

Compañía de Minas Buenaventura S.A.A. and Subsidiaries

Unaudited interim consolidated financial statements as of June 30, 2016 and 2015 and for the three-month and six-month periods then ended

Report on review of interim consolidated financial statements

To the Board of Directors of Compañía de Minas Buenaventura S.A.A.

Introduction

We have reviewed the accompanying interim consolidated financial statements of Compañía de Minas Buenaventura S.A.A. (a Peruvian public corporation) and Subsidiaries (together the "Group") which comprise the interim consolidated statements of financial position as of June 30, 2016, the interim consolidated statements of change in equity for the six-month periods ended June 30, 2016 and 2015, and the interim consolidated statements of profit or loss, statements of comprehensive income, and statements of cash flows for the three-month and six-month periods ended June 30, 2016 and 2015, and explanatory notes. The Group's Management is responsible for the preparation and presentation of these interim consolidated financial statements in accordance with IAS 34 "Interim Financial Reporting" (IAS 34). Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of review

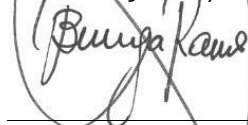
We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial 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 Auditing Standards approved in Peru by the Board of Deans of the Peruvian Charter of Accountants 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Lima, Peru
July 26, 2016

Countersigned by:



Víctor Burga
C.P.C.C. Register No.14859

Paredes, Zaldívar, Burga & Asociados

Compañía de Minas Buenaventura S.A.A. and Subsidiaries

Consolidated statements of financial position

As of June 30, 2016 (unaudited) and December 31, 2015 (audited)

	Note	2016 US\$(000)	2015 US\$(000)
Assets			
Current assets			
Cash and cash equivalents	4	181,452	78,519
Trade and other receivables, net	5(a)	262,162	219,862
Inventories, net	6(a)	120,119	101,473
Income tax credit		23,741	45,919
Prepaid expenses		10,366	8,231
Embedded derivatives for concentrates sales, net	10(a)	17,292	-
		<u>615,132</u>	<u>454,004</u>
Assets held for sale	1(c)	4,905	15,592
		<u>620,037</u>	<u>469,596</u>
Non-current assets			
Trade and other receivables, net	5(a)	177,259	162,567
Inventories, net	6(a)	14,381	26,029
Investments in associates	7(a)	1,956,380	2,043,983
Mining concessions, development costs, property, plant and equipment, net	8	1,782,188	1,747,624
Investment properties, net		10,307	10,719
Deferred income tax asset, net		46,038	41,574
Prepaid expenses		30,868	29,235
Other assets		17,925	15,854
		<u>4,035,346</u>	<u>4,077,585</u>
Total assets		<u>4,655,383</u>	<u>4,547,181</u>
Liabilities and shareholders' equity, net			
Current liabilities			
Bank loans	9	54,368	285,302
Trade and other payables		234,385	247,114
Provisions		64,122	49,829
Income tax payable		1,850	2,444
Embedded derivatives for sale of concentrate, net	10(a)	-	1,694
Hedge derivative financial instruments	10(b)	90	10,643
Financial obligations	11(a)	36,510	33,394
		<u>391,325</u>	<u>630,420</u>
Liabilities directly associated with the assets held for sale	1(c)	6,396	20,611
		<u>397,721</u>	<u>651,031</u>
Non-current liabilities			
Trade and other payables		18,538	15,057
Provisions		147,664	141,885
Financial obligations	11(a)	572,393	320,316
Contingent consideration liability		16,994	16,994
Deferred income tax liabilities, net		7,911	12,662
		<u>763,500</u>	<u>506,914</u>
Total liabilities		<u>1,161,221</u>	<u>1,157,945</u>
Shareholders' equity, net			
Capital stock		750,497	750,497
Investment shares		1,396	1,396
Additional paid-in capital		219,055	219,055
Legal reserve		162,744	162,714
Other reserves		269	269
Retained earnings		2,136,198	2,024,895
Other reserves of equity		(1,454)	2,240
		<u>3,268,705</u>	<u>3,161,066</u>
Shareholders' equity, net attributable to owners of the parent		225,457	228,170
Non-controlling interest			
Total shareholders' equity, net		<u>3,494,162</u>	<u>3,389,236</u>
Total liabilities and shareholders' equity, net		<u>4,655,383</u>	<u>4,547,181</u>

Compañía de Minas Buenaventura S.A.A. and Subsidiaries

Interim consolidated statements of profit or loss (unaudited)

For the three-month and six-month periods ended June 30, 2016 and 2015

	Note	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
		2016 US\$(000)	2015 US\$(000)	2016 US\$(000)	2015 US\$(000)
Continuing operations					
Operating income					
Net sales of goods	13	273,746	214,034	488,826	434,634
Net sales of services	13	5,693	22,516	11,261	32,307
Royalty income	18(a)	5,861	7,390	12,546	16,480
Total operating income		285,300	243,940	512,633	483,421
Operating costs					
Cost of sales of goods, excluding depreciation and amortization	14(a)	(115,963)	(130,223)	(223,120)	(250,405)
Cost of services, excluding depreciation and amortization	14(b)	(10,420)	(17,292)	(18,673)	(30,902)
Depreciation and amortization		(45,842)	(61,355)	(92,680)	(109,514)
Exploration in operating units	15	(22,105)	(22,618)	(41,221)	(45,018)
Mining royalties		(5,963)	(6,482)	(12,131)	(14,907)
Total operating costs		(200,293)	(237,970)	(387,825)	(450,746)
Gross profit		85,007	5,970	124,808	32,675
Operating expenses, net					
Administrative expenses	16	(19,758)	(18,299)	(41,169)	(38,968)
Selling expenses		(5,342)	(3,893)	(10,115)	(8,046)
Exploration in non-operating areas		(4,955)	(9,704)	(8,469)	(20,401)
Reversal (expense) for provision for contingencies		1,087	(731)	202	(481)
Provision for impairment of long-lived assets		-	(3,803)	-	(3,803)
Other, net		4,505	(5,072)	8,320	(220)
Total operating expenses, net		(24,463)	(41,502)	(51,231)	(71,919)
Operating profit (loss)		60,544	(35,532)	73,577	(39,244)
Other income (expense), net					
Share in the results of associates under equity method	7(b)	20,675	11,966	49,072	48,240
Financial income		1,965	970	4,312	1,614
Net gain (loss) from currency exchange difference		(891)	(1,264)	5,488	(3,581)
Financial costs		(7,694)	(8,269)	(15,674)	(14,144)
Total other income, net		14,055	3,403	43,198	32,129
Profit (loss) before income tax		74,599	(32,129)	116,775	(7,115)
Current income tax	17(a)	(12,214)	(2,003)	(19,217)	(7,380)
Deferred income tax	17(a)	(1,983)	2,067	11,809	(2,983)
Profit (loss) from continuing operations		60,402	(32,065)	109,367	(17,478)
Discontinued operations					
Profit (loss) from discontinued operations	1(c)	(1,929)	575	354	(3,764)
Net profit (loss)		58,473	(31,490)	109,721	(21,242)
Attributable to:					
Owners of the parent		55,461	(18,746)	107,023	(1,427)
Non-controlling interest		3,012	(12,744)	2,698	(19,815)
		58,473	(31,490)	109,721	(21,242)
Basic and diluted profit (loss) per share attributable to equity holders of the parent, stated in U.S. dollars					
Profit (loss) for continuing operations, basic and diluted per share attributable to equity holders of the parent, expressed in U.S. dollars		0.22	(0.07)	0.42	(0.01)
		0.24	(0.13)	0.43	0.07

Compañía de Minas Buenaventura S.A.A. and Subsidiaries

Interim consolidated statements of other comprehensive income (unaudited)

