ANTOFAGASTA PLC

NEWS RELEASE, 22 AUGUST, 2017

HALF YEARLY FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2017
STRONG FIRST HALF

Antofagasta plc CEO Iván Arriagada said: *"Antofagasta has had a strong first half year, with EBITDA up 88% versus HY 2016. Our performance benefited from increases in the copper price, higher sales volumes and tight cost management. As a result, EBITDA margins have returned to over 50% and cash flow from operations is up 48% to $1.1 billion.*

"This better performance means the Company's interim dividend has significantly increased compared to last year to 10.3 cents per share with the Company's policy of paying out a minimum of 35% of underlying net earnings unchanged.

"Antofagasta's strategy remains focused on producing profitable tonnes through reducing costs, making improvements in productivity and efficiency and the application of innovative solutions. A disciplined approach to capital allocation underpins our decision-making process. Projects and future developments must compete internally for capital with any excess cash distributed to shareholders.

"The Company is well positioned for future growth, generating strong cash flows and improving returns against a background of a recovery in copper demand. The outlook for Antofagasta is positive – we have the assets, capabilities and strategy to continue to create long-term value for all of our stakeholders."

HY 2017 financial performance compared with HY 2016

- **Revenue 41.9% higher at $2,049 million**, as realised copper prices increased by 25.3% and sales volumes increased by 14.3%
- **EBITDA[1] increased 87.8% to $1,079.8 million** mainly due to higher revenues
- **EBITDA margin[2] strengthened to 52.7%**, up from 39.8% in the same period last year and 44.9% for the full year 2016
- **Operating cost reductions of $44 million achieved,** as part of the Costs and Competitiveness Programme, contributing to savings of $0.06/lb in cash costs during the current period
- **Operating profit and net earnings per share rose by 149.9% and 231.5% respectively**
- **Operating cash flow generation of $1,147 million in the period**, up 48.2%
- **Capital expenditure of $410.0 million**, 46% of full year guidance
- **Group net debt reduced by $212.1 million to $859.6 million,** since the end of 2016 reducing Net Debt/EBITDA to 0.4 times or 0.2 times if subordinated shareholder loans are excluded
- **Interim dividend of 10.3 cents per share,** a 232.3% increase on last year's interim dividend and equivalent to a payout ratio of 35%.

HY 2017 operating performance compared with HY 2016

- **Group copper production is 7.1% higher at 346,300 tonnes**, due to increased production at Centinela and Antucoya
- **Group cash costs before by-product credits fell by 2.5% to $1.56/lb**, primarily due to higher production and cost savings achieved from the Cost and Competitiveness Programme
- **Group net cash costs were 1.6% lower at $1.24/lb**, reflecting lower cash costs before by-product credits and higher by-products credits

Outlook

- **Group copper production for the year is expected to be between 685-720,000 tonnes** as guided in January and unit costs for the full year are unchanged with cash costs before by-product credits expected to be \$1.55/lb and net cash cost of \$1.30/lb
- **Capital expenditure guidance** for the full year unchanged at \$900 million

Other

- **Labour negotiations successfully concluded** at Centinela and Zaldívar
- **Encuentro Oxides project** ramp-up will begin in the second half of the year

UNAUDITED RESULTS SIX MONTHS ENDING 30 JUNE		2017	2016	%
Revenue	\$m	2,049.2	1,444.2	41.9
EBITDA(1)	\$m	1,079.8	575.1	87.8
EBITDA margin(2)	%	52.7	39.8	32.4
Earnings per share	cents	29.5	8.9	231.5
Dividend per share	cents	**10.3**	3.1	232.3
Cash flow from operations(3)	\$m	1,147.1	774.1	48.2
Group net debt at period end	\$m	859.6	1,039.6	(17.3)
Average realised copper price	\$/lb	2.72	2.18	25.3
Copper sales – included in Revenue(4)	kt	309.8	271.1	14.3
Gold sales	koz	114.6	97.1	18.0
Moly sales	kt	4.3	3.1	38.7
Cash costs before by-product credits(1)	\$/lb	1.56	1.60	(2.5)
Net cash costs(1)	\$/lb	1.24	1.26	(1.6)

Note*: The financial results are for continuing operations (i.e. excluding Michilla from 2016) and are prepared in accordance with IFRS, unless otherwise noted below.*

(1) Non-IFRS measures. Refer to the alternative performance measures in Note 21 to the half-yearly financial report below.

(2) Calculated as EBITDA/Revenue. If Associates and JVs' revenue is included EBITDA Margin was 48.3% in HY 2017 and 36.0% in HY 2016.

(3) From continuing and discontinued operations.

(4) Excludes 25,600 tonnes of sales by Zaldívar in HY 2016 and 24,300 tonnes in HY 2017, 11,400 tonnes of pre-commercial production sales by Antucoya and 900 tonnes of sales by Michilla in 2016.

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DIRECTORS' COMMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

FINANCIAL

Group revenue was $2,049.2 million, 41.9% higher than in the same period last year as realised copper prices increased by 25.3% and copper sales volumes increased by 14.3%. By-product sales revenue also increased, mainly due to increased volumes.

EBITDA from continuing operations increased by 87.8% to $1,079.8 million reflecting the increased revenue, partly offset by higher operating costs from increased production at Antucoya. The EBITDA margin rose from 39.8% in the first half of 2016 to 52.7% in the current period, the highest half year margin reported by the Group since 2012.

The Board has declared an interim ordinary dividend of 10.3 cents per share, which represents a pay-out ratio of 35%, consistent with the Group's dividend policy.

PRODUCTION AND CASH COSTS

Group copper production in the first half of 2017 was 346,300 tonnes, 7.1% higher than in the same period last year due to higher production at Centinela and Antucoya. In the first half of 2016 Antucoya was ramping up to full production having achieved commercial production in April 2016.

Group gold production was 112,200 ounces in the first six months of the year, 2,700 ounces higher than in the first half of 2016 as a result of higher grades at Centinela.

Molybdenum production at Los Pelambres was 4,500 tonnes in the first half of 2017, compared with 3,300 tonnes in the first six months of 2016, principally due to significantly higher grades.

Group cash costs before by-product credits in the first half of 2017 were $1.56/lb, a $0.04/lb decrease compared with the same period last year. This decrease was achieved due to higher production and $0.06/lb of savings achieved from the Cost and Competitiveness Programme partly offset by increased input prices, the stronger Chilean Peso and inflation. Net cash costs for the first half of 2017 were $1.24/lb, 1.6% lower than in the same period last year reflecting the lower cash costs before by-product credits and higher by-product credits.

COST AND COMPETITIVENESS PROGRAMME

The Group introduced the Cost and Competitiveness Programme (CCP) in 2014, with the aim of reducing the cost base and improving the Group's competitiveness within the industry. Since then, the Group has achieved savings in mine site costs of $403 million, approximately $44 million of which have been made during the first half of 2017, equivalent to $0.06/lb. Together with exploration, evaluation and corporate cost savings, total savings since 2014 have been $563 million. The Group is on track to achieve the savings target of $140 million during 2017 with a majority of the cost savings expected during the second half of the year.

During the year a review was conducted to embed the Programme framework and the New Operating Model into sustainable business practice to achieve these savings. The Programme continues to focus on four areas set out below to capture the benefits for the long term and improve the structural competiveness of the Group.

Framework	Sustainable Practice	Objective
Services Productivity	Contract Administration Model	Strengthen the administration of service contracts to capture gains and ensure delivery throughout the life of contracts
Operating & Maintenance Management	Maintenance Strategy & New Operating Model	Ensure the integrity, life cycle and reliability of assets and facilities
Corporate & Organisational Effectiveness	Revised Structure & New Operating Model	Strengthen operating discipline ensuring accountabilities are clearly defined
Energy Efficiency	Energy Management System	Identification, implementation, measurement and ongoing verification of energy efficiency measures, based on ISO 50001

LABOUR AGREEMENTS

Following the end of the period, labour negotiations were successfully concluded with the supervisors at Centinela and the workers at Zaldívar. These were the first agreements signed under the new labour legislation that came into effect on 1 April 2017. Under this legislation the maximum term of labour contracts has been reduced to three years.

The next scheduled labour negotiation is with the workers at Los Pelambres early next year.

SAFETY & HEALTH

The Group is fully committed to achieving zero fatalities and zero occupational diseases, and to reducing the frequency and severity of accidents. The safety and health strategy is based on managing critical controls, in line with international best practices. Analysis of past accidents identified 15 types of fatal risks present at the Group's operations. The Group has put in place critical controls and empowered employees to safeguard against these fatal risks. There have been no fatalities during the first half of 2017.

During the year the Group has extended its focus and commitment to include health, which prevents future risks of disease or injury to employees as a result of tasks carried out today. The Group has identified ten types of risks that have the potential to harm the health of employees and has put in place a strategy to minimise the effect of these risks in the long term.

For the first six months of the year the Group achieved an LTFIR of 1.6, a slight increase from the 1.5 achieved during 2016.

TAX

During the first six months of the year the Effective Tax Rate (ETR) was 34.0%, lower than the 42.7% in the same period last year and the 38.2% achieved in the full year 2016. The decrease in the effective tax rate was largely due to the reduced proportional impact of expenses not deductible for Chilean corporate tax and mining royalty purposes on the effective tax rate, given the higher profit before tax in the current period. For the full year this year, the ETR is expected to be at the lower end of the previously announced guidance of 35-40%, depending on realised metal prices during the rest of the year.

DEPRECIATION AND AMORTISATION

Depreciation and amortisation for the first half of 2017 was $289.9 million compared to the $247.5 million in the first half of 2016 and for the second half of the year it is expected to be broadly in line with the first half.

OUTLOOK

Group copper production for the full year is expected to be between 685-720,000 tonnes as originally announced in January, and cash costs before by-product credits and net cash costs are also unchanged and are expected to be $1.55/lb and $1.30/lb respectively. Production for the year is expected to be higher in the second half of the year with the Encuentro Oxides project coming into operation at Centinela.

The copper market is currently exhibiting unexpected strength, but it is unclear if this can be maintained although it does appear that a new base price level has been established at $2.50-2.60/lb. The outlook in the mid to longer term continues to be favourable as demand is expected to grow at around 2% while supply growth remains constrained. In the shorter term, the market is moving to a tighter demand-supply position with a small deficit expected this year and next. However, volatility is anticipated as demand expectations are continually reassessed although supply has stabilised following the spate of disruptions earlier in the year.

REVIEW OF OPERATIONS AND PROJECTS

MINING DIVISION

LOS PELAMBRES

Financial performance

EBITDA at Los Pelambres was $521.7 million in the first half of 2017, compared with $435.0 million in the first six months of 2016. This increase was due to higher realised copper prices, offset by lower sales volumes which fell by 13.5% as stocks increased at the port as shipping was delayed at the period end due to adverse sea conditions.

Production

Copper production in the first six months of 2017, decreased by 4.6% compared with the same period last year. This decrease was primarily due to lower grades, despite an increase in throughput. Molybdenum production in the first six months of 2017 was 4,500 tonnes, 36.4% higher than in the comparable period in 2016 as grades increased.

Costs

Cash costs before by-product credits in the first half of the this year were $1.45/lb, 9.0% higher than in the same period in 2016 primarily due to higher energy prices and maintenance costs, and the impact of lower copper production. Net cash costs for the first half of the year were $1.09/lb, 6.9% higher than the same period last year as a result of higher costs before by-products despite a greater contribution from by-product credits.

Capital expenditure

Capital expenditure in the first six months of 2017 was $104.6 million and for the 2017 full year is expected to be approximately $260 million. Mine development during the period was $50.7 million and is expected to fall to approximately $30 million in the second half of the year.

Cerro Amarillo Waste Dump

As previously announced, in 2014 Xstrata Pachón S.A. (“Xstrata Pachón”), a subsidiary of Glencore plc, filed civil and criminal claims against Los Pelambres before the Federal Courts of San Juan, Argentina, alleging that Los Pelambres had unlawfully extended a waste-rock dump (“Cerro Amarillo Waste Dump”) on its property (which is adjacent to Los Pelambres on the Argentinian side of the Chile/Argentina border) and that Los Pelambres had violated several Argentinian laws relating to the misappropriation of land, unlawful appropriation of water bodies and that people’s health was in jeopardy from the alleged contamination that the Cerro Amarillo Waste Dump might generate.

In July, the court hearing the criminal complaint received an independent environmental expert’s report and ruled on certain applications made by one of the complainants, the Province of San Juan.

Separately, members of the Foreign Affairs Ministries of Argentina and Chile have met in a bilateral working group during the year to discuss a possible diplomatic solution to this matter.

Los Pelambres is exercising all available legal avenues to defend its position and will continue to take steps to implement the appropriate environmental measures on the Cerro Amarillo Waste Dump to prevent any potential environmental damage.

Further details are set out in Note 20 to the Financial Statements

CENTINELA

Financial performance

The EBITDA for the first six months of 2017 was $420.0 million, compared with $85.4 million in the first half of 2016. This increase of nearly five times was due to significantly higher sales volumes, in part because of delayed shipments at the end of HY 2016, and improved realised copper prices and unit cash costs.

Production

During the first six months of the year production at Centinela was 18.9% higher than in 2016 primarily as a result of higher grades. Copper in concentrate production for the first six months of the year was 17.9% higher than in the same period last year and cathode production has also increased. Compared with the first half of last year higher throughput and increased production reflected improved operating practices and higher grades. Gold production for the year to date was 85,500 ounces, 6.2% higher than in the first six months of 2016 due to higher grades.

Costs

Cash costs before by-product credits for the first six months of 2017 were 18.9% lower than in HY 2016 as a result of higher copper production and cost savings achieved from the Cost and Competitiveness Programme. Net cash costs for the first half of 2017 were $1.20/lb compared with $1.53/lb in the first half of 2016, down 21.6% as higher gold production more than offset the slightly weaker realised gold price.

Capital expenditure

Capital expenditure in the first six months of 2017 was $271.4 million of which some $100 million was spent on the Encuentro Oxide and Molybdenum Plant projects. Capital expenditure for the 2017 full year is expected to be approximately $550 million.

ANTUCOYA

Financial performance

For the first half of the year EBITDA at Antucoya was $79.9 million, compared with $16.2million in the same period last year. During 2016 Antucoya was ramping up to full commercial production, which was achieved in April.

Production

Copper production at Antucoya was 39,500 tonnes, 46.3% higher than in the previous year following the completion of the ramp-up in 2016.

Costs

For the year to date cash costs were $1.71/lb.

Capital expenditure

Capital expenditure in the first six months of 2017 was $19.7 million and for the full year is expected to be approximately $85 million, including some $20 million relating to mine development.

ZALDÍVAR

Financial performance

Attributable EBITDA at Zaldívar was $56.8 million in the first half of 2017, compared to $37.1 million from the same period last year mainly as a result of higher realised prices

Production

Copper production at Zaldívar of 25,900 tonnes on an attributable basis, was almost unchanged compared with the same period last year despite higher grade material being stacked on the heap as a larger proportion of sulphide ore was processed, with lower recoveries and longer leaching times.

Costs

Cash costs for the first six months of 2017 were $1.60/lb compared with $1.50/lb for the same period in 2016, primarily due to increased energy prices (which are coal price linked) and higher maintenance costs.

Capital expenditure

Attributable capital expenditure in the first six months of 2017 was $16.9 million, with the bulk of the expenditure, $11.7 million, being spent on mine development. Capital expenditure for the 2017 full year is expected to be approximately $50 million, of which about half is on mine development.

GROWTH PROJECTS AND OPPORTUNITIES

Projects under construction

Encuentro Oxides

The Encuentro Oxides deposit is in the Centinela Mining District. It is expected to produce an average of approximately 43,000 tonnes of copper cathode per year over an eight-year period, utilising the existing capacity at Centinela's SX-EW plant, helping to offset a natural decline in production due to falling mined grades at Centinela's existing oxide pits.

During the first six months of 2017, total expenditure incurred was $70.3 million bringing the accumulated cost to $514 million. Construction was over 91% complete at the period end and is on-budget. First production is expected in Q4 2017.

Molybdenum Plant

This project will allow Centinela to produce an average of 2,400 tonnes of molybdenum per year helping reduce its unit cash costs. As at the end of June construction of the project was complete with pre-commissioning tests underway and first production expected in January 2018.

Capital expenditure in the first six months of the year is $29.6 million.

Brownfield growth projects

Los Pelambres Incremental Expansion

The expansion project has been split into two phases in order to smooth its progress, simplify permitting applications and spread the capital cost over a longer period.

- *Phase 1*

This phase is designed to optimise throughput within the limits of the existing operating, environmental and water extraction permits so that they will require only relatively simple updates. During this phase, Los Pelambres will operate at an average throughput of 190,000 tonnes per day with the addition of a new grinding and flotation circuit, to mitigate the hard ore currently being mined, and a 400 litres per second desalination plant and pipeline. Desalinated water will be pumped to the tailings storage facility at El Mauro where it will connect with the recycling circuit returning water to the Los Pelambres plant.

