela**	**Los Pelambres**
	Copper concentrate	**Copper concentrate**	**Copper cathodes**	**Copper cathodes**	**Gold in concentrate**	**Gold in concentrate**	**Molybdenum concentrate**
	$m	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**
Provisionally invoiced gross sales	**978.2**	**418.2**	**242.5**	**97.1**	**27.0**	**105.3**	**80.2**
Effects of pricing adjustments to previous year invoices							
Reversal of mark-to-market adjustments at the end of the previous year	**45.5**	**19.6**	**1.4**	**0.4**	**-**	**1.8**	**2.0**
Settlement of sales invoiced in the previous year	**(101.6)**	**49.6**	**(5.7)**	**(2.3)**	**-**	**3.6**	**(7.1)**
Total effect of adjustments to previous year invoices in the current period	**(56.1)**	**69.2**	**(4.3)**	**(1.9)**	**-**	**5.4**	**(5.1)**
Effects of pricing adjustments to current period invoices							
Settlement of sales invoiced in the current period	**14.3**	**(83.4)**	**1.2**	**(0.2)**	**-**	**(6.6)**	**(2.8)**
Mark-to-market adjustments at the end of the current period	**(31.9)**	**(18.9)**	**(1.3)**	**0.1**	**-**	**(1.6)**	**(4.2)**
Total effect of adjustments to current period invoices	**(17.6)**	**(102.3)**	**(0.1)**	**(0.1)**	**-**	**(8.2)**	**(7.0)**
Total pricing adjustments	**(73.7)**	**(33.1)**	**(4.4)**	**2.0**	**-**	**(2.8)**	**(12.1)**
Realised (losses)/gains on commodity derivatives	**-**	**-**	**(0.1)**	**-**	**-**	**-**	**-**
Revenue before deducting tolling charges	**904.5**	**385.1**	**238.0**	**95.1**	**27.0**	**102.5**	**68.1**
Tolling charges	**(87.5)**	**(45.4)**	**-**	**-**	**(0.1)**	**(0.4)**	**(8.4)**
Revenue net of tolling charges	**817.0**	**339.7**	**238.0**	**95.1**	**26.9**	**102.1**	**59.7**

For the period ended 30 June 2014

	Los Pelambres	Centinela	Centinela	Michilla	Los Pelambres	Centinela	Los Pelambres
	Copper concentrate	Copper concentrate	Copper cathodes	Copper cathodes	Gold in concentrate	Gold in concentrate	Molybdenum concentrate
	$m	$m	$m	$m	$m	$m	$m
Provisionally invoiced gross sales	**1,309.3**	**595.1**	**316.9**	**157.3**	**40.5**	**126.3**	**86.3**
Effects of pricing adjustments to previous year invoices							
Reversal of mark-to-market adjustments at the end of the previous year	**(27.1)**	**(8.8)**	**(1.0)**	**0.1**	**-**	**4.5**	**1.1**
Settlement of sales invoiced in the previous year	**(27.7)**	**(7.3)**	**0.3**	**(0.3)**	**-**	**(1.7)**	**0.2**
Total effect of adjustments to previous year invoices in the current period	**(54.8)**	**(16.1)**	**(0.7)**	**(0.2)**	**-**	**2.8**	**1.3**
Effects of pricing adjustments to current period invoices							
Settlement of sales invoiced in the current period	**(13.6)**	**(14.9)**	**(3.3)**	**(2.0)**	**(0.1)**	**(1.8)**	**14.4**
Mark-to-market adjustments at the end of the current period	**31.2**	**15.7**	**0.8**	**0.5**	**-**	**2.0**	**3.2**
Total effect of adjustments to current period invoices	**17.6**	**0.8**	**(2.5)**	**(1.5)**	**(0.1)**	**0.2**	**17.6**
Total pricing adjustments	**(37.2)**	**(15.3)**	**(3.2)**	**(1.7)**	**(0.1)**	**3.0**	**18.9**
Realised (losses)/gains on commodity derivatives	**-**	**-**	**(0.2)**	**8.4**	**-**	**-**	**-**
Revenue before deducting tolling charges	**1,272.1**	**579.8**	**313.5**	**164.0**	**40.4**	**129.3**	**105.2**
Tolling charges	**(79.8)**	**(45.5)**	**-**	**-**	**(0.1)**	**-**	**(7.5)**
Revenue net of tolling charges	**1,192.3**	**534.3**	**313.5**	**164.0**	**40.3**	**129.3**	**97.7**

For the year ended 31 December 2014

	Los Pelambres	Centinela	Centinela	Michilla	Los Pelambres	Centinela	Los Pelambres
	Copper concentrate	Copper concentrate	Copper cathodes	Copper cathodes	Gold in concentrate	Gold in concentrate	Molybdenum concentrate
	$m	$m	$m	$m	$m	$m	$m
Provisionally invoiced gross sales	**2,642.5**	**1,226.8**	**640.6**	**322.0**	**80.4**	**267.8**	**213.7**
Effects of pricing adjustments to previous year invoices							
Reversal of mark-to-market adjustments at the end of the previous year	**(27.1)**	**(8.8)**	**(1.0)**	**0.1**	**-**	**4.5**	**1.2**
Settlement of sales invoiced in the previous year	**(27.7)**	**(9.8)**	**1.2**	**(0.3)**	**0.4**	**(2.0)**	**0.2**
Total effect of adjustments to previous year invoices in the current year	**(54.8)**	**(18.6)**	**0.2**	**(0.2)**	**0.4**	**2.5**	**1.4**
Effects of pricing adjustments to current year invoices							
Settlement of sales invoiced in the current year	**(29.8)**	**(19.7)**	**(7.7)**	**(4.3)**	**-**	**(11.7)**	**(15.2)**
Mark-to-market adjustments at the end of the current year	**(45.5)**	**(19.6)**	**(1.3)**	**(0.4)**	**-**	**(1.8)**	**(2.0)**
Total effect of adjustments to current year invoices	**(75.3)**	**(39.3)**	**(9.0)**	**(4.7)**	**-**	**(13.5)**	**(17.2)**
Total pricing adjustments	**(130.1)**	**(57.9)**	**(8.8)**	**(4.9)**	**0.4**	**(11.0)**	**(15.8)**
Realised gains on commodity derivatives	**-**	**-**	**0.1**	**18.3**	**-**	**-**	**-**
Revenue before deducting tolling charges	**2,512.4**	**1,168.9**	**631.9**	**335.4**	**80.8**	**256.8**	**197.9**
Tolling charges	**(163.8)**	**(95.1)**	**-**	**-**	**(0.3)**	**(0.5)**	**(15.1)**
Revenue net of tolling charges	**2,348.6**	**1,073.8**	**631.9**	**335.4**	**80.5**	**256.3**	**182.8**

The revenue from the individual products shown in the above tables is reconciled to total Group revenue in note 3(b).

(i) ***Copper concentrate***

The typical period for which sales of copper concentrate remain open until settlement occurs is a range of approximately three to five months from shipment date.

At 30 June 2015 sales totalling 159,000 tonnes remained open as to price, with an average mark-to-market price of $2.61/lb compared with an average provisional invoice price of $2.75/lb.

At 30 June 2014 sales totalling 191,800 tonnes remained open as to price, with an average mark-to-market price of $3.19/lb compared with an average provisional invoice price of $3.07/lb.

At 31 December 2014 sales totalling 199,200 tonnes remained open as to price, with an average mark-to-market price of $2.86/lb compared with an average provisional invoice price of $3.01/lb.

