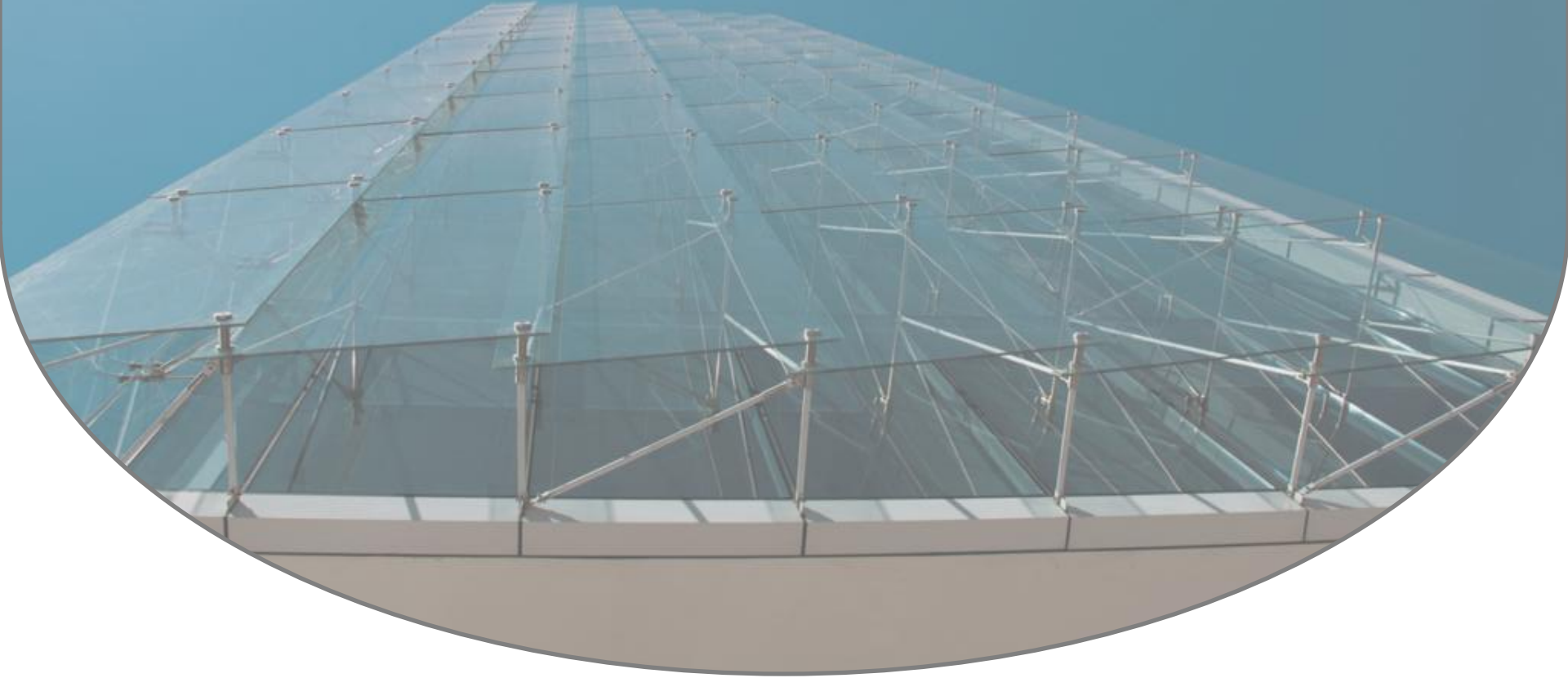


Southern Cone / Andean Conference 2013

Santiago, June 2013



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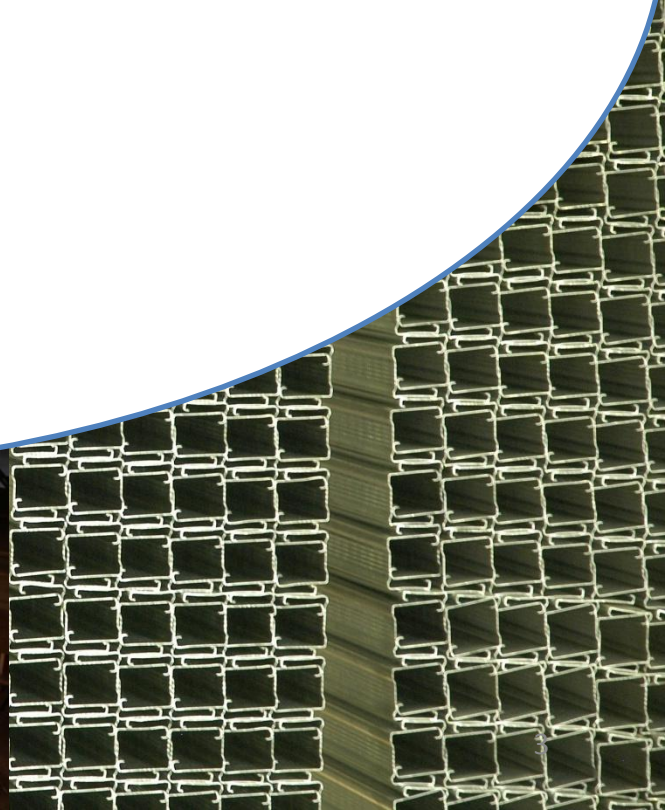
Business plan

Conclusion

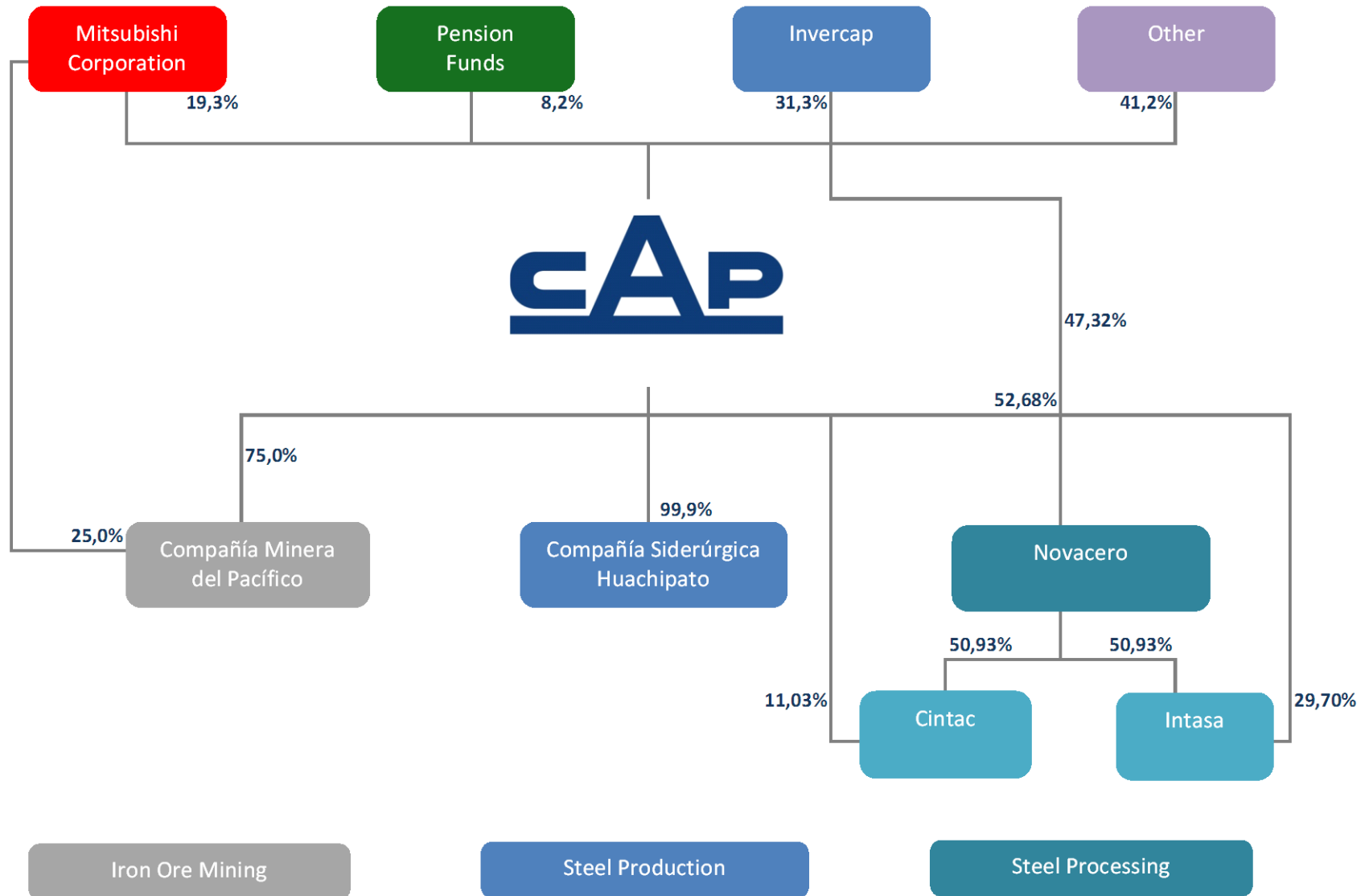
Vertically integrated company



- Exports **iron ore** products, mainly to Asia / 12 million MT capacity per year
- Produces **steel** for the domestic market / 1.45 million MT capacity per year
- Processes **value-added steel solutions** in Chile, Peru and Argentina / 450 thousand tons capacity per year