The feasibility study estimate of the capital expenditure for this project is approximately $1.05 billion, with some $580 million allocated to the additional crushing and flotation circuits and the balance to the desalination plant and water pipeline. The expansion is estimated to increase copper production by an average of 55,000 tonnes per year over a period of 15 years.

The feasibility study was completed in Q1 2017 and detailed engineering will be completed once Environmental Impact Assessment (EIA) approval for the desalination plant is received, which is expected towards the end of the year. The project will be presented to the Board for approval shortly thereafter and production is expected to commence some two years later.

- *Phase 2*

In this phase the Group will seek to increase throughput to 205,000 tonnes per day and to extend the mine life beyond the currently approved 21 years. As part of this development a new EIA must be submitted to increase the capacity of the mine's El Mauro tailings storage facility and the mine waste dumps.

Capital expenditure for this phase is estimated at approximately $500 million, with the majority of the expenditure being on mining equipment, additional crushing and grinding capacity and flotation cells. The project will only proceed following a decision on Phase 1 and will require the submission of various permit applications, including a new EIA. First production from this phase would be in 2022.

The Group has commenced the environmental baseline study for the EIA and is expected to submit the results of the study in 2018.

Greenfield growth projects

Centinela Second Concentrator

The Centinela Mining District is a key area for longer-term growth and the Group continues to evaluate options for its development. These include phasing the project over a longer period than originally proposed to capture value while spreading expenditure over a longer period. Evaluation of these options is expected to continue through 2018.

The original project envisaged the construction of a new 90,000 tonnes per day concentrator some 7 km from Centinela's current concentrator to produce some 170,000 tonnes per annum of copper equivalent (copper, gold and molybdenum) from ore sourced initially from the Esperanza Sur deposit and later from Encuentro Sulphides.

A decision to proceed with the project will depend on the market outlook and the sequencing of the project relative to the Los Pelambres project.

United States – Twin Metals

Twin Metals Minnesota LLC (Twin Metals) is a wholly-owned copper, nickel and platinum group metals (PGM) underground mining project holding the Maturi, Maturi Southwest, Birch Lake and Spruce Road copper-nickel-PGM deposits located in north-eastern Minnesota, US.

As previously announced, on 15 December 2016 Twin Metals was notified that the relevant U.S. authorities had denied renewal of two of its long-held federal mining leases. Twin Metals' leases had been held in good standing by the federal government for more than 50 years, and had been twice renewed without controversy.

Twin Metals has filed a federal lawsuit seeking to secure its rights to the two federal mineral leases and believes denial of the leases is inconsistent with federal law, the terms of the leases themselves and the federal government's established precedent in supporting and renewing the leases over five decades. The government has moved to have the motion dismissed.

While Twin Metals is assessing the impact of the agencies' lease renewal decision, it will continue to advance the project while also pursuing legal avenues to protect its contractual mineral rights and respond to the motion to dismiss.

During the year the Group is working on finalising a full engineering design and cost estimation for the project which incorporates a mine plan of operations. The Group is also evaluating alternatives for tailings disposal while baseline environmental studies are also underway.

Further details are set out in Note 20 to the Financial Statements.

Other exploration and evaluation activities

The Group has an active early-stage exploration programme beyond the core locations of the Centinela and Los Pelambres mining districts. This is managed through its in-house exploration team and utilises partnerships with third parties to build a portfolio of longer-term opportunities across Chile and the rest of the world.

Chile

The Group focuses its exploration activities on the main copper porphyry belts in northern and central Chile. Drilling continued at the Cachorro prospect south of Antucoya and the El Encierro prospect in the third region of Chile. The Group continued its asset rationalisation programme, whereby low priority targets and associated tenement holdings were relinquished and new tenements that are more closely aligned with target areas were acquired.

International

The Group's international exploration strategy is to identify, secure and evaluate high-quality copper exploration projects in target jurisdictions in the Americas. Working in partnership with selected companies, both public and private, the Group drilled and tested projects in Canada and Mexico and exited from projects in Zambia and Australia.

TRANSPORT DIVISION

Operating performance

The Transport Division generated $48.0 million of EBITDA in the first half of 2017, $1.5 million higher than in the first six months of 2016. Lower railway tonnages adversely affected EBITDA but were offset by improved performance at the division's other business units.

Transport volumes

Total transport volumes in the first half of 2017 were 3.0 million tonnes, compared to 3.3 million tonnes in the first half of 2016. This decrease in volumes was driven primarily by a strike at one of the Division's largest customers during the period and reduced production at another. The road transport operation remains focused on supporting the railway logistics chain and, when possible, capturing spot bulk cargo orders within the existing area of operation.

Safety and Health

The Division's safety model is fully aligned with the Mining Division's and has been fully implemented at its railway, truck and terminal operations. This Model involves the identification and control of the Critical Safety Risks and reinforces incident reporting.

FINANCIAL REVIEW FOR THE SIX MONTHS ENDED 30 JUNE 2017

Results (unaudited)

	Six months ended 30.06.2017 $m	Six months ended 30.06.2016 $m	Movement $m	Movement %
Revenue	**2,049.2**	1,444.2	605.0	41.9
EBITDA (including results from associates and joint ventures)	**1,079.8**	575.1	504.7	87.8
Depreciation and gains / losses on disposals	**(289.9)**	(247.5)	42.4	17.1
Net finance expense	**(53.8)**	(20.8)	33.0	158.7
Profit before tax	**689.1**	276.5	412.6	149.2
Income tax expense	**(234.5)**	(118.0)	116.5	98.7
Profit from continuing operations	**454.6**	158.5	296.1	186.8
Profit from discontinued operations	-	(0.4)	0.4	(100.0)
Earnings per share from continuing operations (US cents)	**29.5**	9.0	20.5	227.8
Earnings per share from discontinued operations (US cents)	-	(0.1)	0.1	(100.0)
Total earnings per share from continuing and discontinued operations (US cents)	**29.5**	8.9	20.6	231.5
Net cash/(debt)	**(859.6)**	(1,039.6)	180.0	(17.3)

As a result of the disposal of Michilla in December 2016 its net results for 2016 are shown in the "Profit from discontinued operations" line. The comparative figure for the six months ended 30 June 2016 have been restated to reflect this presentation.

A detailed segmental analysis of the components of the income statement is contained in Note 4 to the 2017 half yearly financial report.

The following table reconciles between EBITDA in the first half of 2016 and the first half of 2017:

	$m
EBITDA in the first half of 2016	**575.1**
Revenue	
Increase in copper volumes sold	186.1
Increase in copper realised price	372.1
Decrease in tolling charges	(0.6)
Increase in revenue from copper concentrate and cathodes	**557.6**
Increase in gold revenues	20.6
Decrease in silver revenues	(0.1)
Increase in molybdenum revenues	24.7
Increase in revenue from by-products	**45.2**
Increase in transport division revenue	0.7
Increase in corporate division revenue	1.5
Increase in Group revenue	**605.0**
Operating costs	
Increase in mining operational costs	(114.2)
Increase in charge for closure provisions	(1.4)
Increase in exploration and evaluation costs	(3.1)
Increase in corporate costs	(3.9)
Increase in operating costs for mining division	**(122.6)**
Increase in transport division operating costs	(6.3)
Increase in EBITDA relating to investments in associates and joint ventures (*)	28.6
Total EBITDA in the first half of 2017	**1,079.8**

(*) attributable

Revenue

Group revenue in the first half of 2017 was $2,049.2 million, 41.9% higher than the $1,444.2 million achieved in the first half of 2016. The increase of $605.0 million mainly reflected an increase in the realised copper price and higher copper sales volumes, as well as higher by-product revenues.

Revenue from the mining division

Revenue from copper concentrate and copper cathodes

Revenue from copper concentrate and copper cathode sales increased by $557.6 million, or 47.7%, to $1,725.8 million, compared with $1,168.2 million in first six months of 2016. The increase reflected the impact of higher realised prices and higher sales volumes.

(i) Copper volumes

Copper sales volumes reflected within revenue increased from 271,100 tonnes in the first half of 2016 to 309,800 tonnes in this period, accounting for an increase of $186.1 million in revenue. This increase in volumes came from Centinela and Antucoya.

Centinela's increased volumes were primarily a result of higher ore grades. The increased sales volumes at Antucoya reflect the fact that the operation achieved commercial production on 1 April 2016 and so revenue in the first half of 2016 only included three months' of sales volumes from Antucoya, and also that Antucoya ramped-up to full capacity in the second half of 2016.

(ii) Realised copper prices

The Group's average realised copper price increased to $2.72/lb in first six months of 2017 (first six months of 2016 – $2.17/lb), resulting in a $372.1 million increase in revenue. The level of increase in the realised price was higher than the increase in the average LME copper price, which increased to $2.61/lb from $2.13/lb in the first half of 2016, due to a higher level of positive provisional pricing adjustments in the current period compared with the prior year.

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 90-150 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".

Further details of provisional pricing adjustments are given in Note 5 to the 2017 half yearly financial report.

In the first six months of 2017 revenue includes nil impact (first six months of 2016 – gain of $0.1 million) from commodity derivatives which matured during the period. Further details of hedging activity in the period are given in Note 6(c) to the half yearly financial report.

(iii) Tolling charges

Tolling charges for copper concentrate increased by $0.6 million to $132.3 million in the first six months of 2017 from $131.7 million in the first six months of 2016.

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

Revenue from molybdenum, gold and other by-products

Revenue from by-products at Los Pelambres and Centinela relate mainly to molybdenum and gold, and a lesser extent silver. Revenue from by-products increased by $45.2 million or 23.1% to $241.1 million in the first half of 2017, compared with $195.9 million in the first half of 2016.

Revenue from molybdenum (net of roasting charges) was $68.5 million (first half of 2016 - $43.8 million), an increase of $24.7 million. The increase was mainly due to higher sales volumes of 4,300 tonnes (first half 2016 – 3,100 tonnes) as well as a higher realised price of $8.0/lb (first half of 2016 - $7.4/lb).

Revenue from gold in concentrate (net of tolling charges) was $145.2 million (first half of 2016 - $124.6 million), an increase of $20.6 million, which reflected an increase in volumes partly offset by a lower realised price. Gold sales volumes increased from 97,100 ounces in the first half of 2016 to 114,600 ounces in this period. The realised gold price was $1,272.4/oz in the first half of 2017 compared with $1,288.1/oz in the first half of 2016.

Revenue from silver decreased marginally by $0.1 million to $27.4 million in the first six month of 2017 (first six months of 2016 - $27.5 million). The sales volumes decreased slightly from the prior period to 1.7 million ounces, which was partly offset by an increased realised silver price of $16.6/oz (first half of 2016 - $16.1/oz).

Revenue from the transport division

Revenue from the transport division (FCAB) increased by $0.7 million or 0.9% to $80.8 million.

Operating costs (excluding depreciation and gains / losses on disposals)

Operating costs (excluding depreciation and gains / losses on disposals) amounted to $1,038.0 million (first half of 2016 – $909.1 million), an increase of $128.9 million. This increase was mainly due to increased volumes impacting cost of sales at the mining division.

Operating costs (excluding depreciation and gains / losses on disposals) at the mining division

Operating costs at the mining division increased from $868.0 million in the first half of 2016 to $992.6 million in the first half of 2017, an increase of $124.6 million. Of this increase, $98.6 million is attributable to increased volumes at Antucoya, reflecting the fact that the operation achieved commercial production on 1 April 2016 and so cost of sales in the first half of 2016 only reflected three months' of sales volumes from Antucoya, and also that Antucoya ramped-up to full capacity in the second half of 2016.

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 $1.38/lb in the first half of 2016 to $1.37/lb in this period.

Exploration and evaluation costs increased by $3.1 million to $22.0 million (first half of 2016 – $18.9 million), which reflected a general increase in exploration activity, and in particular at the Twin Metals project in the United States. The income statement also includes a charge in respect of mine closure provisions of $4.9 million (first half of 2016 – charge of $3.7 million).

Operating costs (excluding depreciation and gains / losses on disposals) at the transport division

Operating costs at the transport division increased by $4.3 million to $45.4 million, mainly reflecting higher diesel prices and increased maintenance and staff costs.

EBITDA and operating profit from subsidiaries and joint ventures

EBITDA

EBITDA (earnings before interest, tax, depreciation and amortisation) from subsidiaries and joint ventures increased by $504.7 million or 87.8% to $1,079.8 million in the first six months of 2017 (first six months of 2016 - $575.1 million).

EBITDA includes the Group's proportional share of EBITDA from associates and joint ventures. Zaldívar contributed $56.8 million in the first six months of 2017 (first half of 2016 – $37.1 million) and other associates and joint ventures contributed $11.8 million (first half of 2016 – $2.9 million).

EBITDA from the Group's mining subsidiaries increased by 96.7% from $496.1 million in the first half of 2016 to $975.8 million in this period. As explained above, this was mainly due to the increase in the revenues resulting from the higher realised copper price and copper sales volumes, partly offset by the higher operating expenses as a result of those increased volumes.

EBITDA at the transport division decreased by $3.6 million to $35.4 million in the first half of 2017, mainly reflecting the increased operating costs as explained above.

Depreciation and gains / losses on disposals

The charge for depreciation and gains / losses on disposals was higher at $289.9 million (first half of 2016 - $247.5 million), with increased depreciation at Antucoya and Centinela reflecting increased sales volumes, partly offset by reduced depreciation at Los Pelambres as a consequence of lower sales volumes.

Operating profit from subsidiaries

As a result of the above factors, operating profit from subsidiaries increased by 153.9% to $721.3 million.

Share of results from associates and joint ventures

The Group's share of results from its associates and joint ventures was a gain of $21.6 million (first half of 2016 – gain of $9.7 million). This mainly reflects the Group's share of results from Zaldívar.

Net finance expense

Net finance expense in the first half of 2017 was $55.7 million, compared with a net finance expense of $20.8 million in the first half of 2016.

	Six months ended 30.06.17 $m	Six months ended 30.06.16 $m
Investment income	**10.2**	**13.1**
Interest expense	**(48.6)**	**(32.0)**
Other finance items	**(15.4)**	**(1.9)**
Net finance expense	**(53.8)**	**(20.8)**

Interest income decreased by $3.1 million from $13.1 million in first six months of 2016 to $10.2 million in first six months of 2016.

Interest expense increased from $32.0 million in the first half of 2016 to $48.6 million in the first half of 2017, mainly due to increased interest expense at Antucoya and Corporate. Antucoya recognised a full six months of interest expense in the current period, compared with only three months in the comparative period from the start of commercial on 1 April 2016. A $500m Corporate loan was put in place at the end of April 2016, and so a full six months of interest expense in respect of this loan has been recognised in the current period compared with two months in the prior period.

Other finance items comprised a loss of $15.4 million (first half of 2016 – loss of $1.9 million). A loss of $4.6 million (first half of 2016 – loss of $0.3 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 losses included in finance items were $5.4 million in first half of 2017, compared with a gain of $3.3 million in first half of 2016. An expense of $5.4 million (first half of 2016 - $4.9 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 increased by $412.6 million or 149.2% to $689.1 million in the first half of 2017 compared with $276.5 million in the first half of 2016.

Income tax expense

The tax charge in the first half of 2017 was $234.5 million (first half of 2016 – $118.0 million) and the effective tax rate was 34.0% (first half of 2016 – 42.7%).

	Six months ended 30.06.2017 $m	**Effective tax rate %**	Six months ended 30.06.2016 $m	Effective tax rate %
Profit before tax from continuing operations	**689.1**		276.5	
Taxes (Current and deferred)				
Corporate tax	**(189.9)**	**27.6**	(82.2)	29.7
Royalty	**(24.8)**	**3.6**	(32.8)	11.9
Withholding tax	**(20.1)**	**2.9**	(8.3)	3.0
Exchange rate	**0.3**	**(0.1)**	5.3	(1.9)
Total tax charge	**(234.5)**	**34.0**	(118.0)	42.7

The effective rate of corporate tax was 27.6% compared to the statutory tax rate of 25.5%. The difference was principally due to the effect of expenses not deductible or not subject for Chilean corporate tax purposes (principally the funding of expenses outside of Chile) (increase in tax charge of $9.1 million or 1.3%), adjustments in respect of prior years (increase in tax charge of $9.9 million or 1.4%), partly offset by the tax effect of the share of results of associates and joint ventures (decrease in tax charge of $5.5 million or 0.8%). In addition, the overall effective tax rate reflects the Chilean mining royalty charge of $24.8 million and a withholding tax charge of $20.1 million. Further details are given in Note 8 of the 2017 half yearly financial report.

Non-controlling interests

Profit for the first half of the year attributable to non-controlling interests was $164.1 million, compared with $70.0 million in the first half of 2016, reflecting the higher profit attributable to the non-controlling interests as a consequence of the increase in the earnings of the mining operations analysed above.