For the three-month and six-month periods ended June 30, 2016 and 2015

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2016 US\$(000)	2015 US\$(000)	2016 US\$(000)	2015 US\$(000)
Net profit (loss)	58,473	(31,490)	109,721	(21,242)
Other comprehensive income of the period:				
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Net change in unrealized gain (loss) on cash flow hedges	3,023	(2,821)	(5,219)	(3,252)
Income tax effect	(827)	790	1,481	911
Other comprehensive income of the period	2,196	(2,031)	(3,738)	(2,341)
Total other comprehensive income, net of income tax	60,669	(33,521)	105,983	(23,583)
Attributable to:				
Owners of the parent	57,664	(20,903)	103,329	(3,749)
Non-controlling interest	3,005	(12,618)	2,654	(19,834)
	60,669	(33,521)	105,983	(23,583)

Compañía de Minas Buenaventura S.A.A. and Subsidiaries

Interim consolidated statements of changes in shareholders' equity (unaudited)

For the six-month period ended June 30, 2016 and 2015

	Attributable to equity holders of the parent										
	Capital stock, net of treasury shares								Total US\$(000)	Non- controlling interest US\$(000)	Total shareholders' equity, net US\$(000)
	Number of shares outstanding	Common shares US\$(000)	Investment shares US\$(000)	Additional paid-in capital US\$(000)	Legal reserve US\$(000)	Other reserves US\$(000)	Retained earnings US\$(000)	Other reserves of equity US\$(000)			
As of January 1, 2015	253,715,190	750,497	1,396	219,055	162,710	269	2,328,423	1,755	3,464,105	298,020	3,762,125
Net loss	-	-	-	-	-	-	(1,427)	-	(1,427)	(19,815)	(21,242)
Other comprehensive loss	-	-	-	-	-	-	-	(2,322)	(2,322)	(19)	(2,341)
Total other comprehensive loss	-	-	-	-	-	-	(1,427)	(2,322)	(3,749)	(19,834)	(23,583)
Dividends declared, note 12(b)	-	-	-	-	-	-	-	-	-	(5,908)	(5,908)
As of June 30, 2015	<u>253,715,190</u>	<u>750,497</u>	<u>1,396</u>	<u>219,055</u>	<u>162,710</u>	<u>269</u>	<u>2,326,996</u>	<u>(567)</u>	<u>3,460,356</u>	<u>272,278</u>	<u>3,732,634</u>
As of January 1, 2016	253,715,190	750,497	1,396	219,055	162,714	269	2,024,895	2,240	3,161,066	228,170	3,389,236
Net profit	-	-	-	-	-	-	107,023	-	107,023	2,698	109,721
Other comprehensive loss	-	-	-	-	-	-	-	(3,694)	(3,694)	(44)	(3,738)
Total other comprehensive income (loss)	-	-	-	-	-	-	107,023	(3,694)	103,329	2,654	105,983
Acquisition of non-controlling interest, note 12(a)	-	-	-	-	-	-	4,280	-	4,280	(1,307)	2,973
Expired dividends	-	-	-	-	30	-	-	-	30	-	30
Dividends declared, note 12(b)	-	-	-	-	-	-	-	-	-	(4,060)	(4,060)
As of June 30, 2016	<u>253,715,190</u>	<u>750,497</u>	<u>1,396</u>	<u>219,055</u>	<u>162,744</u>	<u>269</u>	<u>2,136,198</u>	<u>(1,454)</u>	<u>3,268,705</u>	<u>225,457</u>	<u>3,494,162</u>

Compañía de Minas Buenaventura S.A.A. and Subsidiaries

Interim consolidated statements of cash flows (unaudited)

For the three-month and six-month periods ended June 30, 2016 and 2015

	Note	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
		2016 US\$(000)	2015 US\$(000)	2016 US\$(000)	2015 US\$(000)
Operating activities					
Proceeds from sales	5	234,024	250,675	415,845	482,454
Proceeds from dividends	17	2,769	902	136,784	2,959
Value added tax recovered		17,779	19,506	70,872	52,873
Royalty received		13,501	9,397	21,058	22,841
Interest received		60	855	1,714	1,797
Payments to suppliers and third-parties		(164,963)	(183,029)	(333,019)	(361,783)
Payments to employees		(33,389)	(41,700)	(69,154)	(87,028)
Payments of interest		(14,083)	(4,129)	(17,873)	(9,599)
Payment of income taxes		(9,304)	(7,121)	(11,461)	(11,262)
Payments of mining royalties		(4,887)	(5,684)	(9,356)	(11,882)
Net cash and cash equivalents provided by operating activities		<u>41,507</u>	<u>39,672</u>	<u>205,410</u>	<u>81,370</u>
Investing activities					
Proceeds from sales of mining concessions, property, plant and equipment		1,962	1,886	2,072	2,020
Proceeds from sales of intangible assets		227	-	227	-
Acquisitions of mining concessions, development costs, property, plant and equipment	8	(69,340)	(44,514)	(121,368)	(81,632)
Net cash and cash equivalents used in investing activities		<u>(67,151)</u>	<u>(42,628)</u>	<u>(119,069)</u>	<u>(79,612)</u>
Financing activities					
Proceeds from bank loans		15,851	-	175,851	90,000
Payments of bank loans		(252,000)	-	(412,000)	(40,000)
Proceeds from financial obligations		273,814	-	275,000	10,000
Payments of financial obligations		(8,299)	(4,068)	(16,883)	(9,086)
Dividends paid to non-controlling interest		(1,980)	(2,640)	(4,060)	(5,908)
Acquisition of non-controlling interest		(1,149)	-	(1,307)	-
Increase of restricted bank accounts		4,395	-	(1,988)	-
Payments of dividends		(9)	-	(9)	-
Net cash and cash equivalents (used in) provided by financing activities		<u>30,623</u>	<u>(6,708)</u>	<u>14,604</u>	<u>45,006</u>
Net increase (decrease) in cash and cash equivalents during the period, net		4,979	(9,664)	100,945	46,764
Cash and cash equivalents at beginning of period		174,485	134,940	78,519	78,512
Cash and cash equivalents at period-end		<u>179,464</u>	<u>125,276</u>	<u>179,464</u>	<u>125,276</u>
Transactions that do not generate cash flows:					
Unrealized gain (loss) for changes in the fair value of hedge financial instruments		-	(2,131)	-	(2,296)

Interim consolidated statements of cash flows (unaudited) (continued)

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2016 US\$(000)	2015 US\$(000)	2016 US\$(000)	2015 US\$(000)
Reconciliation of net profit (loss) to cash and cash equivalents provided by operating activities				
Net profit (loss) attributable to owners of the parent	55,461	(18,746)	107,023	(1,427)
Plus (less):				
Depreciation and amortization	41,781	61,355	92,680	117,808
Net loss on sales of mining concessions, property, plant and equipment	2,182	1,639	2,072	2,953
Accretion expense of provision for closure of mining units and exploration projects	960	2,560	1,698	2,835
Loss (income) attributable to non-controlling interest	3,012	(12,744)	2,698	(19,815)
Net share in results of associates	(20,675)	(11,966)	(49,072)	(48,240)
Provision for estimated fair value of embedded derivatives related to concentrate sales and adjustments on open liquidations	(16,928)	6,061	(29,949)	(595)
Deferred income tax expense (income)	1,983	(2,067)	(11,809)	2,983
Reversal (provision) for impairment loss of inventories	(7,072)	6,034	(8,854)	4,782
Net loss (gain) from currency exchange difference	891	1,187	(5,488)	3,504
Provision for impairment of long-lived assets	-	3,803	-	3,803
Reversal for provision for employee bonus	(5,658)	(8,175)	-	-
Other, net	(675)	8,379	(587)	956
Net changes in operating assets and liabilities:				
Decrease (increase) in operating assets -				
Trade and other accounts receivable	(37,715)	8,780	(36,178)	29,474
Inventories	(7,978)	(3,335)	1,821	24,466
Income tax credit	10,057	(1,879)	18,001	(180)
Prepaid expenses	(558)	1,539	(6,924)	2,699
Increase (decrease) in operating liabilities -				
Trade and other accounts payable	14,321	20,286	(16,337)	(14,359)
Provisions	5,386	(23,941)	8,425	(32,594)
Income tax payable	(37)	-	(594)	(642)
Proceeds from dividends	2,769	902	136,784	2,959
Net cash and cash equivalents provided by operating activities	41,507	39,672	205,410	81,370

Compañía de Minas Buenaventura S.A.A. and Subsidiaries

Notes to the interim consolidated financial statements (unaudited)

As of June 30, 2016 and 2015

1. Identification and business activity

(a) Identification -

Compañía de Minas Buenaventura S.A.A. (hereafter "Buenaventura" or "the Company") is a publicly traded corporation incorporated in 1953 in Lima city. The Company stock is traded on the Lima and New York Stock Exchanges through American Depositary Receipts (ADRs), which represent the Company's shares deposited in the Bank of New York. The Company's legal domicile is at Las Begonias Street N°415, San Isidro, Lima, Peru.