Corporate structure



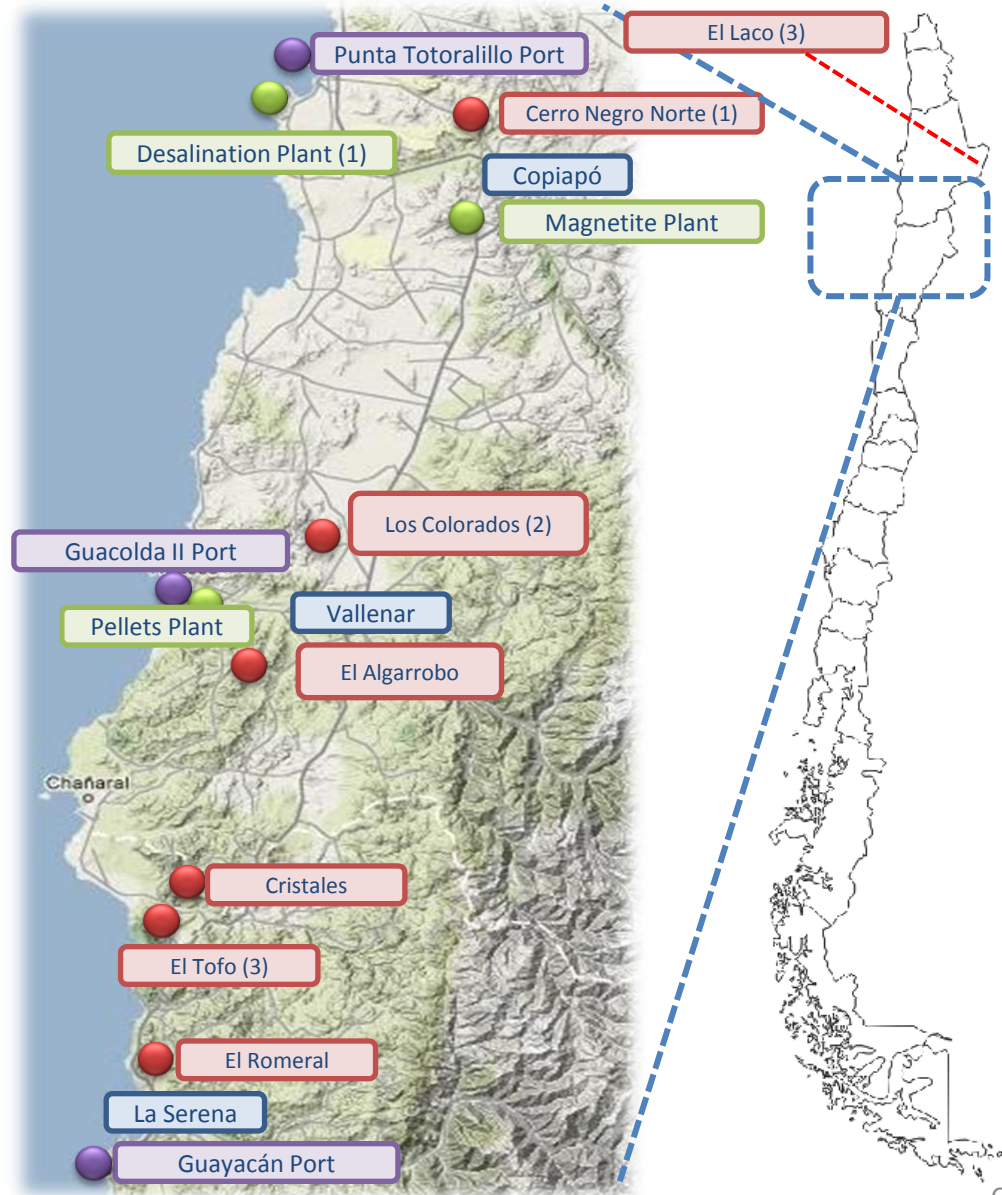
Iron ore mining



Los Colorados Mine, Huasco, Chile

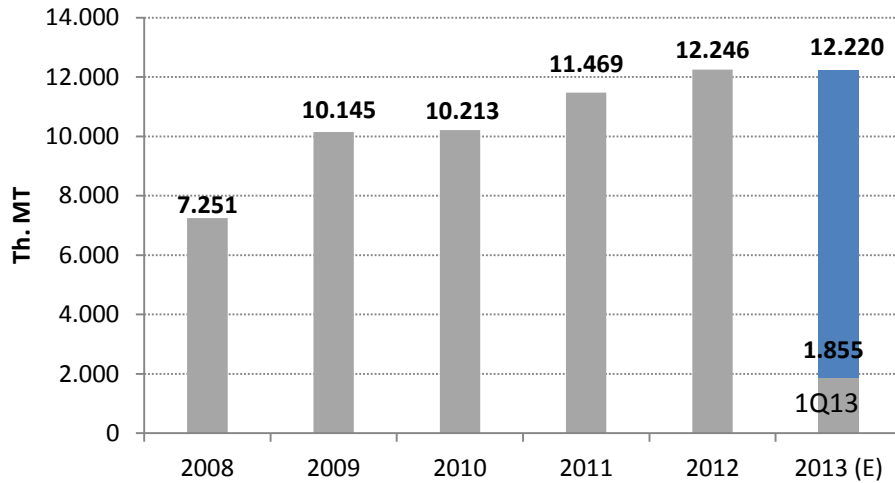
Iron ore mining operations

The mining company has three different and independent areas of operation in the north of Chile, located around the cities of La Serena, Vallenar and Copiapó:

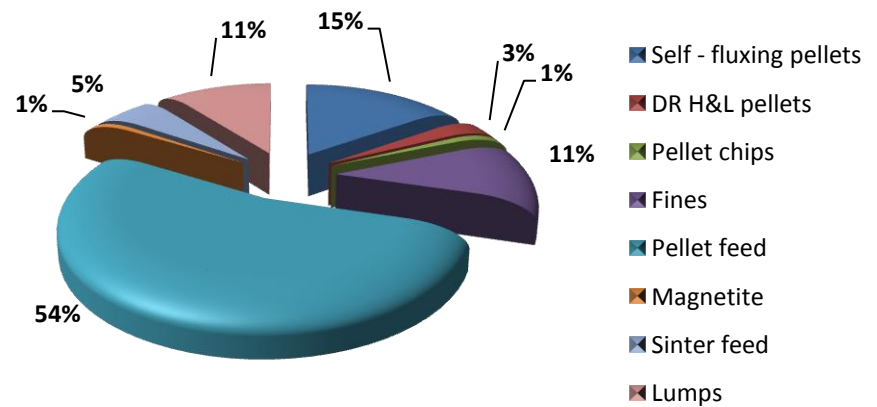
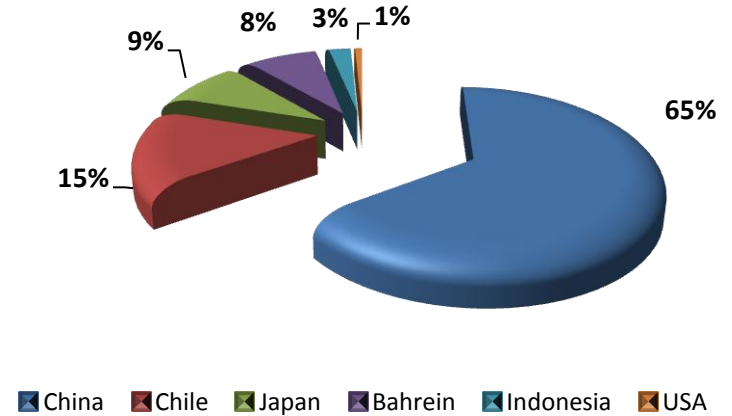


- (1) Under construction
- (2) Under expansion process
- (3) Under evaluation

Shipments



Shipments by markets and products 2012



Resources and reserves of magnetite ore



Mine / Deposit	Total Mineral Resources (1)		Reserves (2)	
	MTM	Grade (% Fe)	MTM	Grade (% Fe)
Existing operations				
Los Colorados (under expansion)	986	34,8%	244	46,4%
El Romeral	459	28,3%	105	30,2%
El Algarrobo	133	45,9%	46	49,3%
Hierro Atacama I - Candelaria (3)	268	10,0%	268	10,0%
Projects under construction				
Cerro Negro Norte	377	32,8%	189	36,5%
Reserves for future development				
Tofo District	1.671	26,0%	690	28,7%
El Laco	734	49,2%	376	56,7%
El Algarrobo District	590	32,8%	118	35,5%
Cristales	149	32,0%	2	57,3%
Total	5.367	32,1%	2.040	35,2%

Source: CAP

- As a result of continued successful exploration campaigns, iron ore resources have increased progressively over the years, reaching 5.367 million MT in 2012
- Current resources would allow for a potential production of over 40 million MT per year

(1) Those minerals measured on a geological ore content feasible of being mined. **(2)** Those minerals measured on a geological content feasible of being mined economically. **(3)** CMP has the contract for processing the tailings of the Candelaria copper mine.

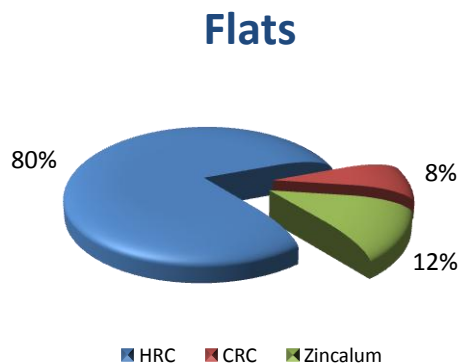
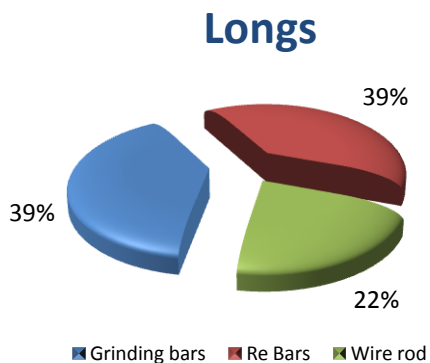
Note: Tonnages and grades of Fe are estimated by CAP's Minería specialized professionals. The information presented, to comply with Chilean law 20.235, is currently under certification process by independent professionals in mining resources and reserves. The referred process will take approximately three years, starting on 2012, to be completed.

Steel production

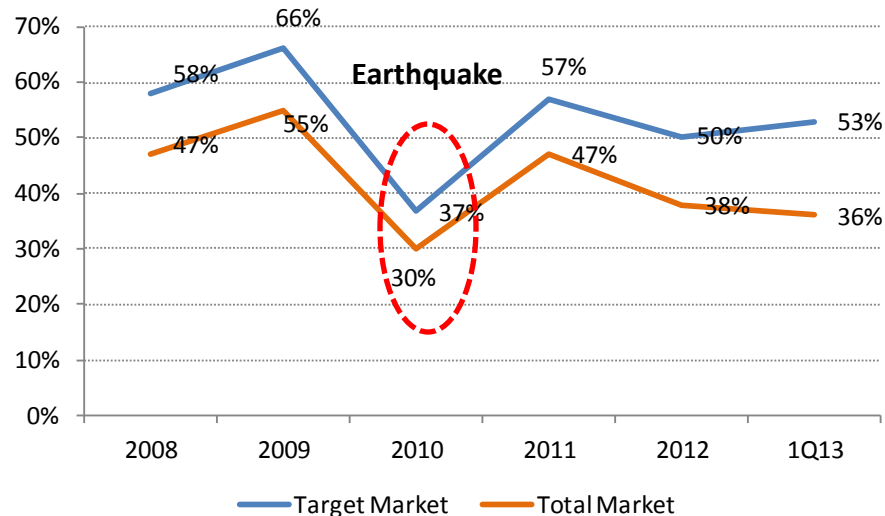


Huachipato, Talcahuano, Chile

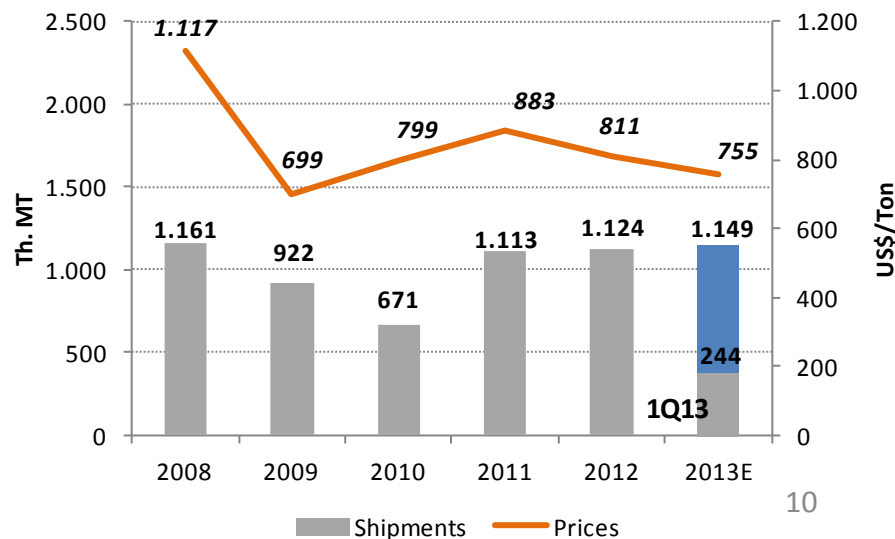
- The leader in Chile's steel market
- 1.45 million tons of annual liquid steel production capacity
- Strong long term commercial relations with customers in Chile
- Products mix 2012: 64% longs
36% flats



