NEWS RELEASE, 22 AUGUST 2019

HALF YEARLY FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2019

Antofagasta plc CEO Iván Arriagada said: *"We have delivered robust financial results for the first half of the year reflecting higher production at all of our operations with EBITDA increasing by 44% to $1.3 billion.*

"In line with our plan for the year, copper production during the half year period increased by 22% and we expect this rate of production to continue into the second half of 2019, which we expect to be another year of record copper production.

"With Antofagasta's strategy focused on producing profitable tonnes, the successful Cost and Competitiveness Programme continues to deliver benefits and has yielded a cost saving of 7c/lb in the first half of the year helping us to reduce our net cash costs by 33c/lb to $1.19/lb.

"While the outlook for the copper market remains uncertain with the protracted negotiations between the USA and China impacting global trade, Antofagasta continues to be in a strong position generating solid cash flows and improving returns. We have the assets, capabilities and disciplined capital allocation strategy that allow us to deliver long-term value for all our stakeholders even in a challenging external macro environment."

Financial performance

- **Revenue up 19.1% to $2,525.6 million** as higher copper sales volumes and by-product revenues were partially offset by a 6.3% lower realised copper price
- **EBITDA(2) for the first six months of the year was $1,305.9 million**, 44.0% higher than in the first half of 2018
- **EBITDA margin(3) of 51.7%**, increased from 42.6% during same period last year as unit production costs decreased
- **Cost and Competitiveness Programme achieved savings of $61 million in the first half of 2019,** equivalent to 7c/lb of unit cash costs
- **Cash flow from operations(5) of $1,514.5 million,** 70% higher than in the same period last year predominantly due to higher EBITDA
- **Capital expenditure of $465.5 million**, 38.8% of full year guidance
- **Net debt decreased by $78.9 million to $517.4 million during the period**, representing a Net Debt to EBITDA ratio of 0.20 times on higher cash flow from operations despite a drawdown of $198.0 million of the Los Pelambres Expansion debt facility, the $131.3 million initial impact of the adoption of IFRS 16, the payment of an increased final dividend and higher taxes
- **Earnings per share of 30.7 cents,** a 55.1% increase on the same period in 2018
- **Interim dividend of 10.7 cents per share,** equivalent to a payout ratio of 35% of Net Earnings(2). An increase of 57.4% on last year's interim

Operating performance

- **The Group had no fatalities during the period**
- **Group copper production increased by 22.2% to 387,300 tonnes**, with higher production at all of the Group's operations
- **Group cash costs before by-product credits(2) for the half year were $1.66/lb**, down from $1.92/lb in the same period last year due to gains arising from the Cost and Competiveness Programme, higher production and a weaker Chilean peso

- **Group net cash costs[(2)] of $1.19/lb**, a decrease of 21.7% from $1.52/lb in the same period in 2018, on lower cash costs before by-product credits and higher by-product revenues
- **Construction of the Los Pelambres Expansion project** has started on-site and project completion (engineering, procurement and construction) was at 22% as of the end of June. Capital expenditure in the first six months of 2019 was $77.6 million. The rate of expenditure is expected to accelerate in the second half of the year as the project advances

Guidance

- **As previously reported, Group copper production guidance for the full year is unchanged at 750-790,000 tonnes and net cash cost guidance has been reduced by 5c/lb to $1.25/lb,** assuming by-product prices and the Chilean peso exchange rate remain at similar levels to the first half of the year
- **Capital expenditure guidance** for the full year is unchanged at $1.2 billion

Other

- **It is with great sadness that the Board reports the passing of Gonzalo Menendez**, our longest-serving director, after 34 years on the Board. Gonzalo has been associated with every major strategic initiative of the Group and we will greatly miss his honest, forthright and wise counsel
- **As announced on 12 July, the World Bank's International Center for Settlement of Investment Disputes ("ICSID") awarded $5.84 billion in damages to Tethyan Copper Company Pty Limited,** a joint venture held equally by the Company and Barrick Gold Corporation, in relation to arbitration claims filed against the Islamic Republic of Pakistan ("Pakistan") following the unlawful denial of a mining lease for the Reko Diq project in Pakistan in 2011
- **Labour negotiations** are scheduled with the supervisors at Zaldívar and Los Pelambres, and the workers at Antucoya and are expected to conclude in H2 2019

UNAUDITED RESULTS SIX MONTHS ENDED 30 JUNE		2019	2018	%
Revenue [(1)]	$m	**2,525.6**	2,120.7	*19.1*
EBITDA[(2)]	$m	**1,305.9**	904.2	*44.4*
EBITDA margin[(3)]	%	**51.7**	42.6	*21.4*
Earnings per share	cents	**30.7**	19.8	*55.1*
Dividend per share	cents	**10.7**	6.8	*57.4*
Cash flow from operations[(4, 5)]	$m	**1,514.5**	890.4	*70.1*
Group net debt at period end	$m	**517.4**	782.8	*(33.9)*
Average realised copper price	$/lb	**2.81**	3.00	*(6.3)*
Copper sales[(6)]	Kt	**354.5**	283.3	*25.1*
Gold sales	Koz	**148.3**	68.1	*117.8*
Moly sales	Kt	**6.6**	6.1	*8.2*
Cash costs before by-product credits[(2)]	$/lb	**1.66**	1.92	*(13.5)*
Net cash costs[(2)]	$/lb	**1.19**	1.52	*(21.7)*

***Note**: The financial results are for continuing operations and are prepared in accordance with IFRS other than as noted in (2) below.*

(1) Figures include both revenue from the sale of products and the associated income from the provision of shipping services.

(2) Non-IFRS measures. Refer to the alternative performance measures in Note 22 to the half-year financial report below.

(3) Calculated as EBITDA/Revenue. If Associates and JVs' revenue is included EBITDA Margin was 47.8% in HY 2019 and 39.3% in HY 2018.

(4) From continuing and discontinued operations.

(5) Includes a VAT tax refund of $274.8 million in the period that was originally paid in H2 2018.Excluding the refund cash flow from operations increased by 39.2%.

(6) Does not include 26,900 tonnes of sales by Zaldívar in HY 2019 and 20,600 tonnes in HY 2018, as it is equity accounted.

A recording and copy of the 2019 Half Year Results presentation is available on the Company's website www.antofagasta.co.uk.

There will be a Q&A telephone conference call at 12.00 BST (07.00 EST) hosted by Ivan Arriagada and Alfredo Atucha. Participants can call any of the following numbers: UK 0800 358 6377 (tollfree), UK +44 330 336 9105, USA +1 786-789-4772 and Chile 123 0020 9713 (tollfree). The call title is Antofagasta 2019 Half Year Results and the Confirmation Code is 5150631.

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DIRECTORS' COMMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

FINANCIAL HIGHLIGHTS

Revenue was $2,525.6 million, 19.1% higher than in the same period last year as copper sales volumes increased by 25.1% and by-product revenues increased particularly gold revenues at Centinela. This was partially offset by 6.3% lower realised copper prices and 5.3% lower realised molybdenum prices.

EBITDA increased by 44.4% to $1,305.9 million reflecting increased revenue from higher sales volumes and lower cost of sales. This has increased the EBITDA margin(3) from 42.6% in the first half of 2018 to 51.7% in the current period.

Cash flow from operations increased by 70.1% to $1,514.5 million compared to the same period last year reflecting the Group's higher EBITDA. This increase includes a VAT refund of $274.8 million of a VAT payment made in December 2018. Excluding the refund cash flow from continuing operations increased by 39.2% to $1,239.7 million.

The Board has declared an interim ordinary dividend of 10.7 cents per share, which represents a payout ratio of 35%, consistent with the Group's dividend policy. Any distribution of excess cash, as defined under the policy, will be made as part of the final dividend.

PRODUCTION AND CASH COSTS(2)

Group copper production in the first half of 2019 was 387,300 tonnes, 22.2% higher than in the same period last year due to higher grades and the pipeline blockage at Los Pelambres in the first half of 2018, which delayed 9,200 tonnes being recorded as production in that period.

Group gold production for the first six months increased by 107% to 149,100 ounces on significantly higher grades and recoveries at Centinela.

Molybdenum production was 6,400 tonnes, compared with 5,900 tonnes in the first six months of 2018, principally due to higher recoveries at Los Pelambres and 200 tonnes of production from Centinela following the start-up of the plant in the third quarter last year.

Group cash costs before by-product credits in the first half of 2019 were $1.66/lb, 26c/lb lower than last year, mainly due to higher production at all of the operations, 7c/lb of savings arising from the Cost and Competitiveness Programme and a weaker local currency.

Net cash costs for the first half of 2019 were $1.19/lb, 21.7% 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

During the first half of the year, the Cost and Competitiveness Programme achieved savings of $61 million, equivalent to 7c/lb. The Group is on track to achieve its savings target for the year of $100 million.

The Cost and Competitiveness Programme and Operating Excellence teams in each operation work together to embed sustainable business practices across all processes and activities within the Group to increase savings and improve productivity.

EXPLORATION AND EVALUATION COSTS

Exploration and evaluation costs increased by $11.0 million to $52.0 million, with the most significant factors in the increase being increased drilling at Centinela and Los Pelambres in relation to the reserve and resource estimates.

Internationally, exploration efforts remain concentrated on the main copper belts of North and South America, with a focus on Peru.

TAXATION

The effective tax rate for the period was 35.7%, higher than in the same period last year with higher withholding tax being paid on dividends remitted out of Chile. The effective tax rate for the full year will depend in large part on the size of the final dividend.

Tax paid during the period includes payments on account based on the prior year's profit levels and the settlement of the outstanding balances in respect of the previous year's tax charge.

CAPITAL EXPENDITURE AND DEPRECIATION & AMORTISATION

Group capital expenditure on a cash basis was $465.5 million during the period of which $178.6 million was mine development, $178.0 million sustaining and $90.3 million was development capital expenditure. The balance was at the Transport Division and corporate. Expected capital expenditure for the full year is unchanged at $1.2 billion, which include expenditure on the Los Pelambres Expansion project and other minor development capital expenditure, mine development and sustaining capital expenditure. The most material sustaining capital expenditure currently under construction to ensure operational continuity is the Centinela tailings deposit primary and secondary enclosure walls.

Depreciation and amortisation for the first half of 2019 was $437.6 million, very similar to the second half of 2018 and $113.4 million higher than in the first half. Depreciation and amortisation will increase further in the second half of this year with the increased amortisation of capitalised stripping at Centinela which will continue into 2020.

NET DEBT

Net debt was $517.4 million at the end of the period, $78.9 million lower than at the end of 2018 and the Net debt/ EBITDA ratio fell from 0.32 to 0.20.

During the half year Los Pelambres drew down $198.0 million of its corporate loan for its expansion project and debt was increased by $131.3 million of additional lease liabilities recognised following the implementation of IFRS 16 at the beginning of the year.

Attributable net debt at the period end was $238.8 million, $36.5 million lower than last year.

DIVIDENDS

The Board has declared an interim dividend of 10.7 cents per share, equivalent to $105 million and a payout ratio of 35%, consistent with the Company's policy of paying out a minimum of 35% of net earnings[(2)] from continuing operations.

NON-EXECUTIVE DIRECTOR MR. GONZALO MENENDEZ

Non-Executive Director Mr. Gonzalo Menendez passed away on 29 June, following a period of illness. Mr. Menendez, aged 70, had been a Non-Executive Director since 1985. His involvement with the Group dates back to the beginning of the 1980s, when he was appointed General Manager of the Group's transport business. Since then, Mr. Menendez played a key role in the growth and development of the Group.

LABOUR AGREEMENTS

The next scheduled labour negotiations are with the supervisors at Los Pelambres and Zaldívar and the workers at Antucoya and are expected to be completed in H2 2019, with one-off signing bonuses being accounted for in the quarters in which the respective labour agreements are signed.

SAFETY & HEALTH

There have been no fatalities in the period and the Group continues to develop ways to ensure there are no fatal accidents.

The Group continues its focus on the effective implementation of critical control management and promoting operational discipline to build a robust and proactive safety culture. Antofagasta is fully committed to achieving zero fatalities and, following an extension of its focus to health, zero occupational diseases.

For the first six months of the year the LTIFR achieved by the Group decreased to 1.27 from the 1.57 in the full year 2018 with the Mining Division and Transport Division's LTIFRs both falling, to 0.97 and 4.62 respectively.

COMMUNITY RELATIONS

Since the introduction of the Group's revised Social Management Model (SMM) in 2018, which integrated the Group's past experience and learnings on community relations, the focus has been on the deployment of the Community Relations Standard and the Social Initiatives Control Management system. Further standards are being prepared to harmonise the positive impact of the social initiatives undertaken by the Group.

The Group has also been developing new programmes to encourage the recruitment of employees and use of local suppliers close to its operations, particularly at Los Pelambres and its expansion project. Training and advice is provided to inform and assist local individuals and organisations alike, as well as direct recruitment.

WATER SCARCITY

Parts of Central Chile are experiencing continuing drought. If this condition persists or becomes permanent this will place limitations on water availability in the region. To manage this risk, Los Pelambres is continuing work on several operational measures to increase water re-use and efficiency. It is also building a desalination plant as part of the Los Pelambres Expansion project, which is also intended to serve as a back-up facility for its current water supply and is scheduled to be ready by the end of 2021.

REKO DIQ PROJECT – ARBITRATION AWARD

The international arbitration tribunal of the World Bank's International Centre for Settlement of Investment Disputes ("ICSID") has awarded $5.84 billion in damages to Tethyan Copper Company Pty Limited ("TCC"), a joint venture held equally by the Company and Barrick Gold Corporation, in relation to the arbitration claims filed against the Islamic Republic of Pakistan ("Pakistan") following the unlawful denial of a mining lease for the Reko Diq project in Pakistan in 2011.

Damages include compensation of $4.087 billion by reference to the fair market value of the Reko Diq project at the time of the mining lease denial, and interest until the date of the award of $1.753 billion. The Tribunal also awarded TCC just under $62 million in costs incurred in enforcing its rights.

The award is binding on the parties. There are limited grounds for challenging the award under the ICSID Convention. It is not expected that proceeds of the award will be recognised in Antofagasta's financial statements until received. TCC has said that it remains willing to discuss the potential for a negotiated settlement with Pakistan while continuing to protect its commercial interests and legal rights until the conclusion of the dispute.

FUTURE GROWTH

Growth in the medium term will come from completion of the Los Pelambres Expansion project in the second half of 2021. Before then, the Zaldívar Chloride Leach and Esperanza Sur projects are both expected to be completed.

Additionally, the Group is working on the feasibility study for the second concentrator at Centinela and the preparation of the Mine Plan of Operations for Twin Metals in Minnesota.

OUTLOOK

Group copper production for the full year is expected to be between 750-790,000 tonnes as announced in January this year and, as previously announced, net cash cost guidance has been reduced by 5c/lb to $1.25/lb, assuming the Chilean peso and the molybdenum and gold prices continue at levels similar to the first half of the year.

Group copper production is expected to decline in 2020 towards to the levels achieved in 2018 following a reduction in grades at Centinela, which will be partially reversed in 2021.

While the copper market continues to be balanced with a small deficit expected for the year, the uncertainty caused by the continuing trade negotiations between the USA and China has had a significant negative impact on market sentiment and the copper price. This uncertainty is reflected in financial markets and the current net short speculative position.

Supply and demand fundamentals remain positive and disruptions during the year to date have been broadly in line with expectations. However, while the uncertainty arising from trade negotiations remains, the Group will continue to focus on controlling its costs through its Cost and Competitiveness Programme and Operating Excellence efforts in the short and medium term, and in the longer term the Group’s innovation programme is expected to contribute significantly to improvements in operating efficiency and enhanced returns.

REVIEW OF OPERATIONS AND PROJECTS

MINING DIVISION

LOS PELAMBRES

Financial performance

EBITDA at Los Pelambres was $706.9 million in the first half of 2019, a 19.0% increase compared with $594.0 million in the first six months of 2018. This increase was due to higher copper sales tonnage, partially offset by a lower realised copper price during the period.

Production

Copper production in the first six months of 2019 increased by 13.4% compared with the same period last year. This increase was primarily due to the higher throughput and copper grades and the pipeline blockage at Los Pelambres in the first half of 2018, which delayed 9,200 tonnes being recorded as production in that period.

