



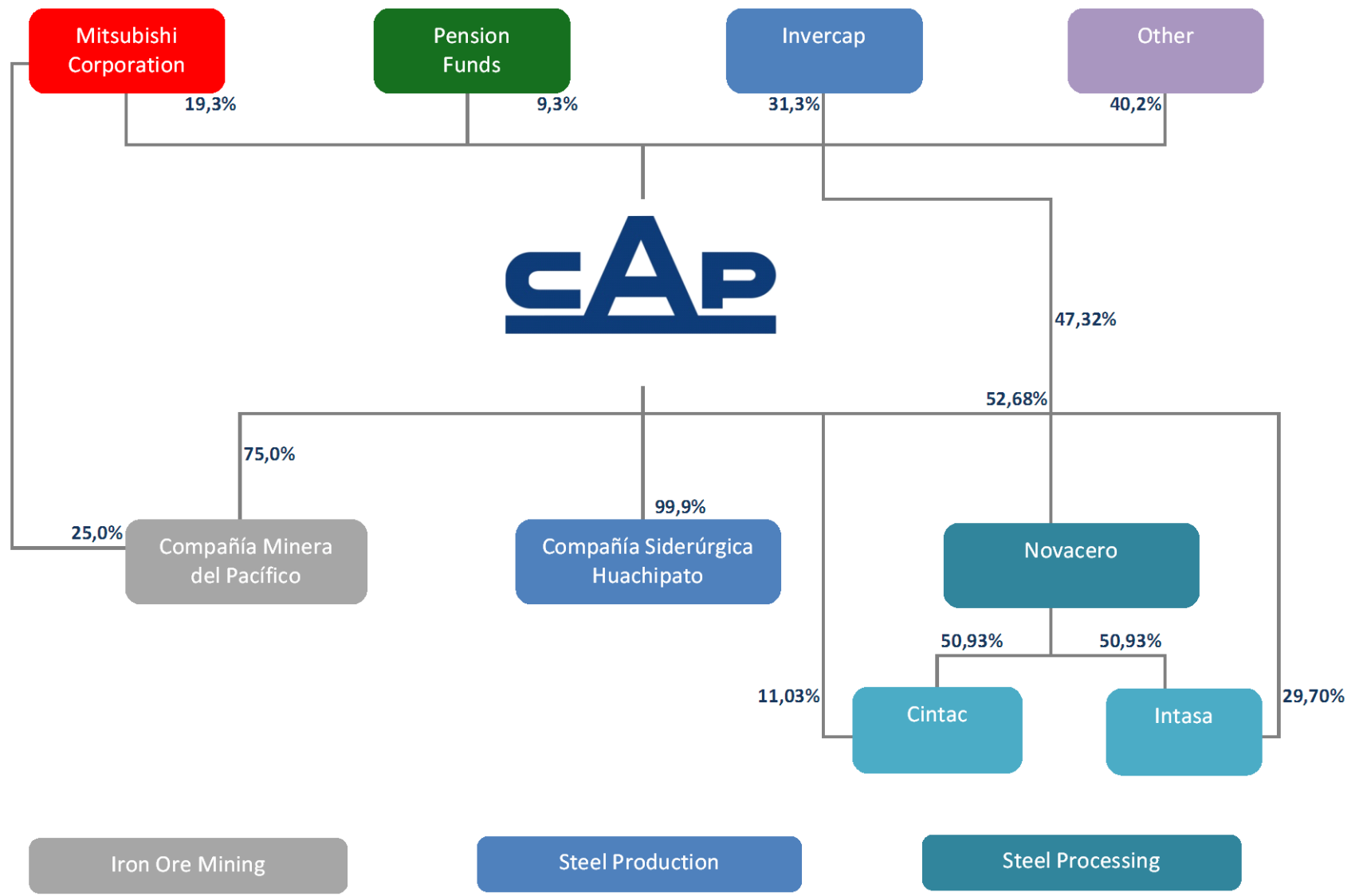
CAP

September 2012

Company overview

Global industry update

Conclusions

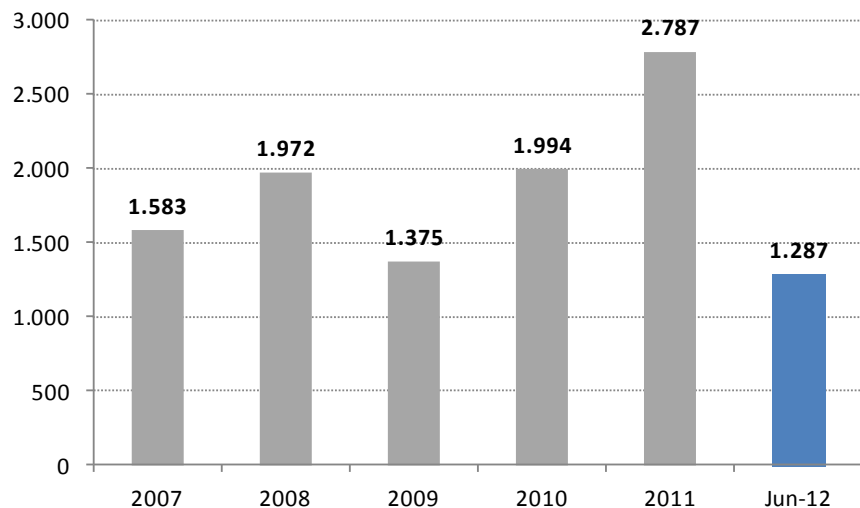


(US\$ million)	2007	2008	2009	2010	2011	1H12
Cash	184	379	393	981	883	906
Gross financial debt	623	880	907	1.001	628	647
Net financial debt	439	501	514	20	(255)	(259)
EBITDA	336	534	128	740	1.184	1.094
Net financial debt / EBITDA	1,31x	0,94x	4,01x	0,03x	0,00x	0,00x
Net income	236	293	(15)	303	442	175
CAPEX	309	161	142	207	282	256