Market share



Shipments and prices



Steel processing

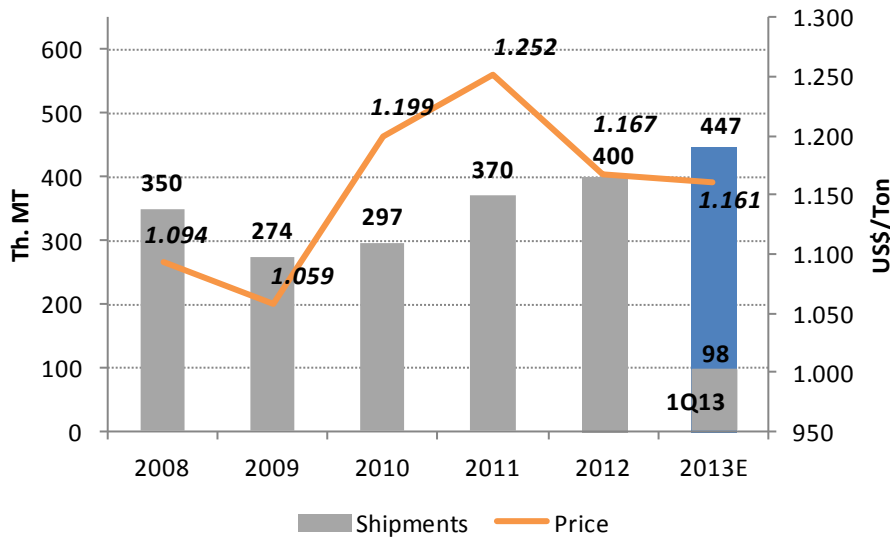


Strip center, Santiago, Chile

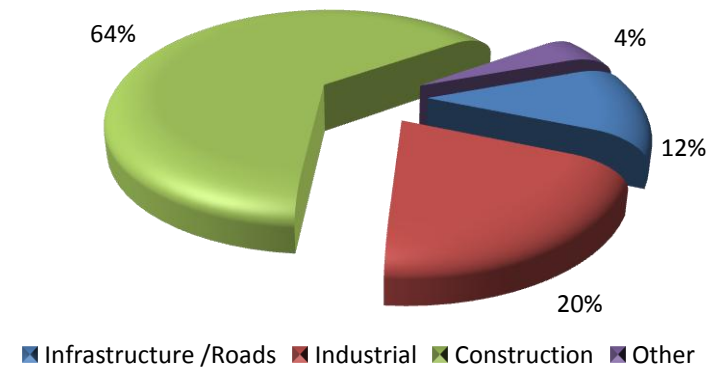
- Creates value-added solutions for the construction, industry and infrastructure sectors in Chile, Peru and Argentina
- Chile is Latinamerica's most advanced user of steel in construction
- Seeks to promote steel consumption



Shipments and prices



Sales by Sector



Company overview

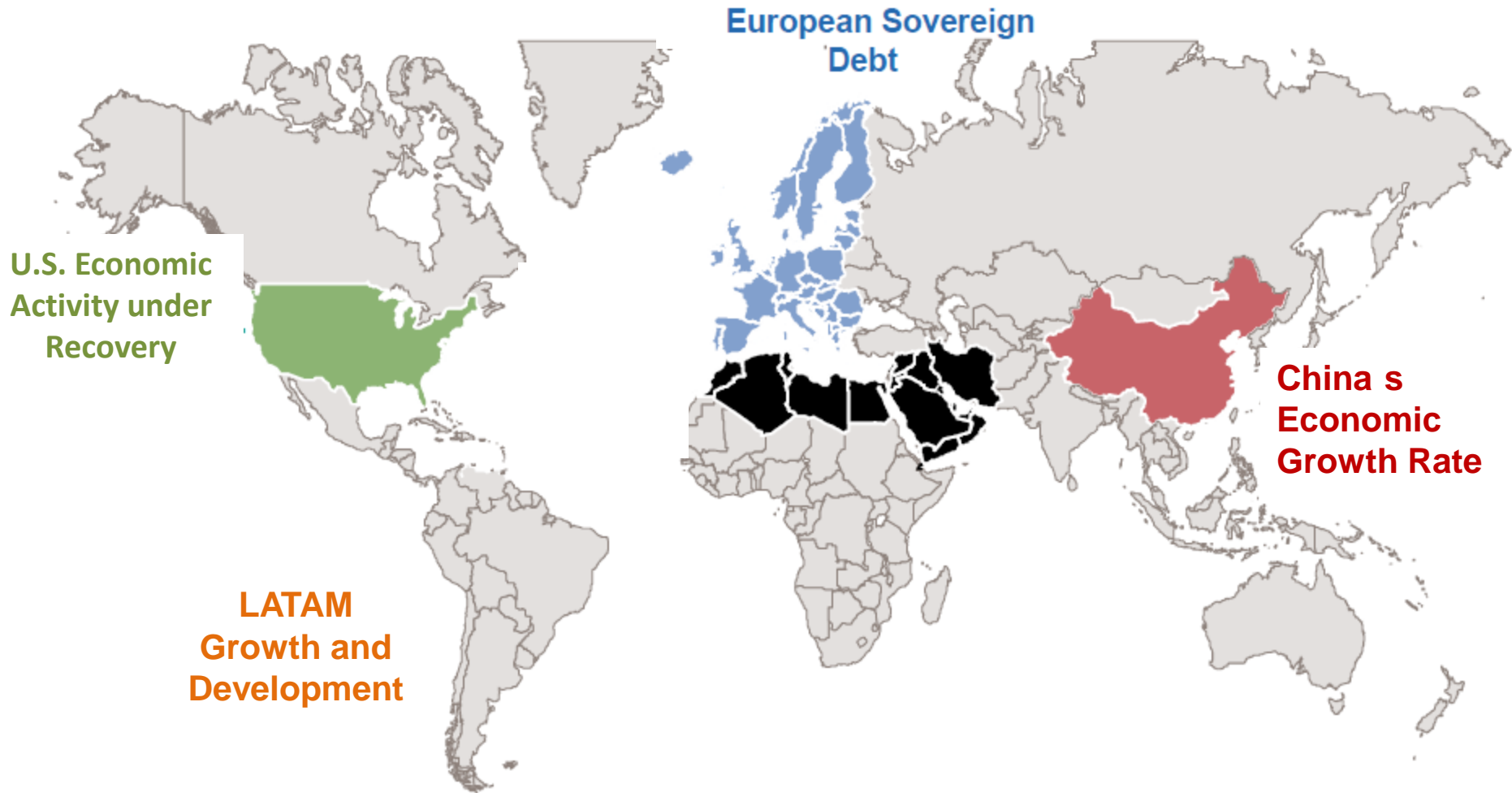
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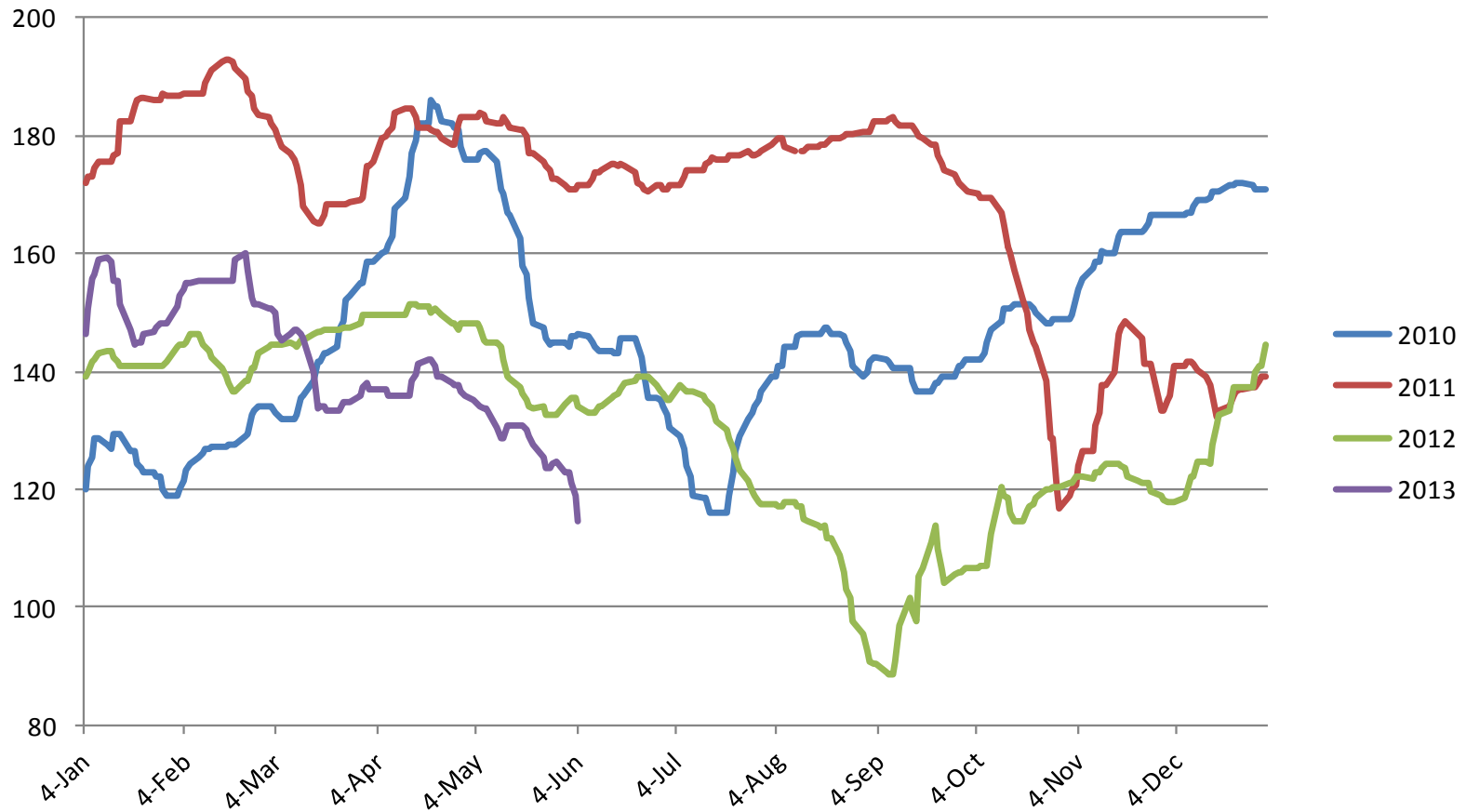
Conclusion