(ii) Copper cathodes

The typical period for which sales of copper cathodes remain open until settlement occurs is approximately one month from shipment date.

At 30 June 2015 sales totalling 13,800 tonnes remained open as to price, with an average mark-to-market price of $2.61/lb compared with an average provisional invoice price of $2.66/lb.

At 30 June 2014 sales totalling 11,800 tonnes remained open as to price, with an average mark-to-market price of $3.19 /lb compared with an average provisional invoice price of $3.14 /lb.

At 31 December 2014 sales totalling 13,800 tonnes remained open as to price, with an average mark-to-market price of $2.88/lb compared with an average provisional invoice price of $2.94 /lb.

(iii) Gold in concentrate

The typical period for which sales of gold in concentrate remain open is approximately one month from shipment date.

At 30 June 2015 sales totalling 58,100 ounces remained open as to price, with an average mark-to-market price of $1,170/oz compared with an average provisional invoice price of $1,197/oz.

At 30 June 2014 sales totalling 69,000 ounces remained open as to price, with an average mark-to-market price of $1,322/oz compared with an average provisional invoice price of $1,293/oz.

At 31 December 2014 sales totalling 81,600 ounces remained open as to price, with an average mark-to-market price of $1,186 /oz compared with an average provisional invoice price of $1,209/oz.

(iv) Molybdenum concentrate

The typical period for which sales of molybdenum remain open is approximately two months from shipment date.

At 30 June 2015 sales totalling 2,000 tonnes remained open as to price, with an average mark-to-market price of $7.0/lb compared with an average provisional invoice price of $7.9/lb.

At 30 June 2014 sales totalling 1,700 tonnes remained open as to price, with an average mark-to-market price of $14.5 /lb compared with an average provisional invoice price of $13.6 /lb.

At 31 December 2014 sales totalling 1,900 tonnes remained open as to price, with an average mark-to-market price of $9.0/lb compared with an average provisional invoice price of $9.4/lb.

As detailed above, the effects of gains and losses from the marking-to-market of open sales are recognised through adjustments to revenue in the income statement and to trade debtors in the balance sheet. The effect of mark-to-market adjustments on the balance sheet at the end of each period are as follows:

	Effect on debtors of period end mark-to-market adjustments		
	At 30.06.15	At 30.06.14	At 31.12.14
	$m	$m	$m
Los Pelambres - copper concentrate	**(31.9)**	31.2	(45.5)
Los Pelambres - molybdenum concentrate	**(4.2)**	3.2	(2.0)
Centinela - copper concentrate	**(18.9)**	15.7	(19.6)
Centinela - gold in concentrate	**(1.6)**	2.0	(1.8)
Centinela - copper cathodes	**(1.3)**	0.8	(1.3)
Michilla - copper cathodes	**0.1**	0.5	(0.4)
	(57.8)	53.4	(70.6)

5. Financial instruments

a) Categories of financial instruments

The carrying value of financial assets and financial liabilities is shown below:

	At 30.06.15	At 30.06.14	At 31.12.14
	$m	$m	$m
Financial assets			
Derivatives in designated hedge accounting relationships	**0.1**	10.8	0.2
Available-for-sale-investments	**4.5**	15.7	15.6
Loans and receivables at amortised cost (including cash and cash equivalents)	**2,598.7**	1,941.7	1,895.2
Fair value through profit and loss (liquid investments and mark-to-mark debtors)	**1,366.8**	1,480.2	1,529.1
Financial liabilities			
Derivatives in designated hedge relationships	**(5.7)**	(8.4)	(11.0)
Financial liabilities measured at amortised cost	**(3,227.8)**	(2,930.0)	(3,104.1)
Fair value through profit and loss (mark-to-mark creditors)	**(57.8)**	-	(70.6)

The fair value of financial assets and financial liabilities carried at amortised cost is not materially different from the carrying value presented above.

Fair value of financial instruments

An analysis of financial assets and financial liabilities measured at fair value is presented below:

	Level 1	Level 2	Level 3	At 30.06.15	At 30.06.14	At 31.12.14
Recurring fair value measurements	$m	$m	$m	**$m**	$m	$m
Financial assets						
Derivatives in designated hedge accounting relationships	-	0.1	-	**0.1**	10.8	0.2
Available-for-sale investments	4.5	-	-	**4.5**	15.7	15.6
Fair value through profit and loss	1,366.8	-	-	**1,366.8**	1,426.8	1,529.1
Debtors mark-to-market	-	-	-	**-**	53.4	-
Financial liabilities						
Derivatives in designated hedge relationships	-	(5.7)	-	**(5.7)**	(8.4)	(11.0)
Creditors mark-to-market	-	(57.8)	-	**(57.8)**	-	(70.6)

Recurring fair value measurements are those that are required in the balance sheet at the end of each reporting period.

Non-recurring fair value measurements are those that are required in particular circumstances e.g. when the recoverable amount of an asset is determined to be fair value less cost to sell according to IAS 36 *Impairment of assets*. There were no non-recurring fair value measurements in the six months ending 30 June 2015.

Derivatives in designated hedge accounting relationships are valued using a discounted cash flow analysis valuation model, which includes observable credit spreads and using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. These are level 2 inputs as described below.

Available-for-sale investments are investments in shares on active markets and are valued using unadjusted quoted market values of the shares at the financial reporting date. These are level 1 inputs as described below.

Provisionally priced metal sales for the period are marked-to-market at the end of the period. Gains and losses from the marking-to-market of open sales are recognised through adjustments to revenue in the income statement and trade debtors in the balance sheet. Forward prices at the end of the period are used for copper sales while period-end average prices are used for molybdenum concentrate sales. These are level 2 inputs as described below.

Financial assets measured at fair value through profit and loss are highly liquid current asset investments that are valued using market prices at the period end. These are level 1 inputs as described below.

The inputs to the valuation techniques described above are categorised into three levels, giving the highest priority to unadjusted quoted prices in active markets (level 1) and the lowest priority to unobservable inputs (level 3 inputs):

- Level 1 fair value measurement inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

- Level 2 fair value measurement inputs are derived from inputs other than quoted market prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

- Level 3 fair value measurement inputs are unobservable inputs for the asset or liability.

The degree to which inputs into the valuation techniques used to measure the financial assets and liabilities are observable and the significance of these inputs in the valuation are considered in determining whether any transfers between levels have occurred. In the six months ending 30 June 2015 there were no transfers between levels in the hierarchy.

b) Embedded derivatives

As explained in Note 5, 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. The provisional pricing mechanism within the sale agreements is an embedded derivative under IFRS. Details of the provisional pricing arrangements are included in Note 5.

c) 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 derivatives recognise in the income statement have been recorded within revenue. 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.

(i) 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 and reserves for each period are as follows. The impact on reserves is shown before tax and non-controlling interests.