Earnings per share

	Six months ended 30.06.17 $ cents	Six months ended 30.06.16 $ cents
Earnings per share from continuing operations	**29.5**	**9.0**
Earnings per share from discontinued operations	**-**	**(0.1)**
Total earnings per share from continuing and discontinued operations	**29.5**	**8.9**

Earnings per share calculations are based on 985,856,695 ordinary shares. As a result of the factors set out above, profit from continuing operations in the first half of 2017 attributable to equity shareholders of the Company was $290.5 million compared with $88.1 million in the first half of 2016. Accordingly, earnings per share from continuing operations were 29.5 cents in the first half of 2017 compared with 9.0 cents in first half of 2016, an increase of 228.2%.

Dividends

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

	Six months ended 30.06.17 **$ cents**	Six months ended 30.06.16 $ cents
Ordinary		
Interim	**10.3**	3.1
Final	**-**	-
Total dividends to ordinary shareholders	**10.3**	3.1

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 of at least 35% of underlying net earnings for that year.

The Board has declared an interim dividend for the first half of 2017 of 10.3 cents per ordinary share, which amounts to $101.5 million and will be paid on 6 October 2017 to shareholders on the Register at the close of business on 8 September 2017.

Capital expenditure

Additions to property, plant & equipment (on an accruals basis) decreased by $32.8 million from $508.9 million in the first half of 2016 to $476.1 million in the period. This was mainly due to a decrease at Los Pelambres, which had acquired $77.5 million of mining trucks under finances leases in the first half of 2016.

Within the additions were $32.6 million of assets acquired under finance leases (first six months of 2016 - $77.5 million).

Capital expenditure on a cash flow basis was $410.0 million, compared with $385.4 million in the first six months of 2016 (analysed in more detail below in the cash flow section).

NB: capital expenditure figures quoted in other sections of this report are on a cash flow basis, unless stated otherwise.

Derivative financial instruments

The Group periodically uses derivative financial instruments to reduce exposure to commodity price movements. At 30 June 2017 the Group had entered into min/max contracts at Centinela and Antucoya for a notional amount of 36,000 tonnes and 20,400 tonnes of copper production, respectively. The instruments cover a period up to 31 December 2017, with an average minimum price of $2.27/lb and an average maximum price of $2.82/lb at Centinela and with an average minimum price of $2.40/lb and an average maximum price of $2.98/lb at Antucoya.

The Group also periodically uses interest rate swaps to swap the floating rate interest for fixed rate interest. At 30 June 2017 the Group had entered into contracts at Centinela for a maximum notional amount of $52.5 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 the FCAB for a maximum notional amount of $90 million at a 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 30.06.17 $m	Six months ended 30.06.16 $m
Cash flows from continuing and discontinued operations	**1,147.1**	774.1
Income tax paid	**(165.3)**	(257.5)
Net interest paid	**(19.8)**	(13.6)
Capital contribution and loan to associates	**(39.7)**	(1.0)
Purchases of property, plant and equipment	**(410.0)**	(385.4)
Acquisition of mining properties	**-**	(7.0)
Proceeds from sale of property, plant and equipment	**0.3**	0.1
Dividends paid to equity holders of the Company	**(150.8)**	-
Dividends paid to non-controlling interests	**(100.0)**	(40.0)
Dividends from associates	**8.4**	13.6
Other items	**-**	(59.1)
Changes in net debt relating to cash flows	**270.2**	24.2
Exchange and other non-cash movements	**(58.1)**	(40.3)
Movement in net debt in the period	**212.1**	(16.1)
Net debt at the beginning of the year	**(1,071.7)**	(1,023.5)
Net debt at the end of the period	**(859.6)**	(1,039.6)

Cash flows from continuing and discontinued operations were $1,147.1 million in the first half of 2017 compared with $774.1 million in the first half of 2016. This reflected EBITDA from subsidiaries for the period of $1,011.2 million[1] (first half of 2016 – $535.1 million) adjusted for a net working capital decrease of $135.9 million (first half of 2016 – decrease of $242.5 million).

Cash tax payments in the first half of 2017 year were $165.3 million (first half of 2016 – $257.5 million), comprising corporate tax of $128.0 million (first half of 2016 – $242.4 million), mining tax of $17.2 million (first half of 2016 – $2.2 million) and withholding tax of $20.1 million (first half of 2016 – $12.9 million). These amounts differ from the current tax charge in the consolidated income statement of $234.5 million (first half of 2016 – $118.0 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.

Contributions to associates and joint ventures of $39.7 million relate to the Group's funding of Alto Maipo ($36.0 million accrued at December 2016 and paid in 2017), Tethyan Copper Company ($3.5 million) and Energia Andina ($0.2 million).

Cash disbursements relating to capital expenditure in the first half of 2017 were $410.0 million compared with $385.4 million in the first half of 2016. This included expenditure of $19.7 million at Antucoya (first half of 2016 – $7.3 million), $271.4 million relating to Centinela (first half of 2016 – $262.1 million) and $104.6 million relating to Los Pelambres (first half of 2016 – $94.4 million).

At 30 June 2016 dividends paid to ordinary shareholders of the Company were $150.8 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 $100.0 million (first half of 2016 – $40.0 million).

[1] EBITDA excluding the Group's share of EBITDA from associates and joint ventures.

Financial position

	At 30.06.17 $m	At 30.06.16 $m
Cash, cash equivalents and liquid investments	**2,166.1**	2,180.1
Total borrowings	**(3,025.7)**	(3,219.7)
Net debt at the end of the period	**(859.6)**	(1,039.6)

At 30 June 2017 the Group had combined cash, cash equivalents and liquid investments of $2,166.1 million (30 June 2016 – $2,180.1 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 $1,880.3 million (30 June 2016 – $1,801.8 million).

New borrowings in the first half of 2017 were $160.0 million representing new short-term borrowings at Los Pelambres (first half of 2016 – $656.8 million). Repayments of borrowings and finance leasing obligations in the first half of 2017 were $308.8 million, relating mainly to repayments at Los Pelambres of $189.8 million, Centinela $75.0 million and Antucoya $41.7 million.

Total Group borrowings at 30 June 2017 were $3,025.7 million (at 30 June 2016 – $3,219.7 million). Of this, $2,266.3 million (at 30 June 2016 – $2,410.1 million) is proportionally attributable to the Group after excluding the non-controlling interest shareholdings in partly-owned operations.

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 19, and details of borrowings are set out in Note 15. When assessing the going concern status of the Group the Directors have considered in particular its financial position, including its significant balance of cash, cash equivalents and liquid investments and the borrowing facilities in place, including their terms and remaining durations. When assessing the prospects of the Group, the Directors have considered the Group's copper price forecasts, the Group's expected production levels, operating cost profile, capital expenditure and financing plans. The Directors have taken into consideration the Group's key risks which could impact the prospects of the Group, with the most relevant to this assessment considered to be risks to the copper price outlook. Robust downside sensitivity analyses have been performed, assessing the impact of a significant deterioration in the copper price outlook. These stress-tests all indicated results which could be managed in the normal course of business. Based on their assessment of the Group's prospects and viability, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. Having reassessed the principal risks, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing its condensed interim financial statements.

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 2016. 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
- Projects management
- 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 management 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 and other 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 30.06.2017 (Unaudited)	Six months ended 30.06.2016 (Unaudited/ Restated)	Year ended 31.12.2016 Before exceptional items (Audited)	Year ended 31.12.2016 Exceptional items (Note 3) (Audited)	Year ended 31.12.2016 Total (Audited)
		$m	$m	$m	$m	$m
Revenue	2,5	**2,049.2**	1,444.2	3,621.7	-	3,621.7
Total operating costs		**(1,327.9)**	(1,156.6)	(2,698.1)	(456.6)	(3,154.7)
Operating profit from subsidiaries	2,4	**721.3**	287.6	923.6	(456.6)	467.0
Net share of profit/(loss) from associates and joint ventures	2,4	**21.6**	9.7	23.4	(134.7)	(111.3)
Total profit from operations, associates and joint ventures		**742.9**	297.3	947.0	(591.3)	355.7
Investment income		**10.2**	13.1	26.9	-	26.9
Interest expense		**(48.6)**	(32.0)	(86.1)	-	(86.1)
Other finance items		**(15.4)**	(1.9)	(11.9)	-	(11.9)
Net finance expense	7	**(53.8)**	(20.8)	(71.1)	-	(71.1)
Profit before tax		**689.1**	276.5	875.9	(591.3)	284.6
Income tax expense	8	**(234.5)**	(118.0)	(313.5)	204.9	(108.6)
Profit for the period from continuing operations		**454.6**	158.5	562.4	(386.4)	176.0
Discontinued operations						
Profit for the period from discontinued operations		**-**	(0.4)	38.3	-	38.3
Profit for the period		**454.6**	158.1	600.7	(386.4)	214.3
Attributable to:						
Non-controlling interests		**164.1**	70.0	220.9	(164.6)	56.3
Profit for the period attributable to the owners of the parent		**290.5**	88.1	379.8	(221.8)	158.0
		US cents	US cents	US cents	US cents	US cents
Basic earnings per share						
From continuing operations	9	**29.5**	8.9	34.7	(22.6)	12.1
From discontinued operations	9	**-**	-	3.9	-	3.9
Total continuing and discontinued operations		**29.5**	8.9	38.6	(22.6)	16.0

Condensed Consolidated Statement of Comprehensive Income

	Notes	Six months ended 30.06.2017 (Unaudited) $m	Six months ended 30.06.2016 (Unaudited) $m	Year ended 31.12.2016 (Audited) $m
Profit for the period		**454.6**	**158.1**	214.3
Items that may be or were reclassified subsequently to profit or loss:				
Losses in fair value of cash flow hedges deferred in reserves		**(0.3)**	**(3.6)**	(3.5)
Share of other comprehensive (losses)/ income of equity accounted units, net of tax		**(0.1)**	**(17.5)**	4.4
(Losses)/Gains in fair value of available for sale investments	14	**(0.4)**	**1.2**	1.7
Tax effects arising on cash flow hedges deferred in reserves		**(0.2)**	**1.3**	0.6
Losses in fair value of cash flow hedges transferred to the income statement	6	**0.8**	**3.6**	5.8
Share of other comprehensive income of equity accounted units transferred to the income statement		**-**	**-**	52.6
Tax effects arising on amounts transferred to the income statement		**0.1**	**(0.9)**	(1.4)
Total items that may be or were reclassified subsequently to profit or loss		**(0.1)**	**(15.9)**	60.2
Items that will not be subsequently reclassified to profit or loss:				
Actuarial gains/(losses) on defined benefit plans		**2.5**	**(2.3)**	7.8
Tax on items recognised through OCI which will not be reclassified to profit or loss in the future		**(1.4)**	**1.1**	(1.3)
Total Items that will not be subsequently reclassified to profit or loss		**1.1**	**(1.2)**	6.5
Total other comprehensive income		**1.0**	**(17.1)**	66.7
Total comprehensive income for the period		**455.6**	**141.0**	281.0
Attributable to:				
Non-controlling interests		**164.4**	**70.0**	24.9
Equity holders of the Company		**291.2**	**71.0**	256.1

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2017 (Unaudited)

	Share capital	Share premium	Other reserves (note 17)	Retained earnings (note 17)	**Net equity**	Non-controlling interests	**Total**
	$m	$m	$m	$m	**$m**	$m	**$m**
Balance at 1 January 2017	89.8	199.2	(22.3)	6,548.6	**6,815.3**	1,694.4	**8,509.7**
Profit for the period	-	-	-	290.5	**290.5**	164.1	**454.6**
Other comprehensive expense for the period	-	-	8.0	(7.3)	**0.7**	0.3	**1.0**
Dividends	-	-	-	(150.8)	**(150.8)**	(100.0)	**(250.8)**
Balance at 30 June 2017	**89.8**	**199.2**	**(14.3)**	**6,681.0**	**6,955.7**	**1,758.8**	**8,714.5**

For the six months ended 30 June 2016 (Unaudited)

	Share capital	Share premium	Other reserves (note 17)	Retained earnings (note 17)	**Net equity**	Non-controlling interests	**Total**
	$m	$m	$m	$m	**$m**	$m	**$m**
Balance at 1 January 2016	89.8	199.2	(59.3)	6,416.4	**6,646.1**	1,873.2	**8,519.3**
Profit for the period	-	-	-	88.1	**88.1**	70.0	**158.1**
Other comprehensive expense for the period	-	-	(15.6)	(1.5)	**(17.1)**	-	**(17.1)**
Dividends	-	-	-	-	**-**	(40.0)	**(40.0)**
Balance at 30 June 2016	**89.8**	**199.2**	**(74.9)**	**6,503.0**	**6,717.1**	**1,903.2**	**8,620.3**

For the year ended 31 December 2016 (Audited)

	Share capital	Share premium	Other reserves (note 17)	Retained earnings (note 17)	**Net equity**	Non-controlling interests	**Total**
	$m	$m	$m	$m	**$m**	$m	**$m**
Balance at 1 January 2016	89.8	199.2	(59.3)	6,416.4	**6,646.1**	1.873.2	**8,519.3**
Profit for the year	-	-	-	158.0	**158.0**	56.3	**214.3**
Other comprehensive income for the year	-	-	37.0	4.8	**41.8**	24.9	**66.7**
Dividends	-	-	-	(30.6)	**(30.6)**	(260.0)	**(290.6)**
Balance at 31 December 2016	**89.8**	**199.2**	**(22.3)**	**6,548.6**	**6,815.3**	**1,694.4**	**8,509.7**

Condensed Consolidated Balance Sheet

	Notes	At 30.06.2017 (Unaudited) $m	At 30.06.2016 (Unaudited) $m	At 31.12.2016 (Audited) $m
Non-current assets				
Intangible asset	11	**150.1**	150.1	150.1
Property, plant and equipment	12	**8,868.5**	8,799.1	8,737.5
Other non-current assets		**2.7**	2.6	2.6
Inventories		**111.8**	213.9	157.3
Investment in associates and joint ventures	13	**1,100.7**	1,087.7	1,086.6
Trade and other receivables		**55.5**	308.1	66.7
Derivative financial instruments		**0.1**	-	0.2
Available-for-sale investments	14	**4.4**	4.1	4.6
Deferred tax assets		**80.3**	150.3	82.8
		10,374.1	10,715.9	10,288.4
Current assets				
Inventories		**512.8**	364.7	393.4
Trade and other receivables		**467.9**	385.9	736.1
Current tax assets		**212.6**	341.8	255.2
Derivative financial instruments	6	**0.1**	0.4	2.2
Liquid investments	19	**1,421.1**	1,602.4	1,332.2
Cash and cash equivalents	19	**745.0**	577.7	716.3
		3,359.5	3,272.9	3,435.4
Total assets		**13,733.6**	13,988.8	13,723.8
Current liabilities				
Short-term borrowings and leases	15	**(822.7)**	(813.2)	(836.8)
Derivative financial instruments	6	**(4.2)**	(1.9)	(2.0)
Trade and other payables		**(447.9)**	(464.7)	(595.8)
Current tax liabilities		**(65.8)**	(25.6)	(119.4)
		(1,340.6)	(1,305.4)	(1,554.0)
Non-current liabilities				
Medium and long-term borrowings and leases	15	**(2,203.0)**	(2,406.5)	(2,283.4)
Derivative financial instruments	6	**(0.1)**	(2.1)	(0.5)
Trade and other payables		**(5.9)**	(4.5)	(7.9)
Liabilities in relation to joint venture	13	**(3.6)**	(6.4)	(3.1)
Post-employment benefit obligations		**(94.9)**	(100.1)	(92.2)
Decommissioning & restoration and other long term provisions		**(399.3)**	(399.6)	(392.1)
Deferred tax liabilities		**(971.7)**	(1,143.9)	(880.9)
		(3,678.5)	(4,063.1)	(3,660.1)
Total liabilities		**(5,019.1)**	(5,368.5)	(5,214.1)
Net assets		**8,714.5**	8,620.3	8,509.7
Equity				
Share capital	16	**89.8**	89.8	89.8
Share premium	16	**199.2**	199.2	199.2
Other reserves	17	**(14.3)**	(74.9)	(22.3)
Retained earnings	17	**6,681.0**	6,503.0	6,548.6
Equity attributable to equity holders of the Company		**6,955.7**	6,717.1	6,815.3
Non-controlling interests		**1,758.8**	1,903.2	1,694.4
Total equity		**8,714.5**	8,620.3	8,509.7

The interim condensed consolidated financial statements were approved by the Board of Directors on 21 August 2017.