Areas to watch

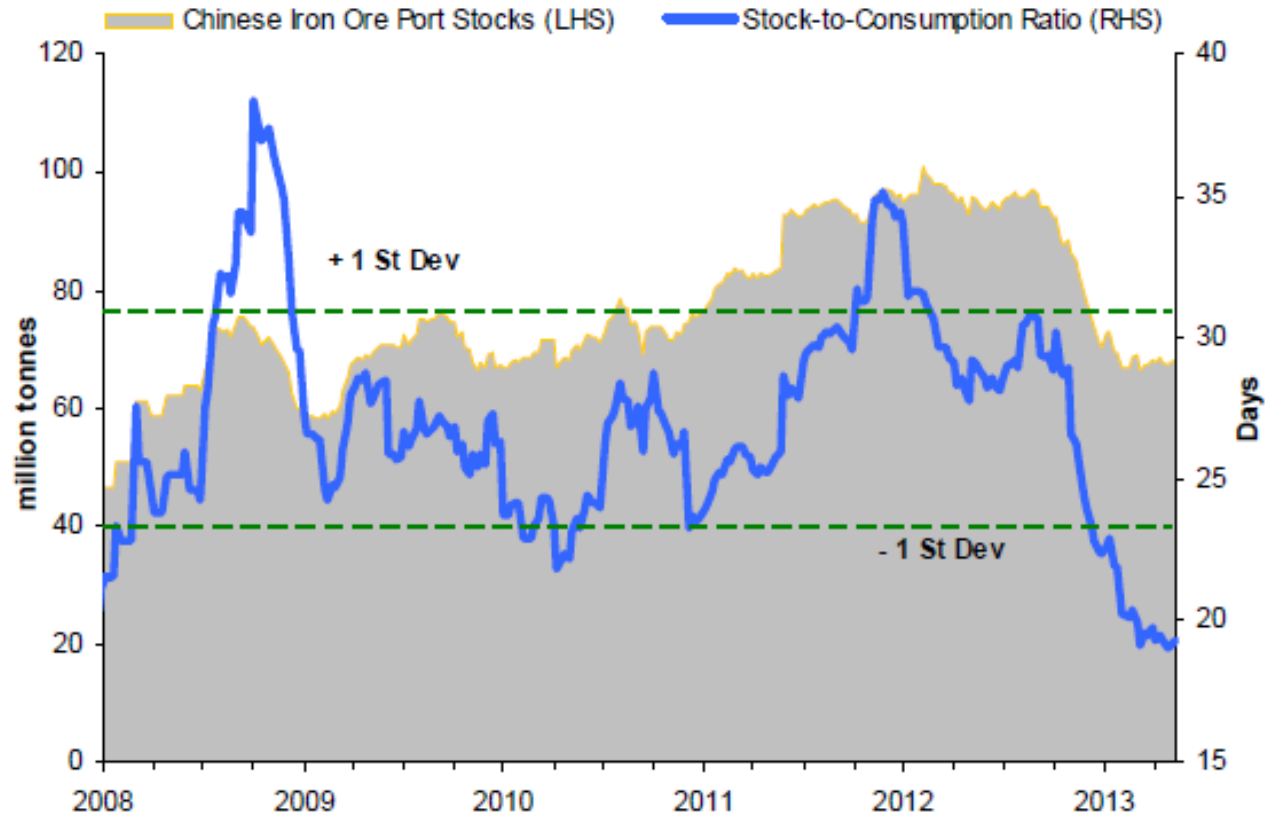


Iron ore spot prices

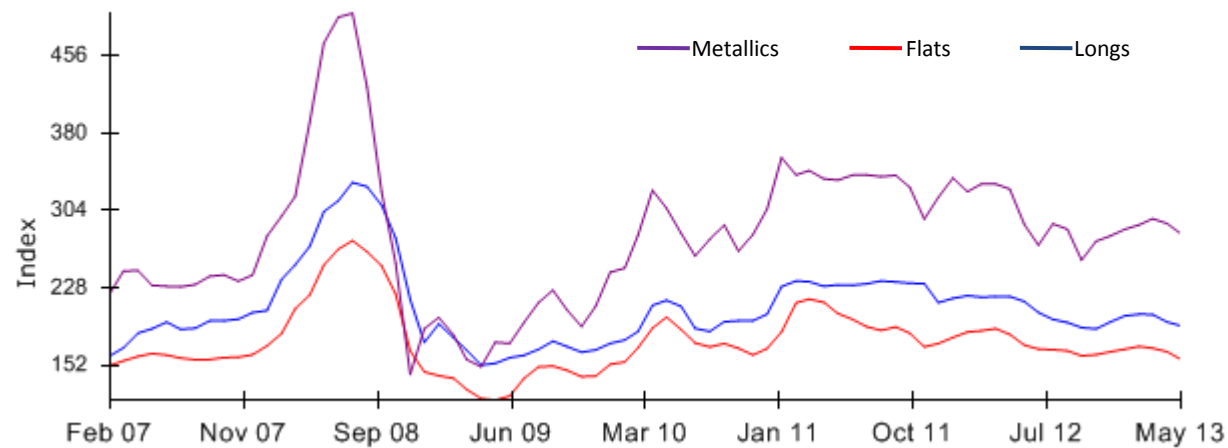
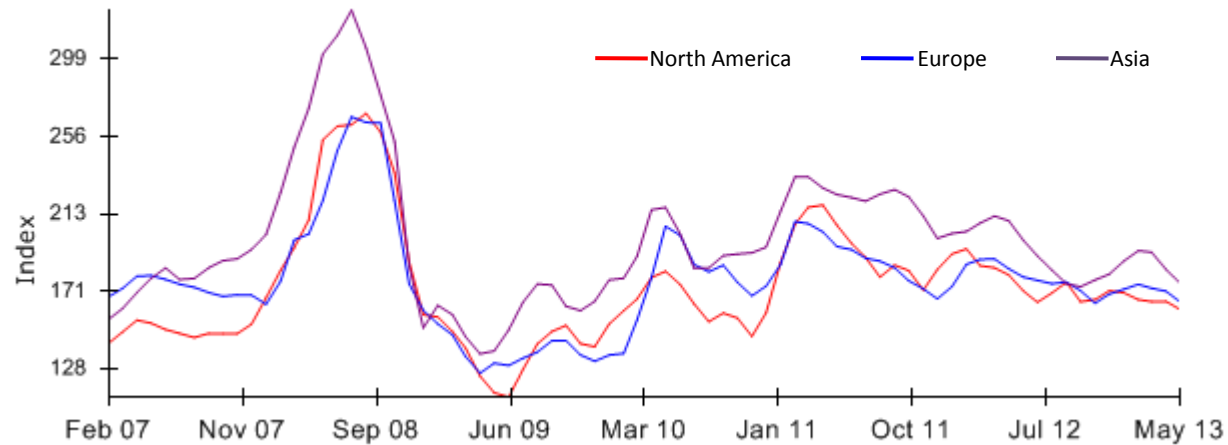
Iron ore Fines 62% CFR North China (US\$/t)