For the six months ended 30 June 2015

	Impact on income statement for six months ended 30.06.15			Impact on reserves for six months ended at 30.06.15	Fair value recorded on balance sheet 30.06.15
	Realised gains/(losses)	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)
	$m	$m	$m	$m	$m
Commodity Derivatives					
Centinela	(0.1)	-	(0.1)	(0.1)	0.1
Foreign exchange derivatives					
Antucoya	0.2	-	0.2	3.8	-
Interest Derivatives					
Centinela	(1.9)	-	(1.9)	1.4	(4.6)
Railway and other transport services	(0.7)	-	(0.7)	(0.1)	(1.1)
	(2.5)	-	**(2.5)**	**5.0**	**(5.6)**

For the six months ended 30 June 2014

	Impact on income statement for six months ended 30.06.14			**Impact on reserves for six months ended at 30.06.14**	**Fair value recorded on balance sheet 30.06.14**
	Realised gains/(losses)	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)
	$m	$m	$m	$m	$m
Commodity Derivatives					
Centinela	(0.2)	-	(0.2)	0.4	-
Michilla	8.4	(4.3)	4.1	1.4	8.4
Foreign exchange derivatives					
Michilla	(1.0)	-	(1.0)	(2.4)	(0.7)
Antucoya	-	1.0	1.0	1.5	2.4
Interest Derivatives					
Centinela	(2.5)	-	(2.5)	1.7	(7.7)
	4.7	**(3.3)**	**1.4**	**2.6**	**2.4**

For the year ended 31 December 2014

	Impact on income statement for the year ended 31.12.14			**Impact on reserves for the year ended at 31.12.14**	**Fair value recorded on balance sheet 31.12.14**
	Realised (losses)/gains	Losses resulting from mark-to-market adjustments on hedging instruments	Total net (loss)/gain	(Losses)/gains resulting from mark-to-market adjustments on hedging instruments	Net financial (liability)/ asset
	$m	$m	$m	$m	$m
Commodity Derivatives					
Centinela	0.1	-	0.1	0.6	0.2
Michilla	18.3	(5.0)	13.3	(6.2)	-
Foreign exchange derivatives					
Michilla	(4.1)	-	(4.1)	(1.7)	-
Antucoya	-	(0.1)	(0.1)	(3.8)	(4.0)
Interest Derivatives					
Centinela	(4.8)	-	(4.8)	3.4	(6.0)
Railway and other transport services	(1.0)	-	(1.0)	(1.0)	(1.0)
	8.5	**(5.1)**	**3.4**	**(8.7)**	**(10.8)**

The gains/(losses) recognised in reserves are disclosed before non-controlling interests and tax**.**

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

	At 30.06.15	At 30.06.14	At 31.12.14
	$m	$m	$m
Analysed between:			
Current assets	**0.1**	10.8	0.2
Current liabilities	**(2.9)**	(3.5)	(7.5)
Non-current liabilities	**(2.8)**	(4.9)	(3.5)
	(5.6)	2.4	(10.8)

(ii) Outstanding derivative financial instruments

Commodity derivatives

The Group periodically uses commodity derivatives to manage its exposure to commodity price fluctuations.

- **Futures – arbitrage**

The Group has futures for copper production, to swap COMEX price exposure according to the Group´s pricing policy.

	At 30.06.15	**For instruments held at 30.06.15**	
	Copper production hedged	Weighted average remaining period from 1 July 2015	Covering a period up
	tonnes	Months	to:
Centinela	2,400	0.5	31-01-2016

(iii) Foreign exchange derivatives

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

(iv) 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 Centinela project financing and long-term loans at the Railway for fixed rate interest. At 30 June 2015 the Group had entered into the contracts outlined below.

	Start date	Maturity date	Actual notional amount	Weighted Average Fixed Rate
			$m	%
Centinela	15-02-2011	15-08-2018	122.5	3.372
Railway and other transport services	12-08-2014	12-08-2019	150.0	1.634

The actual notional amount hedge depends upon the amount of the related debt currently outstanding.

6. Net finance expense

	Six months ended 30 June 2015	Six months ended 30 June 2014	Year ended 31 December 2014
	$m	$m	$m
Investment income			
Interest receivable	**6.8**	6.2	14.2
Fair value through profit or loss	**2.0**	2.1	2.6
	8.8	8.3	16.8
Interest expense			
Interest expense	**(15.6)**	(27.7)	(44.4)
Preference dividends	**(0.1)**	(0.2)	(0.2)
	(15.7)	(27.9)	(44.6)
Other finance items			
Time value effect of derivatives	**0.1**	(3.3)	(5.1)
Unwinding of discount on provisions	**(4.8)**	(7.4)	(9.0)
Impairment of available-for-sale investments		-	(26.3)
Foreign exchange	**0.5**	6.7	4.0
	(4.2)	(4.0)	(36.4)
Net finance expense	**(11.1)**	(23.6)	(64.2)

In the six months ended 30 June 2015, $24.0 million relating to net interest expense and other finance items at Antucoya (six months ended 30 June 2014 – $9.1 million; year ended 31 December 2014 - $27.4 million), Centinela at June 2015 $12.7 million (six months ended 30 June 2014 – $23.7 million; year ended 31 December 2014 - $36.6 million) and Los Pelambres at June 2015 $0.6 million (six months ended 30 June 2014 – $2.5 million; year ended 31 December 2014 - $3.8 million) was capitalised during the period, and is consequently not included within the above table.

7. Taxation

The tax charge for the period comprised the following:

	Six months ended 30 June 2015	Six months ended 30 June 2014	Year ended 31 December 2014
	$m	$m	$m
Current tax charge			
Corporate tax (principally first category tax in Chile)	**(65.3)**	(167.4)	(361.5)
Mining tax (royalty)	**(12.3)**	(36.2)	(71.9)
Withholding tax	**(12.9)**	(231.1)	(279.3)
Exchange gains/(losses) on corporate tax balances	**(0.3)**	(0.1)	(0.6)
	(90.8)	(434.8)	(713.3)
Deferred tax credit/(charge)			
Corporate tax (principally first category tax in Chile)	**(18.0)**	(12.9)	10.2
Adjustment to deferred tax attributable to changes in tax rates	**-**	-	(215.1)
Mining tax (royalty)	**(11.0)**	(7.2)	(7.2)
Withholding tax provision	**(1.9)**	182.3	222.5
	(30.9)	162.2	10.4
Total tax charge (income tax expense)	**(121.7)**	(272.6)	(702.9)

The rate of first category (i.e. corporate) tax in Chile is currently 22.5% (six months ended 30 June 2014 – 20%; year ended 31 December 2014 – 21%).

On 29 September 2014 a significant reform of the Chilean system was enacted into law. The corporate tax rates which now apply in the period from 2014 to 2016 are: 2014 – 21%; 2015 - 22.5%; 2016 – 24%. The 21% rate for 2014 applied retrospectively with effect from 1 January 2014.

From 2017 two alternative taxation systems will apply – either the partially-integrated system or the attributable system. The default position for the Group's operating companies is the partially-integrated system. The companies can each elect to apply the attributable system, provided there is unanimous agreement from that company's shareholders.

Under the partially-integrated system the corporate tax rate will be 25.5% in 2017 and 27% from 2018 onwards. The company's shareholders will pay withholding tax based on the cash distributions made by the company, as with the current tax system. If the company's shareholders are not tax resident in countries with applicable tax treaties with Chile the withholding tax rate will be 17.45%, and so if the company distributes all of its earnings the total corporate and withholding tax burden will be 44.45%. If the company's shareholders are tax resident in countries with applicable tax treaties with Chile the withholding tax will be 8%, and so if the company distributes all of its earnings the total corporate and withholding tax burden will be 35%.

Under the attributable system the corporate tax rate will be 25% from 2017 onwards. The company's shareholders must pay withholding based on the profits earned by the company in the period, rather than based on cash distributions, at a rate of 10%. The total tax burden will therefore be 35%.