Condensed Consolidated Cash Flow Statement

	Notes	**Six months ended 30.06.2017 (Unaudited) $m**	Six months ended 30.06.2016 (Unaudited) $m	Year ended 31.12.2016 (Audited) $m
Cash flows from continuing and discontinued operations	18	**1,147.1**	774.1	1,457.3
Interest paid		**(29.2)**	(20.5)	(46.3)
Income tax paid		**(165.3)**	(257.5)	(272.6)
Net cash from continuing and discontinued activities		**952.6**	496.1	1,138.4
Investing activities				
Capital contributions and loans to associates and joint ventures		**(39.7)**	(1.0)	(10.1)
Acquisition of joint ventures		**-**	-	20.0
Dividends from associate		**8.4**	13.6	10.2
Disposal of subsidiaries		**-**	-	10.0
Acquisition of mining properties		**-**	(7.0)	(7.0)
Proceeds from sale of property plant and equipment	12	**0.3**	0.1	0.5
Purchases of property, plant and equipment	12	**(410.0)**	(385.4)	(795.1)
Net increase in liquid investments	19	**(88.9)**	(678.3)	(408.1)
Interest received		**9.4**	6.9	14.4
Net cash used in investing activities		**(520.5)**	(1,051.1)	(1,165.2)
Financing activities				
Dividends paid to equity holders of the Company		**(150.8)**	-	(30.6)
Dividends paid to preference shareholders of the Company		**-**	(0.1)	(0.1)
Dividends paid to non-controlling interests		**(100.0)**	(40.0)	(260.0)
Net proceeds from issue of new borrowings	19	**160.0**	656.8	938.8
Repayments of borrowings	19	**(291.3)**	(292.5)	(693.1)
Repayments of obligations under finance leases	19	**(17.4)**	(14.7)	(31.3)
Net cash (used in)/from financing activities		**(399.5)**	309.5	(76.3)
Net increase /(decrease) in cash and cash equivalents	19	**32.6**	(245.5)	(103.1)
Cash and cash equivalents at beginning of the period		**716.3**	807.5	807.5
Net increase/(decrease) in cash and cash equivalents	19	**32.6**	(245.5)	(103.1)
Effect of foreign exchange rate changes	19	**(3.9)**	15.7	11.9
Cash and cash equivalents at end of the period	19	**745.0**	577.7	716.3

Notes

1. General information and accounting policies

a) General information

These June 2017 interim condensed consolidated financial statements ("the condensed financial statements") are for the six months ended 30 June 2017. The condensed financial statements are unaudited.

The information for the year ended 31 December 2016 does not constitute the Group's statutory accounts as defined in section 434 of the Companies Act 2006 (the "Act") but is derived from those accounts. The statutory accounts for the year ended 31 December 2016 have been approved by the Board and have been delivered to the Registrar of Companies. The auditor has reported on those accounts and their report was unqualified, with no matters by way of emphasis, and did not contain statements under section 498(2) of the Act (regarding adequacy of accounting records and returns) or under section 498(3) (regarding provision of necessary information and explanations).

b) Significant events during 2017

The Group completed the disposal of its 40% interest in Alto Maipo in March 2017 for nil consideration. An impairment provision was recognised in respect of the carrying value of the Group's investment in Alto Maipo in the 2016 year-end results, and no gain or loss resulted from the completion of the disposal in the current period.

c) Basis of preparation

The annual financial statements of Antofagasta plc for the year ended 31 December 2016 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 IFRS Interpretations Committee ("IFRIC IC") 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 2016 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 2016.

The Group completed the sale of Minera Michilla SA to Haldeman Mining Company S.A. on 30 December 2016, and accordingly in the 2016 year-end results the net results of Michilla for the twelve months to December 2016 were shown in the income statement on the line for "Profit for the period from discontinued operations". The comparative results for the six months to 30 June 2016 in this half-yearly financial report have been restated in order to present the comparative net results on the "Profit for the period from discontinued operations". During the first six months of 2016 Michilla contributed $36.9 million cash outflow (first six months of 2015 - $33.3 million cash inflow) in respect to the Group´s net cash flow from operating activities, nil (first six months of 2015 – nil) in respect to net cash used in investing activities and nil (first six months of 2015 – nil) in respect to net cash provided in financing activities.

d) Going concern

Having reassessed the principal risks, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing its condensed interim financial statements.

e) Accounting policies

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

Adoption of new accounting standards

The following accounting standards, amendments and interpretations became effective in the current reporting period:

- *Recognition of Deferred Tax Assets for Unrealised Losses* (Amendments to IAS 12)

- *Disclosure Initiative* (Amendments to IAS 7)

- *Annual improvements 2014 – 2016 Cycle* (Amendments to IFRS 12)

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

Accounting standards issued but not yet effective

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 15, Revenue from Contracts with Customers	Annual periods beginning on or after January 1, 2018
IFRS 16, Leases	Annual periods beginning on or after January 1, 2019
IFRS 17, Insurance Contracts	Annual periods beginning on or after January 1, 2021

Amendments to IFRSs	**Effective date (Subject to EU endorsement)**
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Effective date deferred indefinitely
Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)	Annual periods beginning on or after January 1, 2018
Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (Amendments to IFRS 4)	Deferral approach effective for annual periods beginning on or after 1 January 2018 and only available for three years after that date
Transfers of Investment Property (Amendments to IAS 40)	Annual periods beginning on or after January 1, 2018
Annual Improvements to three IFRS Standards 2014–2016 Cycle	Annual periods beginning on or after January 1, 2018

New Interpretations	**Effective date (Subject to EU endorsement)**
IFRIC 22, *Foreign Currency Transactions and Advance Consideration*	Annual periods beginning on or after January 1, 2018
IFRIC 23, Uncertainty over Income Tax Treatments	Annual periods beginning on or after January 1, 2019

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

In respect of IFRS 15 Revenue from contracts the current expectation is that the principal impact will relate to situations where the Group is effectively providing a shipping service to customers who have purchased copper from the Group, to transport that copper to a destination port specified by the customer. Such shipping services will represent a separate performance obligation and should be accounted for over time separately from the sale of goods. The impact of recognising shipping revenue over time rather than at a point in time is not expected to have a material impact on the financial statements.

IFRS 16 Leases will result in most of the Group’s existing operating leases being accounted for similar to finance leases under the current IAS 17, resulting in the recognition of additional assets within property, plant and equipment in respect of the right of use of the lease assets, and additional lease liabilities. The operating lease charges currently reflected within operating expenses (and EBITDA) will be eliminated, and instead depreciation and finance charges will be recognised in respect of the lease assets and liabilities. Based on the operating leases in place at 31 December 2016 it is currently estimated that this would result in the recognition of additional lease assets within property, plant & equipment and additional lease liabilities as at 1 January 2017 of approximately $100 million in each case. It is also estimated that this would result in a decrease in annual operating expenses before depreciation (and therefore an increase in EBITDA) of approximately $75m, an increase in annual depreciation of approximately $70 million, an increase in finance costs of less than $15m, and a net impact on profit before tax of less than $15 million.

2. Total profit from operations, associates and joint ventures

	Six months ended 30.06.2017	Six months ended 30.06.2016	Year ended 31.12.2016
	$m	$m	$m
Revenue	**2,049.2**	1,444,2	3,621.7
Cost of sales	**(1,091.5)**	(933.4)	(2,087.0)
Gross profit	**957.7**	510.8	1,534.7
Administrative and distribution expenses	**(192.5)**	(189.1)	(479.1)
Provision against carrying value of assets	**-**	-	(456.6)
Other operating income	**10.3**	6.6	20.2
Other operating expenses	**(54.2)**	(40.7)	(152.2)
Operating profit from subsidiaries	**721.3**	287.6	467.0
Equity accounting profit	**21.6**	9.7	23.4
Provision against carrying value of assets	**-**	-	(134.7)
Net share of income/(loss) from associates and joint ventures	**21.6**	9.7	(111.3)
Total profit from operations, associates and joint ventures	**742.9**	297.3	355.7

3. Exceptional items and assets sensitivities

Exceptional items are material items of income and expense which are non-regular or non-operational and typically non-cash movements. There were no exceptional items at June 2017 and June 2016. The exceptional items in the year ended 31 December 2016 and their impact on the results are set out below.

	Operating profit			**Share of profit/(loss) from associates and joint ventures**		
	Six months ended 30.06.2017 $m	**Six months ended 30.06.2016 $m**	Year ended 31.12.2016 $m	**Six months ended 30.06.2017 $m**	**Six months ended 30.06.2016**	Year ended 31.12.2016 $m
Before exceptional items	**721.3**	287.6	923.6	**21.6**	9.7	23.4
Provision against the carrying value of assets						
Alto Maipo – Loan	**-**	-	(241.0)	**-**	-	-
Alto Maipo – Investment	**-**	-	-	**-**	-	(126.6)
Antucoya – PP&E	**-**	-	(215.6)	**-**	-	-
Energia Andina – Investment	**-**	-	-	**-**	-	(8.1)
Total Provision against the carrying value of assets	**-**	-	(456.6)	**-**	-	(134.7)
After exceptional items	**721.3**	287.6	467.0	**21.6**	9.7	(111.3)

	Profit before tax			**Earnings per share**		
	Six months ended 30.06.2017 $m	Six months ended 30.06.2016 $m	Year ended 31.12.2016 $m	**Six months ended 30.06.2017 US cents**	Six months ended 30.06.2016 $m	Year ended 31.12.2016 US cents
Before exceptional items	**687.2**	276.5	875.9	**29.5**	8.9	38.6
Provision against the carrying value of assets						-
Alto Maipo – Loan	**-**	-	(241.0)	**-**	-	6.3
Alto Maipo – Investment	**-**	-	(126.6)	**-**	-	5.8
Antucoya – PP&E	**-**	-	(215.6)	**-**	-	10.7
Energia Andina – Investment	**-**	-	(8.1)	**-**	-	(0.2)
Total Provision against the carrying value of assets	**-**	-	(591.3)	**-**	-	(22.6)
After exceptional items	**687.2**	276.5	284.6	**29.5**	8.9	16.0

Antucoya 2016 impairment

There have been no indications of potential impairments during the first six months of 2017, and accordingly no impairment reviews have been performed as at 30 June 2017.

At the 2016 year-end an impairment review was conducted for the Antucoya operation, which resulted in the recognition of an impairment provision of $215.6 million (on a pre-tax basis) in the 2016 financial statements. To illustrate the sensitivity of the 2016 year-end valuation of Antucoya to negative movements in these parameters, a 5% decrease in the forecast long-term copper price would have resulted in an increase in the impairment of $121.0 million, and an increase in the discount rate from 8% to 9% would have resulted in an increase in the impairment of $89.0 million. These are simple sensitivities, looking at illustrative movements in the long-term copper price and discount rate in isolation. In reality, a deterioration in the long-term copper price environment is likely to result in corresponding improvements in a range of input cost factors, as well as potential operational changes, which could partly mitigate these estimated potential sensitivities.

<u>Other asset sensitivities and relevant considerations</u>
There were no indicators of impairment for the Group's other mining operations at the 2016 year-end, and accordingly no detailed impairment reviews were performed for those operations. However, in order to provide an indication of the sensitivities of the valuations of these assets, a sensitivity analysis was performed at the 2016 year-end. For all of the other mining operations a valuation exercise using assumptions consistent with those used in the Antucoya impairment review confirmed that the recoverable amount of the assets was in excess of their carrying value. The recoverable amount of the assets still remained in excess of their carrying value for all of the other mining operations with either a 5% decrease in the forecast long-term copper price or an increase in the discount rate from 8% to 9%.

With regard to the Twin Metals project, in December 2016 Twin Metals was notified that the relevant U.S. authorities had denied renewal of two of its long-held federal mining leases. Twin Metals' leases had been held in good standing by the federal government for more than 50 years, and had been twice renewed without controversy. Twin Metals filed a federal lawsuit seeking to secure its rights to the two federal mineral leases and believes denial of the leases is inconsistent with federal law, the terms of the leases themselves and the federal government's established precedent in supporting and renewing the leases over five decades. At the 2016 year-end the potential operating and financial impact of the non-renewal of these leases was reviewed, including an analysis of the potential impact on the mine plan and value of the project of excluding the mineral resources relating to these two leases. This indicated a reduction in the net present value of the project, but that the updated net present value was still in excess of the carrying value of the assets relating to the Twin Metals project. As such the non-renewal of these leases does not have any financial impact and therefore no adjustment was made to the carrying value of the Twin Metals project assets. There have been no further significant developments during the first six months of 2017. Details of the current status of the legal process are set out in Note 20.

4. Segmental analysis

The Group's reportable segments are as follows:

- Los Pelambres
- Centinela
- Michilla (sold in 2016)
- Antucoya
- Zaldivar
- Exploration and evaluation
- Railway and other transport services
- Corporate and other items

For management purposes, the Group is organised into two business divisions based on their products – Mining and Railway and Other Transport Services. The mining division is split further for management reporting purposes to show results by mine and exploration activity. Following the completion of construction, the Antucoya achieved commercial production in April 2016. The Group acquired a 50% stake in the Zaldivar mine in December 2015. The Michilla mine was placed on care and maintenance at the end of 2015, and was disposed of in December 2016. 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. Antucoya and Zaldivar produce copper cathodes, as did Michilla. The transport division provides rail cargo (based in Chile and formerly Bolivia) and road cargo (based in Chile) together with a number of ancillary services (based in Chile). The Exploration and evaluation segment incurs exploration and evaluation expenses. "Corporate and other items" comprises 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.

The Chief operating decision maker 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 and EBITDA of each of the segments.

a) Segment revenues and results

For the six months ended 30 June 2017

	Los Pelambres	Centinela	Antucoya	Zaldivar	Exploration and evaluation[2]	Corporate and other items	**Total Mining**	**Railway and other transport services**	**Total**
	$m	$m	$m	$m	$m	$m	**$m**	**$m**	**$m**
Revenue	943.3	794.0	229.6	-	-	1.5	1,968.4	80.8	2,049.2
Operating costs excluding depreciation	(421.6)	(374.0)	(149.7)	-	(22.0)	(25.3)	(992.6)	(45.4)	(1,038.0)
Depreciation and amortisation	(88.6)	(152.2)	(37.8)	-	-	(3.6)	(282.2)	(7.8)	(290.0)
Gains on disposals	-	-	-	-	-	-	-	0.1	0.1
Operating profit/(loss)	**433.1**	**267.8**	**42.1**	**-**	**(22.0)**	**(27.4)**	**693.6**	**27.7**	**721.3**
Equity accounting profit/(loss)	-	-	-	21.2	-	(5.4)	15.9	5.8	21.6
Investment income	1.6	2.8	0.4	-	-	5.1	9.9	0.3	10.2
Interest expense	(3.4)	(13.7)	(22.1)	-	-	(8.3)	(47.5)	(1.1)	(48.6)
Other finance items	(3.7)	(8.7)	(1.4)	-	-	(1.2)	(15.0)	(0.4)	(15.4)
Profit/(loss) before tax	**427.6**	**248.2**	**19.0**	**21.2**	**(22.0)**	**(37.2)**	**656.8**	**32.3**	**689.1**
Tax	(139.4)	(63.5)	(0.1)	-	-	(25.1)	(228.1)	(6.4)	(234.5)
Profit/(loss) for the period from continuing operations	**288.2**	**184.7**	**18.9**	**21.2**	**(22.0)**	**(62.3)**	**428.7**	**25.9**	**454.6**
Profit for the period from discontinued operations	-	-	-	-	-	-	-	-	-
Profit/(loss) for the period	**288.2**	**184.7**	**18.9**	**21.2**	**(22.0)**	**(62.3)**	**428.7**	**25.9**	**454.6**
Non-controlling interests	114.6	50.3	(0.8)	-	-	-	**164.1**	-	**164.1**
Profit/(loss) for the period attributable to owners of the parent	**173.6**	**134.4**	**19.7**	**21.2**	**(22.0)**	**(62.3)**	**264.6**	**25.9**	**290.5**
Total EBITDA[1]	**521.7**	**420.0**	**79.9**	**56.8**	**(22.0)**	**(24.6)**	**1,031.8**	**48.0**	**1,079.8**
Additions to non-current assets									
Capital expenditure	114.0	296.4	52.2	-	-	1.3	**463.9**	12.2	**476.1**
Segment assets and liabilities									
Segment assets	3,580.9	5,213.1	1,759.5	-	-	1,727.9	**12,281.4**	351.5	**12,632.9**
Investment in associates and joint ventures	-	-	-	21.8	-	1,003.7	**1,025.5**	75.2	**1,100.7**
Segment liabilities	(1,298.5)	(1,875.1)	(1,078.8)	-	-	(635.4)	**(4,887.8)**	(131.3)	**(5,019.1)**

[1]EBITDA refers to Earnings Before Interest, Tax, Depreciation and Amortisation. EBITDA is calculated by adding back depreciation, amortisation, profit or loss on disposals and impairment charges to operating profit. This comprises 100% of the EBITDA from the Group´s subsidiaries, and the Group´s proportional share of the EBITDA of its associates and joint ventures.
[2]During the period, operating cash outflow from exploration and evaluation was $38.8 million

For the six months ended 30 June 2016 (Restated)