Chinese iron ore inventory at ports

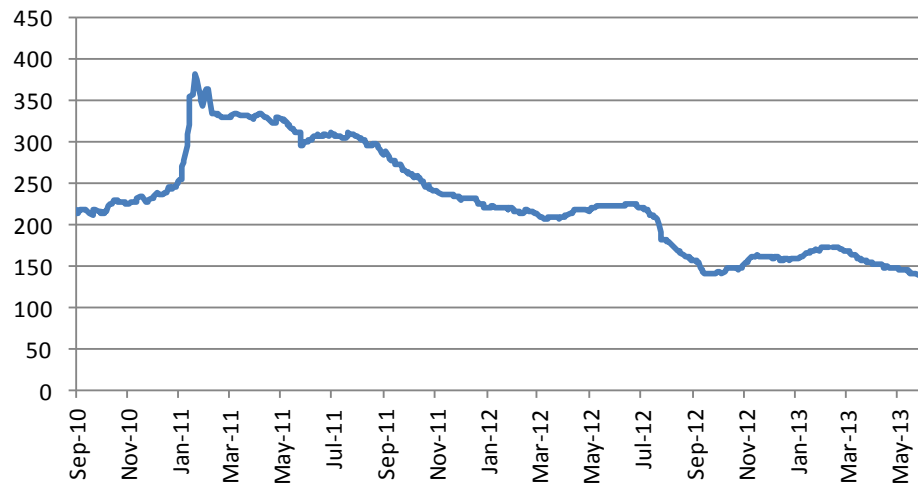


Evolution of steel prices

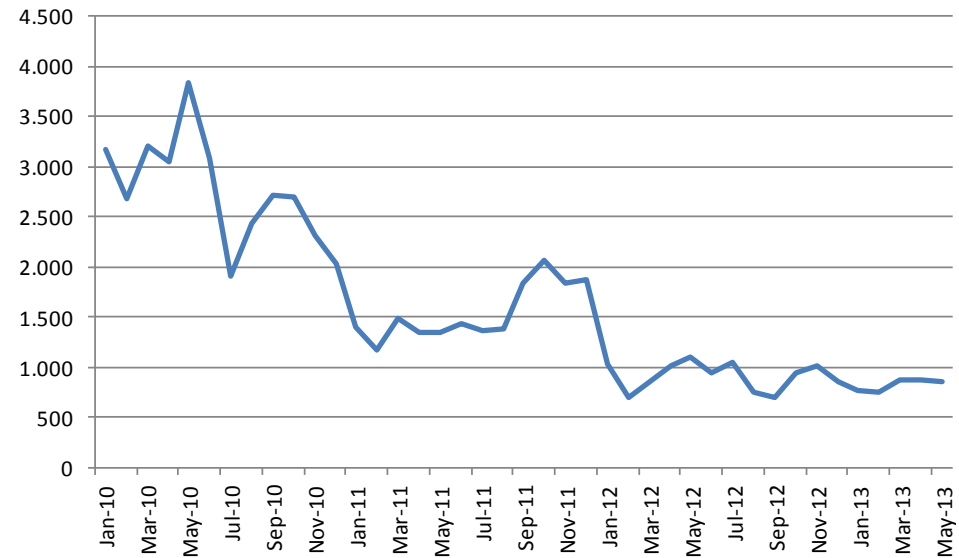


Evolution of key raw materials

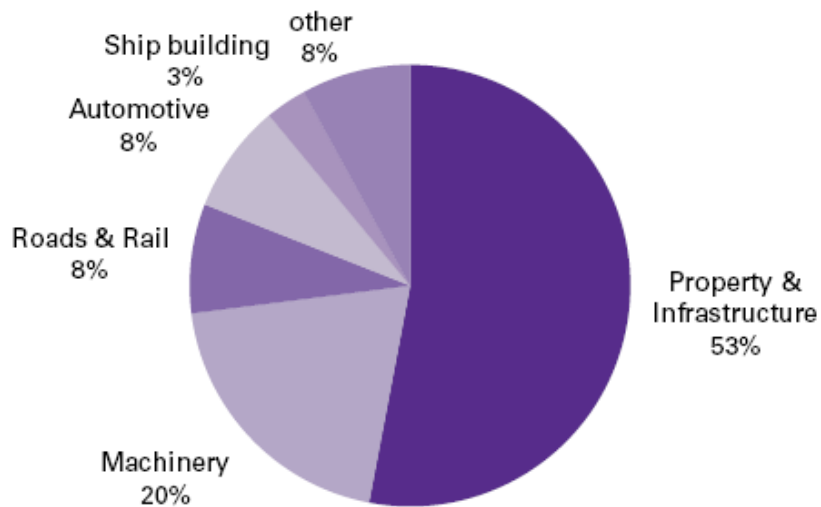
Metallurgical Coal (US\$/TM)



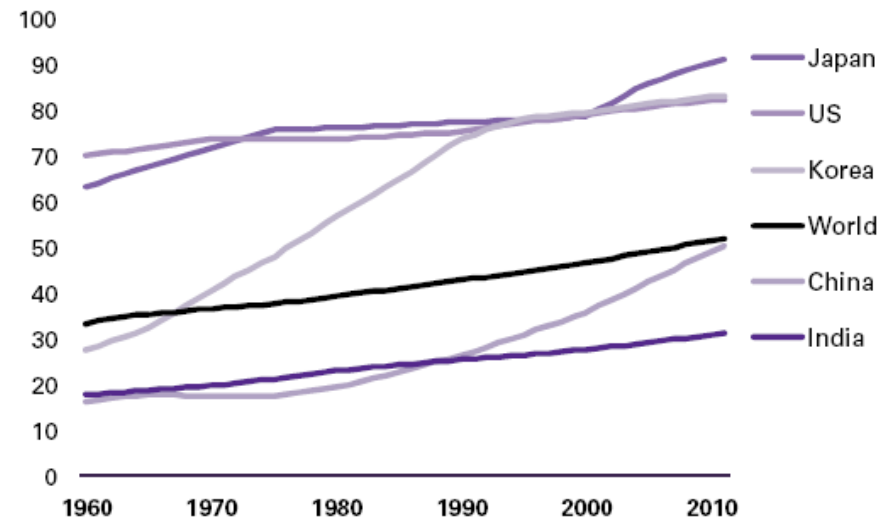
Baltic Dry Index



China steel consumption by end use

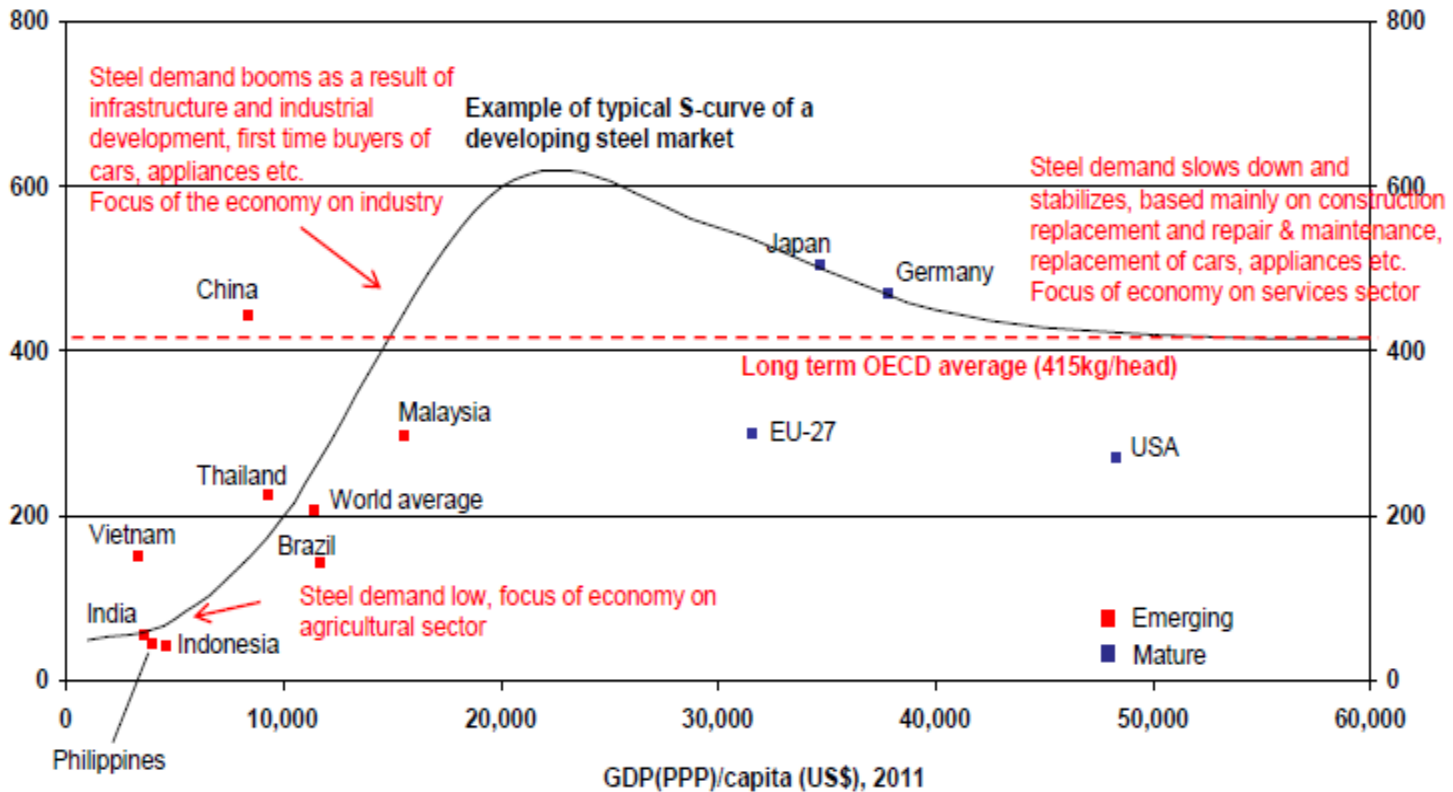


Urban population (% of total)



Sustained growth of steel consumption

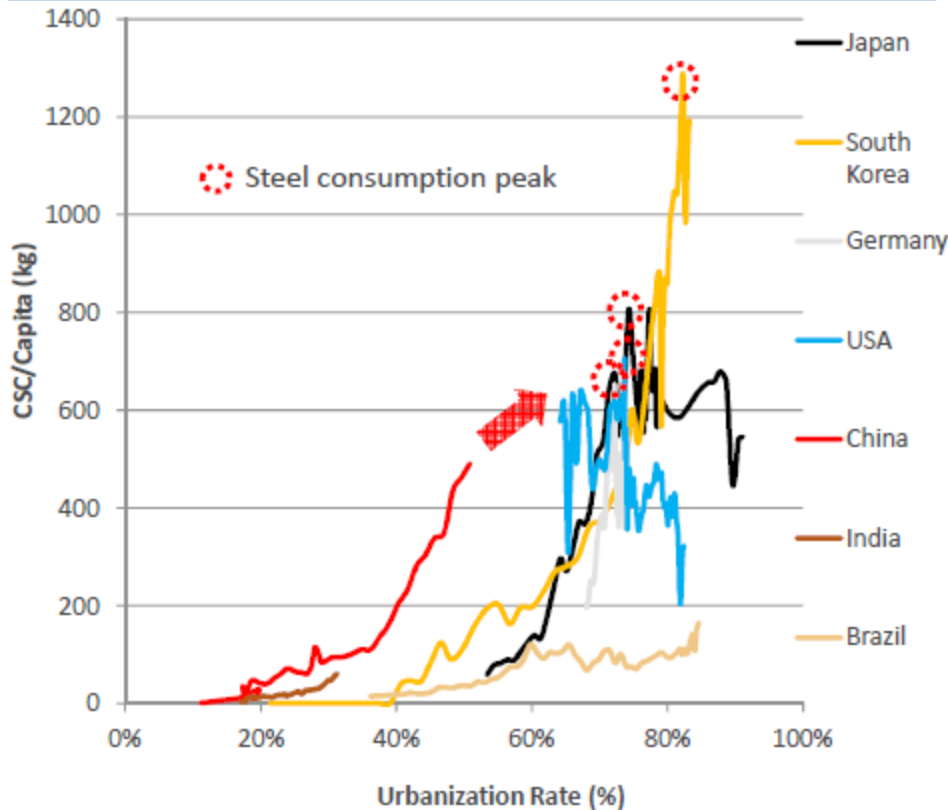
Finished steel consumption/capita (kg), 2010



