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Announcement: Moody's says no impact on CODELCO's ratings following Chile's change in outlook to negative

Global Credit Research - 28 Aug 2017

New York, August 28, 2017 -- Moody's Investors Service ("Moody's") says that Corporación Nacional del Cobre de Chile's ("CODELCO") A3 long-term senior unsecured ratings and negative outlook are not affected by the change in outlook on Chile's government bond rating to negative from stable on August 24th. Please see "Moody's changes outlook on Chile's ratings to negative; affirms Aa3 ratings" on moodys.com for more information.

CODELCO's recent performance reflects sustained improvement in the company's credit profile due to an improved operating environment, a stronger liquidity position and continued government support which includes ongoing capital increases extending through 2019. CODELCO has benefited from a rebound in copper prices from lows observed in late 2015/early 2016, and also by actions taken by the company to reduce costs and expenses and adjust operations to a low-copper price environment. Credit challenges related to high capital spending needs to maintain production volumes and market volatility remain. However, both ongoing capitalization from the government and greater capacity to direct cash flows toward capex following recent liability management initiatives will promote operating stability even in a scenario leading to a weaker pricing environment.

For further details please refer to the Issuer Comment dated August 28, 2017 and posted on www.moodys.com

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.

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