Molybdenum production of 6,200 tonnes and gold production of 29,800 ounces were 5.1% and 8.4% higher respectively than the same period in 2018.

Costs

For the first six months of the year, cash costs before by-product credits were $1.44/lb, 13.8% lower than in 2018 primarily due to higher production and a weaker local currency. By-product credits were 55c/lb, 8c/lb lower than same period last year primary due to lower molybdenum realised prices, partially offset by higher molybdenum production.

Net cash costs for the year to date were $0.89/lb, or 14.4% lower than in the same period last year.

Capital expenditure

Capital expenditure in the first six months of 2019 was $189.2 million in total of which $45.3 million was sustaining capital expenditure, $61.5 million mine development and $82.4 million was on the Los Pelambres expansion. The rate of expenditure is expected to accelerate in the second half of the year as the expansion project advances.

CENTINELA

Financial performance

EBITDA for the first six months of 2019 was $532.5 million, an increase of 132% compared with $229.2 million in the first half of 2018. This increase was due to higher copper and gold sales volumes and lower unit cost of sales as a result of lower production costs. This was partially offset by the lower realised copper price in the first half of 2019 compared to same period last year.

Production

During the first six months of the year production at Centinela was 141,900 tonnes, 36.8% higher than in 2018, primarily as a result of higher grades at Centinela Concentrates. Copper in concentrate production for the first six months of the year was 100,100 tonnes, compared with 59,600 tonnes during the same period last year, mainly reflecting higher throughput, grades and recoveries. Cathode production was 41,900 tonnes, 5.0% lower than in the first six months of 2018 on lower grades and recoveries, partially compensated for by higher throughput than in the same period last year.

Gold production for the year to date was 119,200 ounces, 168% higher than in the first six months of 2018 due to higher grades and recoveries. Molybdenum production during the first half of 2019 was 200 tonnes.

Costs

Cash costs before by-product credits for the first six months of 2019 were $1.74/lb, 21.6% lower than in 2018. This decrease was mainly due to the impact on unit costs of higher copper production. Net cash costs were $1.18/lb 39.2% lower than in H1 2018 on lower cash costs before by-product credits and higher by-product credits.

Capital expenditure

Capital expenditure in the first six months of 2019 was $226.7 million of which $105.0 million was sustaining capex, $114.5 million was mine development and $7.1 million was development capex.

ANTUCOYA

Financial performance

For the first half of the year, EBITDA was $41.2 million, compared with $66.0 million in the same period last year, due to higher unit costs of sales and lower realised copper prices, partially compensated for by higher copper sales volumes.

Production

Copper production at Antucoya in the first six months of 2019 was 37,500 tonnes, 14.0% higher than the same period in 2018 due to higher copper grades and recoveries, partially offset by lower throughput.

Costs

Cash costs were $2.26/lb, 4.1% higher than the same period in 2018 due to higher acid prices and maintenance costs compared to the previous year.

Capital expenditure

Capital expenditure in the first six months of 2019 was $30.3 million. Sustaining capital expenditure was $27.7 million and mine development $2.6 million.

ZALDÍVAR

Financial performance

Attributable EBITDA at Zaldívar was $59.4 million in the first half of 2019, compared to $49.6 million in the same period last year mainly as a result of higher copper sales volumes and lower unit production costs, partially offset by lower realised copper prices.

Production

Copper production at Zaldívar of 27,500 tonnes was 29.1% higher compared with the same period last year due to higher throughput and grades, partially offset by lower recoveries.

Costs

Cash costs for the first six months of 2019 were $1.79/lb compared with $1.97/lb for the same period in 2018, primarily due to higher production, partially offset by higher input prices, particularly acid.

Capital expenditure

In the first six months of 2019, attributable capital expenditure was $12.0 million of which $5.3 million was sustaining capital expenditure, $4.7 million mine development and $1.9 million was development capital expenditure.

GROWTH PROJECTS AND OPPORTUNITIES

Los Pelambres Incremental Expansion

This expansion project has been divided into two phases in order to simplify the permitting application process.

Phase 1

This phase is designed to optimise throughput within the limits of the existing operating, environmental and water extraction permits. Construction started in early 2019 and by the end of June the project progress to completion was 22%.

Throughput at the plant will increase from the current capacity of 175,000 tonnes of ore per day to an average of 190,000 tonnes of ore per day and first production is expected in the second half of 2021. The plant expansion includes an additional SAG mill, ball mill and the corresponding flotation circuit with six additional cells.

Annual copper production will be increased by 40,000 tonnes in the first full year of the expansion, reaching 70,000 tonnes towards the end of the first 15 years as the hardness of the ore increases and the benefit of higher milling capacity is fully realised. Over the full period production will average approximately 60,000 tonnes per year.

The capital cost of the project is $1.3 billion, which includes $500 million for a 400-litres per second desalination plant and water pipeline. The desalination plant will supply water for the expansion and a potential further growth phase (Phase 2) and will act as a back-up for the existing operation in extreme dry conditions, were these to occur. Desalinated water will be pumped from the coast to the Mauro tailings storage facility, where it will connect with the existing recycling circuit returning water to the Los Pelambres concentrator plant.

The EIA for the expansion was approved in February 2018.

Phase 2

In the second phase of expansion, throughput will increase to 205,000 tonnes of ore per day and, using the large resource base of Los Pelambres, the mine's life will be extended by 15 years beyond the current 20 years. As part of this development the Group will submit a new EIA to increase the capacity of the Mauro tailings storage facility and the mine waste dumps, as well as extend certain operating permits.

Work began on the environmental baseline study for the new EIA in 2017 and will be completed in 2020, along with the early stages of community engagement activities.

Capital expenditure for this phase was estimated in the pre-feasibility study completed in 2014 at approximately $500 million, the majority being used on mining equipment and increasing the capacity of the concentrator and the Mauro tailings facilities. The conveyors from the primary crusher in the pit to the concentrator plant will also have to be repowered to support the additional throughput.

Critical studies on tailings and waste storage capacity have been undertaken and are now progressing towards the feasibility study stage. However, the project will only proceed once Phase 1 is significantly advanced and will require the submission of extensive permit applications, including the new EIA. First production from this phase is estimated to be in 2025, the exact date depending in large part on the length of the permitting process. Phase 2 is expected to increase copper production by 35,000 tonnes per year.

Centinela Expansion

The construction of a second concentrator and tailings deposit some 7 km from the existing concentrator is being considered in two phases. Phase 1 would have an ore throughput capacity of 90,000 tonnes per day, producing copper, and gold and molybdenum as by-products, with an annual production of approximately 180,000 tonnes of copper equivalent. Once Phase 1 has been completed and is operating successfully, a further expansion is possible and would involve increasing the capacity of the concentrator to 150,000 tonnes of ore per day with annual production increasing to 250,000 tonnes of copper equivalent, maximising the potential of Centinela's large resource base.

Ore for the second concentrator would be sourced initially from the Esperanza Sur deposit and later from Encuentro Sulphides. The latter lies under the Encuentro Oxides reserves, which are expected to be depleted by 2026.

The EIA for both phases of the project was approved in 2016 and the feasibility study for Phase 1 is expected to be completed during 2020. The capital cost estimated in the 2015 pre-feasibility study for Phase 1 was $2.7 billion, which included capitalised stripping, mining equipment, a concentrator plant, a new tailings deposit, water pipeline and other infrastructure, plus the owner's and other costs. The feasibility study will update these estimates as well as including an evaluation of the potential disposal of Centinela's existing water infrastructure and the evaluation of a new milling and crushing strategy using high pressure rolls rather than the more traditional SAG mills.

Esperanza Sur pit

The Board has approved the project to open the Esperanza Sur pit at Centinela. Esperanza Sur is 4km south of the Esperanza pit and close to Centinela's concentrator plant. The deposit contains 1.4 billion tonnes of reserves with a grade of 0.4% copper, 0.13 g/t of gold and 0.012% of molybdenum.

Capitalised stripping is expected to start in Q4 2019 and be completed in 2021 at a capital cost of $175 million. The capitalised stripping will be carried out by a contractor and the Company is currently evaluating whether to use autonomous mining equipment once the stripping is completed.

Opening the Esperanza Sur pit will improve Centinela's flexibility to supply its concentrator and the higher grade material over the initial years will increase production by some 10-15,000 tonnes of copper per year compared to how much would be produced if material was solely supplied from the Esperanza pit. This greater flexibility will allow Centinela to smooth and optimise its year-on-year production profile, which has in the past been variable.

Zaldívar Chloride Leach Project

The feasibility study for the Zaldívar Chloride Leach Project was completed in 2018 and the project is expected to be brought to the Board for approval during 2019, following the completion of detailed engineering and subject to a favourable outcome or progress on the EIA for the extension of water rights beyond 2025. The application was submitted during 2018 and is currently being reviewed by the water regulator, a process which includes consultation with the relevant communities.

The project will improve copper recoveries from the secondary sulphides ore by adjusting the leach process through the addition of chlorides to increase the chlorine content of the leach solution. This process is based on a proprietary technology called CuproChlor® that was developed by the Group at its Michilla operation (which closed in 2015) and was based on many years of experience at the mine, which had similar ore types to those that are processed at Zaldívar.

The project requires an upgrade of the Solvent Extraction (SX) plant and the construction of additional washing ponds at an estimated capital cost of $175 million. If approval is granted this year, the project completion date is expected to be in 2021.

As the Group equity accounts its interest in Zaldívar, capital expenditure at the operation is not included in Group total capital expenditure amounts.

Twin Metals Minnesota (Twin Metals)

Twin Metals Minnesota is a wholly owned copper, nickel and platinum group metals (PGM) underground mining project which holds the Maturi, Maturi Southwest, Birch Lake and Spruce Road copper-nickel PGM deposits in north-eastern Minnesota, US. In 2018 an update of the pre-feasibility study was completed on an 18,000 tonnes of ore per day project producing an average of 42,000 tonnes of copper per year plus nickel and PGM as by-products, the equivalent of some 65,000 tonnes of copper per year.

After reaffirming Twin Metal's right to renew its two federal mineral leases, the Department of Interior renewed the two federal mineral leases to Twin Metals in May. The Group continued the preparation of the Mine Plan of Operations (MPO), a prerequisite for permitting applications, and expects to complete it in 2019.

Following a thorough review, it will be ready to be submitted to the relevant federal and State agencies. While the MPO is being reviewed the Company will advance the feasibility study.

TRANSPORT DIVISION

Financial performance

EBITDA at the Transport Division was $45.1 million in the first half of 2019, compared to $45.7 million in the same period last year, a reduction primarily due to higher input costs.

Transport volumes

Total transport volumes in the first half of 2019 were 3.2 million tonnes, 3.8% higher than first half of 2018 as a new transport contract with a customer came into effect during the period.

Capital expenditure

Capital expenditure for the first half of the year was $18.6 million.

FINANCIAL REVIEW FOR THE SIX MONTHS ENDED 30 JUNE 2019

Results (unaudited)

	Six months ended 30.06.2019	Six Months ended 30.06.2018
	$m	$m
Revenue	**2,525.6**	2,120.7
EBITDA (including results from associates and joint ventures)	**1,305.9**	904.2
Total operating costs	**(1,733.9)**	(1,600.3)
Operating profit from subsidiaries	**791.7**	520.4
Net share of results from associates and joint ventures	**16.9**	13.7
Total profit from operations, associates and joint ventures	**808.6**	534.1
Net finance expense	**(45.6)**	(68.5)
Profit before tax	**763.0**	465.6
Income tax expense	**(272.6)**	(151.4)
Profit for the period from continuing operations	**490.4**	314.2
Discontinued operations	**-**	1.5
Profit for the period	**490.4**	315.7
Attributable to:		
Non-controlling interests	**188.0**	121.4
Profit for the financial period attributable to the owners of the parent	**302.4**	194.3
Basic earnings per share	**US cents**	US cents
From continuing operations	**30.7**	19.6
From discontinued operations	**-**	0.2
Total continuing and discontinued operations	**30.7**	19.8

The $108.1 million increase in the profit for the financial period attributable to the owners of the parent from $194.3 million in the first six months of 2018 to $302.4 million in the current period reflected the following factors:

	$m
Profit for the financial period attributable to the owners of the parent in H1 2018	**194.3**
Increase in revenue	404.9
Increase in total operating costs	(133.6)
Increase in net share of profit from associates and joint ventures	3.2
Decrease in net finance expenses	22.9
Increase in income tax expense	(121.2)
Decrease in profit from discontinued operations	(1.5)
Increase in profit attributable to non-controlling interests	(66.6)
	108.1
Profit for the financial period attributable to the owners of the parent in H1 2019	**302.4**

Revenue

The $404.9 million increase in revenue from $2,120.7 million in the first half of 2018 to $2,525.6 million in the first half of 2019 reflected the following factors:

	$m
Revenue in 2018	**2,120.7**
Increase in copper sales volumes	470.5
Decrease in realised copper price	(147.0)
Increase in treatment and refining charges	(23.3)
Decrease in molybdenum revenue	(1.0)
Increase in gold revenue	107.0
Increase in silver revenue	4.9
Decrease in transport division revenue	(6.2)
	404.9
Revenue in 2019	**2,525.6**

Revenue from the mining division

Revenue in the first half of 2019 from the mining division increased by $411.1 million, or 20.2%, to $2,443.4 million, compared with $2,032.3 million in 2018. The increase mainly reflected higher copper sales, reflecting increased sales volumes partly offset by a lower realised copper price, as well as increased gold sales.

Revenue from copper sales

Revenue from copper concentrate and copper cathode sales increased by $300.2 million, or 17.0%, to $2,066.7 million, compared with $1,766.5 million in first six months of 2018. The increase reflected the $470.6 million impact of higher sales volumes, partly offset by the $147.0 million impact of the lower realised copper price and the $23.3 million impact of higher treatment and refining charges.

(i) Copper volumes

Copper sales volumes reflected within revenue increased by 25.1% from 283,300 tonnes in 2018 to 354,500 tonnes in 2019 increasing revenue by $470.5 million. There were increased sales volumes at all of the Group's mining subsidiary companies, reflecting their higher production volumes. The main increase in sales volumes came from Centinela (40,900 tonne increase) followed by Los Pelambres (25,500 tonne increase) and Antucoya (4,800 tonne increase).

(ii) Realised copper price

The average realised price decreased by 6.3% to $2.81/lb in the first six months of 2019 (first half of 2018 – $3.00/lb), resulting in a $147.0 million decrease in revenue. The LME average market price decreased by 10.8% in H1 2019 to $2.80/lb (first half of 2018 - $3.14/lb). In the first half of 2019 there was only a marginal impact from provisional pricing adjustments, with a $5.5 million positive impact, mainly reflecting the increase in the period-end copper price to $2.72/lb at 30 June 2019, compared with $2.70/lb at 31 December 2018. Conversely there had been a more significant negative impact of provisional pricing in the first six months of 2018, with an $87.4 million negative adjustment, which mainly reflected the decrease in the period-end copper price to $3.01/lb at 30 June 2018, compared with $3.27/lb at 31 December 2017.

Realised copper prices are determined by comparing revenue (gross of treatment and refining 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 in future periods (normally around one month after delivery to the customer in the case of cathode sales and normally four months after delivery to the customer in the case of concentrate sales).

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

(iii) Treatment and refining charges

Treatment and refining charges (TC/RCs) for copper concentrate increased by $23.3 million to $128.6 million in 2019 from $105.3 million in the first six months of 2018, due to the increase in the copper concentrate sales volumes, partly offset by a reduction in the average TC/RCs. Treatment and refining charges are deducted from concentrate sales when reporting revenue and hence the decrease in these charges has had a positive impact on revenue.

Revenue from molybdenum, gold and other by-product sales

Revenue from by-product sales at Los Pelambres and Centinela relate mainly to molybdenum and gold and, to a lesser extent, silver. Revenue from by-products increased by $110.9 million or 41.7% to $376.7 million in the first half of 2019, compared with $265.8 million in the first six months of 2018, predominantly due to higher gold sales.

Revenue from molybdenum sales (net of roasting charges) was $155.1 million (first half of 2018 - $156.1 million), a decrease of $1.0 million. The decrease was due to the lower realised price of $12.1/lb (first half of 2018 – $12.6/lb) and increased roasting charges, partly offset by higher sales volumes of 6,600 tonnes (first half of 2018 – 6,100 tonnes).