Source: WSA, CIA, Tata Steel Construction Centre NL, SteelConsult

February 2013

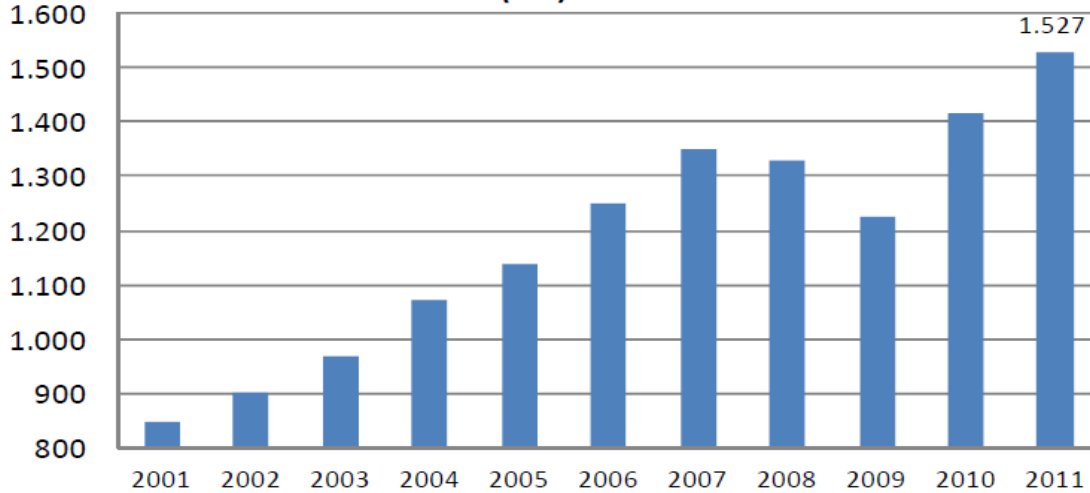
Urbanization Rate & CSC (1950 – 2012)



- Urbanization trend indicates further potential for Chinese steel consumption (CSC)
- Steel production per capita in most developed countries only peaked when urbanization rate was above 70%
- China's urbanization rate was around 52% in 2012. Assuming China urbanizes at approximately 1.8% pa., another 10 years are needed to reach 70% (2021)

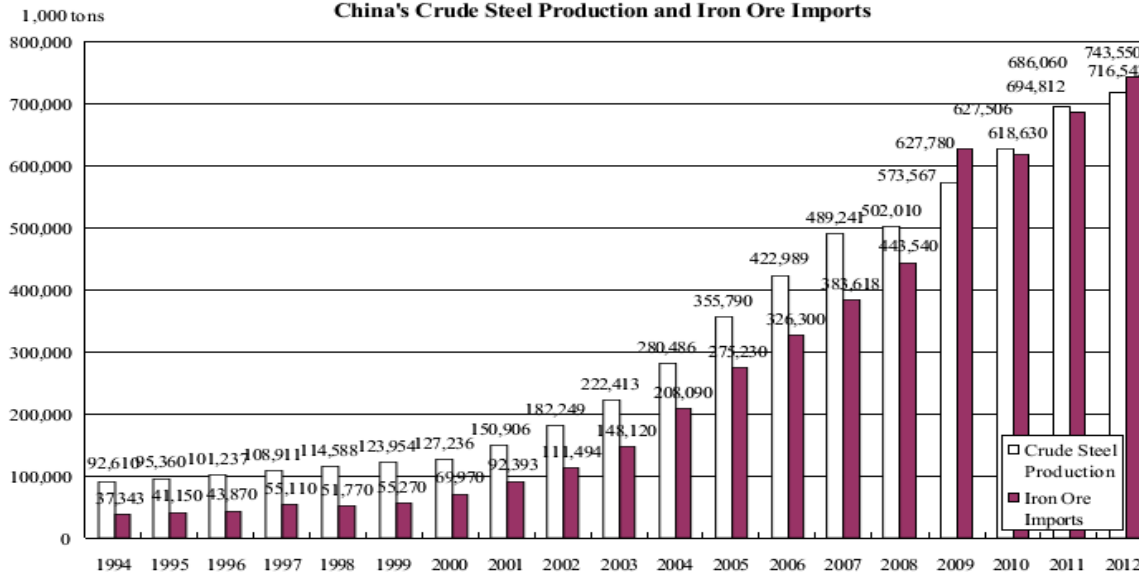
Growing world steel and China's production

World Crude Steel Production (Mt)

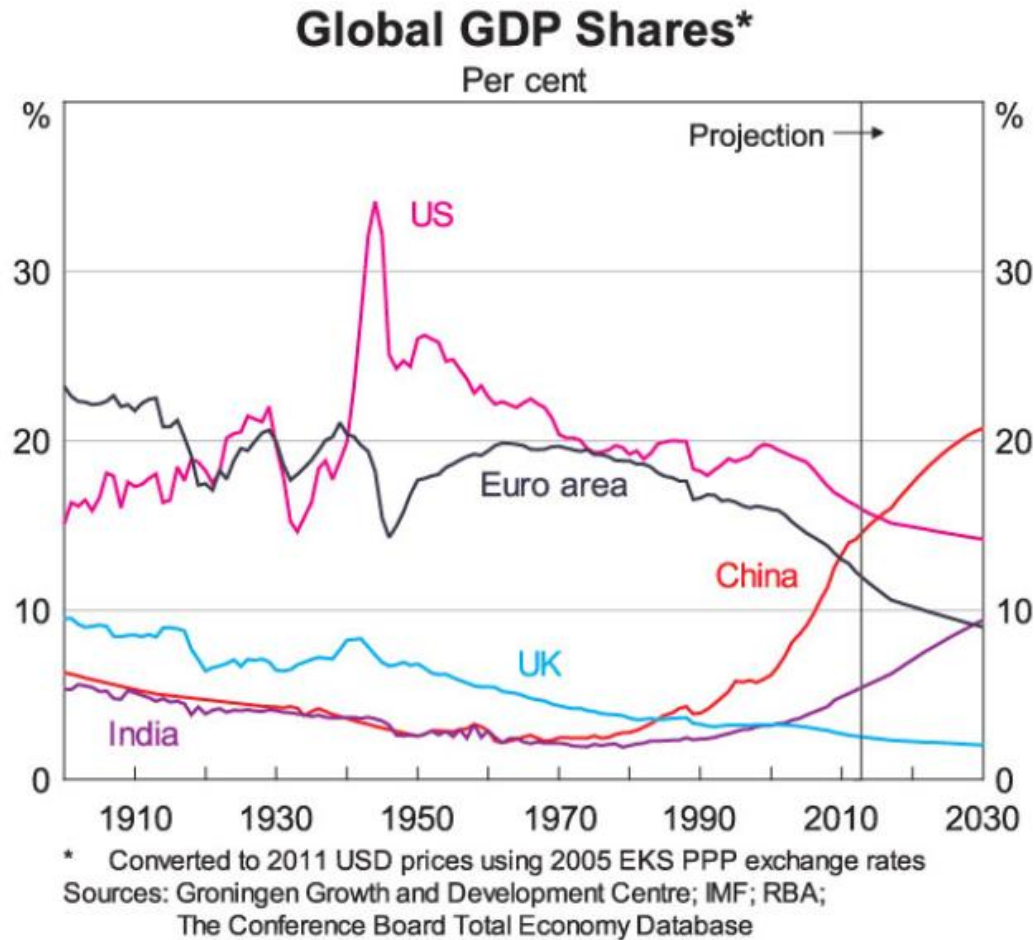


In 2012, the WORLD Crude Steel production was 1.549 MT, a 1.4 % growth over 2011

China's Crude Steel Production and Iron Ore Imports

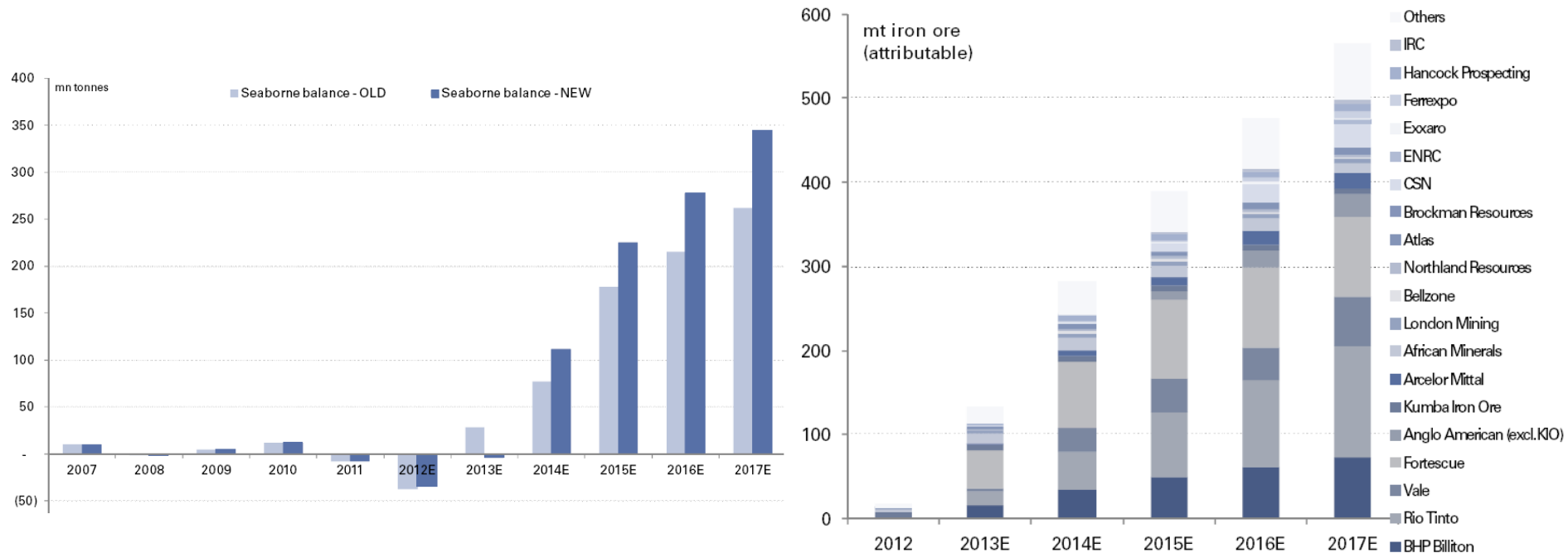


In 2012, China crude steel production grew a 3,2% and the iron ore imports grew 8,3%.