In order for any of the Group's operating companies to apply the attributable system rather than the default partially-integrated system, that company's shareholders must make a unanimous election to the Chilean Revenue Service by November 2016. The attributable system will then apply to that company for 5 years before it is possible to make a further election to move to the partially-integrated system if the company does not wish to continue with the attributable system at that point.

The Group's deferred tax balances were recalculated in 2014 using the new tax rates which are expected to apply in the future periods when the temporary differences are expected to reverse. Given that the partially integrated system is the default system for the Group's operating companies, and is the system which will apply unless the companies' shareholders make a unanimous election to adopt the attributable system, the partially integrated system rates were used when recalculating the deferred tax balances. This resulted in an increase in the net deferred tax liabilities during 2014 of $220.6 million, which was reflected via a deferred tax charge in the income statement. This resulted in a total effective tax rate for the Group in 2014 of 45.9%. Excluding this deferred tax charge, the effective tax rate for the Group in 2014 would have been 31.9%. The impact on net earnings of this deferred tax charge was $142.2 million and the impact on 2014 earnings per share was 14.4 cents per share.

The Group's mining operations are also subject to a mining tax (royalty). From 1 January 2013 production from Los Pelambres, the Tesoro Central and Mirador pits at Centinela Cathodes and Michilla have been subject to the mining tax at a rate of 4% applied to taxable operating profit, and Centinela has been subject to a rate of 5%. Production from the Tesoro North-East pit and the run-of-mine processing at Centinela Cathodes has been subject to a rate of 5%-14% of taxable operating profit based on a sliding scale with minimum rate of 5% applying to operations with an operating profit margin of below 35% and maximum rate of 14% applied to operations with an operating profit margin above 85%.

In addition to first category tax and the mining tax, the Group incurs withholding taxes on any remittance of profits from Chile and deferred tax is provided on undistributed earnings to the extent that remittance is probable in the foreseeable future. Withholding tax is levied on remittances of profits from Chile at 35% less first category (i.e. corporate) tax already paid in respect of the profits to which the remittances relate.

	Six months ended 30 June 2015		Six months ended 30 June 2014		Year ended 31 December 2014	
	$m	%	$m	%	$m	%
Profit before tax	**297.3**		820.8		1,509.9	
Tax at the Chilean corporate tax rate of 22.5% (2014 - 21%)	**(66.9)**	**22.5**	(164.2)	20.0	(317.1)	21.0
Tax effect of share of results of associates and joint ventures	**-**		(1.6)	0.2	(0.9)	0.1
Effect of increase in future first category tax rates on deferred tax balances	**(11.5)**	**3.9**	-	-	(215.1)	14.3
Items not subject to or deductible from first category tax	**(1.0)**	**0.3**	(14.8)	1.8	(33.5)	2.2
Royalty	**(23.3)**	**7.8**	(43.4)	5.3	(79.1)	5.2
Withholding tax	**(14.8)**	**5.0**	(48.8)	5.9	(56.8)	3.8
Exchange differences	**(0.3)**	**0.1**	0.2	-	(0.4)	-
Tax expense and effective tax rate for the period	**(117.8)**	**39.6**	(272.6)	33.2	(702.9)	46.6

The tax charge for the six months ended 30 June 2015 was $117.8 million and the effective tax rate was 39.6%. This rate varied from the standard rate (comprising first category tax) principally due to the effect of items not deductible from first category tax (mainly corporate items which principally comprise exploration and evaluation costs), the effect of the increase in future first category tax rates on deferred tax balances, a withholding tax charge of $14.8 million and the effect of the mining tax which resulted in a charge of $23.3 million.

8. Discontinued operations

(i) On 24 April, 2015 the Group entered into a sale agreement to dispose of Aguas de Antofagasta S.A. (“ADASA”), which carried out of the group´s water operations. The disposal was completed on 2 June 2015. The results of ADASA for the period prior to disposal as well as the profit on disposal have been presented on the “Profit for the period from discontinued operations” line in the income statement, reflecting the following amounts:

	Six months ended 30 June 2015	Six months ended 30 June 2014	Year ended 31 December 2014
	$m	$m	$m
Turnover	**53.9**	59.6	124.9
Total operating costs	**(34.9)**	(30.5)	(63.4)
Net finance income	**(0.1)**	0.8	2.1
Profit before tax	**18.9**	29.9	63.6
Attributable tax expense	**(3.9)**	(6.5)	(19.9)
Profit of discontinued operations	**15.0**	23.4	43.7
Profit on disposal of discontinued operations[1]	**857.6**	-	-
Attributable tax expense[2]	**(253.1)**	-	-
Net profit attributable to discontinued operations (attributable to owners of the Company)	**619.5**	23.4	43.7

[1] Profit on disposal included a loss of $3.9 million related to the accumulated currency translation adjustment relating to ADASA which has been reclassified from translation reserves in other comprehensive income to the income statement upon disposal.
[2] Tax expense includes $133.0 million related to withholding tax.

During the period, Aguas de Antofagasta S.A., contributed $21.7 million to the Group´s net cash flow from operating activities, $19.2 million in respect to net cash used in investing activities and paid $2.0 million in net cash provided in financing activities.

(ii) Disposal of Aguas de Antofagasta S.A.

On 2 June 2015, the Group disposed of its 100% interest in Aguas de Antofagasta S.A. (“ADASA”).The proceeds on disposal of $967.2 million were received in cash. The gain on disposal of ADASA is analysed below. No investment was retained in the former subsidiary.

The net assets of Aguas de Antofagasta S.A. at the date of disposal were as follows:

	At 31 May 2015
	$m
Intangibles	**113.7**
Property, plant and equipment	**66.9**
Inventories	**2.0**
Current tax asset	**2.5**
Trade receivables	**20.9**
Cash and cash equivalents	**19.9**
Trade payables	**(18.3)**
Borrowings	**(80.2)**
Retirement benefit obligation	**(2.8)**
Long-term provision	**(1.6)**
Deferred tax liabilities	**(13.4)**
Total carrying amount disposed	**109.6**
Satisfied by:	
Cash and cash equivalents	967.2
Net cash inflow arising on disposal:	
Consideration received in cash and cash equivalents	967.2
Less: Cash and cash equivalents disposed of	(19.9)
	947.3

9. Earnings per share

Basic and diluted earnings per share is calculated on profit after tax and non-controlling interests giving net earnings of $705.8 million (six months ended 30 June 2014 – $330.8 million, year ended 31 December 2014 - $459.8 million) and amounted to 9.8 cents and based on 985,856,695 ordinary shares. There was no potential dilution of ordinary shares in any period.

10. Dividends

The Board has declared an interim dividend of 3.1 cents per ordinary share for the 2015 half year (2014 half year – 11.7 cents). Dividends are declared and paid gross. Dividends actually paid in the period and recognised as a deduction from net equity under IFRS were 9.8 cents per ordinary share (2014 half year – 86.1 cents), representing the final dividend declared in respect of the previous year.

The interim dividend will be paid on 8 October 2015 to ordinary shareholders that are on the register at the close of business on 18 September 2015. Shareholders can elect (on or before 21 September 2015) to receive this interim dividend in US Dollars, Pounds Sterling or Euro, and the exchange rate to be applied to interim dividends to be paid in Pounds Sterling or Euro will be set as soon as reasonably practicable after that date (which is currently anticipated to be on 24 September 2015). Further details of the currency election timing and process (including the default currency of payment) are available on the Antofagasta plc website (www.antofagasta.co.uk) or from the Company's registrar, Computershare Investor Services PLC on +44 870 702 0159.