Revenue from gold sales (net of treatment and refining charges) was $195.9 million (first half of 2018 - $88.9 million), an increase of $107.0 million, which reflected an increase in sales volumes. Gold sales volumes increased by 117.8% from 68,100 ounces in the first half of 2018 to 148,300 ounces in the first six months of 2019, mainly due to higher grades at Centinela. The realised gold price was $1,326/oz in the first half of 2019 compared with $1,310/oz in the first half of 2018, reflecting the average market price for 2019 of $1,309/oz (2018 - $1,318/oz), adjusted for a positive provisional pricing adjustment of $2.0 million (first half of 2018 – negative adjustment of $1.4 million).

Revenue from silver sales increased by $4.9 million to $25.7 million (first six months of 2018 - $20.8 million). The increase was due to an increase of sales volumes to 1.7 million ounces (first half of 2018 – 1.3 million ounces) partly offset by a lower realised silver price of $15.2/oz (first six months of 2018 - $16.6/oz).

Revenue from the transport division

Revenue from the transport division (FCAB) decreased by $6.2 million or 7.0% to $82.2 million, reflecting lower sales of industrial water ($2.2 million impact) and lower tonnages transported, mainly relating to some Bolivian customers.

Total operating costs

The $133.6 million increase in total operating costs from $1,600.3 million in the first half of 2018 to $1,733.9 million in the first six months of 2019 reflected the following factors:

	$m
Total operating costs in the first half of 2018	**1,600.3**
Increase in mine-site operating costs	17.1
Increase in other mining division costs	2.6
Increase in exploration and evaluation costs	11.0
Decrease in corporate costs	(11.5)
Decrease in transport division operating costs	(1.0)
Increase in depreciation, amortisation and loss on disposals	115.4
	133.6
Total operating costs in the first six months of 2019	**1,733.9**

Operating costs (excluding depreciation, amortisation and loss on disposals) at the mining division

Operating costs (excluding depreciation, loss on disposals and impairments) at the mining division increased by $19.2 million to $1,241.3 million in the first half of 2019, an increase of 1.6%. Of this increase, $17.1 million is attributable to higher mine-site operating costs. This increase in mine-site costs reflected the increased sales volumes in the period, higher key input prices and general inflation, partly offset by cost savings from the Group's Cost and Competitiveness Programme, the weaker Chilean peso and the implementation of the new IFRS 16 *Leases* accounting standard as explained in Note 1 to the half-year financial report. As a result, weighted average unit cash costs excluding by-product credits (which are reported as part of revenue) and refining charges for concentrates (which are deducted from revenue) decreased from $1.74/lb in the first six months of 2018 to $1.48/lb in the first half of 2019.

The Cost and Competitiveness Programme has been implemented to reduce the Group's cost base and improve its competitiveness within the industry. During the first half of 2019, the programme achieved savings of $51 million at the Group's mining subsidiary companies.

Other mining division costs increased by $2.6 million. Exploration and evaluation costs increased by $11.0 million to $52.0 million (first half of 2018 – $41.0 million), with the most significant factors in the increase being increased drilling work at Centinela and Los Pelambres in relation to the reserve and resource estimates. Corporate costs decreased by $11.5 million.

Operating costs (excluding depreciation and loss on disposals) at the transport division

Operating costs (excluding depreciation and loss on disposals) at the transport division decreased by $1.0 million to $52.9 million, mainly due to lower fuel consumption and a slightly lower diesel price.

Depreciation, amortisation and disposals

The depreciation and amortisation charge increased by $113.4 million in the first half of 2019 to $437.6 million (first half of 2018 - $324.2 million). This mainly reflected increased depreciation of lease assets as a result of the implementation of IFRS 16 *Leases*, higher amortisation of IFRIC 20 stripping costs and increased depreciation of the Centinela concentrator plant due to the increased copper concentrate sales volumes. The loss on disposal of property, plant & equipment was $2.1 million, an increase of $2.0 million (2017 - $0.1 million).

Operating profit from subsidiaries

As a result of the above factors, operating profit from subsidiaries increased in 2019 by 52.1% to $791.7 million (first half of 2018 - $520.4 million).

Share of results from associates and joint ventures

The Group's share of results from associates and joint ventures was a profit of $16.9 million in the first six months of 2019, compared with a gain of $13.7 million in the first half of 2018, with the increase mainly reflecting higher profit from Inversiones Hornitos S.A. due to the impact of a major maintenance at the Hornitos power plant in the first half of 2018.

EBITDA

EBITDA (earnings before interest, tax, depreciation, amortisation) increased by $401.7 million or 44.4% to $1,305.9 million (first half of 2018 - $904.2 million). EBITDA includes the Group's proportional share of EBITDA from associates and joint ventures.

EBITDA from the Group's mining division increased by $402.3 million or 46.9% from $858.5 million in the first six months of 2018 to $1,260.8 million this half year, essentially reflecting the higher revenue explained above.

EBITDA at the transport division decreased by $0.6 million to $45.1 million in 2019, reflecting the decreased revenue and a slightly lower operating costs partly offset by a higher EBITDA from associates due to Inversiones Hornitos S.A..

Commodity price and exchange rate sensitivities

The following sensitivities show the estimated approximate impact on EBITDA for the first six months of 2019 of a 10% movement in the average copper, molybdenum and gold prices and a 10% movement in the average US dollar / Chilean peso exchange rate.

The impact of the movement in the average commodity prices reflects the estimated impact on the relevant revenues during the first six months of 2019, and the impact of the movement in the average exchange rate reflects the estimated impact on Chilean peso denominated operating costs during the period. These estimates do not reflect any impact in respect of provisional pricing or hedging instruments, any potential inter-relationship between commodity price and exchange rate movements, or any impact from the retranslation or changes in valuations of assets or liabilities held on the balance sheet at the period-end.

	Average market commodity price / average exchange rate during the six months ended 30.06.19	Impact of a 10% movement in the commodity price / exchange rate on EBITDA for the six months ended 30.06.19
		$m
Copper price	$2.80/lb	235
Molybdenum price	$12.0/lb	17
Gold price	$1,309/oz	19
US dollar / Chilean peso exchange rate	675	60

Net finance expense

Net finance expense decreased by $22.9 million to $45.6 million, compared with $68.5 million in 2018.

	Six months ended 30.06.19 $m	Six months ended 30.06.18 $m
Investment income	26.0	15.0
Interest expense	(61.3)	(49.1)
Other finance items	(10.3)	(34.4)
Net finance expense	**(45.6)**	**(68.5)**

Investment income increased from $15.0 million in 2018 to $26.0 million in 2019, mainly due to an increase in average interest rates.

Interest expense increased from $49.1 million in 2018 to $61.3 million in 2019. This mainly reflected the increase in the average LIBOR rate and the implementation of the new accounting standard IFRS 16 *Leases* as explained in Note 1 to the half-year financial report.

Other finance items were a net expense of $10.3 million (first half of 2018 – expense of $34.4 million). This reflected an expense of $6.7 million for the unwinding of the discounting of provisions (first half of 2018 - $6.5 million), an expense of $3.5 million in respect of foreign exchange (first half of 2018 – expense of $27.9 million) and an expense of $0.1 million for preference dividends.

Profit before tax

As a result of the factors set out above, profit before tax increased by 63.9% to $763.0 million in the first half of 2019 (first half of 2018 - $465.6 million).

Income tax expense

The tax charge in the first half of 2019 was $272.6 million (first half of 2018 – $151.4 million) and the effective tax rate was 35.7% (first half of 2018 – 32.4%).

	Six months ended 30.06.2019		Six months ended 30.06.2018	
	ITEMS		ITEMS	
	$m	**%**	$m	%
Profit before tax	**763.0**		465.6	
Tax at the Chilean corporate rate tax of 27%	**(206.0)**	**27.0**	(125.7)	27.0
Items not deductible from first category tax	**(3.8)**	**0.5**	(4.6)	1.0
Adjustment in respect of prior years	**7.4**	**(1.0)**	2.7	(0.6)
Deduction of mining royalty as an allowable expense in determination of first category tax	**11.3**	**(1.5)**	8.2	(1.8)
Mining tax (royalty)	**(42.6)**	**5.5**	(31.3)	6.7
Withholding taxes	**(27.1)**	**3.6**	(2.1)	0.4
Tax effect of share of results of associates and joint ventures	**4.8**	**(0.6)**	4.8	(1.0)
Unrecognised tax losses	**(16.9)**	**2.2**	(4.2)	0.9
Net other items	**0.3**	**-**	0.8	(0.2)
Tax expense and effective tax rate for the year	**(272.6)**	**35.7**	(151.4)	32.4

The effective tax rate varied from the statutory rate principally due to the mining tax (impact of $42.6 million / 5.5%), the withholding tax relating to the remittance of profits from Chile (impact of $27.1 million / 3.6%), unrecognised tax losses (impact of $16.9 / 2.2%) and items not deductible for Chilean corporate tax purposes, principally the funding of expenses outside of Chile (impact of $3.8 million / 0.5%), partly offset by the deduction of the mining tax which is an allowable expense when determining the Chilean corporate tax charge (impact of $11.3 million / 1.5%) and the impact of the recognition of the Group's share of profit from associates and joint ventures, which are included in the Group's profit before tax net of their respective tax charges (impact of $4.8 million / 0.6%).

Profit from discontinued operations

On 11 September 2018 the Group completed the disposal of Centinela Transmisión S.A., which holds the electricity transmission line supplying Centinela and other external parties, for cash consideration of $117.2 million. The net results of Centinela Transmisión for the comparative period of the first six months of 2018 are shown in the income statement on the line for Profit for the period from discontinued operations.

Non-controlling interests

Profit for the first half of year attributable to non-controlling interests was $188.0 million, compared with $121.4 million in the first half of 2018, an increase of $66.6 million. This reflected the increase in earnings analysed above.

Earnings per share

	Six months ended 30.06.19 **$ cents**	Six months ended 30.06.18 $ cents
Earnings per share from continuing operations	**30.7**	19.6
Earnings per share from discontinued operations	**-**	0.2
Earnings per share from continuing and discontinued operations	**30.7**	19.8

Earnings per share calculations are based on 985,856,695 ordinary shares.

As a result of the factors set out above, profit attributable to equity shareholders of the Company was $302.4 million compared with $194.3 million in the first half of 2018, and total earnings per share from continuing and discontinued operations was 30.7 cents per share (first half of 2018 – 19.8 cents per share). Earnings per share from continuing operations was 30.7 cents per share (first half of 2018 – 19.6 cents per share).

Dividends

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

	Six months ended 30.06.19 **$ cents**	Six months ended 30.06.18 $ cents
Ordinary dividends:		
Interim	**10.7**	6.8
Total dividends to ordinary shareholders	**10.7**	6.8

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

The Board has declared an interim dividend for the first half of 2019 of 10.7 cents per ordinary share, which amounts to $105.5 million and will be paid on 4 October 2019 to shareholders on the share register at the close of business on 6 September 2019.

The Board declared an interim dividend for the first half of 2018 of 6.8 cents per ordinary share, which amounted to $67.0 million and was paid on 5 October 2018 to shareholders on the share register at the close of business on 7 September 2018.

Capital expenditure

Capital expenditure increased by $43.5 million from $422.0 million in the first half of 2018 to $465.5 million in the current period, mainly due to expenditure in respect of the Los Pelambres Expansion project.

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

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. At 30 June 2019 the derivative financial instruments in place had a positive fair value of $3.0 million.

Cash flows

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

	Six months ended 30.06.19 $m	Six months ended 30.06.18 $m
Cash flows from continuing operations	**1,514.4**	**890.4**
Income tax paid	(208.3)	(331.6)
Net interest paid	(17.9)	(21.4)
Capital contributions and loans to associates	-	(4.3)
Disposal of subsidiary and associate	-	(0.1)
Purchases of property, plant and equipment	(465.5)	(422.0)
Proceeds from sale of property, plant and equipment	1.6	0.4
Dividends paid to equity holders of the Company	(364.8)	(399.9)
Dividends paid to non-controlling interests	(200.0)	-
Dividends from associates	4.0	2.2
Other items	(0.7)	(1.0)
Changes in net debt relating to cash flows	**262.8**	**(287.3)**
Other non-cash movements	(184.0)	(22.2)
Foreign exchange	0.1	(11.2)
Movement in net debt in the period	**78.9**	**(320.7)**
Net debt at the beginning of the year	(596.3)	(460.5)
Net debt at the end of the period	**(517.4)**	**(781.2)**

Cash flows from continuing operations were $1,514.4 million in the first half of 2019 compared with $890.4 million in the first half of 2018. This reflected EBITDA from subsidiaries for the period of $1,231.4 million (first half of 2018 – $844.7 million), adjusted for the positive impact of a net working capital decrease of $301.7 million (first half of 2018 – positive impact of $45.3 million from a net working capital decrease) and the negative impact of a decrease in provisions of $18.6 million (first half of 2018 – positive impact of an increase in provisions of $0.4 million). The working capital decrease was mainly due to the $275 million refund of the one-off short-term VAT payment which had been made in December 2018 and was refunded to the Group as expected in January 2019.

The net cash outflow in respect of tax in the first half of 2019 was $208.3 million (first half of 2018 – $331.6 million). This amount differs from the current tax charge in the consolidated income statement of $272.6 million (first half of 2018 – $151.4 million) mainly because cash tax payments for corporate tax and the mining tax include payments on account for the current year (based on prior periods' profit levels) of $279.4 million (first half of 2018 - $207.6 million), in the first half of 2018 withholding tax due on remittances of profits from Chile of $2.1 million, the settlement of outstanding balances in respect of the previous year's tax charge of $0.6 million (first half of 2018 - $147.5 million) and the recovery of $71.8 million in 2019 relating to prior years (first half of 2018 – recovery of $25.6 million).

There were no contributions and loans to associates and joint ventures in the first six months of 2018 (first half of 2018 - $4.3 million).

Capital expenditure in the first half of 2019 was $465.5 million compared with $422.0 million in the first half of 2018. This included expenditure of $226.7 million at Centinela (first half of 2018 – $237.5 million), $189.2 million at Los Pelambres (first half of 2018 – $129.7 million), $30.3 million at Antucoya (first half of 2018 – $23.7 million), $0.8 million at Corporate (first half of 2018 – $2.7 million) and $18.5 million at the transport divisions (first half of 2018 - $27.9 million).

At 30 June 2019 dividends paid to equity holders of the Company were $364.8 million (first half of 2018 – $399.9 million), related to the payment of the final dividend declared in respect of 2018.

Dividends paid by subsidiaries to non-controlling shareholders were $200.0 million (first half of 2018 – nil).

Financial position

	At 30.06.19 **$m**	At 30.06.18 $m
Cash, cash equivalents and liquid investments	**2,189.2**	1,645.8
Total borrowings	**(2,706.6)**	(2,427.0)
Net debt at the end of the period	**(517.4)**	(781.2)

At 30 June 2019 the Group had combined cash, cash equivalents and liquid investments of $2,189.2 million (30 June 2018 – $1,645.8 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 $1,793.7 million (30 June 2018 – $1,416.8 million).

Total Group borrowings at 30 June 2018 were $2,706.6 million (at 30 June 2018 – $2,427.0 million). The increase reflected $198 million of additional borrowings at Los Pelambres in respect of the expansion project and $131 million of additional lease liabilities recognised upon the implementation of IFRS 16 *Leases* at 1 January 2019 (as explained in Note 1 to the half-year financial report), partly offset by net repayments including a $75 million repayment of the senior loan at Centinela.

Of the total borrowings, $2,032.6 million (at 30 June 2018 – $1,860.9 million) is proportionally attributable to the Group after excluding the non-controlling interest shareholdings in partly-owned operations.

This resulted in net debt in the first half of 2019 of $517.4 million (first half of 2018 - $781.2 million). Excluding the non-controlling interest share in each partly-owned operation, the Group's attributable net debt was $238.8 million (30 June 2018 - $444.1 million).

Going concern

The Group's business activities, together with those factors likely to affect its future performance, are set out in the Directors' Comments for the Six Months Ended 30 June 2019 and the Review of Operations and Projects. 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-year financial report includes details of the Group's cash, cash equivalents and liquid investment balances in Note 19, and details of borrowings are set out in Note 16. 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 2018. 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:

- Talent management and labour relations
- Safety and health
- Environmental management
- Community relations
- Political, legal and regulatory
- Corruption
- Operations
- Strategic resources
- Cyber security
- Liquidity
- Commodity prices and exchange rates
- Innovation
- Growth of mineral resource base and opportunities
- Project execution

Cautionary statement about forward-looking statements

This preliminary results announcement 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.