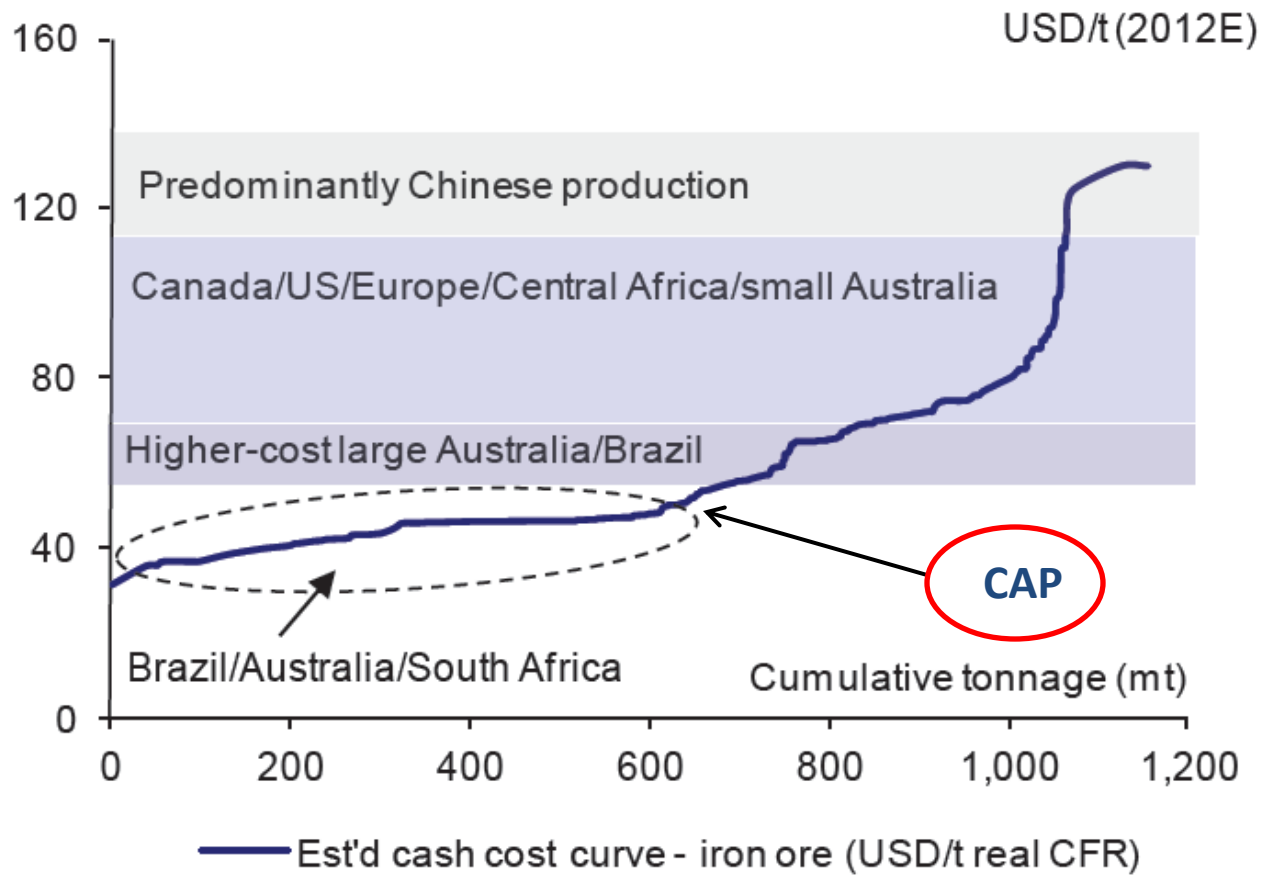


Seaborne iron ore supply - demand balance

68% (381 million MT) of total potential capacity addition comes from the Big 4 (Rio Tinto, Vale, BHP Billiton and Fortescue)



Iron ore cash cost curve



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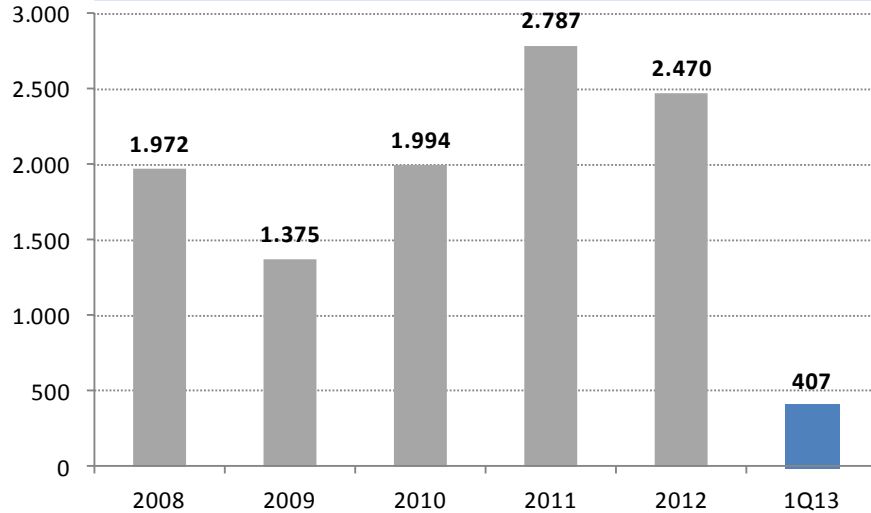


USD Million	2008	2009	2010	2011	2012	1Q13
Sales	1.972	1.375	1.994	2.787	2.470	407
EBITDA	534	128	740	1.184	764	138
<i>EBITDA Margin</i>	<i>27,1%</i>	<i>9,3%</i>	<i>37,1%</i>	<i>42,5%</i>	<i>30,9%</i>	<i>33,8%</i>
Net Income	291	25	590	442	231	45
Cash	379	393	981	883	711	631
Gross Financial debt	880	907	1.001	628	719	741
Net Financial debt	501	514	20	-255	8	109
Net Financial Debt /EBITDA	0,94	4,01	0,03	-0,22	0,01	0,16
Capex	161	142	207	282	777	248

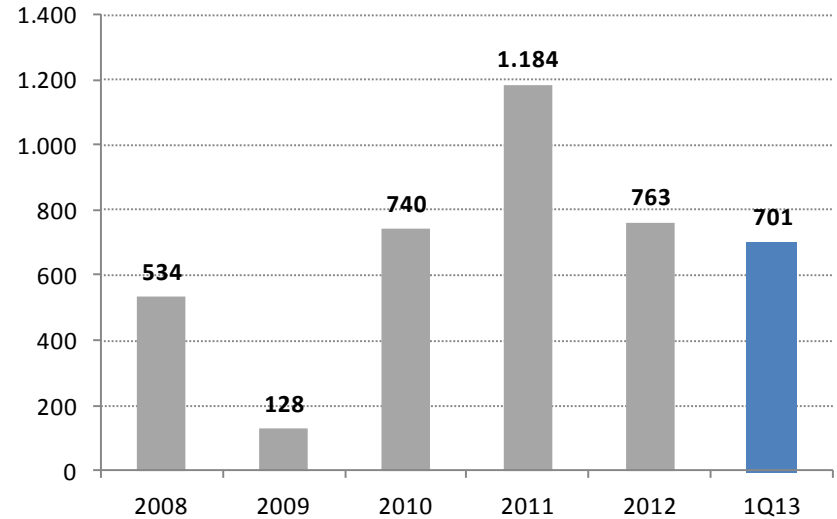
Financial performance



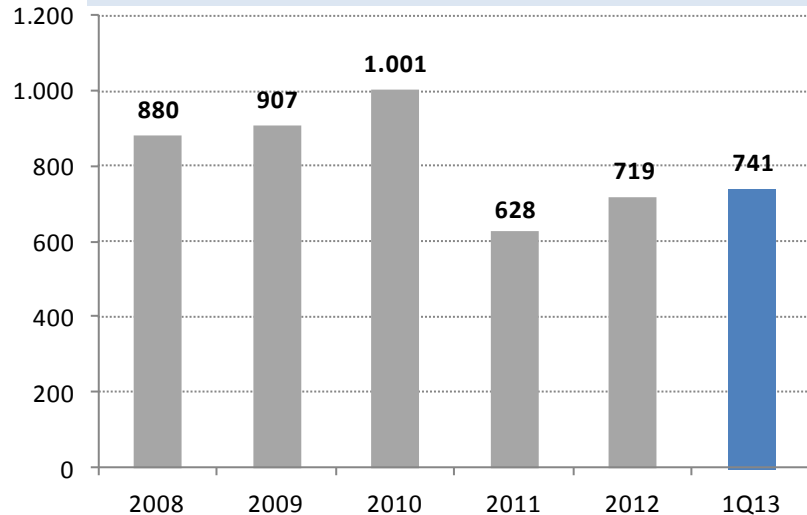
Sales (US\$ million)



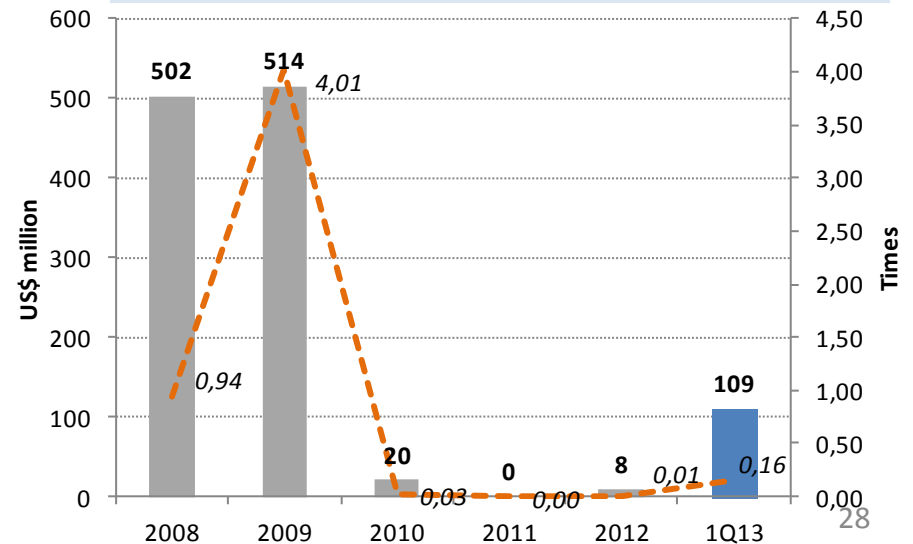
EBITDA (US\$ million) (*)



Gross financial debt (US\$ million)