(b) Business activity -

The Company and its subsidiaries (hereinafter "the Group"), directly or associated with third parties, are principally engaged in the exploration, mining, concentration, smelting and marketing of polymetallic ores and metals.

The Group operates directly four operating mining units in Peru (Uchucchacua, Orcopampa, Julcani and Mallay), five mining units with discontinued operations (Poracota, Recuperada, Antapite, Shila-Paula and Breapampa), and two mining units under development stage (Tambomayo and San Gabriel). In addition, the Group has a controlling interest in Sociedad Minera El Brocal S.A.A. (hereinafter "El Brocal"), which operates the Colquijirca mining unit; Minera La Zanja S.R.L. (hereinafter "La Zanja"), which operates La Zanja mining unit; El Molle Verde S.A.C. (hereinafter "Molle Verde") which operates Trapiche, a mining unit at the development stage; and other entities dedicated to energy generation and transmission services, construction and engineering services and other activities. All these activities are carried out in Peru.

(c) Discontinued operations -

As of December 31, 2015, the Group held five mining units classified as discontinued operations of which four mining units were classified as held for sale (Recuperada, Poracota, Antapite and Shila-Paula) and one mining unit was in process of final closing (Breapampa). As of June 30, 2016, the Company decided to cease the classification of two mining units (Poracota and Shila-Paula) as mining units held for sale, starting their final closing.

According to IFRS 5, the Company has recognized the following accounting effects as a result of the cease of the classification of mining units previously held for sale (Poracota and Shila-Paula): (i) recording the total unrecorded depreciation since the beginning of the classification as units held for sale as a period expense and (ii) reclassification of the assets and liabilities held for sale in the consolidated statement of financial position as of June 30, 2016.

Notes to the interim consolidated financial statements (unaudited)

(continued)

The assets and liabilities of these two mining units held for sale as of June 30, 2016 (four mining units as of December 31, 2015) are presented below:

	As of June 30, 2016 US\$(000)	As of December 31, 2015 US\$(000)
Assets		
Cash	1	4
Trade and other receivables, net	27	172
Inventory, net	1,420	1,940
Prepaid expenses	-	170
Mining concessions, development costs, property, plant and equipment, net	<u>3,457</u>	<u>13,306</u>
Assets held for sale	<u>4,905</u>	<u>15,592</u>
Liabilities		
Trade and other payables	(1,237)	(2,862)
Provisions	<u>(5,159)</u>	<u>(17,749)</u>
Liabilities directly associated with the assets held for sale	<u>(6,396)</u>	<u>(20,611)</u>

Notes to the interim consolidated financial statements (unaudited)

(continued)

Income, expenses and results of the two mining units held for sale (Recuperada and Antapite) and the three mining unit in process of final closing (Poracota, Shila-Paula and Breapampa) for the three-month and six-month periods ended June 30, 2016 and 2015 are presented below:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2016 US\$(000)	2015 US\$(000)	2016 US\$(000)	2015 US\$(000)
Net sales of goods	52	7,085	1,149	17,752
Total operating income	52	7,085	1,149	17,752
Operating costs				
Cost of sales, excluding depreciation and amortization	(2,393)	(5,385)	(3,206)	(12,603)
Exploration in operating units	(1,155)	(22)	(2,446)	(151)
Depreciation and amortization	-	(1,834)	(565)	(8,294)
Mining royalties	(5)	(70)	(11)	(174)
Total operating costs	(3,553)	(7,311)	(6,228)	(21,222)
Gross loss	(3,501)	(226)	(5,079)	(3,470)
Operating income (expenses), net				
Reversal of provisions	-	-	3,902	-
Administrative expenses	(21)	(532)	(113)	(1,419)
Provision for contingencies	853	384	917	384
Selling expenses	(1)	(26)	(31)	(64)
Other, net	911	1,211	1,074	1,130
Total operating income (expenses), net	1,742	1,037	5,749	31
Operating profit (loss)	(1,759)	811	670	(3,439)
Other expenses, net				
Financial costs	(168)	(256)	(253)	(399)
Net gain (loss) from currency exchange difference	(2)	23	(60)	77
Total other expenses, net	(170)	(233)	(313)	(322)
Profit (loss) from discontinued operations before current income tax	(1,929)	578	357	(3,761)
Current income tax	-	(3)	(3)	(3)
Profit (loss) net from discontinued operations	(1,929)	575	354	(3,764)
Profit (loss) for discontinued operations, basic and diluted per share attributable to equity holders of the parent, expressed in U.S. dollars	(0.01)	0.01	-	(0.02)

Notes to the interim consolidated financial statements (unaudited)

(continued)

2. Basis for preparation, consolidation and accounting policies

2.1. Basis of preparation and presentation -

The unaudited interim consolidated financial statements have been prepared and presented in accordance with IAS 34 - "Interim Financial Reporting", as issued by the International Accounting Standards Board (here in after "IASB").

The consolidated financial statements attached include the financial statements of subsidiaries mentioned in note 1(d) to the audited consolidated financial statements as of December 31, 2015 and for the year then ended.

The unaudited interim consolidated financial statements have been prepared on a historical cost basis, from the accounting records of the Group, except for financial assets and liabilities at fair value through profit or loss.

The unaudited interim consolidated financial statements are stated in U.S. dollars and all values have been rounded to the nearest thousands, except when otherwise indicated.

The unaudited interim consolidated financial statements provide comparative information for prior periods, however, do not include all information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's audited consolidated financial statements as of December 31, 2015 and for the year then ended.

2.2. New standards and interpretations adopted by the Group -

The accounting policies used by the Group for the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements as of December 31, 2015 and for the year then ended.

Certain standards and amendments apply from January 1, 2016, however, they do not impact the unaudited interim consolidated financial statements of the Group as of June 30, 2016 and, therefore, they have not been disclosed. The Group has not early adopted any standard, interpretation or modification issued and not yet effective.

3. Seasonality of operations

The Group operates continuously without major fluctuations due to seasonality factors.

Notes to the interim consolidated financial statements (unaudited)

(continued)

4. Cash and cash equivalents

This caption is made up as follow:

	As of June 30, 2016 US\$(000)	As of December 31, 2015 US\$(000)
Cash	535	417
Bank accounts (i)	103,514	38,102
Time deposits (ii)	<u>75,415</u>	<u>40,000</u>
	179,464	78,519
Restricted bank accounts (iii)	<u>1,988</u>	<u>-</u>
	<u>181,452</u>	<u>78,519</u>

- (i) Banks accounts are freely available and earn interest at floating rates based on market rates.
- (ii) As of June 30, 2016 and December 31, 2015, time deposits were kept in prime financial institutions, which generated interest at annual market rates and had original maturities of less than 90 days, according to the immediate cash needs of the Group.
- (iii) These balances correspond to restricted bank accounts for payment of financial obligations held by the subsidiary Empresa de Generación Huanza S.A. (hereafter "Huanza"), according to the finance lease signed with Banco de Crédito del Perú in 2009.