	Los Pelambres	Centinela	Antucoya	Zaldivar	Exploration and evaluation[2]	Corporate and other items	**Total Mining**	**Railway and other transport services**	**Total**
	$m	$m	$m	$m	$m	$m	**$m**	**$m**	**$m**
Revenue	847.5	449.3	67.3	-	-	-	**1,364.1**	80.1	**1,444.2**
Cost of sales	(412.1)	(364.5)	(51.1)	-	(18.9)	(21.4)	**(868.0)**	(41.1)	**(909.1)**
Depreciation and amortisation	(96.7)	(123.4)	(16.7)	-	-	(3.2)	**(240.0)**	(7.3)	**(247.3)**
(Loss)/gain on disposals	(0.2)	-	-	-	-	-	**(0.2)**	-	**(0.2)**
Operating profit/(loss)	**338.5**	**(38.6)**	**(0.5)**	**-**	**(18.9)**	**(24.6)**	**255.9**	**31.7**	**287.6**
Share of profit/(loss) from associates and joint ventures	1.2	-	-	12.2	-	(5.7)	**7.7**	2.0	**9.7**
Investment income	7.6	3.1	0.2	-	-	1.8	**12.7**	0.4	**13.1**
Interest expense	(3.0)	(15.0)	(9.7)	-	-	(3.0)	**(30.7)**	(1.3)	**(32.0)**
Other finance items	1.1	(4.0)	0.8	-	-	1.1	**(1.0)**	(0.9)	**(1.9)**
Profit/(loss) before tax	**345.4**	**(54.5)**	**(9.2)**	**12.2**	**(18.9)**	**(30.4)**	**244.6**	31.9	**276.5**
Tax	(91.7)	(0.8)	(11.1)	-	-	(3.9)	**(107.5)**	(10.5)	**(118.0)**
Profit/(loss) for the period from continuing operations	253.7	(55.3)	(20.3)	12.2	(18.9)	(34.3)	**137.1**	21.4	**158.5**
(Loss)/profit for the period from discontinued operations	-	-	-	-	-	(0.4)	**(0.4)**	-	**(0.4)**
Profit/(loss) for the period	253.7	(55.3)	(20.3)	12.2	(18.9)	(34.7)	**136.7**	21.4	**158.1**
Non-controlling interests	(101.6)	21.7	9.9	-	-	-	**(70.0)**	-	**(70.0)**
Profit/(loss) for the period attributable to owners of the parent	**152.1**	**(33.6)**	**(10.4)**	**12.2**	**(18.9)**	**(34.7)**	**66.7**	**21.4**	**88.1**
EBITDA[1]	**435.0**	**85.4**	**16.2**	**37.1**	**(18.9)**	**(26.2)**	**528.6**	**46.5**	**575.1**
Additions to non-current assets									
Capital expenditure	182.0	289.7	7.3	-	-	24.1	**503.1**	5.8	**508.9**
Segment assets and liabilities									
Segment assets	4,099.6	4,911.3	2,015.4	-	9.5	1,514.0	**12,549.8**	351.3	**12,901.1**
Investment in associates and joint ventures	18.3	-	-	966.2	-	31.7	**1,016.1**	71.6	**1,087.7**
Segment liabilities	(1,404.1)	(2,040.3)	(1,244.8)	-	(4.5)	(199.4)	**(5,193.1)**	(175.4)	**(5,368.5)**

[1]EBITDA refers to Earnings Before Interest, Tax, Depreciation and Amortisation. This comprises 100% of the EBITDA from the Group´s subsidiaries, and the Group´s proportional share of the EBITDA of its associates and joint ventures.
[2]During the period, operating cash outflow from exploration and evaluation was $17.6 million

For the year ended 31 December 2016

	Los Pelambres	Centinela	Antucoya	Zaldívar	Exploration and evaluation[2]	Corporate and other items	**Mining**	**Railway and other transport services**	**Total**
	$m	$m	$m	$m	$m	$m	**$m**	**$m**	**$m**
Revenue	1,845.6	1,338.0	277.9	-	-	-	**3,461.5**	160.2	**3,621.7**
Operating costs excluding depreciation	(923.8)	(775.5)	(213.0)	-	(44.3)	(56.5)	**(2,013.1)**	(86.9)	**(2,100.0)**
Depreciation and amortization	(195.7)	(299.4)	(62.7)	-	-	(5.2)	**(563.0)**	(15.4)	**(578.4)**
Loss on disposals	(0.2)	(17.1)	-	-	-	(0.6)	**(17.9)**	(1.8)	**(19.7)**
Provision against the carrying value of assets	(241.0)	-	(215.6)	-	-	-	**(456.6)**	-	**(456.6)**
Operating profit/(loss)	**484.9**	**246.0**	**(213.4)**	**-**	**(44.3)**	**(62.3)**	**410.9**	**56.1**	**467.0**
Equity accounting profit/(loss)	0.4	-	-	29.5	-	(11.2)	**18.7**	4.7	23.4
Provision against the carrying value of assets	(126.6)	-	-	-	-	(8.1)	(134.7)	-	(134.7)
Net share of profit/(loss) from associates and joint ventures	**(126.2)**	**-**	**-**	**29.5**	**-**	**(19.3)**	**(116.0)**	**4.7**	**(111.3)**
Investment income	15.7	5.3	0.6	-	-	4.7	**26.3**	0.6	**26.9**
Interest expense	(6.5)	(32.0)	(30.5)	-	-	(14.6)	**(83.6)**	(2.5)	**(86.1)**
Other finance items	(2.7)	(5.4)	(5.0)	-	-	3.0	**(10.1)**	(1.8)	**(11.9)**
Profit/(loss) before tax	**365.2**	**213.9**	**(248.3)**	**29.5**	**(44.3)**	**(88.5)**	**227.5**	**57.1**	**284.6**
Tax	(117.4)	(73.3)	94.3	-	-	5.3	**(91.1)**	(17.5)	**(108.6)**
Profit/(loss) for the period from continuing operations	**247.8**	**140.6**	**(154.0)**	**29.5**	**(44.3)**	**(83.2)**	**136.4**	**39.6**	**176.0**
Profit for the period from discontinued operations	-	-	-	-	-	38.3	**38.3**	-	**38.3**
Profit/(loss) for the period	247.8	140.6	(154.0)	29.5	(44.3)	(44.9)	**174.7**	39.6	**214.3**
Non-controlling interests	(97.9)	(32.8)	74.3	-	-	0.1	**(56.3)**	-	**(56.3)**
Profit/(loss) for the period attributable to the owners of the parent	**149.9**	**107.8**	**(79.7)**	**29.5**	**(44.3)**	**(44.8)**	**118.4**	**39.6**	**158.0**
EBITDA[1]	**921.0**	**562.5**	**64.9**	**85.1**	**(44.3)**	**(50.8)**	**1,538.4**	**87.7**	**1,626.1**
Additions to non-current assets									
Capital expenditure	316.6	617.4	27.4	-	-	31.0	**992.4**	16.9	**1,009.3**
Segment assets and liabilities									
Segment assets	3,606.2	5,008.0	1,740.5	-	9.5	1,945.8	**12,310.0**	327.2	**12,637.2**
Investment in associates and joint ventures	-	-	-	983.7	-	25.1	**1,008.8**	77.8	**1,086.6**
Segment liabilities	(1,368.2)	(1,979.3)	(1,085.3)	-	(4.5)	(638.3)	**(5,075.6)**	(138.5)	**(5,214.1)**

[1]EBITDA refers to Earnings Before Interest, Tax, Depreciation and Amortisation. EBITDA is calculated by adding back depreciation, amortisation, profit or loss on disposals and impairment charges to operating profit. This comprises 100% of the EBITDA from the Group´s subsidiaries, and the Group´s proportional share of the EBITDA of its associates and joint ventures.

[2] During the year, operating cash flow from exploration and evaluation was $22.1 million

b) Entity wide disclosures

Revenue by product

	Six months ended 30.06.2017	Six months ended 30.06.2016	Year ended 31.12.2016
	$m	$m	$m
Copper			
- Los Pelambres	**828.1**	741.7	1,627.0
- Centinela concentrates	**491.1**	245.9	778.7
- Centinela cathodes	**177.0**	113.3	278.1
- Antucoya	**229.6**	67.3	277.9
Gold			
- Los Pelambres	**30.1**	40.1	78.5
- Centinela	**115.1**	84.5	261.2
Molybdenum			
- Los Pelambres	**68.5**	43.8	94.0
Silver			
- Los Pelambres	**16.6**	21.9	46.1
- Centinela	**10.8**	**5.6**	**20.0**
Corporate			
- Electricity Services	**1.5**	-	-
Total Mining	**1,968.4**	1,364.1	3,461.5
Railway and transport services	**80.8**	80.1	160.2
	2,049.2	1,444.2	3,621.7

Revenue by location of customer

	Six months ended 30.06.2017	Six months ended 30.06.2016	Year ended 31.12.2016
	$m	$m	$m
Europe			
- United Kingdom	**33.0**	0.1	-
- Switzerland	**319.7**	93.5	217.7
- Spain	**90.5**	48.8	115.6
- Germany	**45.1**	15.9	38.5
- Rest of Europe	**52.1**	58.7	157.3
Latin America			
- Chile	**101.0**	101.5	105.2
- Rest of Latin America	**94.8**	29.3	126.4
North America			
- United States	**68.5**	14.1	49.5
Asia Pacific			
- Japan	**735.6**	613.0	1,483.5
- China	**214.8**	250.2	771.9
- Rest of Asia	**294.1**	219.1	556.1
	2,049.2	1,444.2	3,621.7

Information about major customers

In the first half of 2017 the Group´s mining revenue included $227.3 million related to one large customer that individually accounted for more than 10% of the Group's revenue (six months ended 30 June 2016 – one large customer representing $279.2 million; year ended 31 December 2015 – one large customer representing $694.7 million).

Non-current assets by location of asset

	Six months ended 30.06.2017	Six months ended 30.06.2016	Year ended 31.12.2015
	$m	$m	$m
- Chile	**10,072.4**	10,384.6	9,996.3
- USA	**216.9**	170.6	204.4
- Other	**0.1**	(0.1)	0.1
	10,289.4	10,555.1	10,200.8

Notes to geographical information

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

5. Revenue

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 2017

	\$m	\$m	\$m	\$m	\$m	\$m	\$m
	Los Pelambres	Centinela	Centinela	Antucoya	Los Pelambres	Centinela	Los Pelambres
	Copper concentrate	Copper concentrate	Copper cathodes	Copper cathodes	Gold in concentrate	Gold in concentrate	Molybdenum concentrate
Provisionally invoiced gross sales	**868.0**	**507.3**	**177.7**	**227.8**	**30.9**	**114.7**	**77.6**
Effects of pricing adjustments to previous year invoices							
Reversal of mark-to-market adjustments at the end of the previous year	**(28.0)**	**(15.3)**	**0.4**	**0.6**	**-**	**1.3**	**0.7**
Settlement of sales invoiced in the previous year	**53.3**	**37.6**	**-**	**0.7**	**(0.9)**	**(2.2)**	**2.0**
Total effect of adjustments to previous year invoices in the current period	**25.3**	**22.3**	**0.4**	**1.3**	**(0.9)**	**(0.9)**	**2.7**
Effects of pricing adjustments to current period invoices							
Settlement of sales invoiced in the current period	**(10.9)**	**(1.8)**	**(2.4)**	**(0.7)**	**0.1**	**1.9**	**-**
Mark-to-market adjustments at the end of the current period	**26.0**	**14.0**	**2.6**	**1.2**	**-**	**(0.2)**	**(3.8)**
Total effect of adjustments to current period invoices	**15.1**	**12.2**	**0.2**	**0.5**	**0.1**	**1.7**	**(3.8)**
Total pricing adjustments	**40.4**	**34.5**	**0.6**	**1.8**	**(0.8)**	**0.8**	**(1.1)**
Realised gains/(losses) on commodity derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Revenue before deducting tolling charges	**908.4**	**541.8**	**178.3**	**229.6**	**30.2**	**115.5**	**76.5**
Tolling charges	**(80.3)**	**(52.0)**	**-**	**-**	**(0.1)**	**(0.4)**	**(8.0)**
Revenue net of tolling charges	**828.1**	**489.8**	**178.3**	**229.6**	**30.1**	**115.1**	**68.5**

For the period ended 30 June 2016

	Los Pelambres	Centinela	Centinela	Michilla	Antucoya	Los Pelambres	Centinela	Los Pelambres
	Copper concentrate	Copper concentrate	Copper cathodes	Copper cathodes	Copper cathodes	Gold in concentrate	Gold in concentrate	Molybdenum concentrate
	$m	$m	$m	$m	$m	$m	$m	$m
Provisionally invoiced gross sales	**816.6**	**280.6**	**113.9**	**4.1**	**67.4**	**39.9**	**78.9**	**40.4**
Effects of pricing adjustments to previous year invoices								
Reversal of mark-to-market adjustments at the end of the previous year	14.5	6.2	(0.2)	(0.1)	-	-	2.2	(1.0)
Settlement of sales invoiced in the previous year	(19.0)	(7.8)	-	(0.3)	-	(0.1)	(1.0)	1.5
Total effect of adjustments to previous year invoices in the current period	(4.5)	(1.6)	(0.2)	(0.4)	-	(0.1)	1.2	0.5
Effects of pricing adjustments to current period invoices								
Settlement of sales invoiced in the current period	9.3	1.2	(0.6)	0.1	(1.1)	0.3	2.4	7.8
Mark-to-market adjustments at the end of the current period	13.3	4.3	0.1	-	0.9	-	2.3	2.1
Total effect of adjustments to current period invoices	22.6	5.5	(0.5)	0.1	(0.1)	0.3	4.7	9.9
Total pricing adjustments	18.1	4.0	(0.7)	(0.4)	(0.1)	0.2	5.9	10.4
Realised gains/(losses) on commodity derivatives	-	-	0.1	-	-	-	-	-
Revenue before deducting tolling charges	834.7	284.6	113.3	3.8	67.3	40.1	84.9	50.8
Tolling charges	(93.0)	(38.7)	-	-	-	(0.1)	(0.3)	(7.0)
Revenue net of tolling charges	741.7	245.9	113.3	3.8	67.3	40.0	84.5	43.8

For the year ended 31 December 2016

	$m	$m	$m	$m	$m	$m	$m
	Los Pelambres	**Centinela**	**Centinela**	**Antucoya**	**Los Pelambres**	**Centinela**	**Los Pelambres**
	Copper concentrate	**Copper concentrate**	**Copper cathodes**	**Copper cathodes**	**Gold in concentrate**	**Gold in concentrate**	**Molybdenum concentrate**
Provisionally invoiced gross sales	**1,715.1**	**845.2**	**276.8**	**274.2**	**78.9**	**263.9**	**105.5**
Effects of pricing adjustments to previous year invoices							
Reversal of mark-to-market adjustments at the end of the previous year	**14.5**	**6.2**	**(0.2)**	**-**	**-**	**2.2**	**(1.0)**
Settlement of sales invoiced in the previous year	**(18.9)**	**(7.8)**	**-**	**-**	**(0.1)**	**(1.0)**	**1.7**
Total effect of adjustments to previous year invoices in the current year	**(4.4)**	**(1.6)**	**(0.2)**	**-**	**(0.1)**	**1.2**	**0.7**
Effects of pricing adjustments to current year invoices							
Settlement of sales invoiced in the current year	**80.5**	**28.7**	**4.1**	**4.3**	**(0.1)**	**(1.6)**	**2.4**
Mark-to-market adjustments at the end of the current year	**28.0**	**15.3**	**(0.4)**	**(0.6)**	**-**	**(1.3)**	**(0.7)**
Total effect of adjustments to current year invoices	**108.5**	**44.0**	**3.7**	**3.7**	**(0.1)**	**(2.9)**	**1.7**
Total pricing adjustments	**104.1**	**42.4**	**3.5**	**3.7**	**(0.2)**	**(1.7)**	**2.4**
Realised loss on commodity derivatives	**-**	**-**	**(2.2)**	**-**	**-**	**-**	**-**
Revenue before deducting tolling charges	**1,819.2**	**887.6**	**278.1**	**277.9**	**78.7**	**262.2**	**107.9**
Tolling charges	**(192.2)**	**(108.9)**	**-**	**-**	**(0.2)**	**(1.0)**	**(13.9)**
Revenue net of tolling charges	**1,627.0**	**778.7**	**278.1**	**277.9**	**78.5**	**261.2**	**94.0**

The revenue from the individual products shown in the above tables is reconciled to total 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 30.06.2017	At 30.06.2016	At 31.12.2016
Sales	Tonnes	**148,400**	161,400	199,900
Average mark-to-market price	$/lb	**2.69**	2.20	2.51
Average provisional invoice price	$/lb	**2.57**	2.15	2.41

(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 30.06.2017	At 30.06.2016	At 31.12.2016
Sales	Tonnes	**10,300**	5,400	13,200
Average mark-to-market price	$/lb	**2.69**	2.15	2.51
Average provisional invoice price	$/lb	**2.60**	2.07	2.54

(iii) Gold in concentrate

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

		At 30.06.2017	At 30.06.2016	At 31.12.2016
Sales	Ounce	**16,300**	34,900	36,400
Average mark-to-market price	$/oz	**1,242**	1,317	1,167
Average provisional invoice price	$/oz	**1,254**	1,251	1,203

(iv) Molybdenum concentrate

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

		At 30.06.2017	At 30.06.2016	At 31.12.2016
Sales	Tonnes	**1,900**	1,000	1,300
Average mark-to-market price	$/lb	**7.2**	7.9	6.6
Average provisional invoice price	$/lb	**8.2**	6.9	6.9