Consolidated Income Statement

	Notes	**Six months ended 30.06.2019 (Unaudited)**	Six months ended 30.06.2018 (Unaudited)	Year ended 31.12.2018 (Audited)
		$m	$m	$m
Revenue	2,5	**2,525.6**	2,120.7	4,733.1
Total operating costs		**(1,733.9)**	(1,600.3)	(3,388.1)
Operating profit from subsidiaries	2,4	**791.7**	520.4	1,345.0
Net share of profit from associates and joint ventures	2,4	**16.9**	13.7	22.2
Total profit from operations, associates and joint ventures		**808.6**	534.1	1,367.2
Investment income		**26.0**	15.0	30.1
Interest expense		**(61.3)**	(49.1)	(113.5)
Other finance items		**(10.3)**	(34.4)	(31.1)
Net finance expense	7	**(45.6)**	(68.5)	(114.5)
Profit before tax		**763.0**	465.6	1,252.7
Income tax expense	8	**(272.6)**	(151.4)	(423.7)
Profit for the period from continuing operations		**490.4**	314.2	829.0
Discontinued operations				
Profit for the period from discontinued operations		**-**	1.5	51.3
Profit for the period		**490.4**	315.7	880.3
Attributable to:				
Non-controlling interests		**188.0**	121.4	336.6
Profit for the period attributable to the owners of the parent		**302.4**	194.3	543.7
Basic earnings per share				
From continuing operations	10	**30.7**	19.6	51.5
From discontinued operations	10	**-**	0.2	3.6
Total continuing and discontinued operations		**30.7**	19.8	55.1

Consolidated Statement of Comprehensive Income

	Notes	**Six months ended 30.06.2019 (Unaudited) $m**	Six months ended 30.06.2018 (Unaudited) $m	Year ended 31.12.2018 (Audited) $m
Profit for the financial year		**490.4**	315.7	880.3
Items that may be or were subsequently reclassified to profit or loss:				
Gains on cash flow hedges - time value		**0.9**	6.6	6.8
Gains on cash flow hedges - intrinsic value		**1.4**	0.1	1.4
Deferred tax effects arising on cash flow hedges deferred in reserves		**-**	-	-
(Gains)/losses in fair value of cash flow hedges transferred to the income statement		**(0.4)**	0.4	(0.6)
Deferred tax effects arising on amounts transferred to the income statement		**-**	(0.1)	-
Share of other comprehensive losses of equity accounted units, net of tax	**14**	**-**	-	(0.4)
Total items that may be or were subsequently reclassified to profit or loss		**1.9**	7.0	7.2
Items that will not be subsequently reclassified to profit or loss:				
Actuarial gains / (losses) on defined benefit plans		**2.1**	(2.7)	3.9
Tax on items recognised through OCI which will not be reclassified to profit or loss in the future		**(1.2)**	0.6	-
Losses in fair value of equity investments	**15**	**(0.9)**	(1.3)	(1.3)
Total Items that will not be subsequently reclassified to profit or loss		**-**	(3.4)	2.6
Total other comprehensive income		**1.9**	3.6	9.8
Total comprehensive income for the year period		**492.3**	319.3	890.1
Attributable to:				
Non-controlling interests		**188.4**	123.4	339.3
Equity holders of the Company		**303.9**	195.9	550.8

Consolidated Statement of Changes in Equity

	Share capital $m	Share premium $m	Other reserves $m	Retained earnings $m	**Net equity $m**	Non-controlling interests $m	**Total $m**
Balance at 1 January 2019	89.8	199.2	(14.5)	7,084.9	**7,359.4**	2,078.7	**9,438.1**
Profit for the period	-	-	-	302.4	**302.4**	188.0	**490.4**
Other comprehensive income for the year	-	-	1.0	0.5	**1.5**	0.4	**1.9**
Dividends	-	-	-	(364.8)	**(364.8)**	(320.0)	**(684.8)**
Balance at 30 June 2019	**89.8**	**199.2**	**(13.5)**	**7,023.0**	**7,298.5**	**1,947.1**	**9,245.6**

For the six months ended 30 June 2018 (Unaudited)

	Share capital $m	Share premium $m	Other reserves $m	Retained earnings $m	**Net equity $m**	Non-controlling interests $m	**Total $m**
Balance at 31 December 2017	89.8	199.2	(12.5)	7,041.9	**7,318.4**	1,823.2	**9,141.6**
Adoption of new accounting standards[1]	-	-	(5.8)	1.1	**(4.7)**	(2.0)	**(6.7)**
Balance at 1 January 2018	89.8	199.2	-18.3	7,043	**7,313.7**	1,821.2	**9,134.9**
Profit for the period	-	-	-	194.3	**194.3**	121.4	**315.7**
Other comprehensive income for the year	-	-	3.4	(1.8)	**1.6**	2.0	**3.6**
Dividends	-	-	-	(399.9)	**(399.9)**	-	**(399.9)**
Balance at 30 June 2018	**89.8**	**199.2**	**(14.9)**	**6,835.6**	**7,109.7**	**1,944.6**	**9,054.3**

For the year ended 31 December 2018 (Audited)

	Share capital $m	Share premium $m	Other reserves (Note 22) $m	Retained earnings (Note 22) $m	**Net equity $m**	Non-controlling interests $m	**Total $m**
Balance at 31 December 2017	89.8	199.2	(12.5)	7,041.9	**7,318.4**	1,823.2	**9,141.6**
Adoption of new accounting standards[1]	-	-	(5.8)	1.1	(4.7)	(2.0)	(6.7)
Balance at 1 January 2018	**89.8**	**199.2**	**(18.3)**	**7,043.0**	**7,313.7**	**1,821.2**	**9,134.9**
Profit for the year	-	-	-	543.7	**543.7**	336.6	**880.3**
Other comprehensive income for the year	-	-	3.8	3.3	**7.1**	2.7	**9.8**
Transfer to Non-controlling interest	-	-	-	(38.2)	**(38.2)**	38.2	**-**
Dividends	-	-	-	(466.9)	**(466.9)**	(120.0)	**(586.9)**
Balance at 31 December 2018	**89.8**	**199.2**	**(14.5)**	**7,084.9**	**7,359.4**	**2,078.7**	**9,438.1**

[1] Adoption of new accounting standards refers to the adoption of IFRS 15 and IFRS 9 as of 01 January 2018.

Consolidated Balance Sheet

Non-current assets	Notes	At 30.06.2019 (Unaudited) $m	At 30.06.2018 (Unaudited) $m	At 31.12.2018 (Audited) $m
Intangible asset	12	**150.1**	150.1	150.1
Property, plant and equipment	13	**9,413.4**	9,135.6	9,184.1
Other non-current assets		**2.9**	3.0	2.6
Inventories		**179.8**	125.0	172.7
Investment in associates and joint ventures	14	**1,069.7**	1,085.1	1,056.1
Trade and other receivables		**47.2**	60.6	56.1
Derivative financial instruments		**0.8**	0.3	-
Equity investments	15	**3.9**	4.8	4.7
Deferred tax assets		**7.6**	61.4	37.2
		10,875.4	10,625.9	10,663.6
Current assets				
Inventories		**594.5**	562.9	576.3
Trade and other receivables		**486.2**	532.7	873.5
Current tax assets		**93.8**	142.6	90.7
Derivative financial instruments	6	**1.9**	0.2	0.8
Liquid investments	19	-	968.9	863.2
Cash and cash equivalents	19	**2,189.2**	676.9	1,034.4
		3,365.6	2,884.2	3,438.9
Assets of disposal group classified as held for sale	9	-	38.7	-
Total assets		**14,241.0**	13,548.8	14,102.5
Current liabilities				
Short-term borrowings and leases	16	**(726.5)**	(562.1)	(646.0)
Derivative financial instruments	6	-	(0.2)	-
Trade and other payables		**(699.7)**	(518.8)	(608.3)
Current tax liabilities		**(31.9)**	(57.3)	(52.8)
		(1,458.1)	(1,138.4)	(1,307.1)
Non-current liabilities				
Medium and long-term borrowings and leases	16	**(1,980.1)**	(1,866.5)	(1,847.9)
Trade and other payables		**(10.9)**	(3.7)	(7.7)
Liabilities in relation to joint ventures	14	**(1.7)**	(1.7)	(1.0)
Post-employment benefit obligations		**(112.0)**	(114.6)	(107.4)
Decommissioning & restoration provisions		**(419.6)**	(435.2)	(409.8)
Deferred tax liabilities		**(1,013.0)**	(933.5)	(983.5)
		(3,537.3)	(3,355.2)	(3,357.3)
Liabilities of disposal group classified as held for sale		-	(0.9)	-
Total liabilities		**(4,995.4)**	(4,494.5)	(4,664.4)
Net assets		**9,245.6**	9,054.3	9,438.1
Equity				
Share capital	17	**89.8**	89.8	89.8
Share premium	17	**199.2**	199.2	199.2
Other reserves		**(13.5)**	(14.9)	(14.5)
Retained earnings		**7,023.0**	6,835.6	7,084.9
Equity attributable to equity holders of the Company		**7,298.5**	7,109.7	7,359.4
Non-controlling interests		**1,947.1**	1,944.6	2,078.7
Total equity		**9,245.6**	9,054.3	9,438.1

The condensed consolidated interim Financial Statements were approved for issue on 21 August 2019.

Consolidated Cash Flow Statement

	Notes	At 30.06.2019 (Unaudited) $m	At 30.06.2018 (Unaudited) $m	At 31.12.2018 (Audited) $m
Cash flows from operations	18	**1,514.5**	890.4	1,877.0
Interest paid		**(38.9)**	(29.3)	(68.2)
Income tax paid		**(208.3)**	(331.6)	(498.0)
Net cash from operating activities		**1,267.3**	529.5	1,310.8
Investing activities				
Capital contributions and loan to associates and joint ventures	14	-	(4.3)	(8.1)
Dividends from associates	14	**4.0**	2.2	16.6
Disposal of subsidiary and joint ventures		-	-	145.2
Acquisition of mining properties		-	(0.1)	(0.1)
Cash reclassified as part of disposal group		-	(1.0)	(13.2)
Proceeds from sale of property, plant and equipment		**1.6**	0.4	0.7
Purchases of property, plant and equipment		**(465.5)**	(422.0)	(872.8)
Net decrease in liquid investments	19	**863.2**	199.8	305.5
Interest received		**21.0**	7.9	26.4
Net cash from / (used) in investing activities		**424.3**	(217.1)	(399.8)
Financing activities				
Dividends paid to equity holders of the Company		**(364.8)**	(399.8)	(466.9)
Dividends paid to preference shareholders of the Company		-	(0.1)	(0.1)
Dividends paid to non-controlling interests		**(200.0)**	-	(120.0)
Proceeds from issue of new borrowings	19	**398.0**	218.0	420.0
Repayments of borrowings	19	**(325.9)**	(511.4)	(733.8)
Repayments of lease obligations	19	**(50.2)**	(14.6)	(33.3)
Net cash used in financing activities		**(542.9)**	(707.9)	(934.1)
Net increase / (decrease) in cash and cash equivalents	19	**1,148.7**	(395.5)	(23.1)
Cash and cash equivalents at beginning of the period		**1,034.4**	1,083.6	1,083.6
Net increase / (decrease) in cash and cash equivalents	19	**1,148.7**	(395.5)	(23.1)
Effect of foreign exchange rate changes	19	**6.1**	(11.2)	(26.0)
Cash and cash equivalents at end of the period	19	**2,189.2**	676.9	1,034.5

Notes

1. General information and accounting policies

a) General information

These June 2019 interim condensed consolidated financial statements ("the condensed financial statements") have been prepared for the six months ended 30 June 2019. The condensed financial statements are unaudited. The information for the year ended 31 December 2018 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 2018 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).

These condensed financial statements have been prepared under the accounting policies as set out in the statutory accounts for the year ended 31 December 2018, other than the changes required by the implementation of new accounting standards as set out below.

On 11 September 2018 the Group completed the disposal of Centinela Transmission, which holds the electricity transmission line supplying Centinela and other external parties, for cash consideration of $117 million. The net results of Centinela Transmission for the comparative period of the first six months of 2018 are shown in the income statement on the line for "Profit for the period from discontinued operations.

b) Adoption of new accounting standards

IFRS 16 Leases

The Group has applied IFRS 16 Leases in the current period. IFRS 16 has resulted in most of the Group's operating leases being accounted for similarly to finance leases under the previous IAS 17 Leases, resulting in the recognition of additional assets within property, plant and equipment in respect of the right-of-use lease assets, and additional lease liabilities. The Group has applied the optional transitional provisions of IFRS 16 which resulted in the initial impact of the new standard being recognised as an adjustment to the balance sheet as at 1 January 2019, with no restatement of the comparative period. The Group also applied the transition option to recognise the right-of-use assets as at 1 January 2019 at amounts equal to the corresponding lease liabilities, with no overall impact on net assets or retained earnings as at 1 January 2019. For leases previously classified as finance leases the carrying amounts of the lease assets and lease liabilities immediately prior to transition on 31 December 2018 have been recognised as the carrying amounts of the right of use assets and the lease liabilities at the date of initial application on 1 January 2019.

In applying IFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease; and
- the accounting for operating leases, with a total lease term of less than 12 months, as short-term leases.

The implementation of IFRS 16 on 1 January 2019 resulted in the recognition of additional lease assets within property, plant and equipment and additional lease liabilities as at 1 January 2019 of $131 million in each case.

The weighted average incremental borrowing rate applied to the Group's lease liabilities recognised on the balance sheet at 1 January 2019 was 5.1%.

For the six months ended 30 June 2018, operating lease costs of $117 million were recognised within operating expenses before depreciation (impacting EBITDA). The adoption of IFRS 16 has resulted in the first six months of 2019 in a decrease in operating expenses before depreciation (and therefore an increase in EBITDA) of $29 million, an increase in depreciation of $32 million, an increase in finance costs of $5 million and a reduction in profit before tax of $6 million.

The operating lease commitments as at 31 December 2018 disclosed in Note 32 of the Group's 2018 Annual Report is reconciled to the lease liabilities recognised at 1 January 2019 in the table below:

	$m
Total operating lease commitments per Note 32 of the 2018 Annual Report	**142.6**
Impact of discounting operating lease commitments to present value	(12.4)
Other adjustments	1.2
Former operating leases recognised on the balance sheet at 1 January 2019	**131.3**
Finance leases previously recognised at 31 December 2018	171.9
IFRS 16 lease liabilities at 1 January 2019	**303.2**
New leases entered into in the six months ended 30 June 2019	32.2
Repayments of lease liabilities	(50.2)
Foreign exchange	6.2
Other movements	0.3
IFRS 16 lease liabilities at 30 June 2019	**291.7**
Analysed between:	
Current liabilities	80.0
Non-current liabilities	211.7

The recognised right-of-use assets relate to the following types of assets:

	30 June 2019	1 January 2019
Mining equipment & Plant	162.3	169.0
Trucks	95.4	109.6
Facilities and infrastructure	3.2	0.3
Pickup trucks	2.0	2.6
Total right-of-use assets	**262.9**	**281.5**

In respect of the presentation in the cash flow statement, repayments of lease liabilities are separated into a principal portion (within financing activities) and interest portion (within operating activities). Until 2018 lease repayments were recognised within cash flows from operating activities.