Notes to the interim consolidated financial statements (unaudited)

(continued)

5. Trade and other receivables, net

(a) This caption is made up as follows:

	As of June 30, 2016 US\$(000)	As of December 31, 2015 US\$(000)
Trade receivables, net (b)		
Domestic and foreign clients	179,929	121,240
Related entities, note 18 (b)	7,481	9,426
	<u>187,410</u>	<u>130,666</u>
Allowance for doubtful accounts (c)	(22,278)	(21,741)
	<u>165,132</u>	<u>108,925</u>
Other receivables		
Related entities, note 18 (b)	126,189	125,487
Value added tax credit	85,023	73,145
Refund application of value added tax	26,730	40,421
Claims to third parties	18,407	10,870
Tax deposits	6,775	12,055
Other	11,165	11,526
	<u>274,289</u>	<u>273,504</u>
Total trade and other receivables, net	<u>439,421</u>	<u>382,429</u>
Classification by maturity:		
Current portion	262,162	219,862
Non-current portion	177,259	162,567
	<u>439,421</u>	<u>382,429</u>
Total trade and other receivables, net	<u>439,421</u>	<u>382,429</u>
Classification by nature:		
Financial receivables	327,668	268,863
Non-financial receivables	111,753	113,566
	<u>439,421</u>	<u>382,429</u>
Total trade and other receivables, net	<u>439,421</u>	<u>382,429</u>

(b) Increase in trade receivables balance as of June 30, 2016 as compared to the balance as of December 31, 2015 was mainly due to higher amount of revenue from foreign customers caused by the higher prices of gold and silver as of June 30, 2016, compared to those existing as of December 31, 2015.

(c) In the opinion of Group's Management, allowance for doubtful accounts' balance is sufficient to cover adequately the risks of failure to date of the interim consolidated statements of financial position.

Notes to the interim consolidated financial statements (unaudited)

(continued)

6. Inventory, net

(a) This caption is made up as follows:

	As of June 30, 2016 US\$(000)	As of December 31, 2015 US\$(000)
Finished goods	11,008	12,787
Products in process	81,995	87,275
Spare parts and supplies	53,150	47,912
	<u>146,153</u>	<u>147,974</u>
Provision for impairment of value of inventory (b)	<u>(11,653)</u>	<u>(20,472)</u>
	<u>134,500</u>	<u>127,502</u>
Classification by use:		
Current portion	120,119	101,473
Non-current portion	<u>14,381</u>	<u>26,029</u>
	<u>134,500</u>	<u>127,502</u>

(b) In the opinion of Group's Management, the provision for impairment of value of inventories is sufficient to cover adequately the risks of obsolescence and slow movement of this caption to the date of the interim consolidated statements of financial position.

7. Investments in associates

(a) This caption is made up as follows:

	Minera Yanacocha S.R.L. US\$(000)	Sociedad Minera Cerro Verde S.A.A. US\$(000)	Compañía Minera Coimolache S.A. US\$(000)	Other minor investments US\$(000)	Total US\$(000)
As of January 1, 2016	989,129	988,725	62,610	3,519	2,043,983
Dividends received	(130,950)	-	(5,834)	-	(136,784)
Net share in realized results (b)	2,171	34,807	12,094	-	49,072
Net share in unrealized results	<u>109</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>109</u>
As of June 30, 2016	<u>860,459</u>	<u>1,023,532</u>	<u>68,870</u>	<u>3,519</u>	<u>1,956,380</u>

On February 15, 2016, the executive committee of Minera Yanacocha S.R.L. agreed unanimously the distribution of US\$300 million to the partners, in proportion to its social share. It corresponds to the portion of the retained earnings as of December 31, 2014, which was originated in 2011.

Notes to the interim consolidated financial statements (unaudited)

(continued)

(b) The table below presents the net share in realized profit (loss) of associates:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2016 US\$(000)	2015 US\$(000)	2016 US\$(000)	2015 US\$(000)
Minera Yanacocha S.R.L.	(1,529)	8,267	2,171	34,480
Sociedad Minera Cerro Verde S.A.A.	15,833	(178)	34,807	7,788
Compañía Minera Coimolache S.A.	6,371	3,877	12,094	5,972
	<u>20,675</u>	<u>11,966</u>	<u>49,072</u>	<u>48,240</u>

8. Mining concessions, development costs, property, plant and equipment, net

(a) This caption is made up as follows:

	Cost US\$(000)	Accumulated depreciation / amortization US\$(000)	Provision for impairment of long-lived assets US\$(000)	Net cost US\$(000)
As of June 30, 2016:				
As of January 1, 2016	3,021,340	(1,262,461)	(11,255)	1,747,624
Additions (b)	138,552	(98,529)	-	40,023
Reclassification of operations held for sale	94,395	(84,927)	(3,521)	5,947
Disposals / sales	<u>(11,898)</u>	<u>492</u>	<u>-</u>	<u>(11,406)</u>
As of June 30, 2016	<u>3,242,389</u>	<u>(1,445,425)</u>	<u>(14,776)</u>	<u>1,782,188</u>
As of June 30, 2015:				
As of January 1, 2015	2,743,279	(1,027,827)	-	1,715,452
Additions	125,188	(118,367)	(3,803)	3,018
Disposals / sales	<u>(5,774)</u>	<u>801</u>	<u>-</u>	<u>(4,973)</u>
As of June 30, 2015	<u>2,862,693</u>	<u>(1,145,393)</u>	<u>(3,803)</u>	<u>1,713,497</u>

(b) The main additions in the second quarter of 2016 are related to construction and assembly of the plant of Tambomayo mining unit for approximately US\$73 million.

Notes to the interim consolidated financial statements (unaudited)

(continued)

9. Bank loans

As of June 30, 2016, the Group maintains bank loans amounting to US\$54,368,000, which were obtained for working capital purposes, have current maturity and accrue interest at market annual rates ranging from 2.10% to 5.61% (as of December 31, 2015, the Group held a loan of US\$285,302,000, which accrue interest at market annual rates ranging from 1.32% to 5.61%). These bank loans have no guarantees.

A portion of the loans held as of December 31, 2015 were repaid with the financial obligations detailed in note 11(b).

10. Derivative financial instruments

(a) Embedded derivatives for concentrates sales -

The Group's sales of concentrates are based on commercial contracts, under which a provisional sale value is determined based on future quotations (forward). The adjustment to sales is considered an embedded derivative, which is required to be separated from the host contract. Commercial contracts are linked to market prices (London Metal Exchange) at the dates of the expected settlements of the open positions.

As of June 30, 2016, fair value of embedded derivatives for concentrates sales generated an asset amounting to US\$17,292,000 (liability of US\$1,694,000 as of December 31, 2015). The embedded derivative does not qualify for hedge accounting; therefore, changes in its fair value are directly recognized as an adjustment to net sales caption in the interim consolidated statement of profit or loss in the corresponding periods, see note 13.

(b) Hedge of the risk of fluctuation of foreign exchange rates -

During 2015, the volatility of the foreign exchange rate between the Soles and the U.S. dollars has driven the Group's Management to undertake hedge contracts of foreign currency exposure over their bank loans in Soles. The Group has signed forwards hedging contracts, which have been designated as hedging derivative cash flow because they are intended to cover the risk of fluctuations in the exchange rates of the bank loans in Soles.

Key deadlines of the hedging contract have been negotiated to match the terms and amounts of their obligations, and the effectiveness of these contracts has not been observed since it has not arisen any significant element of ineffectiveness as of the date of the consolidated financial statements.

Fair value of these hedge derivative financial instruments decreased from a liability to US\$10,643,000 as of December 31, 2015 to a liability of US\$90,000 as of June 30, 2016, mainly by the total payment of the hedge contracts of the Principal.