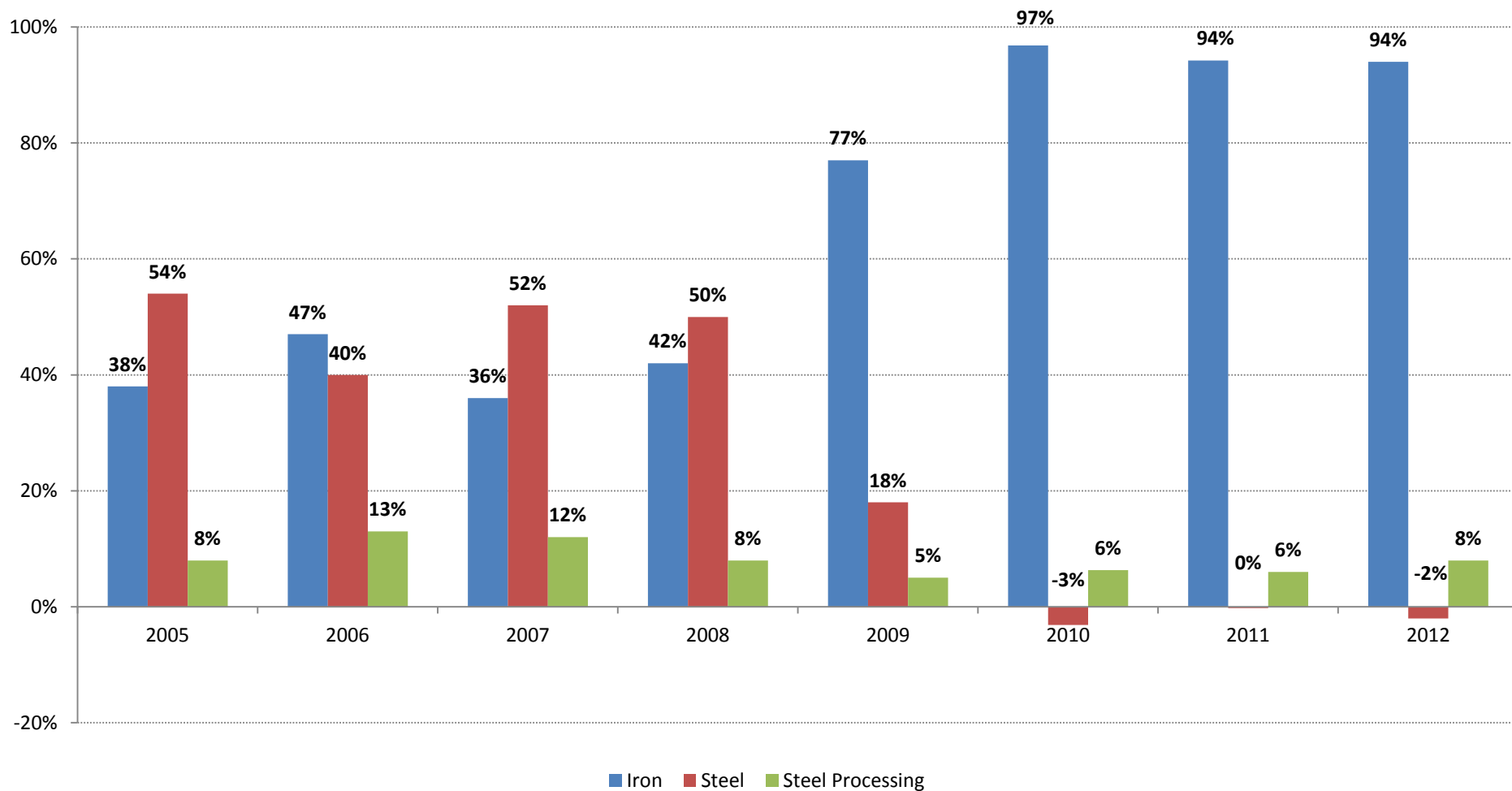


Net financial debt / EBITDA



(*) EBITDA = Gross Margin – S&A Expenses + Depreciation + Amortization, over the last twelve months

EBITDA contribution by business



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Los Colorados (brownfield expansion)

- Current production: 5.2 million tonnes / Pellets and pellet feed
- Projected increase: 2.0 million tonnes / Pellet Feed
- Under construction and estimated production start-up: 3Q 2013
- CAPEX: US\$ 438 million



Cerro Negro Norte (greenfield expansion)

- Production: 4.0 million tonnes / Pellet feed
- Under construction and estimated production start-up: February 2014
- CAPEX: US\$ 959 million



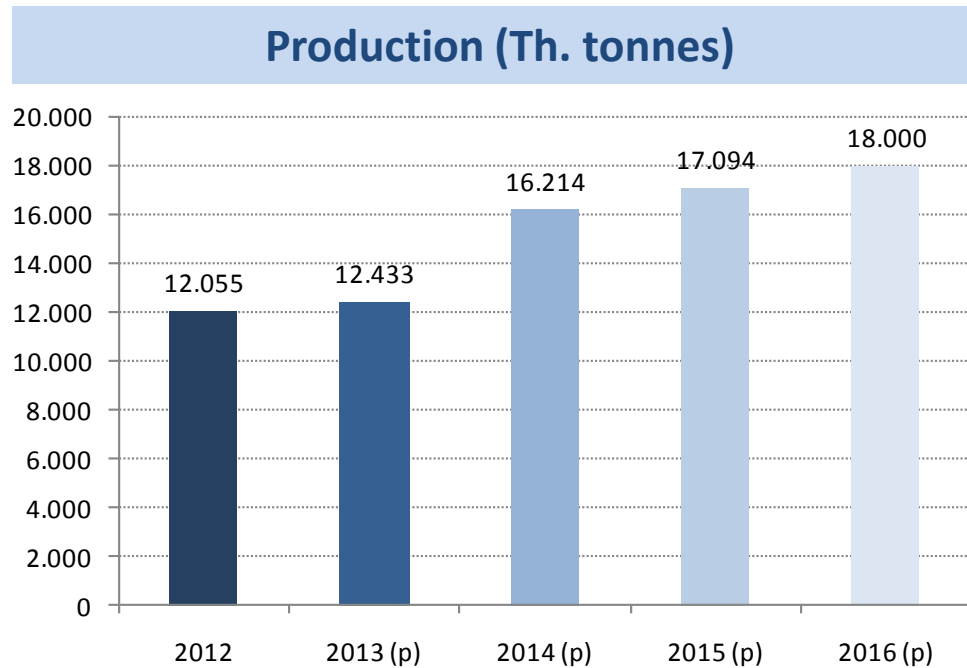
Romeral Phase V

- Mine life extension
- Under construction and estimated start-up: 1S 2014
- CAPEX: US\$ 198 million



Desalination Plant

- Capacity up to 400 lt/s
- Under construction and estimated start-up: September 2013
- CAPEX: US\$ 360 million



- In 2012 the average cash cost per ton was US\$ 48,76 (FOB)
- Financing of existing expansion projects would be mainly through internal cash generation
- Construction of a Desalination Plant (up to 600 lt/s) will cover water needs of Cerro Negro Norte project and third parties mining operations in the zone
- Investment in exploration will continue to improve knowledge of our mining property for future development and growth

Steel Production

- Domestic demand for steel is strongly influenced by Construction and Mining sectors. Demand for long steel in Chile substantially exceeds that for flat steel, due to the dynamism of the above mentioned industries
- Optimization of its steel production capabilities, through a gradual reorientation towards long steels
- Operational focus in cost efficiency and optimization of product lines and seeking commercialization synergies with steel processing business
- Main goal is to secure a domestic market share with tonnages of CAP's own steel and/or alternatively imported material

Steel Processing

- Main focus is to serve the construction, industry and infrastructure sectors
- Chile is Latin America's most advanced user of steel in construction
- Operating at full capacity in Chile since 2010, following the country's GDP
- Growth focus in Peru and interest to enter Colombia and/or Brazil markets



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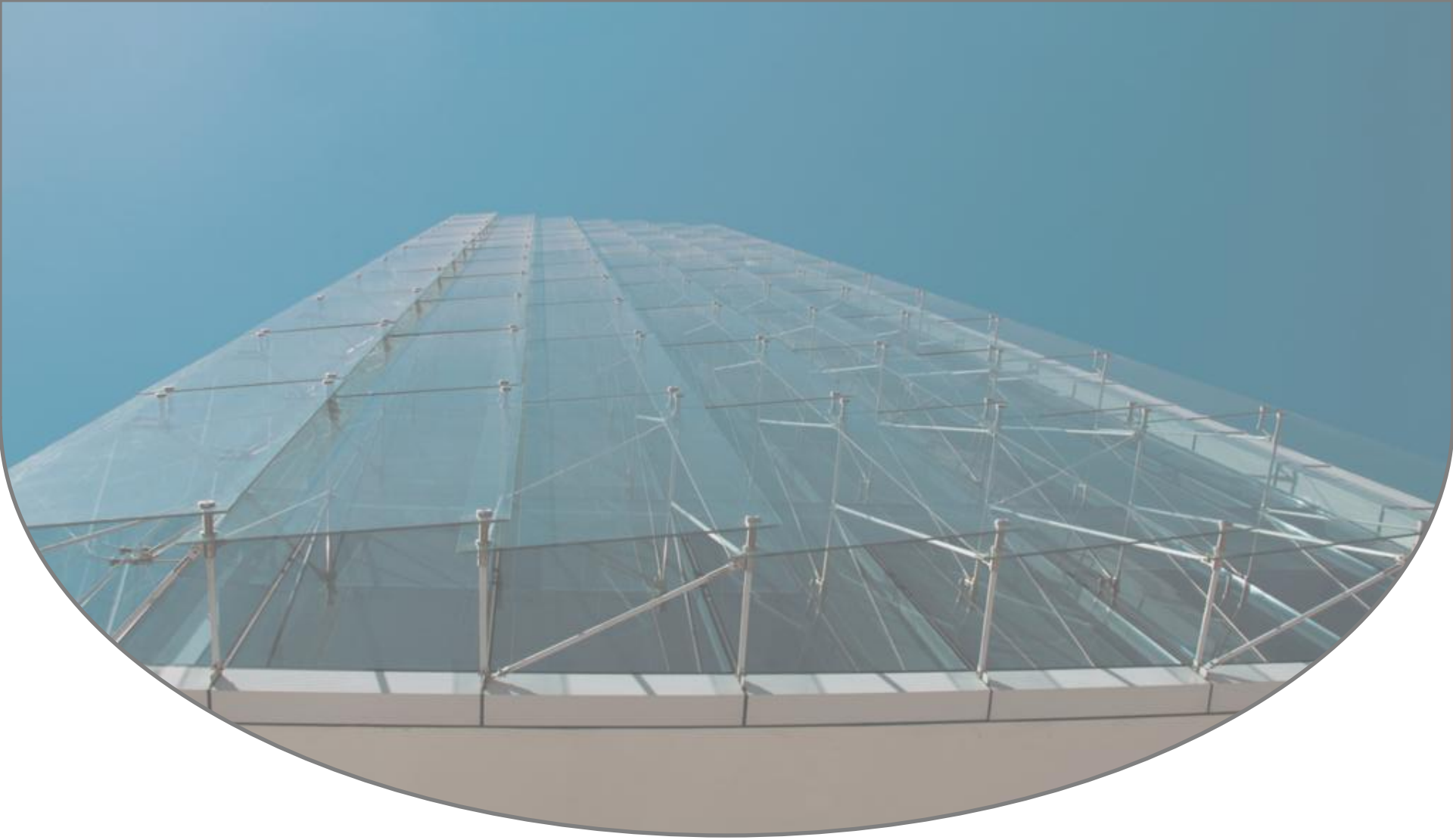
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- Growth in the iron ore business
- Further expansion to 30 – 40 million tonnes possible through iron ore development projects currently under consideration
- Steel strategy to maintain its predominant position in Chile and have at least neutral EBITDA contribution to the CAP Group
- CAP group is well positioned to benefit from a high growth potential of the steel processing business in Latin America
- Strong financial position provides viability to growth objectives

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