11. Intangible assets

	Six months ended 30 June 2015	Six months ended 30 June 2014	Year ended 31 December 2014
	$m	$m	$m
Balance at the beginning of the period	**118.6**	133.0	133.0
Additions	**-**	-	14.1
Acquisition	**150.1**	-	-
Disposal	**(113.7)**	-	-
Amortisation	**(2.4)**	(4.9)	(10.9)
Foreign currency exchange difference	**(2.5)**	(5.2)	(17.6)
Balance at the end of the period	**150.1**	122.9	118.6

The opening balance related to a 30 year concession to operate the water rights and facilities in the Antofagasta Region of Chile which the Group's wholly-owned subsidiary, Aguas de Antofagasta S.A., acquired in December 2003 and any other subsequent additions or acquisitions subject to the terms of the concession. This intangible asset was being amortised on a straight-line basis over the life of the concession, or the useful life of any component part if less.

On 2 June 2015, the Group sold the 100% of the wholly-owned subsidiary, Aguas de Antofagasta S.A. to Empresas Públicas de Medellin and the Group derecognised all the asset of its subsidiary at the date of the sale (See Note 14).

12. Property, plant and equipment

	Mining	Railway and other transport	Water Concession	Six months ended 30 June 2015	Six months ended 30 June 2014	Year ended 31 December 2014
	$m	$m	$m	$m	$m	$m
Balance at the beginning of the period	7,963.4	198.3	52.2	**8,213.9**	7,424.8	7,424.8
Additions	572.3	7.2	16.4	**595.9**	767.3	1,581.0
Reclassification	66.6	-	-	**66.6**	28.4	(0.8)
Acquisition	20.8	-	-	**20.8**	-	-
Adjustment to capitalised decommissioning provisions	-	-	-	**-**	7.5	(48.1)
Depreciation	(238.7)	(13.8)	-	**(252.5)**	(242.6)	(595.1)
Depreciation capitalised	(40.4)	-	-	**(40.4)**	(44.7)	(26.4)
Assets derecognized due to loss of control of subsidiary	-	-	-	**-**	-	(94.4)
Asset disposals	(0.7)	(0.2)	(66.9)	**(67.8)**	(0.4)	(6.3)
Foreign currency exchange difference	-	0.3	(1.7)	**(1.4)**	(2.7)	(7.6)
Balance at the end of the period	8,343.3	191.8	-	**8,535.1**	7,937.6	8,227.1

Depreciation of 40.4 million (30 June 2014 – $44.7 million; 31 December 2014 – $26.4 million) has been capitalised within property, plant and equipment or inventories, and accordingly is excluded from the depreciation charge recorded in the income statement.

Future capital commitments at 30 June 2015 were $401.7 million (30 June 2014 – $589.8 million; 31 December 2014 - $253.2 million) of which $157.4 million were related to the development of Oxides Encuentro project.

Additions include $167.4 million related to property plant and equipment of Twin Metals as part of the Duluth acquisition.

13. Available-for-sale investments

	Six months ended 30 June 2015	Six months ended 30 June 2014	Year ended 31 December 2014
	$m	$m	$m
Balance at the beginning of the period	**15.6**	16.6	16.6
Additions	**-**	1.5	5.9
Reclassification	**(9.4)**	-	-
Movements in fair value	**(1.3)**	(2.9)	(6.1)
Foreign currency exchange difference	**(0.4)**	0.5	(0.8)
Balance at the end of the period	**4.5**	15.7	15.6

Available-for-sale investments represent those investments which are not subsidiaries, associates or joint ventures and are not held for trading purposes. The fair value of all equity investments are based on quoted market prices.

The reclassification of $9.4 million is related with the acquisition of Duluth Metals Limited ("Duluth"). As at 31 December 2014 the Group held 17.2% of Duluth's share capital, with a fair value of US$9.4 million, accounted for as an available for sale investment. As explained in Note 14, in January 2015 the Group completed its acquisition of 100% of Duluth. Duluth holds a 60% stake in Twin Metals Minnesota Limited ("Twin Metals"), a company in which the Group held a 40% stake as at December 2014. Accordingly, as a consequence of the acquisition of Duluth the Group has a 100% interest in Duluth and as a result of this a 100% interest in Twin Metals. From January 2015 Twin Metals has therefore been consolidated as a 100% subsidiary of the Group, with this $9.4 million balance forming part of the total consideration reflected in the accounting for the acquisition of the subsidiary.

14. Duluth Metals Limited transaction

In January 2015 the Group completed its acquisition of 100% of Duluth Metals Limited ("Duluth"). The principal asset of Duluth was its 60% stake in Twin Metals Minnesota Limited ("Twin Metals"), a company in which the Group held the remaining 40% stake as at December 2014. The principal asset of Twin Metals is its copper-nickel-PGM deposit in north-eastern Minnesota, and the transaction has accordingly been accounted for as the acquisition by the Group of the remaining 60% interest in that asset.

Immediately prior to the completion of the transaction the Group held 17.2% of Duluth's share capital. The fair value of the consideration transferred to acquire the remaining 82.8% of the share capital of Duluth in January 2015 was $44.3 million, reflecting the agreed acquisition price of C$0.45 per share. In addition, transaction costs of $6.3 million have been included as part of the cost of the asset acquisition. The carrying value of the Group's existing investment in associate balance relating to its 40% interest in Twin Metals at the date of the transaction in January 2015 was $67.4 million, and the carrying value of the Group's existing available for sale investment balance relating to its 17.2% holding of Duluth's share capital at that date was $9.4 million. As part of the acquisition agreement the Group also agreed to redeem convertible debentures previously issued by Duluth at a cash cost of $31.7 million, and has also acquired the other sundry net liabilities of Duluth.

This has resulted in the Group consolidating 100% of the assets and liabilities relating to Twin Metals with effect from January 2015. The principal assets recognised at that date were an intangible asset balance of $150.1 million reflecting the value of the mining property assets, and a property, plant & equipment balance of $20.8 million relating to land and buildings. In addition, a liability of $31.7 million was recognised in respect of the Duluth convertible debentures which were subsequently redeemed by the Group, along with $11.8 million of other sundry net liabilities of Duluth and Twin Metals.

15. Borrowings

	At 30.06.15	At 30.06.14	At 31.12.14
	$m	$m	$m
Los Pelambres			
Corporate loans	**(69.8)**	(315.0)	(87.2)
Short-term loan	**(246.0)**	-	(206.0)
Finance leases	**(10.1)**	(14.4)	(12.5)
Centinela			
Project financing (senior debt)	**(887.3)**	(881.7)	(884.1)
Shareholder loan (subordinated debt)	**(170.6)**	(163.3)	(167.0)
Corporate loans	**-**	(89.7)	-
Finance leases	**-**	(0.1)	(0.1)
Antucoya			
Project financing (senior debt)	**(623.3)**	(436.5)	(572.7)
Shareholder loan (subordinated debt)	**(282.2)**	(176.1)	(241.7)
Finance leases	**(0.6)**	(1.7)	(1.1)
Corporate and other items			
Finance leases	**(27.8)**	(33.0)	(29.7)
Railway and other transport services			
Long-term loans	**(148.6)**	-	(148.6)
Finance leases	**(2.5)**	-	(3.2)
Water concession			
Long-term loan	**-**	-	(14.6)
Andino			
Bonds	**(3.0)**	(3.0)	(3.0)
Short-term loans	**(1.5)**	(1.5)	(1.5)
Preference shares	**(3.1)**	(3.4)	(3.1)
Total (see Note 17)	**(2,476.4)**	(2,119.4)	(2,376.1)

At 30 June 2015 $48.0 million (30 June 2014 – $47.5 million; 31 December 2014 - $67.5 million) of the borrowings has fixed rate interest and $2,428.4 million (30 June 2014 – $2,071.9 million; 31 December 2014 - $2,308.6 million) has floating rate interest. The Group periodically enters into interest rate derivative contracts to manage its exposure to interest rates. As explained in Note 5, these include interest rate swaps which have the effect of converting $272.5 million of floating rate borrowings into fixed rate borrowings. Details of any derivative instruments held by the Group are given in Note 6(c).