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:

	Gain/(loss) on debtors of period end mark-to-market adjustments		
	Six months ended 30.06.2017 $m	Six months ended 30.06.2016 $m	Year ended 31.12.2016 $m
Los Pelambres - copper concentrate	**26.0**	13.3	28.0
Los Pelambres - molybdenum concentrate	**(3.8)**	2.1	(0.7)
Centinela - copper concentrate	**-**	4.3	15.3
Centinela - gold in concentrate	**(0.2)**	2.3	(1.3)
Centinela - copper cathodes	**16.6**	0.1	(0.4)
Antucoya - copper cathodes	**1.2**	0.9	(0.6)
	39.8	23.0	40.3

6. Financial instruments

a) Categories of financial instruments

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

	Six months ended 30.06.2017	Six months ended 30.06.2016	Year ended 31.12.2016
	$m	$m	$m
Financial assets			
Derivatives in designated hedge accounting relationships	**0.1**	0.4	2.4
Available-for-sale-investments	**4.4**	4.1	4.6
Loans and receivables at amortised cost (including cash and cash equivalents)	**1,268.4**	1,271.7	1,519.1
Fair value through profit and loss (liquid investments and mark-to-mark debtors)	**1,464.9**	1,625.6	1,365.5
Financial liabilities			
Derivatives in designated hedge relationships	**(4.3)**	(4.0)	(2.5)
Financial liabilities measured at amortised cost	**(3,479.4)**	(3,688.9)	(3,725.9)
Fair value through profit and loss (mark-to-mark creditors)	**(4.0)**	-	(3.0)

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**	**Six months ended 30.06.2017**	Six months ended 30.06.2016	Year ended 31.12.2016
Recurring fair value measurements	$m	$m	$m	**$m**	$m	$m
Financial assets						
Derivatives in designated hedge accounting relationships	-	0.1	-	**0.1**	0.4	2.4
Available-for-sale investments	4.4	-	-	**4.4**	4.1	4.6
Fair value through profit and loss	1,421.1	-	-	**1,463.7**	1,602.4	1,322.2
Debtors mark-to-market	-	43.8	-	**43.8**	23.2	43.3
Financial liabilities						
Derivatives in designated hedge relationships	-	(4.3)	-	**(4.3)**	(4.0)	(2.5)
Creditors mark-to-market	-	(4.0)	-	**(4.0)**	-	(3.0)

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

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 2017 and 30 June 2016, 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 other comprehensive income, with such amounts subsequently recognised in the income statement in the period when the hedged item has been recognised in the income statement 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 2017

	Impact on income statement			Impact on reserves	Fair value recorded on balance sheet
	Realised losses	Losses resulting from mark-to-market adjustments on hedging instruments	Total net loss	Gains resulting from mark-to-market adjustments on hedging instruments	Net financial liability
	$m	$m	$m	$m	$m
Commodity Derivatives					
Centinela	-	(4.2)	**(4.2)**	-	**(3.1)**
Antucoya	-	(0.4)	**(0.4)**	-	**(0.4)**
Interest Derivatives					
Centinela	(0.6)	-	**(0.6)**	0.5	**(0.6)**
Railway and other transport services	(0.2)	-	**(0.2)**	-	-
	(0.8)	**(4.6)**	**(5.4)**	**0.5**	**(4.1)**

For the six months ended 30 June 2016

	Impact on income statement			Impact on reserves	Fair value recorded on balance sheet
	Realised gains/(losses)	Losses resulting from mark-to-market adjustments on hedging instruments	Total net loss	Gains/(losses) resulting from mark-to-market adjustments on hedging instruments	Net financial asset/(liability)
	$m	$m	$m	$m	$m
Commodity Derivatives					
Centinela	0.1	(0.3)	(0.2)	0.4	0.4
Interest Derivatives					
Centinela	(2.7)	-	(2.7)	0.6	(2.4)
Railway and other transport services	(1.0)	-	(1.0)	(0.7)	(1.6)
	(3.6)	**(0.3)**	**(3.9)**	**0.3**	**(3.6)**

For the year ended 31 December 2016

	Impact on income statement			Impact on reserves	Fair value recorded on balance sheet
	Realised losses	Losses resulting from mark-to-market adjustments on hedging instruments	Total net loss	Gains resulting from mark-to-market adjustments on hedging instruments	Net financial asset/(liability)
	$m	$m	$m	$m	$m
Commodity Derivatives					
Centinela	(2.2)	1.0	(1.2)	-	1.0
Interest Derivatives					
Centinela	(2.6)	-	(2.6)	1.8	(1.2)
Railway and other transport services	(1.0)	-	(1.0)	0.5	-
	(5.8)	**1.0**	**(4.8)**	**2.3**	**(0.2)**

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 30.06.2017	At 30.06.2016	At 31.12.2016
	$m	$m	$m
Analysed between:			
Current assets	**0.1**	0.4	2.2
Non-current assets	**0.1**	-	0.2
Current liabilities	**(4.2)**	(1.9)	(2.0)
Non-current liabilities	**(0.1)**	(2.1)	(0.5)
	(4.1)	(3.6)	(0.1)

(ii) Outstanding derivative financial instruments

a) Commodity derivatives

The Group periodically uses commodity derivatives to manage its exposure to commodity price fluctuations. As at the end of the period the open instruments details are:

- **Min/max instruments**

	At 30.06.2017	**For instruments held at 30.06.2017**			
	Copper production hedged tonnes	Weighted average remaining period from 1 July 2017 months	Covering a period up to:	Weighted average floor$/lb	Weighted average cap $/lb
Centinela	36,000	3.5	31.12.2017	2.27	2.82
Antucoya	20,400	3.5	31.12.2017	2.40	2.98

b) Interest derivatives

The Group periodically uses interest derivatives to reduce its exposure to interest rate movements. As at the end of the period the open instruments details are:

- **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 2016 the Group had entered into the contracts outlined below.

	Start date	Maturity date	Actual notional amount $m	Weighted Average Fixed Rate %
Centinela	15.02.2011	15.08.2018	52.5	3.372
Railway and other transport services	12.08.2014	12.08.2019	90.0	1.634

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

7. Net finance expense

	Six months ended 30.06.2017	Six months ended 30.06.2016	Year ended 31.12.2016
	$m	$m	$m
Investment income			
Interest receivable	**4.7**	9.4	20.4
Gains on fair value through profit or loss	**5.5**	3.7	6.5
	10.2	13.1	26.9
Interest expense			
Interest expense	**(48.6)**	(31.9)	(86.0)
Preference dividends	**-**	(0.1)	(0.1)
	(50.5)	(32.0)	(86.1)
Other finance items			
Time value element of changes in the fair value of derivatives options	**(4.6)**	(0.3)	1.0
Unwinding of discount on provisions	**(5.4)**	(4.9)	(10.0)
Impairment of available-for-sale investments	**-**	-	-
Foreign exchange	**(5.4)**	3.3	(2.9)
	(15.4)	(1.9)	(11.9)
Net finance expense	**(53.8)**	(20.8)	(71.1)

In the six months ended 30 June 2017, amounts capitalised and consequently not included within the above table were as follows: Antucoya of nil (six months ended 30 June 2016 – $8.9 million; year ended 31 December 2016 - $9.2 million), $3.3 million at Centinela (six months ended 30 June 2016 – $19.0 million; year ended 31 December 2016 - $2.3 million) and $0.5 million at Los Pelambres (six months ended 30 June 2016 – $2.0 million; year ended 31 December 2016 - $0.5 million).

8. Taxation

The tax charge for the period comprised the following:

	Six months ended 30.06.2017	Six months ended 30.06.2016	Year ended 31.12.2016
	$m	$m	$m
Current tax charge			
Corporate tax (principally first category tax in Chile)	**(96.1)**	(57.1)	(222.1)
Mining tax (royalty)	**(28.4)**	(13.2)	(35.3)
Withholding tax	**(20.1)**	(8.3)	(3.8)
Exchange gain/(losses) on corporate tax balances	**0.3**	5.3	-
	(144.3)	(73.3)	(261.2)
Deferred tax credit/(charge)			
Corporate tax (principally first category tax in Chile)	**(93.8)**	(25.1)	(27.5)
Exceptional items	**-**	-	204.9
Mining tax (royalty)	**3.6**	(19.6)	(24.8)
	(90.2)	(44.7)	152.6
Total tax charge (income tax expense)	**(234.5)**	(118.0)	(108.6)

The rate of first category (i.e. corporate) tax in Chile is currently 25.5% (2016 – 24%).

In addition to first category tax and the mining tax, the Group incurs withholding taxes on any remittance of profits from Chile. Withholding tax is levied on remittances of profits from Chile at 35% less first category (i.e. corporation) tax already paid in respect of the profits to which the remittances relate.

The Group’s mining operations are also subject to a mining tax (royalty). Production from Los Pelambres, El Tesoro Central and Mirador pits at Centinela cathodes and Antucoya are currently subject to a rate of 4% of taxable operating profit and Centinela concentrates of 5%, and production from El Tesoro North East pit and the run-of-mine processing at Centinela cathodes is subject to a rate of between 5–14%, depending on the level of operating profit margin.

	Six months ended 30.06.2017		Six months ended 30.06.2016		Year ended 31.12.2016 (Before Exceptional Items)		Year ended 31.12.2016 (After Exceptional Items)	
	$m	%	$m	%	$m	%	$m	%
Profit before tax	**687.2**		276.5		875.9	-	284.6	
Tax at the Chilean corporate tax rate of 25.5% (2016 – 24%)	**(175.5)**	**25.5**	(66.3)	24.0	(210.2)	24.0	(68.3)	24.0
Provision against carrying value of assets (exceptional items)	**-**	**-**	-	-	-	-	63.0	(22.1)
Effect of increase in future first category tax rates on deferred tax balances	**(0.4)**	**0.1**	2.3	(0.8)	(24.6)	2.8	(24.6)	8.6
Adjustment in respect of prior years	**(9.9)**	**1.4**	-	-	-	-	-	-
Items not deductible from first category tax	**(15.6)**	**2.3**	(8.7)	3.1	(23.7)	2.7	(23.7)	8.3
Items not subject to first category tax	**7.0**	**(1.0)**	-	-	8.5	(1.0)	8.5	(2.9)
Carry-back tax losses resulting in credits at historic tax rates	**-**	**-**	(11.8)	4.3	(5.4)	0.6	(5.4)	1.8
Mining Tax (royalty)	**(24.8)**	**3.6**	(32.8)	11.9	(60.1)	6.9	(60.1)	21.1
Withholding tax	**(20.1)**	**2.9**	(8.3)	3.0	-	-	-	-
Withholding tax – adjustment to previous year	**-**	**-**	-	-	(3.8)	0.4	(3.8)	1.3
Tax effect of share of profit of associates and joint ventures	**5.5**	**(0.8)**	2.3	(0.8)	5.6	(0.6)	5.6	(1.9)
Net other items	**(0.5)**	**0.0**	5.9	(1.9)	0.2	-	0.2	-
Tax expense and effective tax rate for the period	**(234.5)**	**34.0**	(118.0)	42.7	(313.5)	35.8	(108.6)	38.2

The tax charge for 2017 was $234.5 million and the effective tax rate was 34.0%. This effective tax rate varied from the statutory rate principally due to the effect of expenses not deductible for Chilean corporate tax purposes (principally the funding of expenses outside of Chile) and items not subject to first category tax (total impact of $8.6 million or 1.3%), the mining tax (impact of $24.8 million or 3.6%) and the withholding tax paid mainly due to on remittances of profits from Chile (impact of $20.1 million or 2.9%). The exceptional impairment provisions at end 2016 impacted on the overall tax charge and the reconciliation of the effective tax rate, and accordingly the tax reconciliation above has been presented both including and excluding the impact of the exceptional items.

The current and deferred tax relating to items that are charged directly to equity was $1.5 million (30 June 2016 - $1.5 million credit).

The main factor which is expected to impact the sustainability of the Group's existing effective tax rate (excluding exceptional items) is the increase in the rate of first category (i.e. corporate) tax in Chile from the 2017 rate of 25.5% to 27% in 2018.

There are no significant tax uncertainties which would require critical judgements, estimates or potential provisions.

9. Earnings per share

Basic and diluted earnings per share is calculated on profit after tax and non-controlling interests giving profit for the period attributable to the owners of the parent of $290.5 million (six months ended 30 June 2016 – $88.1 million, year ended 31 December 2016 - $158 million) and amounted to 29.7 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 10.3 cents per ordinary share for the 2017 half year (2016 half year – 3.1 cents). Dividends are declared and paid gross. Dividends actually paid in the period and recognised as a deduction from net equity under IFRS were 3.1 cent per ordinary share (2016 half year – nil), representing the final dividend declared in respect of the previous year.

The interim dividend will be paid on 6 October 2017 to ordinary shareholders that are on the register at the close of business on 8 September 2017. Shareholders can elect (on or before 11 September 2017) 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 14 September 2017). 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 asset

	At 30.06.2017	At 30.06.2016	At 31.12.2016
	$m	$m	$m
Balance at the beginning of the period	**150.1**	150.1	150.1
Additions	**-**	-	-
Amortisation	**-**	-	-
Balance at the end of the period	**150.1**	150.1	150.1

The $150.1 million intangible asset reflects the value of Twin Metals' mining property assets. The mining properties will be amortised once production commences.

12. Property, plant and equipment

	Mining	Railway and other transport	At 30.06.2017	At 30.06.2016	At 31.12.2016
	$m	$m	$m	$m	$m
Balance at the beginning of the period	8,576.1	161.4	**8,737.5**	8,601.1	8,601.1
Additions	437.0	12.4	**449.4**	445.3	921.7
Additions – depreciation capitalised	27.0	-	**27.0**	43.2	87.6
Reclassifications	2.2	-	**2.2**	-	3.7
Adjustment to capitalised decommissioning provisions	-	-	**-**	-	16.9
Depreciation	(282.2)	(7.8)	**(290.0)**	(247.3)	(578.4)
Depreciation capitalised in PP&E	(27.0)	-	**(27.0)**	(43.2)	(87.6)
Depreciation capitalised in inventories	(30.5)	-	**(30.5)**	0.4	8.4
Provision against the carrying value of assets	-	-	**-**	-	(215.6)
Asset disposals/write off	-	(0.1)	**(0.1)**	(0.4)	(20.3)
Balance at the end of the period	8,702.6	165.9	**8,868.5**	8,799.1	8,737.5

At 30 June 2017 $57.5 million (30 June 2016 – $42.8 million; 31 December 2016 – $79.2 million) of depreciation in respect of assets relating to Los Pelambres, Centinela and Antucoya has been capitalised within property, plant and equipment or inventories, and accordingly is excluded from the depreciation charge recorded in the income statement as shown in Note 3(a).

At 30 June 2017 the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to $312.5 million (30 June 2016 – $975.1 million; 31 December 2016 - $196.1 million).

There have been no indicators of potential impairments during the first six months of 2017, and accordingly no impairment reviews have been performed as at 30 June 2017. The Group performed impairment reviews in respect of the Centinela and Antucoya operations at the 2016 year-end.

13. Investment in associates and joint ventures

	Inversiones Hornitos	ATI	El Arrayan	Minera Zaldívar	Energía Andina	Tethyan Copper	Six months ended 30.06.2017	Year ended 31.12.2016
	$m	$m	$m	$m	$m	$m	$m	$m
Balance at the beginning of the year	71.3	6.5	21.9	983.7	3.2	-	**1,086.6**	1,149.1
Obligations on behalf of JV	-	-	-	-	-	(3.1)	**(3.1)**	(2.5)
Capital contribution	-	-	-	-	0.2	3.5	**3.7**	47.0
Capital decrease and others	-	-	-	-	-	-	**-**	(0.6)
Adjustment to Purchase price	-	-	-	-	-	-	**-**	(45.0)
Disposal	-	-	-	-	(3.2)	-	**(3.2)**	-
Losses in fair value of cash flow hedges deferred in reserves of associates	-	-	(0.1)	-	-	-	**(0.1)**	4.4
Provision against carrying value of assets	-	-	-	-	-	-	**-**	(82.1)
Share of profit/(loss) before tax	8.4	(0.6)	(0.4)	29.4	-	(4.0)	**32.8**	36.4
Share of tax	(2.1)	0.1	0.2	(9.4)	-	-	**(11.2)**	(13.0)
Share of income/(loss) from associate	6.3	(0.5)	(0.2)	20.0	-	(4.0)	**21.6**	23.4
Dividends received	(8.4)	-	-	-	-	-	**(8.4)**	(10.2)
Balance at the end of the year	69.2	6.0	21.6	1,003.7	0.2	-	**1,100.7**	1,086.6
Obligations on behalf of JV	**-**	**-**	**-**	**-**	**-**	**(3.6)**	**(3.6)**	(3.1)

The investments which are included in the $1,097.1 million balance at 30 June 2017 are set out below:

Investment in associates

(i) The Group's 40% interest in Inversiones Hornitos SA, which owns the 165MW Hornitos thermoelectric power plant operating in Mejillones, in Chile's Antofagasta Region. The Group has a 16-year power purchase agreements with Inversiones Hornitos SA for the provision of up to 40MW of electricity for Centinela.