Notes to the interim consolidated financial statements (unaudited)

(continued)

11. Financial obligations

(a) This caption is made up as follow:

	As of June 30, 2016 US\$(000)	As of December 31, 2015 US\$(000)
Compañía de Minas Buenaventura S.A.A. (b)		
BBVA Banco Continental	61,667	-
Banco de Crédito del Perú	61,667	-
CorpBanca New York Branch	61,666	-
Banco Internacional del Perú	30,000	-
ICBC Perú Bank	25,000	-
Banco Latinoamericano de Comercio Exterior S.A.	20,000	-
Banco de Sabadell, Miami Branch	15,000	-
	<u>275,000</u>	-
Debt issuance costs	(3,156)	-
	<u>271,844</u>	-
Empresa de Generación Huanza S.A.		
Banco de Crédito del Perú - Finance lease (c)	182,171	188,138
Sociedad Minera El Brocal S.A.A.		
Banco de Crédito del Perú - Leaseback	146,311	156,328
Other minor obligations	232	-
Buenaventura Ingenieros S.A.		
Banco de Crédito del Perú - Finance lease	8,231	9,082
Other minor obligations	42	69
Contacto Corredores de Seguros S.A.		
BBVA Banco Continental S.A. - Finance lease	72	93
Total financial obligations	<u>608,903</u>	<u>353,710</u>
Classification by maturity:		
Current portion	36,510	33,394
Non-current portion (c)	<u>572,393</u>	<u>320,316</u>
Total financial obligations	<u>608,903</u>	<u>353,710</u>

Notes to the interim consolidated financial statements (unaudited)

(continued)

- (b) On June 27, 2016, the Company entered into a long-term finance contract with seven Peruvian and foreign banks, with the following terms and conditions:
- Principal: US\$275,000,000.
 - Annual interest rate: Three-month Libor plus 3%.
 - Term: 5 years since June 30, 2016, with final maturity in June 30, 2021.
 - Grace Period: Two years.
 - Amortization: 6 installments semiannual of US\$39,285,714 since July 2018 and a final maturity of US\$39,285,716 in June 2021.
 - Guarantee: None. The subsidiaries Compañía Minera Condesa S.A., Inversiones Colquijirca S.A. and Consorcio Energético de Huancavelica S.A. are guarantors.

As part of the commitments, the Company must meet certain consolidated financial ratios. The main ratios are the following:

- (i) Debt service coverage ratio: Higher than 4.
- (ii) Leverage ratio: Less than 4 times since June 30, 2016 until June 30, 2017 and less than 3 times since that date.
- (iii) Net consolidated equity value: Higher than US\$2,711,388,800.

For the calculation of (i) and (ii), the financial obligations and EBITDA of Empresa de Generación Huanza S.A. are excluded.

Additionally, there is a requirement referred to the distribution of dividends (until December 31, 2018: up to 20% of the available net income for the previous period; since January 1, 2019: up to the total of net income for the previous period), according to the execution of the dividend policy of the Company.

- (c) In February 2016, the interest rates applicable to finance lease of Huanza changed. The interest rate is three-month Libor plus 4.60 percent (Libor plus 4.00 percent as of December 31, 2015) for the bank loan with an original amount of US\$119 million, while for the bank loan with an original amount of US\$108.8 million, the interest rate is three-month Libor plus 4.70 percent (three-month Libor plus 4.20 percent as of December 31, 2015). On the other hand, the shareholders of Huanza have granted a security interest for 100 percent of Huanza shares.

Notes to the interim consolidated financial statements (unaudited)

(continued)

- (d) The non-current portion of the financial obligations held by the Group matures as follows:

Year	As of June 30, 2016 US\$(000)	As of December 31, 2015 US\$(000)
2017	40,103	40,104
2018	81,002	41,708
2019	123,402	44,956
2020	252,469	193,548
2021	78,573	-
	<u>575,549</u>	<u>320,316</u>
Debt issuance costs	<u>(3,156)</u>	<u>-</u>
	<u>572,393</u>	<u>320,316</u>

12. Shareholders' equity, net

- (a) Acquisition of non-controlling interest -

During 2016, the Company made a capital contribution to its subsidiary Sociedad Minera El Brocal S.A.A., for S/63.9 million (equivalent to US\$18.6 million) and US\$23.5 million through a trade in the Lima stock exchange, which resulted in an increase in its shares and a dilution of non-controlling shareholders of 5.195%. As a result of this contribution, the Company has recognized a decrease in non-controlling interest of US\$1,307,000 and an increase of other reserves of US\$4,280,000.

- (b) Dividends declared and paid -

During the first and second quarter of 2016 and 2015, no dividends were declared. Dividends which are maintained as unpaid are presented under trade and other payables caption.

Dividends declared by S.M.R.L. Chaupiloma Dos de Cajamarca corresponding to non-controlling interest were US\$4,060,000 and US\$5,908,000 for the six-month periods ended June 30, 2016 and 2015, respectively.

Notes to the interim consolidated financial statements (unaudited)

(continued)

13. Net sales

The table below presents the detail of net sales to clients for the three-month and six-month periods ended June 30, 2016 and 2015:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2016 US\$(000)	2015 US\$(000)	2016 US\$(000)	2015 US\$(000)
Sales by metal				
Gold	118,277	102,235	215,859	216,724
Silver	100,312	76,421	176,693	148,742
Copper	50,265	45,485	99,392	63,851
Zinc	32,710	12,104	52,701	56,561
Lead	13,676	28,668	25,380	28,078
Manganese sulfate	919	649	2,568	1,205
	<u>316,159</u>	<u>265,562</u>	<u>572,593</u>	<u>515,161</u>
Commercial deductions	(59,375)	(53,568)	(113,716)	(90,053)
Adjustments to current period liquidations	5,585	2,068	10,455	4,080
Embedded derivatives from sale of concentrate	11,377	(1,375)	19,494	1,981
Hedge operations	-	1,347	-	3,465
	<u>273,746</u>	<u>214,034</u>	<u>488,826</u>	<u>434,634</u>
Net sales of goods	<u>273,746</u>	<u>214,034</u>	<u>488,826</u>	<u>434,634</u>
Net sales of services	<u>5,693</u>	<u>22,516</u>	<u>11,261</u>	<u>32,307</u>
	<u>279,439</u>	<u>236,550</u>	<u>500,087</u>	<u>466,941</u>

Volumes of metallic contents sold were the following:

	For the three-month periods ended June 30,		Increase (decrease)
	2016	2015	
Gold	92,752 OZ	86,272 OZ	6,480 OZ
Silver	5,634,615 OZ	4,723,560 OZ	911,055 OZ
Copper	10,572 MT	8,831 MT	1,741 MT
Zinc	15,484 MT	13,364 MT	2,120 MT
Lead	7,669 MT	6,309 MT	1,360 MT
Manganese sulfate	2,683 MT	1,594 MT	1,089 MT

Notes to the interim consolidated financial statements (unaudited)
(continued)

	For the six-month periods ended June 30,		Increase (decrease)
	2016	2015	
Gold	173,741 OZ	180,109 OZ	(6,368) OZ
Silver	10,949,395 OZ	9,438,198 OZ	1,511,197 OZ
Copper	21,670 MT	12,462 MT	9,208 MT
Zinc	27,826 MT	26,899 MT	927 MT
Lead	14,236 MT	15,678 MT	(1,442) MT
Manganese sulfate	8,374 MT	2,920 MT	5,454 MT

Net average sales prices were the following:

	For the three-month periods ended June 30,		Increase (decrease)
	2016	2015	
Gold	1,275.21 /OZ	1,185.06 /OZ	90.15 /OZ
Silver	17.80 /OZ	16.18 /OZ	1.62 /OZ
Copper	4,754.37 / MT	5,150.32 / MT	(395.95) / MT
Lead	1,783.28 / MT	1,918.39 / MT	(135.11) / MT
Zinc	2,112.45 / MT	2,145.14 / MT	(32.69) / MT
Manganese sulfate	342.33 / MT	406.58 / MT	(64.25) / MT

	For the six-month periods ended June 30,		Increase (decrease)
	2016	2015	
Gold	1,242.42 /OZ	1,203.30 /OZ	39.12 /OZ
Silver	16.14 /OZ	15.76 /OZ	0.38 /OZ
Copper	4,586.62 / MT	5,123.81 / MT	(537.20) / MT
Lead	1,782.80 / MT	1,790.95 / MT	(8.15) / MT
Zinc	1,893.91 / MT	2,102.69 / MT	(208.77) / MT
Manganese sulfate	306.65 / MT	412.75 / MT	(106.10) / MT