16. Share capital and share premium

There was no change in share capital or share premium in the six months ended 30 June 2015 or the comparative periods.

17. Reconciliation of profit before tax to net cash inflow from operating activities

	Six months ended 30 June 2015	Six months ended 30 June 2014	Year ended 31 December 2014
	$m	$m	$m
Profit before tax from continuing and discontinued operations	1,173.8	850.7	1,573.5
Depreciation and amortisation	252.5	247.5	606.0
Net profit on disposals	1.3	(0.2)	(24.1)
Profit on disposal of discontinued operation	(857.6)	-	-
Net finance expense	11.1	22.8	62.1
Share of results from associates and joint ventures	0.2	7.5	4.1
(Increase)/decrease in inventories	(46.0)	(17.0)	32.1
Decrease in debtors	251.9	6.2	124.8
Increase in creditors and provisions	20.5	52.5	129.3
Cash flows from continuing and discontinued operations	807.7	1,170.0	2,507.8

18. Analysis of changes in net (debt)/cash

	At 01.1.15	Cash flows	Other	Exchange	At 30.06.15
	$m	$m	$m	$m	$m
Cash and cash equivalents	845.4	1,014.4	-	(6.6)	1,853.2
Liquid investments	1,529.1	(162.3)	-	-	1,366.8
Total cash and cash equivalents and liquid investments	2,374.5	852.1	-	(6.6)	3,220.0
Bank borrowings due within one year	(276.0)	(28.6)	(154.6)	0.2	(459.0)
Bank borrowings due after one year	(2,050.5)	(145.8)	221.4	1.5	(1,973.4)
Finance leases due within one year	(8.5)	5.7	(3.8)	(0.1)	(6.7)
Finance leases due after one year	(38.0)	-	2.8	1.0	(34.2)
Preference shares	(3.1)	-	-	-	(3.1)
Total borrowings	(2,376.1)	(168.7)	65.8	2.6	(2,476.4)
Net (debt)/cash	(1.6)	683.4	65.8	(4.0)	743.6

At 30 June 2015 other category mainly reflects derecognition of $80.2 million loan borrowing at Aguas Antofagasta S.A.

Net cash

Net cash at the end of each period was as follows:

	At 30.06.15	At 30.06.14	At 31.12.14
	$m	$m	$m
Cash, cash equivalents and liquid investments	3,220.0	2,264.4	2,374.5
Total borrowings	(2,476.4)	(2,119.4)	(2,376.1)
	743.6	145.0	(1.6)

19. Litigation and Contingent liabilities

Antofagasta plc or its subsidiaries are subject to various claims which arise in the ordinary course of business. No provision has been made in the half-yearly financial report and none of these claims are currently expected to result in any material loss to the Group. Details of the principal claims in existence either during, or at the end of, the period and the current status of these claims are set out below:

Los Pelambres – Mauro tailings dam

As previously announced, during 2008 Los Pelambres entered into binding settlements in respect of litigation relating to the Mauro tailings dam. Since then, there have been a series of civil claims filed by some members of the Caimanes community (which is located near the Mauro tailings dam) seeking to stop the operation of the dam. Many of these claims have been rejected by the relevant courts.

Two of these claims are currently ongoing and Los Pelambres is continuing to take necessary steps to protect its position.

In the first claim, the plaintiffs have argued that the tailings dam affects their alleged water rights and the environment. This allegation is based on assertions that the dam interferes with the flow and quality of the water in the Pupío stream, a stream that passes through the Caimanes community. This claim was rejected by the Civil Court in Los Vilos in a judgment issued in November 2012, which was then affirmed by the Court of Appeals of La Serena in August 2013. In October 2014, the Supreme Court, by split decision, upheld the appeal and ordered Los Pelambres to submit back to the Civil Court in Los Vilos, within one month, an implementation plan for works that would ensure that the operation of the dam does not affect the normal flow and quality of the waters of the Pupío stream. Los Pelambres believes that the requirements of this order have already been met as Los Pelambres has undertaken significant works to ensure that the flow of the Pupío stream is not altered and that the operation of the tailings dam does not affect the quantity or quality of these waters – something that has been confirmed by accredited independent assessors and other public services in Chile and confirmed by the Supreme Court in a parallel decision. Nevertheless, on 21 November 2014, Los Pelambres submitted this plan to the Civil Court in Los Vilos. On 6 March 2015 that Court found that the plan submitted by Los Pelambres was not sufficient to address the requirements of the Supreme Court order, and as a consequence Los Pelambres must destroy part, or all, of the tailings dam wall. Los Pelambres considers the ruling to be flawed, has appealed the Court's decision and is considering the exercise of all available legal measures that may be required to overturn this decision and address its potential consequences.

In the second claim, the plaintiffs are seeking demolition of the dam on the basis of the risk that its collapse would pose to the community. The Civil Court in Los Vilos issued a decision in May 2014 denying the demolition request but ordering Minera Los Pelambres to undertake some additional measures to ensure protection of the community, in the event of a major earthquake or similar natural event. These measures would need to be reviewed and agreed with the technically competent bodies responsible for supervision of the dam. The decision of the Court of Los Vilos was appealed by both the plaintiffs and Los Pelambres to the Court of Appeal of La Serena. In April 2015 the Court of Appeal of La Serena upheld Los Pelambres's appeal, overturning the decision of the Court of Los Vilos and rejecting completely the plaintiff's claim. The decision of the Court of Appeal has been appealed by the plaintiffs to the Supreme Court.

Los Pelambres – Cerro Amarillo Waste Dump

In 2004, Los Pelambres received all of the required authorisations from the Chilean government to deposit a waste-rock dump ("Cerro Amarillo Waste Dump") in its current location which, according to the then official Chilean maps (1996), was located within Chile. In 2007 Chile modified the official maps in this area without making the changes public. Los Pelambres stopped using the relevant area of the Cerro Amarillo Waste Dump in 2011.

In February 2012, a binational border commission, established to clarify the exact position of the Chile/Argentina border, determined accurately the location of the border in the area of the Cerro Amarillo Waste Dump, which showed that part of the Cerro Amarillo Waste Dump was now located in Argentina.

In May 2014 Xstrata Pachón S.A. ("Xstrata Pachón"), a subsidiary of Glencore and the holder of the mining properties on the Argentinian side of the border, filed a claim against Los Pelambres before the Federal Court of San Juan, Argentina, alleging that Los Pelambres had unlawfully deposited waste-rock on its property. Xstrata Pachón is seeking the removal of the waste-rock that is on the Argentinian side of the border to Chile and compensation for any other alleged damage.