(ii) The Group's 30% interest in ATI, which operates a concession to manage installations in the port of Antofagasta.

(iii) The Group´s 30% interest in El Arrayan, which operates an 115MW wind-farm project. The Group has a 20-year power purchase agreements with El Arrayan for the provision of up to 40MW of electricity for Los Pelambres.

Investment in joint ventures

(iv) The Group's 50% interest in Minera Zaldívar SpA ("Zaldívar"), an open-pit, heap-leach copper mine located in Northern Chile, which produces approximately 100,000 tonnes of copper cathodes annually.

(v) The Group's 50.1% interest in Energia Andina, which is a joint venture with Origin Geothermal Chile Limitada for the evaluation and development of potential sources of geothermal and solar energy.

In February 2017 the disposal of the interest in Javiera was agreed. The terms of the sale agreement indicated a recoverable value for the interest in Javiera which was $8.1 million below the carrying value, and accordingly an impairment provision for this amount was recognised in the 2016 year-end results. The disposal completed in May of 2017.

(vi) The Group's 50% interest in Tethyan Copper Company Limited ("Tethyan"), which is a joint venture with Barrick Gold Corporation over Tethyan's mineral interest in Pakistan, which is now subject to international arbitration. As the net carrying value of the interest in Tethyan is negative it is included within non-current liabilities, as the Group is liable for its share for the joint ventures obligations.

Summarised financial information for the associates at June 2017 is as follows:

	Inversiones Hornitos 30.06.2017	**ATI 30.06.2017**	**El Arrayan 30.06.2017**	**Total 30.06.2017**	Total 30.06.2016
	$m	$m	$m	**$m**	$m
Cash and cash equivalents	22.5	1.1	5.0	**28.6**	225.1
Current assets	36.6	9.4	11.8	**57.8**	113.0
Non-current assets	288.3	133.9	244.1	**666.3**	1,708.8
Current liabilities	(32.3)	(23.6)	(12.2)	**(68.1)**	(177.6)
Non-current liabilities	(162.5)	(103.2)	(188.2)	**(453.9)**	(1,607.0)
Revenue	80.1	21.3	15.0	**116.4**	95.2
Profit/(loss) from continuing operations	15.5	(1.7)	(0.5)	**13.3**	4.0
Other comprehensive income	-	-	(0.3)	**(0.3)**	(21.5)
Total comprehensive income/(loss)	15.5	(1.7)	(0.8)	**13.0**	(17.5)

Summarised financial information for the joint ventures at June 2017 is as follows:

	Minera Zaldivar 30.06.2017	**Energía Andina 30.06.2017**	**Tethyan Copper 30.06.2017**	**Total 30.06.2017**	Total 30.06.2016
	$m	$m	$m	**$m**	$m
Cash and cash equivalent	128.0	0.5	3.4	**131.9**	49.1
Current assets	522.6	0.1	0.2	**522.9**	333.5
Non-current assets	1,559.0	-	0.2	**1,559.2**	1,847.0
Current liabilities	(89.2)	-	(10.7)	**(99.9)**	(95.6)
Non-current liabilities	(112.9)	-	(0.1)	**(113.0)**	(193.1)
Revenue	284.2	-	-	**284.2**	243.8
Profit/(loss) after tax	39.9	-	(8.0)	**31.9**	64.7
Other comprehensive income	-	-	-	**-**	-
Total comprehensive income	39.9	-	(8.0)	**31.9**	64.7

Notes to the summarised financial information

(i) The summarised financial information is based on the amounts included in the IFRS Financial Statements of the associate or joint venture (ie. 100% of the results or balances of the associate or joint venture, rather than the Group's proportionate share), after the Group's fair value adjustments.

14. Available-for-sale investments

	At 30.06.2017	At 30.06.2016	At 31.12.2016
	$m	$m	$m
Balance at the beginning of the period	**4.6**	2.7	2.7
Additions	**-**	-	-
Reclassification	**(0.4)**	-	-
Movements in fair value	**-**	1.2	1.7
Foreign currency exchange difference	**0.2**	0.2	0.2
Balance at the end of the period	**4.4**	4.1	4.6

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.

15. Borrowings and leases

	At 30.06.2017	At 30.06.2016	At 31.12.2016
	$m	$m	$m
Los Pelambres			
Corporate loans	**-**	(34.6)	(17.5)
Short-term loan	**(312.0)**	(272.1)	(312.0)
Finance leases	**(51.3)**	(74.4)	(62.2)
Centinela			
Project financing (senior debt)	**(670.1)**	(817.5)	(743.8)
Shareholder loan (subordinated debt)	**(188.7)**	(178.5)	(183.6)
Short-term loan	**(200.0)**	(200.0)	(200.0)
Antucoya			
Project financing (senior debt)	**(573.0)**	(567.0)	(608.7)
Shareholder loan (subordinated debt)	**(338.8)**	(322.7)	(330.4)
Short-term loan	**(30.0)**	(104.9)	(30.0)
Finance leases	**(46.3)**	-	(16.2)
Corporate and other items			
Long-term loan	**(497.7)**	(496.9)	(497.2)
Finance leases	**(24.7)**	(26.3)	(25.1)
Railway and other transport services			
Long-term loans	**(89.6)**	(119.2)	(89.4)
Finance leases	**(0.7)**	(2.5)	(1.6)
Preference shares	**(2.8)**	(3.1)	(2.5)
Total	**(3,025.7)**	(3,219.7)	(3,120.2)

At 30 June 2017 $28.3 million (30 June 2016 – $100.7 million; 31 December 2016 - $29.1 million) of the borrowings has fixed rate interest and $2,997.4 million (30 June 2016 – $3,119.1 million; 31 December 2016 - $3,091.1 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 $278.4 million of floating rate borrowings into fixed rate borrowings. Details of any derivative instruments held by the Group are given in Note 5(c).

16. Share capital and share premium

There was no change in share capital or share premium in the six months ended 30 June 2017 or the comparative periods. Details are shown in the Consolidated Statement of Changes in Equity.

17. Other reserves and retained earnings

	At 30.06.2017 $m	At 30.06.2016 $m	At 31.12.2016 $m
Hedging reserves (1)			
At 1 January	**(8.8)**	(44.1)	(44.1)
Parent and subsidiaries net cash flow hedge fair value gains/(losses)	**(0.2)**	(3.6)	(2.4)
Parent and subsidiaries net cash flow hedge gains/(losses) transferred to the income statement	**0.6**	3.6	4.1
Share of other comprehensive losses of equity accounted units, net of tax	**(0.1)**	(17.5)	3.1
Share of other comprehensive gains of equity accounted units, net of tax transferred to the income statement	**-**	-	31.6
Reclassification(6)	**8.2**	-	-
Tax on the above	**(0.1)**	0.7	(1.1)
At 30 June	**(0.4)**	(60.9)	(8.8)
Available for sale revaluation reserves (2)			
At 1 January	**(11.2)**	(12.9)	(12.9)
Losses on available for sale investment	**(0.4)**	1.2	1.7
At 30 June	**(11.6)**	(11.7)	(11.2)
Foreign currency translation reserves (3)			
At 1 January	**(2.3)**	(2.3)	(2.3)
Parent and subsidiaries currency translation and exchange adjustments	**-**	-	-
Tax on the above	**-**	-	-
At 30 June	**(2.3)**	(2.3)	(2.3)
Total other reserves per balance sheet	**(14.3)**	(74.9)	(22.3)

Retained earnings (4)			
At 1 January	**6,548.6**	6,416.4	6,416.4
Parent and subsidiaries profit for the period	**268.9**	78.4	269.3
Equity accounted units' loss after tax for the period	**21.6**	9.7	(111.3)
Actuarial gains/(losses) (5)	**2.3**	(1.5)	5.1
Reclassification (6)	**(8.2)**	-	-
Tax relating to components of other comprehensive income	**(1.4)**	-	(0.3)
Total comprehensive income for the period	**6,831.8**	6,503.0	6,579.2
Dividends paid	**(150.8)**	-	(30.6)
At 30 June	**6,681.0**	6,503.0	6,548.6

(1) The hedging reserve records gains or losses on cash flow hedges that are recognised initially in equity, as described in Note 5.
(2) The available for sale revaluation reserves record fair value gains or losses relating to available for sale investment, as described in Note 14.
(3) Exchange differences arising on the translation of the Group's net investment in foreign controlled companies are taken to the foreign currency translation reserve. The cumulative differences relating to an investment are transferred to the income statement when the investment is disposed of.
(4) Retained earnings and movements in reserves of subsidiaries include those arising from the Group's share of joint operations.
(5) Actuarial gains or losses relating long – term employee benefits.
(6) During the period $8.2 million was reclassified between the hedging reserve and retained earnings

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

	Six months ended 30.06.2017	Six months ended 30.06.2016	Year ended 31.12.2016
	$m	$m	$m
Profit before tax from continuing operations	**689.1**	276.5	284.6
Profit before tax from discontinued operations	-	(0.4)	35.1
Depreciation and amortisation	**290.0**	247.3	578.4
Net (profit)/loss on disposals	**(0.1)**	0.2	19.7
Provision against carrying value of assets	-	-	456.6
Profit on disposal of discontinued operation	-	-	(35.1)
Net finance expense	**53.8**	17.7	71.1
Share of (loss)/profit from associates and joint ventures	**(21.6)**	(9.7)	111.3
(Increase)/decrease in inventories	**(43.5)**	(13.8)	3.9
Decrease/(increase) in debtors	**280.8**	254.4	(124.9)
(Decrease)/increase in creditors and provisions	**(101.4)**	1.9	56.6
Cash flows from continuing and discontinued operations	**1,147.1**	774.1	1,457.3

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

	At 01.01.2017	Cash flows	Other	Exchange	**At 30.06.2017**
	$m	$m	$m	$m	**$m**
Cash and cash equivalents	716.3	32.6	-	(3.9)	**745.0**
Liquid investments	1,332.2	88.9	-	-	**1,421.1**
Total cash and cash equivalents and liquid investments	2,048.5	121.5	-	(3.9)	**2,166.1**
Bank borrowings due within one year	(814.2)	92.5	(76.2)	-	**(797.9)**
Bank borrowings due after one year	(2,198.4)	38.8	57.7	-	**(2,101.9)**
Finance leases due within one year	(22.6)	0.8	(3.0)	0.1	**(24.7)**
Finance leases due after one year	(82.6)	16.6	(32.0)	(0.4)	**(98.4)**
Preference shares	(2.4)	-	-	(0.4)	**(2.8)**
Total borrowings	(3,120.2)	148.7	(53.5)	(0.7)	**(3,025.7)**
Net (debt)/cash	**(1,071.7)**	**270.2**	**(53.5)**	**(4.6)**	**(859.6)**

Net debt

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

	Six months ended 30.06.2017	Six months ended 30.06.2016	Year ended 31.12.2016
	$m	$m	$m
Cash, cash equivalents and liquid investments	**2,166.1**	2,180.1	2,048.5
Total borrowings	**(3,025.7)**	(3,219.7)	(3,120.2)
Net debt	**(859.6)**	(1,039.6)	(1,071.7)

20. Litigation and Contingent liabilities

Antofagasta plc or its subsidiaries are subject to various claims which arise in the ordinary course of business. 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 – Cerro Amarillo Waste Dump

In 2004, Los Pelambres received all of the required authorisations from the Chilean government to deposit waste-rock from its mining activities in its current location (the "Cerro Amarillo Waste Dump"). According to the then official Chilean maps (1996), this area was located entirely within Chile. In 2007, Chile modified the official maps in the area without making the changes public. Based on the permits granted by the Chilean government, Los Pelambres used this area as a mining waste dump from 2006 until 2011.

In February 2012, a binational border commission, established to clarify the exact position of the Chile/Argentina border, installed some signposts indicating the border in the area which confirmed that part of the Cerro Amarillo Waste Dump was located in Argentina.

In May 2014, Xstrata Pachón S.A. ("Xstrata Pachón"), a subsidiary of Glencore plc 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. In this civil claim, Xstrata Pachón has asked the Court to order Los Pelambres to remove the rocks and to compensate Xstrata Pachón for any and all damage suffered (but without specifying the nature of this damage).

Xstrata Pachón also filed a criminal complaint before a separate division of the Federal Court of San Juan alleging that, when Los Pelambres was depositing rock on the Cerro Amarillo Waste Dump, it violated several Argentinian laws relating to the misappropriation of land, unlawful appropriation of water bodies and that peoples' health was in jeopardy from the alleged contamination that the Cerro Amarillo Waste Dump might generate.

In both cases, Los Pelambres submitted preliminary objections to the Argentinian courts.

In the civil case, the Court of Appeals dismissed these preliminary objections; however, Los Pelambres has filed an extraordinary appeal against this decision before the Federal Supreme Court which is currently pending. Notwithstanding so, this appeal does not suspend proceedings in relation to the substantive arguments, which were submitted to the Federal Court of San Juan in July 2017.

In April 2016 Los Pelambres and the Province of San Juan executed an agreement by means of which Los Pelambres had committed itself to close the Cerro Amarillo Waste Dump, perform regular monitoring of underground and surface waters, and perform other additional actions requested by the Province. In November 2016 the Province of San Juan unilaterally revoked this Agreement. Notwithstanding, between November 2016 and January 2017 and with the support of the Chilean and Argentine governments, Los Pelambres completed the removal of pneumatic tyres previously placed at the Cerro Amarillo Waste Dump. In 2017, at the Province of San Juan's request, Los Pelambres filed before the Federal Court N° 1 of San Juan two alternative environmental provisional action plans for the Cerro Amarillo Waste Dump aimed at preventing any potential contamination arising out from it, which are currently subject to review by the parties to the proceedings and the judges.

In the criminal proceeding, in March 2016, the Federal Court of Appeals of Mendoza held that the Argentinian courts had jurisdiction to hear this matter. At the end of 2016 and beginning of 2017, some managers and the Chairman of Los Pelambres were submitted to inquiry before the court. In March 2017 a visual inspection was carried out at Cerro Amarillo Waste Dump, during which rock and water samples were extracted. Subsequently, an independent environmental expert's report was made concluding that the rocks of the Cerro Amarillo Waste Rock Dump have the potential to generate acid drainage and have affected the quality of the waters of a pond near to the Cerro Amarillo Waste Rock Dump, but that there is no evidence of any impact on the waters of the Carnicería river, a river that provides potable water to the city of San Juan in Argentina.

In July 2017, the Province of San Juan applied to the court to intervene as a complainant, seeking to extend the criminal investigation to include Xstrata Pachón's executives, on the grounds that Xstrata Pachón had tenure of the mining titles in the relevant area and therefore was accountable for any act or omission on it, regardless of who it was caused by. On 9 July 2017 the court issued a ruling (a) adding the Province of San Juan as complainants in the case; (b) adding as yet unnamed officers of Xstrata Pachón as defendants in the case; (c) requiring that precautionary measures be taken to limit the possibility of water contamination (without specifying who should take such measures); (d) requiring the removal of the waste dump in Argentina as soon as possible but in accordance with a plan to be devised in the future by the court appointed experts; and (e) that environmental monitoring continues. Los Pelambres will be filing an appeal imminently and in the meantime notes that the court has not specified a timetable for compliance with the orders and who should be responsible for performing these obligations. Nor has any form of bond or guarantee been ordered.

Separately, members of the Foreign Affairs Ministries of Argentina and Chile have met in a bilateral working group during the year to discuss a possible diplomatic solution to this matter.

Los Pelambres will exercise all available legal avenues to defend its position and will continue to take steps to implement the appropriate environmental measures on the Cerro Amarillo Waste Dump to prevent any potential environmental damage.

Twin Metals Minnesota – Federal Mineral Leases MNES-1352 and MNES-1353

On 8 March 2016, the Solicitor of the Department of the Interior issued a legal opinion concluding that the Bureau of Land Management (BLM) has discretion to deny Twin Metals' application for renewal of federal mineral leases MNES-1352 and MNES-1353. The United States Forest Service (USFS) declined to consent to renewal of the leases on 14 December 2016, and BLM rejected Twin Metals' application to renew the leases the next day.

The BLM's denial relied on the Solicitor's Opinion's conclusion that it had discretion to deny the renewal, and BLM took the view that USFS consent was required to renew the leases. According to BLM, because the USFS refused consent, BLM was required to reject the lease renewal application.

The Forest Service's decision was based ofn the potential environmental impacts of sulphide-ore copper mining in the Boundary Waters watershed. The USFS decision did not discuss the terms and conditions of the leases or the project, nor did it address Twin Metals' legal rights to the leases.