Accounting policy for leases

Until 2018 leases were classified as operating leases or finance leases. Rental costs under operating leases were charged to the income statement account in equal annual amounts over the term of the lease. Assets under finance leases are recognised as assets of the Group at inception of the lease at the lower of fair value or the present value of the minimum lease payments derived by discounting at the interest rate implicit in the lease. The interest element is charged within financing costs so as to produce a constant periodic rate of interest on the remaining balance of the liability.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Other accounting standards

The following accounting standards, amendments and interpretations became effective in the current reporting period but the application of these standards and interpretations had no material impact on the amounts reported in these condensed consolidated financial statements:

- Prepayment Features with Negative Compensation (Amendments to IFRS 9)
- Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)
- Annual Improvements to IFRS Standards 2015–2017 Cycle
- IFRIC 23, Uncertainty over Income Tax Treatments
- Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)

c) 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 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
Amendments to References to the Conceptual Framework in IFRS Standards	Annual periods beginning on or after January 1, 2020
Definition of a Business (Amendments to IFRS 3)	Annual periods beginning on or after January 1, 2020
Definition of Material (Amendments to IAS 1 and IAS 8)	Annual periods beginning on or after January 1, 2020

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

2. Total profit from operations, associates and joint ventures

	Six months ended 30.06.2019 (Unaudited)	Six months ended 30.06.2018 (Unaudited)	Year ended 31.12.2018 (Audited)
	$m	$m	$m
Revenue	**2,525.6**	2,120.7	4,733.1
Cost of sales	**(1,428.2)**	(1,317.6)	(2,826.4)
Gross profit	**1,097.4**	803.1	1,906.7
Administrative and distribution expenses	**(233.8)**	(213.1)	(417.6)
Other operating income	**16.3**	10.3	21.8
Other operating expenses	**(88.2)**	(79.9)	(165.9)
Operating profit from subsidiaries	**791.7**	520.4	1,345.0
Net share of income from associates and joint ventures	**16.9**	13.7	22.2
Total profit from operations, associates and joint ventures	**808.6**	534.1	1,367.2

Other operating expenses mainly comprise a net credit of $5.6 million relating to the decommissioning and restoration provisions (30 June 2018 - $4.1 million expense), $52.0 million of exploration and evaluation expenditure (30 June 2018 - $41.0 million) and $41.8 million of other expenses (30 June 2018 - $24.7 million).

3. Asset sensitivities

There were no indicators of potential impairment, or reversal of previous impairments, for the Group's operations at the 2019 half-year, and accordingly no impairment reviews have been performed. However, in order to provide an indication of the sensitivities of the recoverable amount of the Group's mining operations, a valuation and sensitivity analysis has been performed.

The recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value less costs of disposal reflects the net amount the Group would receive from the sale of the asset in an orderly transaction between market participants. For mining assets this would generally be determined based on the present value of the estimated future cash flows arising from the continued use, further development or eventual disposal of the asset. Value in use reflects the expected present value of the future cash flows which the Group would generate through the operation of the asset in its current condition, without taking into account potential enhancements or further development of the asset. The fair value less costs of disposal valuation will normally be higher than the value in use valuation, and accordingly the Group typically applies this valuation estimate in its impairment or valuation assessments.

The key assumptions to which the value of the assets are most sensitive are future commodity prices, the discount rate used to determine the present value of the future cash flows, future operating costs, sustaining and development capital expenditure and the US dollar/Chilean peso exchange rate. The commodity price forecasts (representing the Group's estimates of the assumptions that would be used by independent market participants in valuing the assets) are based on the forward curve for the short term and consensus analyst forecasts including both investment banks and commodity consultants for the longer term. A long-term copper price of $3.10/lb has been used in the base valuations. A real post-tax discount rate of 8% has been used in determining the present value of the forecast future cash flow from the assets.

This valuation exercise demonstrated positive headroom for all of the Group's mining operations, with the recoverable amount of the assets in excess of their carrying value. As an additional down-side sensitivity, a valuation was performed with a 5% reduction in the long-term copper price. Los Pelambres still showed positive headroom in this alternative down-side scenario, and Zaldívar indicated a breakeven position, however the Antucoya valuation indicated a potential deficit of $125 million and the Centinela valuation indicated a potential deficit of $630 million. This was a simple sensitivity exercise, looking at an illustrative change in the forecast long-term copper price 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. In particular, given that copper exports account for over 50% of Chile's exports, movements in the US dollar/Chilean peso exchange rate are highly correlated to the copper price, and a decrease in the copper price is likely to result in a weakening of the Chilean peso, with a resulting reduction in the Group's operating costs and capital expenditure. These likely cost reductions, as well as potential operational changes which could be made in a weaker copper price environment, could partly mitigate the impact of the lower copper price modelled in these estimated potential sensitivities.

4. Segmental analysis

The Group's reportable segments are as follows:

- Los Pelambres
- Centinela
- Antucoya
- Zaldivar
- Exploration and evaluation
- Corporate and other items
- Transport and other transport services

For management purposes, the Group is organised into two business divisions based on their products – Mining and Transport and other transport services. The mining division is split further for management reporting purposes to show results by mine and exploration activity. Los Pelambres produces copper concentrate, and molybdenum, gold and silver as by-products. Centinela produces copper concentrate, and copper cathodes, and molybdenum, gold and silver as by-products. Antucoya and Zaldivar produce copper cathodes. The transport division provides rail and road cargo together with a number of ancillary services. All the operations are based in Chile. The Exploration and evaluation segment includes exploration and evaluation expenses. "Corporate and other items" comprises costs incurred by Antofagasta plc ("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 the business segments separately for the purpose of making decisions about resources to be allocated and of assessing performance.

a) Segment revenues and results

For the six months ended 30.06.2019 (Unaudited)

	Los Pelambres	Centinela	Antucoya	Zaldivar	Exploration and evaluation[2]	Corporate and other items	**Total Mining**	**Transport division**	**Total**
	$m	$m	$m	$m	$m	$m	**$m**	**$m**	**$m**
Revenue	1,177.8	1,040.9	224.7	-	-	-	**2,443.4**	82.2	**2,525.6**
Operating costs excluding depreciation	(470.9)	(508.4)	(183.5)	-	(52.0)	(26.5)	**(1,241.3)**	(52.9)	**(1,294.2)**
Depreciation and amortisation	(123.4)	(256.0)	(45.2)	-	-	(3.9)	**(428.5)**	(9.1)	**(437.6)**
Loss on disposals	(1.6)	(0.5)	-	-	-	-	**(2.1)**	-	**(2.1)**
Operating profit/(loss)	581.9	276.0	(4.0)	-	(52.0)	(30.4)	**771.5**	20.2	**791.7**
Equity accounting profit	-	-	-	10.1	-	(0.8)	9.3	7.6	16.9
Investment income	6.0	3.5	0.9	-	-	15.2	25.6	0.4	26.0
Interest expense	(4.1)	(21.1)	(23.4)	-	-	(11.4)	(60.0)	(1.3)	(61.3)
Other finance items	(4.4)	(4.8)	-	-	-	(1.3)	(10.5)	0.2	(10.3)
Profit/(loss) before tax	579.4	253.6	(26.5)	10.1	(52.0)	(28.7)	**735.9**	27.1	**763.0**
Tax	(170.2)	(66.3)	(0.1)	-	-	(29.5)	**(266.1)**	(6.5)	**(272.6)**
Profit/(loss) for the period from continuing operations	409.2	187.3	(26.6)	10.1	(52.0)	(58.2)	**469.8**	20.6	**490.4**
Profit for the period from discontinued operations	-	-	-	-	-	-	**-**	-	**-**
Profit/(loss) for the period	409.2	187.3	(26.6)	10.1	(52.0)	(58.2)	**469.8**	20.6	**490.4**
Non-controlling interests	162.7	44.1	(18.8)	-	-	-	**188.0**	-	**188.0**
Profit/(loss) for the period attributable to owners of the parent	246.5	143.2	(7.8)	10.1	(52.0)	(58.2)	**281.8**	20.6	**302.4**
EBITDA[1]	706.9	532.5	41.2	59.4	(52.0)	(27.2)	**1,260.8**	45.1	**1,305.9**
Additions to non-current assets									
Capital expenditure	242.9	271.9	16.6	-	-	0.7	**532.1**	18.6	**550.7**
Segment assets and liabilities									
Segment assets	4,125.4	5,639.1	1,658.6	-	-	1,393.3	**12,816.4**	354.9	**13,171.3**
Investment in associates and joint ventures	-	-	-	1,006.5	-	(0.1)	**1,006.4**	63.3	**1,069.7**
Segment liabilities	(1,555.9)	(1,758.4)	(925.5)	-	-	(639.6)	**(4,879.4)**	(116.0)	**(4,995.4)**

[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 used in from exploration and evaluation segment was $50.0 million

For the six months ended 30 June 2018 (Unaudited)

	Los Pelambres	Centinela	Antucoya	Zaldivar	Exploration and evaluation[2]	Corporate and other items	**Total Mining**	**Transport division**	**Total**
	$m	$m	$m	$m	$m	$m	**$m**	**$m**	**$m**
Revenue	1,082.6	733.6	216.1	-	-	-	**2,032.3**	88.4	**2,120.7**
Operating costs excluding depreciation	(488.6)	(504.4)	(150.1)	-	(41.0)	(38.0)	**(1,222.1)**	(53.9)	**(1,276.0)**
Depreciation and amortisation	(102.5)	(176.4)	(34.1)	-	-	(3.2)	**(316.2)**	(8.0)	**(324.2)**
(Loss)/gains on disposals	-	-	-	-	-	-	**-**	(0.1)	**(0.1)**
Operating profit/(loss)	491.5	52.8	31.9	-	(41,0)	(41,2)	**494,0**	26,4	**520,4**
Equity accounting profit/(loss)	-	-	-	13.7	-	(4.6)	9.1	4.6	13.7
Investment income	2.9	2.1	0.7	-	-	8.9	14.6	0.4	15.0
Interest expense	(2.8)	(16.8)	(19.3)	-	-	(9.6)	(48.5)	(0.6)	(49.1)
Other finance items	(20.0)	(8.4)	(1.1)	-	-	1.1	(28.4)	(6.0)	(34.4)
Profit/(loss) before tax	471.6	29.7	12.2	13.7	(41.0)	(45.4)	**440.8**	24.8	**465.6**
Tax	(148.3)	(0.7)	1.1	-	-	0.7	**(147.2)**	(4.2)	**(151.4)**
Profit/(loss) for the period from continuing operations	323.3	29.0	13.3	13.7	(41.0)	(44.7)	**293.6**	20.6	**314.2**
Profit for the period from discontinued operations	-	-	-	-	-	1.5	**1.5**	-	**1.5**
Profit/(loss) for the period	323.3	29.0	13.3	13.7	(41.0)	(43.2)	**295.1**	20.6	**315.7**
Non-controlling interests	129.3	(3.9)	(4.4)			0.4	**121.4**	-	**121.4**
Profit/(loss) for the period attributable to owners of the parent	194.0	32.9	17.7	13.7	(41.0)	(43.6)	**173.7**	20.6	**194.3**
EBITDA[1]	594.0	229.2	66.0	49.6	(41.0)	(39.3)	**858.5**	45.7	**904.2**
Additions to non-current assets									
Capital expenditure	139.4	247.9	26.0	-	-	3.1	**416.4**	27.8	**444.2**
Segment assets and liabilities									
Segment assets	3,751.8	5,299.0	1,643.9	-	-	1,385.0	**12,079.7**	385.0	**12,464.7**
Investment in associates and joint ventures	-	-	-	995.8	-	21.4	**1,017.2**	67.9	**1,085.1**
Segment liabilities	(1,124.6)	(1,733.8)	(883.4)	-	-	(644.2)	**(4,386.0)**	(106.9)	**(4,492.9)**

[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 used in from exploration and evaluation segment was $56.0 million

For the year ended 31 December 2018 (Audited)

	Los Pelambres	Centinela	Antucoya	Zaldivar	Exploration and evaluation[2]	Corporate and other items	**Total Mining**	**Transport division**	**Total**
	$m	$m	$m	$m	$m	$m	**$m**	**$m**	**$m**
Revenue	2,493.5	1,609.2	457.6	-	-	-	**4,560.3**	172.8	**4,733.1**
Operating costs excluding depreciation	(1,065.9)	(964.2)	(316.0)	-	(97.6)	(61.4)	**(2,505.1)**	(109.2)	**(2,614.3)**
Depreciation and amortisation	(243.3)	(415.4)	(78.7)	-	-	(7.2)	**(744.6)**	(15.9)	**(760.5)**
(Loss)/gains on disposals	(10.5)	-	-	-	-	-	**(10.5)**	(2.8)	**(13.3)**
Operating profit/(loss)	**1,173.8**	**229.6**	**62.9**	**-**	**(97.6)**	**(68.6)**	**1,300.1**	**44.9**	**1,345.0**
Equity accounting profit/(loss)	-	-	-	14.2	-	(2.9)	**11.3**	10.9	**22.2**
Investment income	6.0	5.1	1.2	-	-	17.0	**29.3**	0.8	**30.1**
Interest expense	(5.8)	(35.5)	(49.6)	-	-	(20.5)	**(111.4)**	(2.1)	**(113.5)**
Other finance items	(13.2)	(7.8)	(3.1)	-	-	0.4	**(23.7)**	(7.4)	**(31.1)**
Profit/(loss) before tax	**1,160.8**	**191.4**	**11.4**	**14.2**	**(97.6)**	**(74.6)**	**1,205.6**	**47.1**	**1,252.7**
Tax	(371.8)	(18.7)	0.9	-	-	(20.1)	**(409.7)**	(14.0)	**(423.7)**
Profit/(loss) for the year from continuing operations	**789.0**	**172.7**	**12.3**	**14.2**	**(97.6)**	**(94.7)**	**795.9**	**33.1**	**829.0**
Profit for the year from discontinued operations	-	51.3	-	-	-	-	**51.3**	-	**51.3**
Profit/(loss) for the year	**789.0**	**224.0**	**12.3**	**14.2**	**(97.6)**	**(94.7)**	**847.2**	**33.1**	**880.3**
Non-controlling interests	(315.5)	(35.8)	14.7	-	-	-	**(336.6)**	-	**(336.6)**
Profit/(loss) for the year attributable to owners of the parent	**473.5**	**188.2**	**27.0**	**14.2**	**(97.6)**	**(94.7)**	**510.6**	**33.1**	**543.7**
EBITDA[1]	**1,427.6**	**645.0**	**141.6**	**87.4**	**(97.6)**	**(64.6)**	**2,139.4**	**88.9**	**2,228.3**
Additions to non-current assets									
Capital expenditure	364.8	535.2	65.7	-	-	4.5	**970.2**	67.7	**1,037.9**
Segment assets and liabilities									
Segment assets	4,003.7	5,312.8	1,942.0	-	-	1,444.5	**12,703.0**	343.4	**13,046.4**
Investment in associates and joint ventures	-	-	-	996.4	-	-	**996.4**	59.7	**1,056.1**
Segment liabilities	(1,218.0)	(1,746.1)	(948.8)	-	-	(632.2)	**(4,545.1)**	(119.3)	**(4,664.4)**

[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]Operating cash outflow in the exploration and evaluation segment was $81.0 million

b) Entity wide disclosures

Revenue by product[1]

	Six months ended 30.06.2019	Six months ended 30.06.2018	Year ended 31.12.2018
	$m	$m	$m
Copper			
- Los Pelambres	**981.2**	879.1	2,040.3
- Centinela concentrates	**582.8**	355.1	827.9
- Centinela cathodes	**278.0**	316.2	589.4
- Antucoya	**224.7**	216.1	457.6
Gold			
- Los Pelambres	**32.8**	32.5	78.6
- Centinela	**163.1**	56.4	169.4
Molybdenum			
- Los Pelambres	**150.2**	156.1	340.2
- Centinela	**4.9**	-	7.8
Silver			
- Los Pelambres	**13.6**	14.9	34.4
- Centinela	**12.1**	5.9	14.7
Total Mining	**2,443.4**	2,032.3	4,560.3
Railway and transport services	**82.2**	88.4	172.8
	2,525.6	2,120.7	4,733.1

Revenue by location of customer[1]

	Six months ended 30.06.2019	Six months ended 30.06.2018	Year ended 31.12.2018
	$m	$m	$m
Europe			
- United Kingdom	88.9	39.6	125.3
- Switzerland	326.1	182.6	587.0
- Spain	86.9	90.4	152.9
- Germany	49.5	72.5	117.3
- Rest of Europe	61.2	62.9	131.7
Latin America			
- Chile	122.0	119.2	248.1
- Rest of Latin America	23.6	37.3	73.9
North America			
- United States	55.0	88.0	199.4
Asia Pacific			
- Japan	779.5	674.4	1,413.0
- China	251.0	303.0	481.2
- Singapore	312.7	194.1	633.9
- South Korea	197.7	148.1	322.0
- Rest of Asia	171.5	108.6	247.4
	2,525.6	**2,120.7**	**4,733.1**

[1] Figures include both revenue from the sale of products and the associated income from the provision of shipping services.