Notes to the interim consolidated financial statements (unaudited)

(continued)

14. Cost of sales, excluding considering depreciation and amortization

(a) The cost of sales of goods is made up as follows:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2016 US\$(000)	2015 US\$(000)	2016 US\$(000)	2015 US\$(000)
Beginning balance of finished goods and products in process, net of depreciation and amortization	59,577	99,048	69,932	105,943
Cost of production				
Services provided by third parties	46,678	55,032	98,509	108,164
Consumption of materials and supplies	23,064	24,494	44,176	49,033
Direct labor	17,720	17,163	34,208	36,189
Electricity and water	13,888	8,241	19,166	16,762
Maintenance and repair	5,381	1,496	7,119	2,894
Transport	2,285	2,297	4,387	4,521
Rentals	2,709	1,521	4,045	2,759
Insurances	960	1,367	1,900	2,744
Provision (reversal) for impairment of finished goods and product in progress	(2,943)	6,222	(8,854)	6,288
Other production expenses	2,325	1,900	4,213	3,666
Total cost of production of the period	112,067	119,733	208,869	233,020
Final balance of products in process and finished goods, net of depreciation and amortization	(55,681)	(88,558)	(55,681)	(88,558)
Cost of sales of goods, excluding depreciation and amortization	115,963	130,223	223,120	250,405

(b) The cost of services is made up as follows:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2016 US\$(000)	2015 US\$(000)	2016 US\$(000)	2015 US\$(000)
Electricity and water	3,240	1,248	6,084	2,638
Direct labor	3,105	7,114	5,509	12,631
Services provided by third parties	1,539	2,514	2,466	4,687
Consumption of materials and supplies	995	1,971	2,075	3,482
Maintenance and repair	519	90	802	255
Insurances	321	477	650	599
Other	701	3,878	1,087	6,610
Cost of sales of services, excluding depreciation and amortization	10,420	17,292	18,673	30,902

Notes to the interim consolidated financial statements (unaudited)

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15. Exploration in operating units

This caption decreased by US\$3,797,000, from US\$45,018,000 during the six-month period ended June 30, 2015 to US\$41,221,000 during the same period of 2016, mainly explained by the lower advances in diamond drilling and exploration activities performed in the Orcopampa mining unit in US\$2,700,000.

16. Administrative expenses

This caption increased by US\$2,201,000, from US\$38,968,000 during the six-month period ended June 30, 2015 to US\$41,169,000 during the same period of 2016, mainly explained by higher personnel expenses.

17. Income taxes

(a) Below is a reconciliation of tax expense and the accounting profit (loss) multiplied by the statutory tax rate for the three-month and six-month periods ended June 30, 2016 and 2015:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2016 US\$(000)	2015 US\$(000)	2016 US\$(000)	2015 US\$(000)
Profit (loss) before income tax	74,599	(32,129)	116,775	(7,115)
Profit (loss) before income tax for discontinued operations	(1,929)	578	357	(3,761)
Profit (loss) before income tax	72,670	(31,551)	117,132	(10,876)
Theoretical loss (income) for income tax	20,348	(8,834)	32,797	(3,045)
Permanent items and others:				
Share in the results of associates	(5,789)	(3,350)	(13,740)	(13,507)
Effect of translation into U.S. dollars	(6,029)	9,011	(23,414)	22,716
Exchange difference of tax-loss carryforwards	5,518	392	6,409	815
Permanent items	(934)	1,676	3,071	2,041
Mining royalties and special mining tax	676	(169)	795	(89)
Other minor	(1,112)	422	(1,112)	(461)
Income tax income (expense)	12,678	(852)	4,806	8,470
Mining Royalties and Special Mining Tax	1,519	788	2,602	1,893
Total income tax	14,197	(64)	7,408	10,363

(b) As of June 30, 2016, no changes have occurred in the open tax processes of the Group in connection with the ones disclosed in note 29 of the consolidated annual financial statements as of December 31, 2015.

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18. Related parties transactions

(a) Main transactions made by the Group with its associates during the six-month periods ended June 30, 2016 and 2015 are presented below:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2016 US\$(000)	2015 US\$(000)	2016 US\$(000)	2015 US\$(000)
Royalties collected to Minera Yanacocha S.R.L.:				
S.M.R.L. Chaupiloma Dos de Cajamarca	5,861	7,390	12,546	16,480
Sales of mineral to Minera Yanacocha S.R.L. by:				
Compañía de Minas Buenaventura S.A.A.	275	557	710	1,265
Sales of supplies to Compañía Minera Coimolache S.A. by:				
Compañía de Minas Buenaventura S.A.A.	-	17	1	41
Minera La Zanja S.R.L.	-	28	-	28
Energy sales to Compañía Minera Coimolache S.A. by:				
Empresa de Generación Huanza S.A.	429	402	837	808
Supplies purchase to Compañía Minera Coimolache S.A. by:				
Compañía de Minas Buenaventura S.A.A.	-	3	1	12
Minera La Zanja S.R.L.	-	-	-	2
Services provided to Minera Yanacocha S.R.L. by:				
Consorcio Energético de Huancavelica S.A. (electric power transmission)	229	253	458	522
Buenaventura Ingenieros S.A. (engineering services)	79	312	165	570
Services provided to Compañía Minera Coimolache S.A. by:				
Compañía de Minas Buenaventura S.A.A. (administrative and management services)	304	239	605	487
Consorcio Energético de Huancavelica S.A. (electric power transmission)	125	151	408	276
Buenaventura Ingenieros S.A. (engineering services)	164	130	247	311
Minera La Zanja S.R.L. (administrative and management services)	73	-	91	-
Dividends received by:				
Minera Yanacocha S.R.L.	-	-	130,950	-
Compañía Minera Coimolache S.A.	2,769	902	5,834	2,959
Interest granted to:				
Compañía Minera Coimolache S.A.	1	6	3	12
Interest received from:				
Sociedad Minera Cerro Verde S.A.A.	1,065	-	2,127	-
Compañía Minera Coimolache S.A.	-	-	3	-

Notes to the interim consolidated financial statements (unaudited)

(continued)

- (b) As a result of the transactions indicated and other minors, the Group had the following accounts receivable and payable from/to associates:

	As of June 30, 2016 US\$(000)	As of December 31, 2015 US\$(000)
Trade and other receivables, note 5(a) -		
Trade		
Minera Yanacocha S.R.L. (c)	7,079	8,760
Compañía Minera Coimolache S.A.	402	666
	<u>7,481</u>	<u>9,426</u>
Other		
Sociedad Minera Cerro Verde S.A.A. (d)	126,050	124,988
Compañía Minera Coimolache S.A.	139	499
	<u>126,189</u>	<u>125,487</u>
Total trade and other receivables, net	<u>133,670</u>	<u>134,913</u>
Classification by maturity:		
Current portion	7,620	9,925
Non-current portion	126,050	124,988
	<u>133,670</u>	<u>134,913</u>
Total trade and other receivables, net	<u>133,670</u>	<u>134,913</u>
Trade and other payables -		
Trade		
Minera Yanacocha S.R.L.	771	283
Compañía Minera Coimolache S.A.	22	892
	<u>793</u>	<u>1,175</u>
Total trade and other payables, net	<u>793</u>	<u>1,175</u>
Classification by maturity:		
Current portion	793	1,175
Non-current portion	-	-
	<u>793</u>	<u>1,175</u>
Total trade and other payables, net	<u>793</u>	<u>1,175</u>

- (c) S.M.R.L. Chaupiloma Dos de Cajamarca -
In accordance with mining lease, amended and effective on January 1, 1994, Minera Yanacocha S.R.L. pays the Group a 3% royalty based on quarterly production sold at current market prices, after deducting refinery and transportation costs. The royalty agreement expires in 2032.