Xstrata Pachón has also filed a criminal complaint before a different Federal Court of San Juan alleging that Los Pelambres has violated several Argentinian laws relating to the misappropriation of land, unlawful appropriation of water bodies and that people's health is in jeopardy from the alleged contamination that the Cerro Amarillo Waste Dump might generate.

In both cases, Los Pelambres has submitted preliminary objections to the Argentinian courts, which are still pending. Once they are resolved, each party may appeal to higher courts. The whole court process to final judgement could take several years.

In March 2015, the Federal Court of San Juan issued an interim ruling ordering certain specific measures aimed at the environmental closure of the portion of the waste dump in Argentina, once the relevant permits have been granted. Los Pelambres has filed an appeal before the Court of Appeals of Mendoza seeking to lift the order of the Court of San Juan.

As the Cerro Amarillo Waste Dump is a pile of inert waste rock, any potential future environmental impact could be easily prevented with the implementation of an appropriate environmental closure plan, which is the accepted and recommended practice, but this solution requires the willingness of all the parties. To date there has been no adverse environmental impact.

Los Pelambres has offered to implement a comprehensive closure plan for the whole dump (both in Argentina and Chile) to settle the dispute, in line with the requirements of the Provincial Authorities of San Juan, but Xstrata Pachón has rejected this proposal outright, even though this solution would address all of the alleged environmental concerns.

Los Pelambres will exercise all available legal avenues to defend its position and will also seek to reach an understanding with the relevant authorities in Argentina to allow for the environmental closure of the Cerro Amarillo Waste Dump.

Tethyan Copper Company Pty Limited

The Group holds a 50% interest in Tethyan Copper Company Pty Limited ("Tethyan"), its joint venture with Barrick Gold Corporation ("Barrick"). In February 2011, Tethyan submitted an application for a mining lease to the Government of Balochistan which was subsequently rejected in November 2011. Tethyan is pursuing two international arbitrations in order to protect its legal rights: one against the Government of Pakistan under the auspices of the International Centre for Settlement of Investment Disputes ("ICSID"), and another against the Government of Balochistan under the auspices of the International Chamber of Commerce ("ICC"). Tethyan is seeking monetary damages only and is no longer seeking the grant of a mining lease at Reko Diq. During 2014, Tethyan presented arguments on preliminary issues before the ICC tribunal (including as to the jurisdiction of the ICC tribunal) and on jurisdiction and merits before the ICSID tribunal. Both arbitrations are continuing: Tethyan prevailed on the preliminary issues before the ICC Tribunal, which will now proceed to consider the merits of the parties' respective claims, while a decision from the ICSID Tribunal on jurisdiction and liability is anticipated during 2015.

20. Post balance sheet events

On 30 July 2015 the Group has entered into a definitive agreement with Barrick Gold Corporation ("Barrick") under which Antofagasta will acquire a 50% interest in Compañia Minera Zaldívar Limitada ("Zaldivar"), and will become the operator of the Zaldivar copper mine.

Total consideration for the transaction is US$1,005 million in cash, which consists of US$980 million upon closing, subject to customary adjustments, and five annual payments of US$5 million per year, starting in 2016. Zaldivar is an open-pit, heap-leach copper mine located in Northern Chile with over 20 years of operating history. In 2014, Zaldivar produced approximately 100,000 tonnes of copper at a net cash cost of US$1.79/lb, and generated US$244 million of income before income tax.

The transaction is subject to customary regulatory approvals, and is expected to close in the fourth quarter of 2015.

21. Related party transactions

a) Joint ventures

The Group has a 50% interest in Tethyan Copper Company Limited ("Tethyan"), which is a joint venture with Barrick Gold Corporation over Tethyan's mineral interests in Pakistan. During the six months ended 30 June 2015 the Group contributed $2.1 million (Six months ended 30 June 2014 - $2.5 million; year ended 31 December 2014 - $8.5 million) to Tethyan.

The Group has a 50.1% interest in Energía Andina, which is a joint venture with Origin Energy Geothermal Chile Limitada for the evaluation and development of potential sources of geothermal and solar energy. The balance due from Energía Andina S.A. to the Group at during the six months ended 30 June 2015 was nil (Six months ended 30 June 2014 - nil; year ended 31 December 2014 was less than $0.1 million).

During the six months ended 30 June 2015 the Group contributed $0.6 million to Energia Andina. (Six months ended 30 June 2014 -$5.0 million; year ended 31 December 2014 - $7.7 million).

b) Associates

The Group has a 40% interest in Inversiones Hornitos S.A. During the six months ended 30 June 2015 The Group paid $62.5 million (Six months ended 30 June 2014 -$68.6 million; 2014 – $175.3 million) to Inversiones Hornitos in relation to the energy supply contract at Centinela. During the six months ended 30 June 2015 the Group has received dividends from Inversiones Hornitos S.A. for $6.6 million (Six months ended 30 June 2014 - $20 million; year ended 31 December 2014 - $20 million).

The Group has a 30% interest in Parque Eólico El Arrayán S.A. ("El Arrayán"). During the six months ended 30 June 2015 The Group paid $21.9 million (Six months ended 30 June 2014 - nil; year ended 31 December 2014 - $12 million) to El Arrayan in relation to the energy supply at Los Pelambres. During the six months ended 30 June 2015 The Group has contributed was nil to El Arrayán (Six months ended 30 June 2014 - nil; year ended 31 December 2014 - $2.6 million).

The Group has a 40% interest in Alto Maipo SpA ("Alto Maipo"). During the six months ended 30 June 2015 The Group has made capital contributions to Alto Maipo (Six months ended 30 June 2014 - nil; 2014 – nil). The balance due from Alto Maipo to the Group at six months ended 30 June 2015 was $164.4 million (Six months ended 30 June 2014 - $124.4 million; year ended 31 December 2014 -$152.4 million) representing loan financing with an interest rate of LIBOR six-months plus 4.25%.

As explained in Note 14, the Group completed its acquisition of Duluth Metals Limited ("Duluth") in January 2015. As a result of the acquisition the Group now has 100% interest in Twin Metals Minnesota Limited ("Twin Metals") and therefore it has been consolidated as subsidiary of the Group. During the period between July 2014 and December 2014, The Group had 40% interest in Twin Metals which was accounted as an associate and during this period the Group contributed $2.8 million to Twin Metals. Before July 2014 Twin Metals was controlled by the Group and accounted for as a subsidiary, and therefore all contributions from the Group to Twin Metals were between consolidated Group subsidiaries.

c) Other related parties

The ultimate parent company of the Group is Metalinvest Establishment, which is controlled by the E. Abaroa Foundation, in which members of the Luksic family are interested. The Company's subsidiaries, in the ordinary course of business, enter into various sale and purchase transactions with companies also controlled by members of the Luksic family, including Banco de Chile S.A., Madeco S.A. and Compañía Cervecerías Unidas S.A., which are subsidiaries of Quiñenco S.A., a Chilean industrial and financial conglomerate the shares of which are traded on the Santiago Stock Exchange. These transactions, all of which were on normal commercial terms, are in total not considered to be material.

The Group holds a 51% interest in Antomin 2 Limited ("Antomin 2") and Antomin Investors Limited ("Antomin Investors"), which own a number of copper exploration properties. The Group originally acquired its 51% interest in these properties for a nominal consideration from Mineralinvest Establishment, a company controlled by the Luksic family, which continues to hold the remaining 49% of Antomin 2 and Antomin Investors. The Group is responsible for any exploration costs relating to the properties held by these entities. During the six months ended 30 June 2015 The Group incurred $2.3 million (Six months ended 30 June 2014 - $13.9 million; year ended 31 December 2014 - $17.0 million) of exploration work at these properties.