Information about major customers

In the first half of 2019 the Group´s mining revenue included $375.1 million related to one large customer that individually accounted for more than 10% of the Group's revenue (six months ended 30 June 2018 – one large customer representing $315.2 million; year ended 31 December 2018 – one large customer representing $678.1 million).

Non-current assets by location of asset

	Six months ended 30.06.2019	Six months ended 30.06.2018	Year ended 31.12.2018
	$m	$m	$m
- Chile	**10,703.0**	10,388.2	10,449.0
- USA	**172.4**	172.1	172.6
- Other	**0.1**	0.1	0.1
	10,875.5	10,560.4	10,621.7

Notes to geographical information

The non-current assets balance disclosed by location of assets excludes financial instruments, equity 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 four months after shipment to the customer. For sales contracts which contain provisional pricing mechanisms the total receivable balance is measured at fair value through profit or loss. 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.

The total revenue from contracts with customers and the impact of provisional pricing adjustments in respect of concentrate and cathode sales is as follows:

	Six months ended 30.06.2019	Six months ended 30.06.2018	Year ended 31.12.2018
	$m	$m	$m
Revenue from contracts with customers			
Sale of products	**2,399.5**	2,076.5	4,660.5
Rendering of transport services	**82.2**	88.4	172.8
Shipping services	**34.5**	34.5	74.4
Provisional pricing adjustments in respect of copper, gold and molybdenum	**9.4**	(78.7)	(174.6)
Total revenue	**2,525.6**	2,120.7	4,733.1

The categories of revenue which are principally affected by different economic factors are the individual product types. A summary of revenue by product is set out in Note 4.

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.

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 2019[1]

	$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	**1,057.6**	**621.6**	**284.3**	**226.2**	**34.4**	**160.2**	**167.7**
Effects of pricing adjustments to previous year invoices							
Reversal of mark-to-market adjustments at the end of the previous year	23.6	9.5	1.7	0.7	-	(0.7)	(0.6)
Settlement of sales invoiced in the previous year	0.4	8.3	0.6	(0.9)	(1.2)	1.4	(8.4)
Total effect of adjustments to previous year invoices in the current period	**24.0**	**17.8**	**2.3**	**(0.2)**	**(1.2)**	**0.7**	**(9.0)**
Effects of pricing adjustments to current period invoices							
Settlement of sales invoiced in the current period	(9.8)	0.6	(7.9)	(1.9)	(0.3)	1.1	10.7
Mark-to-market adjustments at the end of the current period	(15.6)	(3.6)	(0.7)	0.5	-	1.7	0.2
Total effect of adjustments to current period invoices	**(25.4)**	**(3.0)**	**(8.6)**	**(1.4)**	**(0.3)**	**2.8**	**10.9**
Total pricing adjustments	**(1.4)**	**14.8**	**(6.3)**	**(1.6)**	**(1.5)**	**3.5**	**1.9**
Realised losses on commodity derivatives	**-**	**-**	**-**	**0.1**	**-**	**-**	**-**
Revenue before deducting tolling charges	**1,056.2**	**636.4**	**278.0**	**224.7**	**32.9**	**163.7**	**169.6**
Tolling charges	**(75.0)**	**(53.6)**	**-**	**-**	**(0.1)**	**(0.6)**	**(19.4)**
Revenue net of tolling charges	**981.2**	**582.8**	**278.0**	**224.7**	**32.8**	**163.1**	**150.2**

[1] Figures include both revenue from the sale of products and the associated income from the provision of shipping services.

For the period ended 30 June 2018

	$m	$m	$m	$m	$m	$m	$m
	Los Pelambres	**Centinela**	**Centinela**	**Antucoya**	**Los Pelambres**	**Centinela**	**Los Pelambres**
	Copper concentrate	**Copper concentrat e**	**Copper cathodes**	**Copper cathodes**	**Gold in concentrate**	**Gold in concentrate**	**Molybdenum concentrate**
Provisionally invoiced gross sales	**1,007.6**	**412.4**	**320.3**	**218.9**	**32.4**	**58.2**	**160.7**
Effects of pricing adjustments to previous year invoices							
Reversal of mark-to-market adjustments at the end of the previous year	**(54.1)**	**(20.0)**	**(1.7)**	**(2.7)**	**-**	**(0.2)**	**(4.6)**
Settlement of sales invoiced in the previous year	**14.2**	**8.8**	**0.6**	**1.6**	**0.3**	**(0.2)**	**18.9**
Total effect of adjustments to previous year invoices in the current period	**(39.9)**	**(11.2)**	**(1.1)**	**(1.1)**	**0.4**	**(0.4)**	**14.3**
Effects of pricing adjustments to current period invoices							
Settlement of sales invoiced in the current period	**(0.9)**	**1.7**	**(0.7)**	**(0.4)**	**(0.1)**	**(0.4)**	**(0.5)**
Mark-to-market adjustments at the end of the current period	**(18.6)**	**(11.6)**	**(2.3)**	**(1.3)**	**-**	**(0.8)**	**(3.7)**
Total effect of adjustments to current period invoices	**(19.5)**	**(9.9)**	**(3.0)**	**(1.7)**	**(0.1)**	**(1.2)**	**(4.2)**
Total pricing adjustments	**(59.4)**	**(21.1)**	**(4.1)**	**(2.8)**	**0.2**	**(1.6)**	**10.1**
Realised losses on commodity derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Revenue before deducting tolling charges	**948.2**	**391.3**	**316.2**	**216.1**	**32.6**	**56.6**	**170.8**
Tolling charges	**(69.1)**	**(36.2)**	**-**	**-**	**(0.1)**	**(0.2)**	**(14.7)**
Revenue net of tolling charges	**879.1**	**355.1**	**316.2**	**216.1**	**32.5**	**56.4**	**156.1**

For the year ended 31 December 2018[1]

	$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	2,325.7	957.3	599.1	465.0	79.6	171.1	358.6
Effects of pricing adjustments to previous year invoices							
Reversal of mark-to-market adjustments at the end of the previous year	(54.1)	(20.0)	(1.7)	(2.7)	-	(0.2)	(4.6)
Settlement of sales invoiced in the previous year	14.2	8.8	0.6	1.6	0.4	(0.2)	18.9
Total effect of adjustments to previous year invoices in the current period	(39.9)	(11.2)	(1.1)	(1.1)	0.4	(0.4)	14.3
Effects of pricing adjustments to current period invoices							
Settlement of sales invoiced in the current period	(59.8)	(26.3)	(7.9)	(6.2)	(1.2)	(1.3)	0.2
Mark-to-market adjustments at the end of the current period	(23.6)	(9.5)	(0.7)	(0.7)	-	0.7	0.7
Total effect of adjustments to current period invoices	(83.4)	(35.8)	(8.6)	(6.9)	(1.2)	(0.6)	0.9
Total pricing adjustments	(123.3)	(47.0)	(9.7)	(8.0)	(0.8)	(1.0)	15.2
Realised gains on commodity derivatives	-	-	-	0.6	-	-	-
Revenue before deducting tolling charges	2,202.4	910.3	589.4	457.6	78.8	170.1	373.8
Tolling charges	(162.1)	(82.4)	-	-	(0.3)	(0.6)	(33.6)
Revenue net of tolling charges	2,040.3	827.9	589.4	457.6	78.5	169.5	340.2

[1] Figures include both revenue from the sale of products and the associated income from the provision of shipping services.

The revenue from the individual products shown in the above tables is reconciled to total revenue in Note 4.

(i) ***Copper concentrate***

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

		At 30.06.2019	At 30.06.2018	At 31.12.2018
Sales	Tonnes	**171,000**	107,500	177,400
Average mark-to-market price	$/lb	**2.72**	3.01	2.71
Average provisional invoice price	$/lb	**2.77**	3.14	2.79

(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 30.06.2019	At 30.06.2018	At 31.12.2018
Sales	Tonnes	**12,400**	14,200	14,300
Average mark-to-market price	$/lb	**2.72**	3.01	2.70
Average provisional invoice price	$/lb	**2.67**	3.13	2.75

(iii) Gold in concentrate

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

		At 30.06.2019	At 30.06.2018	At 31.12.2018
Sales	Ounces	**20,000**	14,900	22,100
Average mark-to-market price	$/oz	**1,413**	1,255	1,284
Average provisional invoice price	$/oz	**1,328**	1,305	1,253

(iv) Molybdenum concentrate

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

		At 30.06.2019	At 30.06.2018	At 31.12.2018
Sales	Tonnes	**2,500**	2,600	3,600
Average mark-to-market price	$/lb	**12.25**	11.10	12.10
Average provisional invoice price	$/lb	**12.21**	11.80	12.10

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 30.06.2019 $m	Six months ended 30.06.2018 $m	Year ended 31.12.2018 $m
Los Pelambres - copper concentrate	**(15.6)**	(18.6)	54.1
Los Pelambres - molybdenum concentrate	**0.2**	(3.7)	4.7
Centinela - copper concentrate	**(3.6)**	(11.6)	20.1
Centinela - gold in concentrate	**1.7**	(0.8)	0.2
Centinela - copper cathodes	**(0.7)**	(2.3)	1.7
Antucoya - copper cathodes	**0.5**	(1.3)	2.7
	(17.5)	(38.3)	83.5

6. Financial instruments

a) Categories of financial instruments

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

	Six months ended 30.06.2019			
	At fair value through profit and loss	At fair value through other comprehensive income	Held at amortised cost	**Total**
	$m	**$m**	**$m**	**$m**
Financial assets				
Derivative financial assets	2.7	-	-	**2.7**
Equity investments	-	3.9	-	**3.9**
Loans and receivables	421.8	-	111.6	**533.4**
Cash and cash equivalents	-	-	2,189.2	**2,189.2**
Liquid investments	-	-	-	**-**
	424.5	**3.9**	**2,300.8**	**2,729.2**
Financial liabilities				
Derivative financial liabilities	-	-	-	**-**
Trade and other payables	(19.9)	-	(690.7)	**(710.6)**
Borrowings and leases	-	-	(2,706.6)	**(2,706.6)**
	(19.9)	**-**	**(3,397.3)**	**(3,417.2)**

	Six months ended 30.06.2018			
	At fair value through profit and loss $m	At fair value through other comprehensive income $m	Held at amortised cost $m	Total $m
Financial assets				
Derivatives financial assets	0.5	-	-	**0.5**
Equity investments	-	4.8	-	**4.8**
Loans and receivables	395.7	-	197.6	**593.3**
Cash and cash equivalents	-	-	676.9	**676.9**
Liquid investments	968.9	-	-	**968.9**
	1,365.1	4.8	874.5	**2,244.4**
Financial liabilities				
Derivatives financial liabilities	(0.2)	-	-	**(0.2)**
Trade and other payables	(38.3)	-	(484.2)	**(522.5)**
Borrowings and leases	-	-	(2,428.6)	**(2,428.6)**
	(38.5)	-	(2,912.8)	**(2,951.3)**

	Year ended 31.12.2018			
	At fair value through profit and loss $m	At fair value through other comprehensive income $m	Held at amortised cost $m	Total $m
Financial assets				
Derivative financial assets	0.8	-	-	**0.8**
Equity investments	-	4.7	-	**4.7**
Loans and receivables	510.2	-	419.4	**929.6**
Cash and cash equivalents	-	-	1,034.4	**1,034.4**
Liquid investments	863.2	-	-	**863.2**
	1,374.2	**4.7**	**1,453.8**	**2,832.7**
Financial liabilities				
Derivative financial liabilities	-	-	-	**-**
Trade and other payables	(34.5)	-	(581.5)	**(616.0)**
Borrowings and leases	-	-	(2,493.9)	**(2,493.9)**
	(34.5)	**-**	**(3,075.4)**	**(3,109.9)**

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:

	Six months ended 30.06.2019			
	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets				
Derivatives financial assets (a)	-	2.7	-	**2.7**
Equity investments (b)	3.9	-	-	**3.9**
Loans and receivables (c)	-	421.8	-	**421.8**
Liquid investment (d)	-	-	-	**-**
	3.9	424.5	-	**428.4**
Financial liabilities				
Derivatives financial liabilities (a)	-	-	-	**-**
Trade and other payables	-	(19.9)	-	**(19.9)**
	-	(19.9)	-	**(19.9)**

	Level 1	Level 2	Level 3	Total
				Six months ended 30.06.2018
	$m	**$m**	**$m**	**$m**
Financial assets				
Derivatives financial assets (a)	-	0.5	-	**0.5**
Equity investments (b)	4.8	-	-	**4.8**
Loans and receivables (c)	-	395.7	-	**395.7**
Liquid investment (d)	968.9	-	-	**968.9**
	973.7	396.2	-	**1,369.9**
Financial liabilities				
Derivatives financial liabilities (a)	-	(0.2)	-	**(0.2)**
Trade and other payables	-	(38.3)	-	**(38.3)**
	-	(38.5)	-	**(38.5)**

	Level 1	Level 2	Level 3	Total
				Year ended 31.12.2018
	$m	**$m**	**$m**	**$m**
Financial assets				
Derivative financial assets (a)	-	0.8	-	**0.8**
Equity investments (b)	4.7	-	-	**4.7**
Loans and receivables (c)	-	510.2		**510.2**
Liquid investment (d)	863.2	-	-	**863.2**
	867.9	511.0	-	**1,378.9**
Financial liabilities				
Derivative financial liabilities (a)	-	-	-	**-**
Trade and other payables	-	(34.5)	-	**(34.5)**
	-	(34.5)	-	**(34.5)**

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

a) 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.

b) Equity 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.

c) 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.

d) Liquid investments 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 period ended 30 June 2019, there were no transfers between levels in the hierarchy.

b) 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 IFRS 9 "Financial Instruments" 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 or balance sheet. The time value element of changes in the fair value of derivative options is recognised in other comprehensive income.

7. Net finance expense

	Six months ended 30.06.2019	Six months ended 30.06.2018	Year ended 31.12.2018
	$m	$m	$m
Investment income			
Interest receivable	**5.2**	5.1	9.9
Gains on fair value through profit or loss	**20.8**	9.9	20.2
	26.0	15.0	30.1
Interest expense			
Interest expense	**(61.3)**	(49.1)	(113.6)
	(61.3)	(49.1)	(113.6)
Other finance items			
Unwinding of discount on provisions	**(6.7)**	(6.5)	(12.7)
Preference dividends	**(0.1)**	-	(0.1)
Foreign exchange	**(3.5)**	(27.9)	(18.2)
	(10.3)	(34.4)	(31.0)
Net finance expense	**(45.6)**	(68.5)	(114.5)

In the six months ended 30 June 2019, amounts capitalised and consequently not included within the above table were as follows: $1.7 million at Centinela (six months ended 30 June 2018 – $2.7 million; year ended 31 December 2018 - $4.5 million) and $1.1 million at Los Pelambres (six months ended 30 June 2018 – $0.4 million; year ended 31 December 2018 - $0.9 million).

8. Taxation

The tax charge for the period comprised the following:

	Six months ended 30.06.2019	Six months ended 30.06.2018	Year ended 31.12.2018
	$m	$m	$m
Current tax charge			
Corporate tax (principally first category tax in Chile)	**(145.0)**	(170.7)	(321.2)
Mining tax (royalty)	**(42.9)**	(30.6)	(78.1)
Withholding tax	**(1.6)**	(2.1)	(4.5)
Exchange (losses) / gains on corporate tax balances	**0.3**	(0.2)	(0.7)
	(189.2)	(203.6)	(404.5)
Deferred tax			
Corporate tax (principally first category tax in Chile)	**(64.7)**	54.1	(14.6)
Mining tax (royalty)	**6.7**	(1.9)	(4.6)
Withholding tax	**(25.4)**	-	-
	(83.4)	52.2	(19.2)
Total tax charge (income tax expense)	**(272.6)**	(151.4)	(423.7)

The rate of first category (i.e. corporate) tax in Chile is 27%.

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, Antucoya, Encuentro (oxides), the 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. Production from Centinela Concentrates and the Tesoro Central and Mirador pits is subject to a rate of 5% of taxable operating profit.