Notes to the interim consolidated financial statements (unaudited)

(continued)

(d) **Sociedad Minera Cerro Verde S.A.A.-**

In December 2014, Cerro Verde entered into shareholder loan agreements with Freeport Minerals Corporation, Compañía de Minas Buenaventura S.A.A. and SMM Cerro Verde Netherlands B.V., for up to US\$800 million. As of June 30, 2016 and December 31, 2015, Cerro Verde had borrowed US\$125 million under these loan agreements. The interest rate is variable (currently 3.34%). The loans mature on December 22, 2019, unless at that time there is senior financing associated with the expansion project that is senior to the loans, in which case the loans mature two years following the maturity of the senior financing.

19. **Disclosure of information on segments**

Management has determined its operating segments based on reports that the Group's Chief Operating Decision Maker (CODM) uses for making decisions. The Group is organized into business units based on its products and services, activities and geographic locations. The broad categories of the Group's business units are:

- Production and sale of minerals.
- Exploration and development activities.
- Construction and engineering services.
- Energy generation and transmission services.
- Insurance brokerage.
- Rental of mining concessions.
- Holding of investment in shares (mainly in the associate company Minera Yanacocha S.R.L. and the Group's subsidiary S.M.R.L. Chaupiloma Dos de Cajamarca).
- Industrial activities.

The CODM monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the Group's consolidated financial statements. Also, the Group's financing and income taxes are managed at the corporate level and are not allocated to the operating segments.

Notes to the interim consolidated financial statements (unaudited) (continued)

	Uchucchacua (Mining operation) US\$(000)	Orcopampa (Mining operation) US\$(000)	Julcani (Mining operation) US\$(000)	Mallay (Mining operation) US\$(000)	Colquijirca (Mining operation) US\$(000)	La Zanja (Mining operation) US\$(000)	Exploration and development mining projects US\$(000)	Construction and engineering US\$(000)	Energy generation and transmission US\$(000)	Insurance brokerage US\$(000)	Rental of mining concessions US\$(000)	Holding of investment in shares US\$(000)	Industrial activities US\$(000)	Corporate US\$(000)	Sub Total US\$(000)	Adjustments and eliminations US\$(000)	Total US\$(000)
As of June 30, 2016																	
Results:																	
Continuing operations:																	
Operating income																	
Net sale of goods	123,081	114,181	28,056	22,921	97,312	90,822	-	-	-	-	-	-	2,568	99,854	578,795	(89,969)	488,826
Net sale of services	-	-	-	-	-	-	-	5,925	26,960	3,565	-	308	9,277	-	46,035	(34,774)	11,261
Royalty income	-	-	-	-	-	-	-	-	-	-	12,546	-	-	-	12,546	-	12,546
Total operating income	123,081	114,181	28,056	22,921	97,312	90,822	-	5,925	26,960	3,565	12,546	308	11,845	99,854	637,376	(124,743)	512,633
Operating costs																	
Cost of sales, excluding depreciation and amortization	(59,597)	(46,381)	(10,697)	(11,440)	(81,800)	(36,822)	-	-	-	-	-	-	133	(99,182)	(345,786)	122,666	(223,120)
Cost of services, excluding depreciation and amortization	-	-	-	-	-	-	-	(4,710)	(12,805)	-	-	-	(4,400)	-	(21,915)	3,242	(18,673)
Depreciation and amortization	(8,948)	(5,687)	(3,417)	(5,971)	(24,916)	(32,462)	(6)	(361)	(5,018)	-	(9)	(111)	(5,281)	(493)	(92,680)	-	(92,680)
Exploration in operating units	(13,570)	(18,424)	(5,311)	(3,909)	-	(7)	-	-	-	-	-	-	-	-	(41,221)	-	(41,221)
Mining royalties	(886)	(10,284)	(193)	(170)	-	(598)	-	-	-	-	-	-	-	-	(12,131)	-	(12,131)
Total operating costs	(83,001)	(80,776)	(19,618)	(21,490)	(106,716)	(69,889)	(6)	(5,071)	(17,823)	-	(9)	(111)	(9,548)	(99,675)	(513,733)	125,908	(387,825)
Gross profit (loss)	40,080	33,405	8,438	1,431	(9,404)	20,933	(6)	854	9,137	3,565	12,537	197	2,297	179	123,643	1,165	124,808
Operating income (expenses), net																	
Administrative expenses	(6,533)	(6,985)	(1,411)	(1,394)	(8,029)	(1,026)	(3,220)	(2,083)	(1,268)	(5,546)	(36)	(119)	(255)	(6,387)	(44,292)	3,123	(41,169)
Selling expenses	(2,225)	(336)	(426)	(790)	(5,119)	(497)	-	-	(151)	-	-	-	(658)	-	(10,202)	87	(10,115)
Exploration in non-operating areas	-	-	-	-	(1,216)	(1,264)	(4,955)	-	-	-	-	-	-	(1,622)	(9,057)	588	(8,469)
Provision for contingencies	338	26	(700)	39	-	-	61	-	186	-	-	-	-	252	202	-	202
Other, net	(224)	30	43	49	2,487	1,863	2,356	1,111	1,692	-	10	(13)	324	1,901	11,629	(3,309)	8,320
Total operating income (expenses), net	(8,644)	(7,265)	(2,494)	(2,096)	(11,877)	(924)	(5,758)	(972)	459	(5,546)	(26)	(132)	(589)	(5,856)	(51,720)	489	(51,231)
Operating profit (loss)	31,436	26,140	5,944	(665)	(21,281)	20,009	(5,764)	(118)	9,596	(1,981)	12,511	65	1,708	(5,677)	71,923	1,654	73,577
Other income (expense), net																	
Share in the results of associates under equity method	-	-	-	-	-	-	-	-	869	-	-	795	-	58,299	59,963	(10,891)	49,072
Financial income	1	2	1	-	246	4	-	-	550	10	-	2	-	3,496	4,312	-	4,312
Net gain (loss) from currency exchange difference	(170)	(109)	(93)	(16)	258	405	600	93	169	319	(63)	9	550	3,536	5,488	-	5,488
Financial costs	(140)	(133)	(51)	(20)	(5,902)	(1,320)	(217)	(336)	(5,390)	(14)	(1)	(14)	(474)	(2,644)	(16,656)	982	(15,674)
Total other income (expense), net	(309)	(240)	(143)	(36)	(5,398)	(911)	383	(243)	(3,802)	315	(64)	792	76	62,687	53,107	(9,909)	43,198
Profit (loss) before income tax	31,127	25,900	5,801	(701)	(26,679)	19,098	(5,381)	(361)	5,794	(1,666)	12,447	857	1,784	57,010	125,030	(8,255)	116,775
Current income tax	-	-	-	-	(912)	(10,735)	(252)	-	(643)	-	(3,478)	-	(132)	(3,065)	(19,217)	-	(19,217)
Deferred income tax	(621)	(599)	(136)	(118)	7,573	4,854	-	-	(2,868)	-	-	-	297	3,427	11,809	-	11,809
Profit (loss) from continued operations	30,506	25,301	5,665	(819)	(20,018)	13,217	(5,633)	(361)	2,283	(1,666)	8,969	857	1,949	57,372	117,622	(8,255)	109,367
Discontinued operations																	
Profit from discontinued operations																	354
Net profit																	109,721
Other disclosures:																	
Total assets as of June 30, 2016	92,179	53,426	24,766	21,423	734,529	238,066	551,223	25,703	389,881	2,905	7,529	862,842	120,537	3,175,283	6,300,292	(1,644,909)	4,655,383
Total liability as of June 30, 2016	26,116	33,795	18,426	7,893	334,474	111,363	21,086	17,128	232,377	2,013	2,821	93	29,616	489,257	1,326,458	(165,237)	1,161,221

Notes to the interim consolidated financial statements (unaudited) (continued)