On 12 September 2016, Twin Metals filed a complaint in the U.S. District Court in Minnesota against the United States, the U.S. Department of the Interior, Secretary of the Interior Sally Jewell, Solicitor Hilary C. Tompkins and BLM. Twin Metals brought claims under the Quiet Title Act (QTA) and the Administrative Procedure Act (APA) seeking to secure its rights to the two federal mineral leases. Following the USFS withholding of consent and BLM's denial of renewal, Twin Metals filed an amended complaint on 3 January, 2017, adding the U.S. Department of Agriculture, Secretary of Agriculture Thomas J. Vilsack, the USFS and Chief of the USFS Thomas L. Tidwell as defendants. The amended complaint seeks similar relief under the QTA and APA, and also requests that the court overturn the government's denial of the leases.

On 21 February 2017, Northeastern Minnesotans for Wilderness (NMW), a local environmental advocacy group, intervened in the lawsuit. On 5 June 2017, the government and NMW each filed a motion to dismiss Twin Metals' complaint. Twin Metals is currently preparing its response to these motions.

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 2017 the Group contribution was $3.5 million (six months ended 30 June 2016 - nil; year ended 31 December 2016 - $10.0 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. During the six months ended 30 June 2017 the Group contributed $0.2 million (six months ended 30 June 2016 - $1.0 million; year ended 31 December 2016 - $1.0 million)

The Group´s 50% interest in Minera Zaldívar which was acquired on 1 December 2015, which is a joint venture with Barrick Gold Corporation. Antofagasta is the operator of Zaldívar from 1 December 2015 onwards.

b) Associates

The Group has a 40% interest in Inversiones Hornitos S.A. During the six months ended 30 June 2017 the Group paid $86.2 million (six months ended 30 June 2016 -$70.0 million; year ended 31 December 2016 – $112.6 million) to Inversiones Hornitos in relation to the energy supply contract at Centinela. During the six months ended 30 June 2017 the Group has received dividends from Inversiones Hornitos S.A. of $8.4 million (six months ended 30 June 2016 - $13.6 million; year ended 31 December 2016 - $10.1 million).

The Group has a 30% interest in Parque Eólico El Arrayán S.A. ("El Arrayán"). During the six months ended 30 June 2017 the Group paid $20.9 million (six months ended 30 June 2016 - $19.9 million; year ended 31 December 2016 - $38.1 million) to El Arrayan in relation to the energy supply at Los Pelambres.

During 2017, the Group sold its 40% interest in Alto Maipo SpA ("Alto Maipo").

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 2017 the Group incurred $0.1 million (Six months ended 30 June 2016 - $2.3 million; year ended 31 December 2016 - $1.0 million) of exploration costs at these properties.

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

Jean - Paul Luksic	Ollie Oliveira
Chairman	Director

21 August 2017

Independent review report to Antofagasta Plc

Report on the interim condensed consolidated financial statements

Our conclusion

We have reviewed Antofagasta Plc's interim condensed consolidated financial statements (the "interim financial statements") in the half-yearly financial report of Antofagasta Plc for the 6 month period ended 30 June 2017. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the condensed consolidated balance sheet as at 30 June 2017;
- the condensed consolidated income statement and condensed consolidated statement of comprehensive income for the period then ended;
- the condensed consolidated cash flow statement for the period then ended;
- the condensed consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements 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 Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1 to the interim financial statements, 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 (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The half-yearly financial report, including the interim financial statements, 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 Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements 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 Guidance and Transparency Rules sourcebook of the United Kingdom's 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.

What a review of interim financial statements 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, 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 interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London
21 August 2017

a) 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 interim financial statements since they were initially presented on the website.

b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

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

	Production			Sales		
	Six months ended 30.06.2017	Six months ended 30.06.2016	Year ended 31.12.2016	**Six months ended 30.06.2017**	Six months ended 30.06.2016	Year ended 31.12.2016
	000 tonnes	000 tonnes	000 tonnes	**000 tonnes**	000 tonnes	000 tonnes
Copper						
Los Pelambres	**164.2**	172.1	355.3	**150.2**	173.6	351.6
Centinela	**116.6**	98.2	236.2	**120.3**	83.4	227.6
Antucoya	**39.6**	27.0	66.2	**39.3**	26.0	66.6
Michilla	**-**	-	-	**-**	0.9	0.9
Zaldívar	**25.9**	26.0	51.7	**24.3**	25.5	51.7
Group total	**346.3**	323.3	709.4	**334.1**	309.4	698.4
Gold	**000 ounces**	000 ounces	000 ounces	**000 ounces**	000 ounces	000 ounces
Los Pelambres	**26.7**	29.0	57.8	**24.0**	32.6	62.8
Centinela	**85.5**	80.5	213.0	**90.6**	64.5	208.6
Group total	**112.2**	109.5	270.8	**114.6**	97.1	271.4
Molybdenum	**000 tonnes**	000 tonnes	000 tonnes	**000 tonnes**	000 tonnes	000 tonnes
Los Pelambres	**4.5**	3.3	7.1	**4.3**	3.1	7.2
Silver	**000 ounces**	000 ounces	000 ounces	**000 ounces**	000 ounces	000 ounces
Los Pelambres	**1,137.9**	1,286.7	2,585.8	**1,040.8**	1,392.0	2,701.9
Centinela	**626.5**	482.0	1,313.0	**649.8**	356.2	1,159.0
Group total	**1,764.4**	1,768.7	3,898.8	**1,690.6**	1,748.2	3,860.9

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 30.06.2017	Six months ended 30.06.2016	Year ended 31.12.2016	**Six months ended 30.06.2017**	Six months ended 30.06.2016	Year ended 31.12.2016
	$/lb	$/lb	$/lb	**$/lb**	$/lb	$/lb
Copper						
Los Pelambres	**1.08**	1.02	1.06	**2.74**	2.18	2.35
Centinela	**1.20**	1.53	1.19	**2.72**	2.17	2.32
Antucoya	**1.71**	1.82	1.83	**2.65**	2.15	2.30
Michilla	**-**	-	-	**-**	1.85	-
Zaldivar (attributable basis – 50%)	**1.60**	1.50	1.55	**-**	2.15	-
Group weighted average (net of by-products)	**1.24**	1.26	1.20	**2.72**	2.17	2.33
Group weighted average (before deducting by-products)	**1.57**	1.60	1.54			
Group weighted average (before deducting by-products and excluding tolling charges from concentrate)	**1.37**	1.38	1.33			
Cash costs at Los Pelambres comprise:						
On-site and shipping costs	**1.19**	1.06	1.09			
Tolling charges for concentrates	**0.27**	0.26	0.27			
Cash costs before deducting by-product credits	**1.45**	1.32	1.36			
By-product credits (principally molybdenum)	**(0.36)**	(0.30)	(0.30)			
Cash costs (net of by-product credits)	**1.09**	1.02	1.06			
Cash costs at Centinela comprise:						
On-site and shipping costs	**1.47**	1.83	1.53			
Tolling charges for concentrates	**0.20**	0.22	0.22			
Cash costs before deducting by-product credits	**1.67**	2.05	1.75			
By-product credits (principally gold)	**(0.47)**	(0.53)	(0.56)			
Cash costs (net of by-product credits)	**1.20**	1.52	1.19			
LME average copper price				**2.61**	**2.13**	2.21
Gold				**$/oz**	$/oz	$/oz
Los Pelambres				**1,259**	1,232	1,253
Centinela				**1,276**	1,316	1,257
Group weighted average				**1,272**	1,288	1,256
Market average price				**1,238**	1,219	1,248
Molybdenum				**$/lb**	$/lb	$/lb
Los Pelambres				**8.0**	7.4	6.8
Market average price				**8.0**	6.1	6.5
Silver				**$/oz**	$/oz	$/oz
Los Pelambres				**16.4**	16.1	17.4
Centinela				**17.0**	16.0	17.7
Group weighted average				**16.6**	16.1	17.5
Market average price				**17.3**	15.8	17.1

Notes to the production and sales statistics

(i) For the Group's subsidiaries the production and sales figures reflect the total amounts produced and sold by the mine, not the Group's share of each mine. The Group owns 60% of Los Pelambres, 70% of Centinela and 70% of Antucoya. For the Zaldívar joint venture the production and sales figures reflect the Group's proportional 50% share.

(ii) Los Pelambres produces copper and molybdenum concentrates, Centinela produces copper concentrate and copper cathodes and Antucoya and Zaldívar produce copper cathodes. The figures for Los Pelambres and Centinela are expressed in terms of payable metal contained in concentrate and in cathodes. Los Pelambres and Centinela are also credited for the gold and silver contained in the copper concentrate sold. Antucoya and Zaldívar 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. Cash costs exclude depreciation, financial income and expenses, hedging gains and losses, exchange gains and losses and corporate 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 and the cash cost information is derived from the Group's production report for the second quarter of 2017, published on 26 July 2017.

22. Alternative performance measures

This preliminary results announcement includes a number of alternative performance measures, in addition to IFRS amounts. These measures are included because they are considered to provide relevant and useful additional information to users of the accounts. Set out below are definitions of these alternative performance measures, explanations as to why they are considered to be relevant and useful, and reconciliations to the IFRS figures.

a) EBTIDA

EBITDA refers to Earnings Before Interest, Tax, Depreciation and Amortisation. EBITDA is calculated by adding back depreciation, amortisation, profit or loss on disposals and impairment charges to operating profit. This comprises 100% of the EBITDA from the Group´s subsidiaries, and the Group´s proportional share of the EBITDA of its associates and joint ventures.

EBITDA is considered to provide a useful and comparable indication of the current operational earnings performance of the business, excluding the impact of the historic cost of property, plant & equipment or the particular financing structure adopted by the business.

At 30 June 2017

	Los Pelambres	Centinela	Antucoya	Zaldívar	Exploration and evaluation	Corporate and other items	**Mining**	**Railway and other transport services**	**Total**
	$m	$m	$m	$m	$m	$m	**$m**	**$m**	**$m**
Operating profit/(loss)	**433.1**	**267.8**	**42.1**	**-**	**(22.0)**	**(27.4)**	**693.6**	**27.7**	**721.3**
Depreciation and amortisation	88.6	152.2	37.8	-	-	3.6	**282.2**	7.8	**290.0**
Profit on disposals	-	-	-	-	-	-	**-**	(0.1)	**(0.1)**
EBITDA from subsidiaries	**521.7**	**420.0**	**79.9**	**-**	**(22.0)**	**(23.8)**	**975.8**	**35.4**	**1,011.2**
Proportional share of the EBITDA from associates and JV	-	-	-	56.8	-	(0.8)	**56.0**	12.6	**68.6**
Total EBITDA	**521.7**	**420.0**	**79.9**	**56.8**	**(22.0)**	**(24.6)**	**1,031.9**	**48.0**	**1,079.8**

At 30 June 2016

	Los Pelambres	Centinela	Antucoya	Zaldívar	Exploration and evaluation	Corporate and other items	**Mining**	**Railway and other transport services**	**Total**
	$m	$m	$m	$m	$m	$m	**$m**	**$m**	**$m**
Operating profit/(loss)	**338.5**	**(38.6)**	**(0.5)**	**-**	**(18.9)**	**(24.6)**	**255.9**	**31.7**	**287.6**
Depreciation and amortisation	**96.7**	**123.4**	**16.7**	**-**	**-**	**3.2**	**240.0**	**7.3**	**247.3**
Loss on disposals	**0.2**	**-**	**-**	**-**	**-**	**-**	**0.2**	**-**	**0.2**
EBITDA from subsidiaries	**435.4**	**84.8**	**16.2**	**-**	**(18.9)**	**(21.4)**	**496.1**	**39.0**	**535.1**
Proportional share of the EBITDA from associates and JV	**-**	**-**	**-**	**37.1**	**-**	**(4.6)**	**32.5**	**7.5**	**40.0**
Total EBITDA	**435.4**	**84.8**	**16.2**	**37.1**	**(18.9)**	**(26.0)**	**528.6**	**46.5**	**575.1**

b) Cash costs

Cash costs are a measure of the cost of operational production expressed in terms of cents per pound of payable copper produced.

This is considered to be a useful and relevant measure as it is a standard industry measure applied by most major copper mining companies which reflects the direct costs involved in producing each lb of copper. It therefore allows a straightforward comparison of the unit production cost of different mines, and allows an assessment of the position of a mine on the industry cost curve. It also provides a simple indication of the profitability of a mine when compared against the price of copper (per lb).

	At 30.06.2017	At 30.06.2016
	$m	$m
Reconciliation of cash costs excluding tolling charges and by-product revenues:		
Total Group operating costs (Note 4)	**1,327.9**	1,156.6
Less:		
Total – Depreciation and amortisation (Note 4)	**(290.0)**	(247.3)
Total – Loss on disposal (Note 4)	**0.1**	(0.2)
Elimination of non-mining operations		
Corporate and other items – Total operating cost (Note 4)	**(25.3)**	(21.4)
Exploration and evaluation – Total operating cost (Note 4)	**(22.0)**	(18.9)
Railway and other transport services – Total operating cost (Note 4)	**(45.4)**	(41.1)
Closure provision and other expenses not included within cash costs	**(6.9)**	(3.5)
Total cost relevant to the mining operations' cash costs	**938.3**	824.2
Copper sales volumes – excluding Antucoya Q1 2016/ and Zaldívar (tonnes)	**309,800**	271,100
Cash costs excluding tolling charges and by-product revenues ($/tonne)	**3,029**	3,040
Cash costs excluding tolling charges and by-product revenues ($/lb)	**1.37**	1.38
Reconciliation of cash costs before deducting by-products:		
Tolling charges - copper - Los Pelambres (Note 5)	**80.3**	93.0
Tolling charges - copper - Centinela (Note 5)	**52.0**	38.7
Tolling charges - copper – total	**132.3**	131.7
Copper sales volumes – excluding Antucoya Q1 2016/full year 2015 and Zaldívar (tonnes)	**309,800**	271,100
Tolling charges ($/tonne)	**427**	486
Tolling charges ($/lb)	**0.20**	0.22
Cash costs excluding tolling charges and by-product revenues ($/lb)	**1.37**	1.38
Tolling charges ($/b)	**0.20**	0.22
Cash costs before deducting by-products (S/lb)	**1.57**	1.60

b) Cash costs (continued)

	At 30.06.2017	At 30.06.2016
	$m	$m
Reconciliation of cash costs (net of by-products):		
Gold revenue - Los Pelambres (Note 4)	**30.1**	40.1
Gold revenue - Centinela (Note 4)	**115.1**	84.5
Molybdenum revenue - Los Pelambres (Note 4)	**68.5**	43.8
Silver revenue - Los Pelambres (Note 4)	**16.6**	21.9
Silver revenue - Centinela (Note 4)	**10.8**	5.6
Total by-product revenue	**241.1**	195.9
Copper sales volumes – excluding Antucoya Q1 2016/and Zaldívar tonnes)	**309,800**	271,100
Tolling charges ($/tonne)	**778**	723
Tolling charges ($/lb)	**0.34**	0.34
Cash costs before deducting by-products (S/lb)	**1.57**	1.60
By-product revenue ($/lb)	**(0.34)**	(0.34)
Cash costs (net of by-products) ($/lb)	**1.23**	1.26

The totals in the tables above may include some small apparent differences as the specific individual figures have not been rounded.

c) Attributable cash, cash equivalents & liquid investments, borrowings and net debt

Attributable cash, cash equivalents & liquid investments, borrowings and net debt reflects the proportion of those balances which are attributable to the equity holders of the Company, after deducting the proportion attributable to the non-controlling interests in the Group's subsidiaries.

This is considered to be a useful and relevant measure as the majority of the Group's cash tends to be held at the corporate level and therefore 100% attributable to the equity holders of the Company, whereas the majority of the Group's borrowings tend to be at the level of the individual operations, and hence only a proportion is attributable to the equity holders of the Company.

	June 2017			June 2016		
	Total amount	Attributable share	Attributable amount	Total amount	Attributable share	Attributable amount
	$m		$m	$m		$m
Cash, cash equivalents and liquid investments:						
Los Pelambres	**283.6**	60%	170.2	492.0	60%	295.2
Centinela	**400.3**	70%	276.9	462.7	70%	323.9
Antucoya	**178.9**	70%	125.2	146.5	70%	102.6
Corporate	**1,245.8**	100%	1,250.5	1,025.3	100%	1,025.3
Railway and other transport services	**57.5**	100%	57.5	53.6	100%	53.6
Total	**2,166.1**		1,880.3	2,180.1		1,800.6
Borrowings:						
Los Pelambres (Note 19)	**(363.3)**	60%	(218.0)	(381.1)	60%	(228.7)
Centinela (Note 19)	**(1,058.8)**	70%	(741.2)	(1,196.0)	70%	(837.2)
Antucoya (Note 19)	**(988.1)**	70%	(691.7)	(994.6)	70%	(696.2)
Corporate (Note 19)	**(525.2)**	100%	(525.2)	(526.3)	100%	(526.3)
Railway and other transport services (Note 19)	**(90.3)**	100%	(90.3)	(121.7)	100%	(121.7)
Total (Note 19)	**(3,025.7)**		(2,266.4)	(3,219.7)		(2,410.1)
Net debt	**(859.6)**		**(386.1)**	**(1,023.5)**		**(609.5)**