	Six months ended 30.06.2019		Six months ended 30.06.2018		Year ended 31.12.2018	
	$m	**%**	$m	%	**$m**	**%**
Profit before tax	**763.0**		465.6		**1,252.7**	
Tax at the Chilean corporate tax rate of 27%	**(206.0)**	**27.0**	(125.7)	27.0	**(338.2)**	**27.0**
Items not deductible from first category tax	**(3.8)**	**0.5**	(4.6)	1.0	**(10.8)**	**0.9**
Adjustment in respect of prior years	**7.4**	**(1.0)**	2.7	(0.6)	**2.6**	**(0.2)**
Deduction of mining royalty as an allowable expense in determination of first category tax	**11.3**	**(1.5)**	8.2	(1.8)	**21.1**	**(1.7)**
Mining Tax (royalty)	**(42.6)**	**5.5**	(31.3)	6.7	**(82.5)**	**6.5**
Withholding tax	**(27.1)**	**3.6**	(2.1)	0.4	**(4.5)**	**0.4**
Tax effect of share of profit of associates and joint ventures	**4.8**	**(0.6)**	4.8	(1.0)	**3.0**	**(0.2)**
Unrecognised tax losses	**(16.9)**	**2.2**	(4.2)	0.9	**(13.8)**	**1.1**
Net other items	**0.3**	**-**	0.8	(0.2)	**(0.6)**	**-**
Tax expense and effective tax rate for the period	**(272.6)**	**35.7**	(151.4)	32.4	**(423.7)**	**33.8**

The effective tax rate varied from the statutory rate principally due to the mining tax (impact of $42.6 million / 5.5%), the withholding tax relating to the remittance of profits from Chile (impact of $27.1 million / 3.6%), unrecognised tax losses (impact of $16.9 / 2.2%) and items not deductible for Chilean corporate tax purposes, principally the funding of expenses outside of Chile (impact of $3.8 million / 0.5%), partly offset by the deduction of the mining tax which is an allowable expense when determining the Chilean corporate tax charge (impact of $11.3 million / 1.5%) and the impact of the recognition of the Group's share of profit from associates and joint ventures, which are included in the Group's profit before tax net of their respective tax charges (impact of $4.8 million / 0.6%).

The current and deferred tax relating to items that are charged directly to equity was $1.2 million (30 June 2018 - $0.9 million).

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

The main factors which could impact the sustainability of the Group's existing effective tax rate are:

- the level of future distributions made by the Group's Chilean subsidiaries out of Chile, which could result in increased withholding tax charges.
- the impact of expenses which are not deductible for Chilean first category tax. Some of these expenses are relatively fixed costs, and so the relative impact of these expenses on the Group's effective tax rate will vary depending on the Group's total profit before tax in a particular year.

9. Discontinued operation

On 11 September 2018 the Group completed the disposal of Centinela Transmission, which holds the electricity transmission line supplying Centinela and other external parties, for cash consideration of $117 million. The net results of Centinela Transmission for the comparative period of the first six months of 2018 are shown in the income statement on the line for "Profit for the period from discontinued operations.

10. Earnings per share

	Six months ended 30.06.2019 $m	Six months ended 30.06.2018 $m	Year ended 31.12.2018 $m
Profit for the period attributable to equity holders of the Company	**302.4**	194.3	543.7

	Number	Number	Number
Ordinary shares in issue throughout each period	**985,856,695**	985,856,695	985,856,695

	Six months ended 30.06.2019 US cent	Six months ended 30.06.2018 US cent	Year ended 31.12.2018 US cent
Basic earnings per share			
From continuing operations	**30.7**	19.6	51.5
From discontinued operations	**-**	0.2	3.6
Total continuing and discontinued operations	**30.7**	19.8	55.1

Basic earnings per share are calculated as profit after tax and non-controlling interests, based on 985,856,695 ordinary shares.

There was no potential dilution of earnings per share in either year set out above, and therefore diluted earnings per share did not differ from basic earnings per share as disclosed above.

Reconciliation of basic earnings per share from continuing operations:

		Six months ended 30.06.2019	Six months ended 30.06.2018	Year ended 31.12.2018
Profit for the year attributable to equity holders of the Company	$m	**302.4**	194.3	543.7
Less: profit for discontinued operations	$m	**-**	(1.5)	(35.9)
Profit from continuing operations	$m	**302.4**	192.8	507.8
Ordinary shares	Number	**985,856,695**	985,856,695	985,856,695
Basic earnings per share from continuing operations	US cent	**30.7**	19.6	51.5

11. Dividends

The Board has recommended an interim dividend of 10.7 cents per ordinary share for the 2019 half year (2018 half year – 6.8 cents per ordinary share). Dividends are declared and paid gross. Dividends actually paid in the period and recognised as a deduction from net equity under IFRS were 37.0 cents per ordinary share (2018 half year – 40.6 cents per ordinary share), representing the final dividend declared in respect of the previous year.

The interim dividend will be paid on 4 October 2019 to ordinary shareholders that are on the register at the close of business on 6 September 2019. Shareholders can elect (on or before 9 September 2019) 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 12 September 2019). 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.

12. Intangible asset

	At 30.06.2019	At 30.06.2018	At 31.12.2018
	$m	$m	$m
Balance at the beginning of the year	**150.1**	150.1	150.1
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 licences assets. The mining licences will be amortised once production commences.

13. Property, plant and equipment

	Mining	**Railway and other transport**	**At 30.06.2019**	At 30.06.2018	At 31.12.2018
	$m	**$m**	**$m**	$m	$m
Balance at the beginning of the year	8,959.2	224.9	**9,184.1**	9,064.3	9,064.3
Adoption of new accounting standards	130.1	1.3	**131.4**	-	-
Additions	500.1	18.6	**518.7**	420.2	989.5
Additions – depreciation capitalized	32.1	-	**32.1**	24.0	48.4
Reclassifications	4.6	-	**4.6**	3.1	16.5
Adjustment to capitalised decommissioning provisions	25.9	-	**25.9**	-	(24.0)
Depreciation	(428.5)	(9.1)	**(437.6)**	(324.6)	(761.1)
Depreciation capitalised in PP&E	(32.1)	-	**(32.1)**	(24.0)	(48.4)
Depreciation capitalised in inventories	(11.3)	-	**(11.3)**	(26.0)	(86.4)
Asset disposals	(2.1)	(0.3)	**(2.4)**	(0.4)	(14.0)
Transferred to disposal group classified as held for sale	-	-	**-**	(1.0)	(0.7)
Balance at the end of the period	9,178.0	235.4	**9,413.4**	9,135.6	9,184.1

At 30 June 2019 $43.4 million (30 June 2018 - $50.0 million; 31 December 2018 – $134.8 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 4(a).

At 30 June 2019 the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to $941.7 million (30 June 2018 - $400.1 million; 31 December 2018 - $561.4 million).

Depreciation capitalised in property, plant and equipment of $32.1 million related to the depreciation of assets used in operational stripping activities.

There are $1,134.2 million of operating stripping costs capitalised within the above property, plant and equipment balance as at 30 June 2019 (30 June 2018 - $996.8 million; 31 December 2018 - $1,029.6 million).

14. Investment in associates and joint ventures

	Inversiones Hornitos (i)	ATI (ii)	Minera Zaldívar (iv)	Tethyan Copper (vi)	At 30.06.2019	At 30.06.2018	At 31.12.2018
	$m	$m	$m	$m	$m	$m	$m
Balance at the beginning of the year	54.6	5.1	996.4	-	**1,056.1**	1,069.7	1,069.7
Obligations on behalf of JV	-	-	-	(1.0)	**(1.0)**	(2.0)	(2.0)
Capital contribution	-	-	-	-	**-**	4.3	8.1
Disposal (III)	-	-	-	-	**-**	-	(20.3)
Gains in fair value of cash flow hedges deferred in reserves of associates	-	-	-	-	**-**	-	(0.4)
Derecognition of investment in associate upon reclassification to subsidiary (V)	-	-	-	-	**-**	-	(0.2)
Share of profit/(loss) before tax	9.9	0.5	15.0	(0.7)	**24.7**	26.7	33.7
Share of tax	(2.7)	(0.2)	(4.9)	-	**(7.8)**	(13.0)	(16.9)
Share of income/(loss) from associate	7.2	0.3	10.1	(0.7)	**16.9**	13.7	16.8
Dividends received	(4.0)	-	-	-	**(4.0)**	(2.2)	(16.6)
Balance at the end of the year	57.8	5.4	1,006.5	-	**1,069.7**	1,085.1	1,056.1
Obligations on behalf of JV	-	-	-	(1.7)	**(1.7)**	(1.7)	(1.0)

	Inversiones Hornitos	ATI	Minera Zaldívar	Tethyan Copper	At 31.12.2019	At 30.06.2018	At 31.12.2018
	$m	$m	$m	$m	$m	$m	$m
Share of income/(loss) from associate	7.2	0.3	10.1	(0.7)	**16.9**	13.7	16.8
Profit on disposal	-	-	-	-	**-**	-	5.8
Purchase price adjustment	-	-	-	-	**-**	-	(0.4)
Net share of profit from associates and joint ventures	**7.2**	**0.3**	**10.1**	**(0.7)**	**16.9**	13.7	22.2

The investments which are included in the $1,068.1 million balance at 30 June 2019 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 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 former 30% interest in El Arrayan, which operates an 115MW wind-farm project. The Group has a 20-year power purchase agreement with El Arrayan for the provision of up to 40MW of electricity for Los Pelambres. In August 2018 the Group disposed of its interest in El Arrayan for cash consideration of $28.0 million.

Investment in joint ventures

(iv) The Group's 50% interest in Minera Zaldívar SpA ("Zaldívar").

(v) During 2018 the Group acquired the remaining 49.9% interest in Energia Andina from Origin Geothermal Chile Limitada and accordingly Energia Andina became a subsidiary of the Group during 2018.

(vi) The Group's 50% interest in Tethyan Copper Company Limited ("Tethyan"), which is a joint venture with Barrick Gold Corporation in respect of the Reko Diq project in Pakistan. Tethyan has been pursuing arbitration claims against the Islamic Republic of Pakistan ("Pakistan") following the unlawful denial of a mining lease for the project in 2011. Details in respect of the arbitration are set out in Note 20.

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 of the joint venture's obligations.

Summarised financial information for the associates at June 2019 is as follows:

	Inversiones Hornitos	**ATI**	**Total**	Total	Total
	30.06.2019	**30.06.2019**	**30.06.2019**	30.06.2018	31.12.2018
	$m	$m	**$m**	$m	$m
Cash and cash equivalents	17.3	0.5	**17.8**	17.6	1.0
Current assets	29.5	12.1	**41.6**	53.2	49.9
Non-current assets	269.5	117.2	**386.7**	643.5	394.5
Current liabilities	(38.4)	(20.5)	**(58.9)**	(72.8)	(65.4)
Non-current liabilities	(155.3)	(93.2)	**(248.5)**	(428.5)	(238.8)
Revenue	81.2	25.9	**107.1**	105.1	197.3
Profit/(loss) from continuing operations	18.1	1.7	**19.8**	9.0	27.1
Other comprehensive income			**-**	-	-
Total comprehensive income/(loss)	18.1	1.7	**19.8**	9.0	27.1

Summarised financial information for the joint ventures at June 2019 is as follows:

	Minera Zaldivar	**Tethyan Copper**	**Total**	Total	Total
	30.06.2019	**30.06.2019**	**30.06.2019**	30.06.2018	31.12.2018
	$m	$m	**$m**	$m	$m
Cash and cash equivalent	156.7	1.4	**158.1**	125.1	127.2
Current assets	641.4	-	**641.4**	670.4	602.6
Non-current assets	1,838.00	0.2	**1,838.20**	1,595.70	1,921.20
Current liabilities	(86.8)	(4.8)	**(91.6)**	(104.1)	(107.6)
Non-current liabilities	(533.7)	(0.1)	**(533.8)**	(152.9)	(547.7)
Revenue	334.1	-	**334.1**	285.5	599.5
Profit/(loss) after tax	20.4	(1.5)	**18.9**	19.4	14.3
Total comprehensive income	20.4	(1.5)	**18.9**	19.4	14.3

Notes to the summarised financial information

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.

15. Equity investments

	At 30.06.2019	At 30.06.2018	At 31.12.2018
	$m	$m	$m
Balance at the beginning of the year	**4.7**	6.5	6.5
Movements in fair value	**(0.9)**	(1.3)	(1.3)
Foreign currency exchange difference	**0.1**	(0.4)	(0.5)
Balance at the end of the period	**3.9**	4.8	4.7

Equity investments represent those investments which are not subsidiaries, associates or joint ventures. The fair value of all equity investments are based on quoted market prices.

16. Borrowings and leases

	At 30.06.2019 **$m**	At 30.06.2018 $m	At 31.12.2018 $m
Los Pelambres			
Senior loan	**(197.4)**	-	-
Short-term loan	**(82.0)**	(100.0)	(100.0)
Leases	**(143.7)**	(39.5)	(114.1)
Centinela			
Senior loan	**(372.1)**	(518.5)	(445.1)
Subordinated debt	**(199.2)**	(200.3)	(207.1)
Short-term loan	**(200.0)**	(200.0)	(200.0)
Leases	**(95.8)**	-	-
Antucoya			
Senior loan	**(330.8)**	(357.9)	(349.3)
Subordinated debt	**(380.5)**	(357.1)	(368.3)
Short-term loan	**(75.0)**	(30.0)	(75.0)
Leases	**(29.3)**	(38.9)	(35.2)
Corporate and other items			
Senior loan	**(500.8)**	(498.8)	(500.1)
Leases	**(21.8)**	(24.3)	(22.1)
Railway and other transport services			
Senior loan	**(74.3)**	(59.7)	(74.2)
Leases	**(1.3)**	(0.6)	(0.4)
Preference shares	**(2.6)**	(3.0)	(3.0)
Total	**(2,706.6)**	(2,428.6)	(2,493.9)

At 30 June 2019 $247.5 million (30 June 2018 – $17.2 million; 31 December 2018 - $22.5 million) of the borrowings has fixed rate interest and $2,459.1 million (30 June 2018 - $2,396.5 million; 31 December 2018 - $2,468.4 million) has floating rate interest. The Group periodically enters into interest rate derivative contracts to manage its exposure to interest rates.

17. Share capital and share premium

There was no change in share capital or share premium in the six months ended 30 June 2019 or the comparative periods. Details are shown in the Consolidated Statement of Changes in Equity.

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

	At 30.06.2019 $m	At 30.06.2018 $m	At 31.12.2018 $m
Profit before tax from continuing operations	**763.0**	465.6	1,252.7
Profit before tax from discontinued operations	**-**	2.1	2.9
Depreciation and amortisation	**437.6**	324.2	760.5
Net loss on disposals	**2.1**	0.1	13.3
Profit on disposal of discontinued operation	**-**	(2.1)	(2.9)
Net finance expense	**45.6**	68.5	114.5
Share of profit from associates and joint ventures	**(16.9)**	(13.7)	(22.2)
Increase in inventories	**(16.0)**	(66.8)	(81.7)
Decrease/(Increase) in debtors	**387.8**	210.3	(151.5)
Decrease in creditors	**(70.2)**	(98.2)	(7.0)
(Decrease)/Increase in provisions	**(18.5)**	0.4	(1.6)
Cash flow from continuing and discontinued operations	**1,514.5**	890.4	1,877.0

19. Analysis of changes in net debt

	At 31.12.2018 $m	Adoption of new accounting standards	At 01.01.2019 $m	Cash flows $m	Fair value gains $m	New leases $m	Amortisation of finance costs $m	Capitalisation of interest $m	Other $m	Reclassification $m	Exchange $m	**At 30.06.2019 $m**
Cash and cash equivalents	1,034.4	-	1,034.4	1,148.7	-	-	-	-	-	-	6.1	**2,189.2**
Liquid investments	863.2	-	863.2	(863.8)	0.6	-	-	-	-	-	-	**(0.0)**
Total	1,897.6	-	1,897.6	284.9	0.6	-	-	-	-	-	6.1	**2,189.2**
Borrowings due within one year	(607.2)	-	(607.2)	93.0	-	-	-	-	1.0	(133.2)	-	**(646.4)**
Borrowings due after one year	(1,711.9)	-	(1,711.9)	(165.1)	-	-	(2.9)	(19.2)	-	133.2	-	**(1,765.9)**
Leases due within one year	(38.8)	(41.8)	(80.6)	20.4	-	-	-	-	-	(19.8)	-	**(80.0)**
Leases due after one year	(133.0)	(89.5)	(222.5)	29.8	-	(32.2)	-	-	-	19.8	(6.6)	**(211.7)**
Preference shares	(3.0)	-	(3.0)	-	-	-	-	-	0.1	-	0.3	**(2.6)**
Total borrowings	(2,493.9)	(131.3)	(2,625.2)	(21.9)	-	(32.2)	(2.9)	(19.2)	1.1	-	(6.3)	**(2,706.6)**
Net (debt)/cash	(596.3)	**(131.3)**	(727.6)	263.0	0.6	(32.2)	(2.9)	(19.2)	1.1	-	(0.2)	**(517.4)**

Net debt

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

	At 30.06.2019 $m	At 30.06.2018 $m	At 31.12.2018 $m
Cash, cash equivalents and liquid investments	**2,189.2**	1,645.8	1,897.6
Total borrowings	**(2,706.6)**	(2,428.6)	(2,493.9)
Net debt	**(517.4)**	(782.8)	(596.3)

20. Tethyan arbitration award

On 12 July 2019 an international arbitration tribunal of the World Bank's International Centre for Settlement of Investment Disputes ("ICSID") awarded $5.84 billion in damages to Tethyan Copper Company Pty Limited ("TCC"), the joint venture held equally by the Company and Barrick Gold Corporation, in relation to the arbitration claims filed against the Islamic Republic of Pakistan ("Pakistan") following the unlawful denial of a mining lease for the Reko Diq project in Pakistan in 2011.