In March 2014 the Group acquired an additional 25.7% interest in Michilla for $30.9 million, increasing the Group's interest from 74.2% to 99.9%. This included the acquisition of the 7.973% stake held by Minera Cerro Centinela S.A., an entity ultimately controlled by the Luksic family, for $9.6 million. Prior to this transaction, Michilla paid dividends of $1.6 million to Minera Cerro Centinela S.A.

RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge:

a) the condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting*;

b) the half yearly financial report includes a fair review of the information required by DTR 4.2.7R (being an indication of important events that have occurred during the first six months of the financial year, and their impact on the half yearly financial report and a description of the principal risks and uncertainties for the remaining six months of the financial year); and

c) the half yearly financial report includes a fair review of the information required by DTR 4.2.8R (being disclosure of related party transactions that have taken place in the first six months of the financial year and that have materially affected the financial position or the performance of the Group during that period and any changes in the related party transactions described in the last annual report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year).

By order of the Board

J-P Luksic	WM Hayes
Chairman	Director

24 August 2015

Independent review report to Antofagasta PLC

Report on the condensed consolidated interim financial statements

Our Conclusion

We have reviewed the consolidated interim financial information, defined below, in the interim financial statements of Antofagasta PLC for the six months ended 30 June 2015. Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

This conclusion is to be read in the context of what we say in the remainder of this report.

What we have reviewed

The condensed consolidated interim financial information, which are prepared by Antofagasta PLC, comprise:

- the Consolidated balance sheet as at 30 June 2015;
- the Consolidated income statement and statement of comprehensive income for the period then ended;
- the Consolidated statement of cash flows for the period then ended;
- the consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the condensed consolidated interim financial information.

As disclosed in note 2, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRS's) as adopted by the European Union.

The condensed consolidated interim financial information included in the half-yearly financial report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

What a review of condensed consolidated financial information involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated interim financial information.

Responsibilities for the condensed consolidated interim financial information and the review

Our responsibilities and those of the directors

The half-yearly financial report, including the condensed consolidated interim financial information, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express to the company a conclusion on the condensed consolidated interim financial information in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure and Transparency Rules of the Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
24 August 2015
London

Notes:
1.The maintenance and integrity of the Antofagasta PLC website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial information since they were initially presented on the website.

22. 2.Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Production and Sales Statistics (not subject to audit or review)

(See notes following Note 22(b).)

a) Production and sales volumes for copper, gold and molybdenum

	Production			Sales		
	Six months ended 30 June 2015	Six months ended 30 June 2014	Year ended 31 December 2014	**Six months ended 30 June 2015**	Six months ended 30 June 2014	Year ended 31 December 2014
	000 tonnes	000 tonnes	000 tonnes	**000 tonnes**	000 tonnes	000 tonnes
Copper						
Los Pelambres	**169.4**	196.6	391.3	**163.4**	190.0	386.0
Centinela	**118.4**	128.4	266.5	**110.5**	131.1	270.9
Michilla	**15.6**	23.2	47.0	**16.2**	22.2	46.1
Group total	**303.4**	348.2	704.8	**290.1**	343.3	703.0
Gold	**000 ounces**	000 ounces	000 ounces	**000 ounces**	000 ounces	000 ounces
Los Pelambres	**22.3**	33.6	66.5	**22.5**	31.3	63.8
Centinela	**90.1**	90.3	204.4	**83.5**	93.9	203.6
Group total	**112.5**	123.8	270.9	**106.0**	125.2	267.4
Molybdenum			000 tonnes			000 tonnes
Los Pelambres	**4.7**	3.3	7.9	**4.4**	3.2	8.2
Silver	**000 ounces**	000 ounces	000 ounces	**000 ounces**	000 ounces	000 ounces
Los Pelambres	**1,035.0**	1,343.7	3,002.6	**899.9**	1,343.7	2,793.8
Centinela	**592.6**	611.1	1,354.9	**537.3**	611.1	1,320.9
Group total	**1,627.6**	1,954.8	4,357.5	**1,437.2**	1,954.8	4,114.7

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

	Cash costs			Realised prices		
	Six months ended 30 June 2015	Six months ended 30 June 2014	Year ended 31 December 2014	**Six months ended 30 June 2015**	Six months ended 30 June 2014	Year ended 31 December 2014
	$/lb	$/lb	$/lb	**$/lb**	$/lb	$/lb
Copper						
Los Pelambres	**1.36**	1.21	1.18	**2.51**	3.04	2.95
Centinela	**1.67**	1.67	1.63	**2.56**	3.06	2.97
Michilla	**2.25**	2.38	2.38	**2.67**	3.34	3.30
Group weighted average (net of by-products)	**1.53**	1.46	1.43	**2.54**	3.08	3.00
Group weighted average (before deducting by-products)	**1.88**	1.87	1.83			
Group weighted average (before deducting by-products and excluding tolling charges from concentrate)	**1.66**	1.69	1.65			
Cash costs at Los Pelambres comprise:						
On-site and shipping costs	**1.40**	1.41	1.35			
Tolling charges for concentrates	**0.27**	0.21	0.21			
Cash costs before deducting by-product credits	**1.67**	1.62	1.56			
By-product credits (principally molybdenum)	**(0.31)**	(0.41)	(0.38)			
Cash costs (net of by-product credits)	**1.36**	1.21	1.18			
Cash costs at Centinela comprise:						
On-site and shipping costs	**1.94**	2.00	1.96			
Tolling charges for concentrates	**0.20**	0.16	0.16			
Cash costs before deducting by-product credits	**2.13**	2.16	2.12			
By-product credits (principally gold)	**(0.46)**	(0.48)	(0.48)			
Cash costs (net of by-product credits)	**1.67**	1.67	1.63			
LME average				**2.69**	**3.14**	3.11
				$	$	$
Gold						
Los Pelambres				**1,203**	1,291	1,265
Centinela				**1,227**	1,377	1,261
Group weighted average				**1,222**	1,355	1,262
Market average price				**1,206**	1,291	1,266
Molybdenum						
Los Pelambres				**7.0**	14.8	11.0
Market average price				**8.0**	11.8	11.4
Silver						
Los Pelambres				**16.4**	19.9	19.1
Centinela				**16.4**	19.6	18.4
Group weighted average				**16.5**	19.8	18.7
Market average price				**15.9**	20.1	19.1

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 Centinela concentrates, 70% of Centinela cathodes and 99.9% of Michilla (74.2% prior to March 2014).

(ii) Los Pelambres produces copper and molybdenum concentrates and Centinela concentrates produces copper concentrate. The figures for Los Pelambres and Centinela concentrates are expressed in terms of payable metal contained in concentrate. Los Pelambres and Centinela concentrates are also credited for the gold and silver contained in the copper concentrate sold. Centinela cathodes 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 and Centinela concentrates. Cash costs exclude depreciation, financial income and expenses, hedging gains and losses, exchange gains and losses and corporation tax for all four operations.

(iv) Realised copper prices are determined by comparing revenue from copper sales (grossing up for tolling charges for concentrates) with sales volumes for each mine in the period. Realised molybdenum and gold prices are calculated on a similar basis. Realised prices reflect gains and losses on commodity derivatives, which are included within revenue.

(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 22(a) and the cash cost information in Note 22(b) is derived from the Group's production report for the second quarter of 2015, published on 29 July 2015.