	Uchucchacua (Mining operation) US\$(000)	Orcopampa (Mining operation) US\$(000)	Julcani (Mining operation) US\$(000)	Mallay (Mining operation) US\$(000)	Colquijirca (Mining operation) US\$(000)	La Zanja (Mining operation) US\$(000)	Exploration and development mining projects US\$(000)	Construction and engineering US\$(000)	Energy generation and transmission US\$(000)	Insurance brokerage US\$(000)	Rental of mining concessions US\$(000)	Holding of investment in shares US\$(000)	Industrial activities US\$(000)	Corporate US\$(000)	Sub Total US\$(000)	Adjustments and eliminations US\$(000)	Total US\$(000)
As of June 30, 2015																	
Results:																	
Continuing operations:																	
Operating income																	
Net sale of goods	74,915	135,372	28,833	16,788	91,414	82,105	-	-	-	-	-	-	1,205	86,108	516,740	(82,106)	434,634
Net sale of services	-	-	-	-	-	-	-	34,949	21,464	3,666	-	-	6,514	-	66,593	(34,286)	32,307
Royalty income	-	-	-	-	-	-	-	-	-	-	16,480	-	-	-	16,480	-	16,480
Total operating income	74,915	135,372	28,833	16,788	91,414	82,105	-	34,949	21,464	3,666	16,480	-	7,719	86,108	599,813	(116,392)	483,421
Operating costs																	
Cost of sales, excluding depreciation and amortization	(58,428)	(58,160)	(14,642)	(10,344)	(69,142)	(57,182)	-	-	-	-	-	-	(3,331)	(85,055)	(356,284)	105,879	(250,405)
Cost of services, excluding depreciation and amortization	-	-	-	-	-	-	-	(29,924)	(7,525)	-	-	-	(5,041)	-	(42,490)	11,588	(30,902)
Depreciation and amortization	(6,952)	(8,838)	(6,400)	(7,625)	(26,242)	(42,990)	-	(321)	(5,154)	-	(37)	(114)	(4,353)	(525)	(109,551)	37	(109,514)
Exploration in operating units	(12,196)	(22,018)	(7,033)	(3,745)	-	(26)	-	-	-	-	-	-	-	-	(45,018)	-	(45,018)
Mining royalties	(724)	(12,931)	(261)	(163)	-	(828)	-	-	-	-	-	-	-	-	(14,907)	-	(14,907)
Total operating costs	(78,300)	(101,947)	(28,336)	(21,877)	(95,384)	(101,026)	-	(30,245)	(12,679)	-	(37)	(114)	(12,725)	(85,580)	(568,250)	117,504	(450,746)
Gross profit (loss)	(3,385)	33,425	497	(5,089)	(3,970)	(18,921)	-	4,704	8,785	3,666	16,443	(114)	(5,006)	528	31,563	1,112	32,675
Operating income (expenses), net																	
Administrative expenses	(4,894)	(8,943)	(1,600)	(1,112)	(8,994)	(741)	(856)	(1,906)	(1,479)	(5,213)	(41)	(111)	(169)	(6,019)	(42,078)	3,110	(38,968)
Selling expenses	(1,510)	(457)	(645)	(688)	(3,311)	(677)	-	-	(421)	-	-	-	(334)	(3)	(8,046)	-	(8,046)
Exploration in non-operating areas	-	-	-	-	(1,272)	(8,283)	(8,501)	-	-	-	-	-	-	(3,759)	(21,815)	1,414	(20,401)
Provision for contingencies	-	-	-	-	-	(3,803)	-	-	-	-	-	-	-	-	(3,803)	-	(3,803)
Other, net	34	25	(131)	53	100	263	70	1,556	(135)	-	-	503	26	2,706	5,070	(5,771)	(701)
Total operating income (expenses), net	(6,370)	(9,375)	(2,376)	(1,747)	(13,477)	(13,241)	(9,287)	(350)	(2,035)	(5,213)	(41)	392	(477)	(7,075)	(70,672)	(1,247)	(71,919)
Operating profit (loss)	(9,755)	24,050	(1,879)	(6,836)	(17,447)	(32,162)	(9,287)	4,354	6,750	(1,547)	16,402	278	(5,483)	(6,547)	(39,109)	(135)	(39,244)
Other income (expense), net																	
Share in the results of associates under equity method	-	-	-	-	-	-	-	(559)	888	-	-	39,179	-	18,673	58,181	(9,941)	48,240
Financial income	3	2	1	-	10	8	-	123	18	2	-	-	-	1,447	1,614	-	1,614
Net gain (loss) from currency exchange difference	315	330	163	51	(1,863)	(872)	(718)	473	(811)	(173)	38	(1)	(1,067)	554	(3,581)	-	(3,581)
Financial costs	(98)	(95)	(69)	(23)	(4,973)	(2,534)	(50)	(730)	(4,317)	(10)	(2)	(1)	(411)	(1,898)	(15,211)	1,067	(14,144)
Total other income (expense), net	220	237	95	28	(6,826)	(3,398)	(768)	(693)	(4,222)	(181)	36	39,177	(1,478)	18,776	41,003	(8,874)	32,129
Profit (loss) before income tax	(9,535)	24,287	(1,784)	(6,808)	(24,273)	(35,560)	(10,055)	3,661	2,528	(1,728)	16,438	39,455	(6,961)	12,229	1,894	(9,009)	(7,115)
Current income tax	(14)	(23)	(8)	(4)	(881)	(635)	-	(1,030)	(45)	-	(4,688)	(52)	-	-	(7,380)	-	(7,380)
Deferred income tax	-	-	-	-	359	8,231	-	(2,077)	(1,365)	-	-	-	240	(8,371)	(2,983)	-	(2,983)
Profit (loss) from continued operations	(9,549)	24,264	(1,792)	(6,812)	(24,795)	(27,964)	(10,055)	554	1,118	(1,728)	11,750	39,403	(6,721)	3,858	(8,469)	(9,009)	(17,478)
Discontinued operations																	
Profit from discontinued operations																	(3,764)
Net loss																	(21,242)
Other disclosures:																	
Total assets as of December 31, 2015	86,961	51,746	27,228	24,279	739,941	220,331	457,197	31,463	393,318	5,979	9,397	997,835	118,012	3,083,110	6,246,797	(1,699,616)	4,547,181
Total liability as of December 31, 2015	16,663	14,817	6,538	2,803	364,455	106,846	4,572	29,599	235,695	3,457	3,508	2,831	31,479	474,363	1,297,626	(139,681)	1,157,945

Nº 0055420



COLEGIO DE CONTADORES PÚBLICOS DE LIMA

AV. AREQUIPA Nº 998 Y AV. ALEJANDRO TIRADO Nº 181 - SANTA BEATRIZ - LIMA
TELEF.: 230-3000

R.U.C. 20106620106

Nº
55298

Constancia de Habilitación

La Decana y el Director Secretario del Colegio de Contadores Públicos de Lima, que suscriben, declaran que en base a los registros de la institución, se ha verificado que

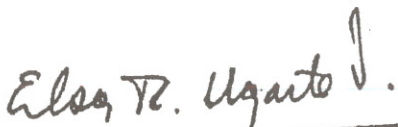
PAREDES, ZALDIVAR, BURGA & ASOCIADOS SOC. CIVIL DE
RESPONSABILIDAD LIMITADA
MATRICULA 50761


Se encuentra habilitada a la fecha, para el ejercicio de las funciones profesionales que le faculta la Ley Nº 13253 y su modificatoria Ley Nº 28951 y conforme al Estatuto y Reglamento Interno de este Colegio; en fe de lo cual y a solicitud de parte, se le extiende la presente constancia para los efectos y usos que estime conveniente. Esta constancia tiene vigencia hasta el

31/03/2017

Lima,

19 de Febrero de 2016


CPCC Elsa Rosario Ugarte Vásquez
Decana


CPCC Moisés Manuel Penadillo Castro
Director Secretario

Verifique su validez en: www.ccpl.org.pe

Comprobante de Pago:

019-00059325

Verifique la validez del comprobante de pago en: www.sunat.gob.pe