Damages include compensation of $4.087 billion by reference to the fair market value of the Reko Diq project at the time of the mining lease denial, and interest until the date of the award of $1.753 billion. The Tribunal also awarded TCC just under $62 million in costs incurred in enforcing its rights. Compound interest applies to the compensation and cost awards from 12 July 2019 at a rate of US Prime +1% per annum until the award is paid.

The award is binding on the parties. There are limited grounds for challenging the award under the ICSID Convention.

It is not expected that proceeds of the award will be recognised in Antofagasta's financial statements until received.

21. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its associates and joint ventures are disclosed below. The transactions which Group companies entered into with related parties who are not members of the Group are set out below. There are no guarantees given or received and no provisions for doubtful debts related to the amount of outstanding balances.

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 2019 the Group made a contribution to Tethyan of nil (six months ended 30 June 2018 - $4.3 million; year ended 31 December 2018 - $8.1 million).

The Group has a 50% interest in Minera Zaldívar, which is a joint venture with Barrick Gold Corporation. During the six months ended 30 June 2019 the Group has received dividends from Minera Zaldívar of nil (six months ended 30 June 2018 - nil; year ended 31 December 2018 - nil).

b) Associates

The Group has a 40% interest in Inversiones Hornitos S.A. During the six months ended 30 June 2019 the Group paid $109.1 million (six months ended 30 June 2018 - $94.1 million; year ended 31 December 2018 - $162.2 million) to Inversiones Hornitos in relation to the energy supply contract at Centinela. During the six months ended 30 June 2019 the Group received dividends from Inversiones Hornitos S.A. of $4.0 million (six months ended 30 June 2018 - $2.2 million; year ended 31 December 2018 - $16.6 million).

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., BanChile Corredores de Bolsa S.A., ENEX S.A. and Compañía de Inversiones Adriático S.A.. These transactions, were all on normal commercial terms.

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 the Group incurred $0.1 million (30 June 2018 - $0.2 million; 31 December 2018 - $0.2 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

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 2019. 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 consolidated balance sheet as at 30 June 2019;
- the consolidated income statement and consolidated statement of comprehensive income for the period then ended;
- the consolidated cash flow statement for the period then ended;
- the 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 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 2019

22. Alternative performance measures (not subject to audit or review)

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) UNDERLYING EARNINGS PER SHARE

Underlying earnings per share is earnings per share from continuing operations, excluding exceptional items. This measure is reconciled to earnings per share from continuing and discontinued operations (including exceptional items) on the face of the income statement. This measure is considered to be useful as it provides an indication of the earnings generated by the ongoing businesses of the Group, excluding the impact of exceptional items which are non-regular or non-operating in nature.

b) EBITDA

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.

c) Net Earnings

Net Earnings represent profit for the period attributable to the owners of the parent

For 30 June 2019

	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)[1]	581.9	276.0	(4.0)	-	(52.0)	(30.4)	**771.5**	20.2	**791.7**
Depreciation and amortisation	123.4	256.0	45.2	-	-	3.9	**428.5**	9.1	**437.6**
Profit on disposals	1.6	0.5	-	-	-	-	**2.1**	-	**2.1**
EBITDA from subsidiaries	**706.9**	**532.5**	**41.2**	**-**	**(52.0)**	**(26.5)**	**1,202.1**	**29.3**	**1,231.4**
Proportional share of the EBITDA from associates and JVs	-	-	-	59.4	-	(0.7)	**58.7**	15.8	**74.5**
Total EBITDA	**706.9**	**532.5**	**41.2**	**59.4**	**(52.0)**	**(27.2)**	**1,260.8**	**45.1**	**1,305.9**

For 30 June 2018

	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)[1]	491.5	52.8	31.9	-	(41.0)	**(41.2)**	**494.0**	26.4	**520.4**
Depreciation and amortisation	102.5	176.4	34.1	-	-	3.2	**316.2**	8.0	**324.2**
Profit on disposals	-	-	-	-	-	-	**-**	0.1	**0.1**
EBITDA from subsidiaries	**594.0**	**229.2**	**66.0**	**-**	**(41.0)**	**(38.0)**	**810.2**	**34.5**	**844.7**
Proportional share of the EBITDA from associates and JVs				49.6	-	(1.3)	**48.3**	11.2	**59.5**
Total EBITDA	**594.0**	**229.2**	**66.0**	**49.6**	**(41.0)**	**(39.3)**	**858.5**	**45.7**	**904.2**

At 31 December 2018

	Los Pelambres	Centinela	Antucoya	Zaldívar	Exploration and evaluation	Corporate and other items	**Mining**	**Railway and other Transport division**	**Total**
	$m	$m	$m	$m	$m	$m	**$m**	**$m**	**$m**
Operating profit/(loss)[1]	1,173.8	229.6	62.9	-	(97.6)	**(68.6)**	**1,300.1**	44.9	**1,345.0**
Depreciation and amortisation	243.3	415.4	78.7	-	-	7.2	**744.6**	15.9	**760.5**
Profit on disposals	10.5	-	-	-	-	-	**10.5**	2.8	**13.3**
EBITDA from subsidiaries	**1,427.6**	**645.0**	**141.6**	**-**	**(97.6)**	**(61.4)**	**2,055.2**	**63.6**	**2,118.8**
Proportional share of the EBITDA from associates and JV	**-**	**-**	**-**	**87.4**	**-**	**(3.2)**	**84.2**	**25.3**	**109.5**
Total EBITDA	**1,427.6**	**645.0**	**141.6**	**87.4**	**(97.6)**	**(64.6)**	**2,139.4**	**88.9**	**2,228.3**

[1] Operating profit and EBITDA has been affected by the adoption of IFRS 16 as of 1 January 2019. The comparative figures have not been updated to reflect this. Further information has been set out in Note 1.

d) 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 30.06.2019	At 30.06.2018	At 31.12.2018
Reconciliation of cash costs excluding tolling charges and by-product revenue:			
Total Group operating costs (Note 4) ($m)	**1,733.9**	1,600.3	3,388.1
Zaldívar operating costs	**108.5**	92.4	202.3
Less:			
Total – Depreciation and amortisation (Note 4) ($m)	**(437.6)**	(324.2)	(760.5)
Total – Loss on disposal (Note 4) ($m)	**(2.1)**	(0.1)	(13.3)
Elimination of non-mining operations			
Corporate and other items – Total operating cost (Note 4) ($m)	**(26.5)**	(38.0)	(61.4)
Exploration and evaluation – Total operating cost (Note 4) ($m)	**(52.0)**	(41.0)	(97.6)
Railway and other transport services – Total operating cost (Note 4) ($m)	**(52.9)**	(53.9)	(109.2)
Closure provision and other expenses not included within cash costs ($m)	**(38.6)**	(35.0)	(78.8)
Inventories Variations	**28.3**	16.8	(0.5)
Total cost relevant to the mining operations' cash costs ($m)	**1,261.0**	1,217.3	2,469.1
Copper production volumes (tonnes)	**387,300**	317,000	725,300
Cash costs excluding tolling charges and by-product revenue ($/tonne)	**3,256**	3,840	3,404
Cash costs excluding tolling charges and by-product revenue ($/lb)	**1.48**	1.74	1.55

	At 30.06.2019	At 30.06.2018	At 31.12.2018
Reconciliation of cash costs before deducting by-products:			
Tolling charges - copper - Los Pelambres (Note 5) ($m)	**75.0**	69.1	162.1
Tolling charges - copper - Centinela (Note 5) ($m)	**53.6**	36.2	82.4
Tolling charges - copper – total ($m)	**128.6**	105.3	244.5
Copper production volumes (tonnes)	**387,300**	317,000	725,300
Tolling charges ($/tonne)	**332.0**	332.0	337.0
Tolling charges ($/lb)	**0.18**	0.18	0.17
Cash costs excluding tolling charges and by-product revenue ($/lb)	**1.48**	1.74	1.55
Tolling charges ($/b)	**0.18**	0.18	0.17
Cash costs before deducting by-products (S/lb)	**1.66**	1.92	1.72

d) Cash costs (continued)

Reconciliation of cash costs (net of by-products):			
Gold revenue - Los Pelambres (Note 4) ($m)	**32.8**	32.5	78.6
Gold revenue - Centinela (Note 4) ($m)	**163.1**	56.4	169.4
Molybdenum revenue - Los Pelambres (Note 4) ($m)	**150.2**	156.1	340.2
Molybdenum revenue - Centinela (Note 4) ($m)	**4.9**	-	7.8
Silver revenue - Los Pelambres (Note 4) ($m)	**13.6**	14.9	34.4
Silver revenue - Centinela (Note 4) ($m)	**12.1**	5.9	14.7
Total by-product revenue ($m)	**376.7**	265.8	645.1
Copper production volumes (tonnes)	**387,300**	317,000.0	725,300.0
By-product revenue ($/tonne)	**972.7**	839.0	889.0
By-product revenue ($/lb)	**0.47**	0.40	0.43
Cash costs before deducting by-products (S/lb)	**1.66**	1.92	1.72
By-product revenue ($/lb)	**(0.47)**	(0.40)	(0.43)
Cash costs (net of by-products) ($/lb)	**1.19**	1.52	1.29

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

e) 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 2019			June 2018	
	Total amount $m	Attributable share	**Attributable amount $m**	Total amount $m	Attributable share	Attributable amount $m
Cash, cash equivalents and liquid investments:						
Los Pelambres	**578.9**	60%	**347.3**	317.1	60%	190.3
Centinela	**400.7**	70%	**280.5**	247.2	70%	173.0
Antucoya	**145.7**	70%	**102.0**	93.3	70%	65.3
Corporate	**1,033.0**	100%	**1,033.0**	948.2	100%	948.2
Railway and other transport services	**30.9**	100%	**30.9**	40.0	100%	40.0
Total	**2,189.2**		**1,793.7**	1,645.8		1,416.8
Borrowings:						
Los Pelambres (Note 16)	**(423.1)**	60%	**(253.9)**	(138.8)	60%	(83.3)
Centinela (Note 16)	**(867.1)**	70%	**(607.0)**	(919.9)	70%	(643.9)
Antucoya (Note 16)	**(815.6)**	70%	**(570.9)**	(783.5)	70%	(548.5)
Corporate (Note 16)	**(525.2)**	100%	**(525.2)**	(526.1)	100%	(526.1)
Railway and other transport services (Note 16)	**(75.6)**	100%	**(75.6)**	(60.3)	100%	(60.3)
Total (Note 16)	**(2,706.6)**		**(2,032.6)**	(2,428.6)		(1,862.1)
Net debt	**(517.4)**		**(238.9)**	**(782.8)**		**(445.3)**

23. 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 30.06.2019	Six months ended 30.06.2018	Year ended 31.12.2018	**Six months ended 30.06.2019**	Six months ended 30.06.2018	Year ended 31.12.2018
Copper	**000 tonnes**	000 tonnes	000 tonnes	**000 tonnes**	000 tonnes	000 tonnes
Los Pelambres	**180.4**	159.1	357.8	**170.9**	145.4	358.9
Centinela	**141.9**	103.7	248.0	**147.2**	106.3	240.9
Antucoya	**37.5**	32.9	72.2	**36.4**	31.6	71.3
Zaldívar	**27.5**	21.3	47.3	**26.9**	20.6	46.5
Group total	**387.3**	317.0	725.3	**381.4**	303.9	717.6
Gold	**000 ounces**	000 ounces	000 ounces	**000 ounces**	000 ounces	000 ounces
Los Pelambres	**29.8**	27.5	63.2	**24.9**	24.5	62.6
Centinela	**119.3**	44.5	146.9	**123.4**	43.6	135.5
Group total	**149.1**	72.0	210.1	**148.3**	68.1	198.1
Molybdenum	**000 tonnes**	000 tonnes	000 tonnes	**000 tonnes**	000 tonnes	000 tonnes
Los Pelambres	**6.2**	5.9	13.3	**6.4**	6.1	13.6
Centinela	**0.2**	-	0.3	**0.2**	-	0.4
Group total	**6.4**	5.9	13.6	**6.6**	6.1	14.0
Silver	**000 ounces**	000 ounces	000 ounces	**000 ounces**	000 ounces	000 ounces
Los Pelambres	**1,077.80**	1,053.10	2,313.10	**908.9**	909.10	2,265.4
Centinela	**838.4**	376.1	1,071.20	**822.4**	375.9	1,002.1
Group total	**1,916.2**	1,429.2	3,384.3	**1,731.3**	1,285.0	3,267.5

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 30.06.2019	Six months ended 30.06.2018	Year ended 31.12.2018	**Six months ended 30.06.2019**	Six months ended 30.06.2018	Year ended 31.12.2018
	$/lb		$/lb	**$/lb**		$/lb
Copper						
Los Pelambres	**0.89**	1.04	0.91	**2.80**	**2.96**	2.78
Centinela	**1.18**	1.94	1.51	**2.82**	**3.02**	2.82
Antucoya	**2.26**	2.17	1.99	**2.80**	**3.11**	2.91
Zaldivar (attributable basis – 50%)	**1.79**	1.97	1.94	-	-	-
Group weighted average (net of by-products)	**1.19**	1.52	1.29	**2.81**	**3.00**	2.81
Group weighted average (before deducting by-products)	**1.66**	1.92	1.72			
Group weighted average (before deducting by-products and excluding tolling charges from concentrate)	**1.48**	1.74	1.55			
Cash costs at Los Pelambres comprise:						
On-site and shipping costs	**1.20**	1.41	1.27			
Tolling charges for concentrates	**0.25**	0.26	0.25			
Cash costs before deducting by-product credits	**1.44**	1.67	1.52			
By-product credits (principally molybdenum)	**(0.55)**	(0.63)	(0.61)			
Cash costs (net of by-product credits)	**0.89**	1.04	0.91			
Cash costs at Centinela comprise:						
On-site and shipping costs	**1.57**	2.06	1.73			
Tolling charges for concentrates	**0.17**	0.16	0.16			
Cash costs before deducting by-product credits	**1.74**	2.22	1.89			
By-product credits (principally gold)	**(0.56)**	(0.28)	(0.38)			
Cash costs (net of by-product credits)	**1.18**	1.94	1.51			
LME average copper price				**2.80**	3.14	2.96
Gold				$/oz	$/oz	$/oz
Los Pelambres				**1,322**	1,332	1,260
Centinela				**1,327**	1,298	1,255
Group weighted average				**1,326**	1,310	1,256
Market average price				**1,308**	1,318	1,270
Molybdenum				$/lb	$/lb	$/lb
Los Pelambres				**12.0**	12.7	12.5
Centinela				**12.2**	-	10.6
Group weighted average				**12.1**	12.7	12.4
Market average price				**12.0**	11.9	11.9
Silver				$/oz	$/oz	$/oz
Los Pelambres				**15.2**	16.6	15.4
Centinela				**15.2**	16.5	15.1
Group weighted average				**15.2**	16.6	15.3
Market average price				**15.2**	16.6	15.7

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 2019, published on 24 July 2019.