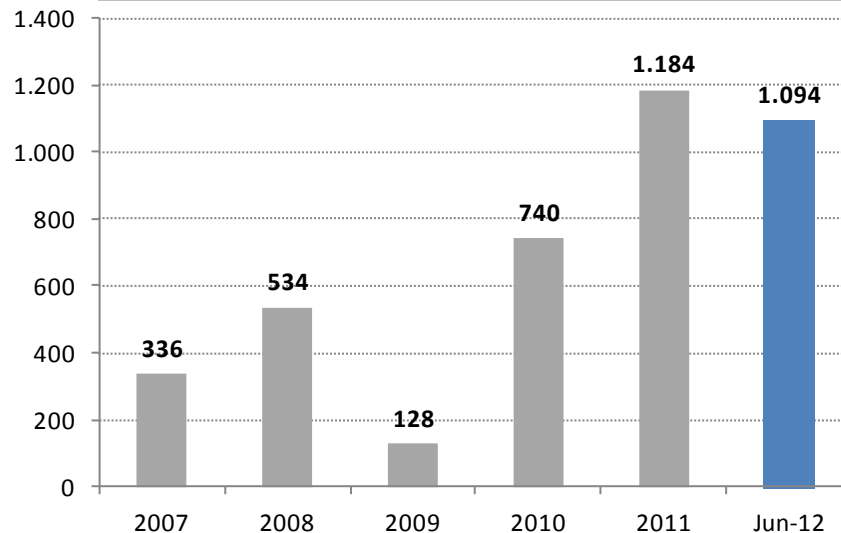
Financial performance



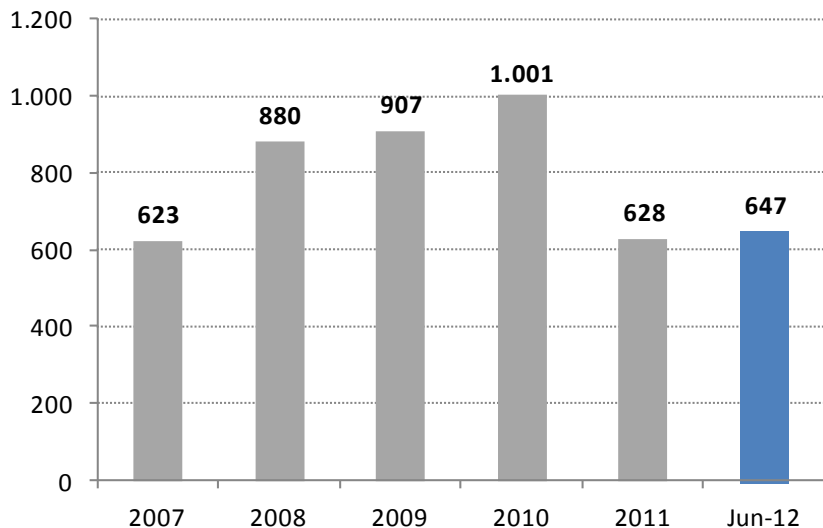
Sales (US\$ million)



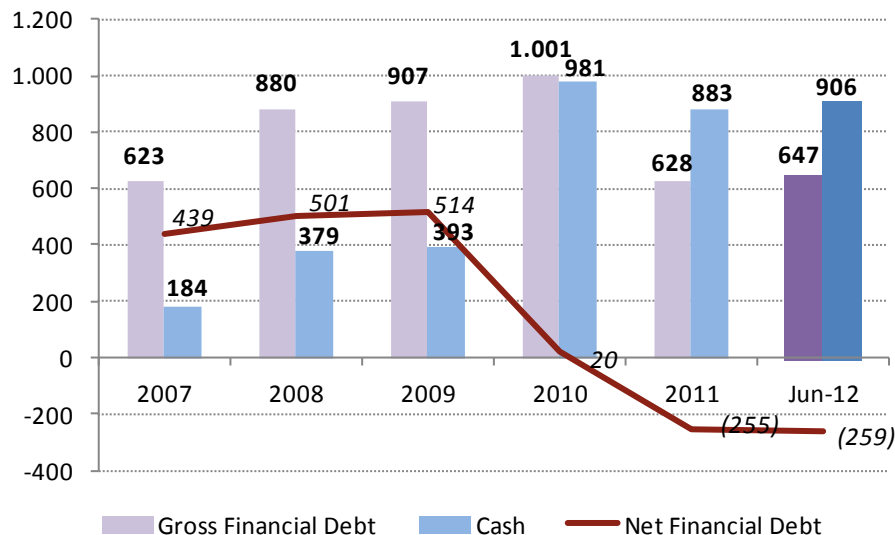
EBITDA⁽¹⁾ (US\$ million)



Gross Financial Debt (US\$ million)



Net Financial Debt (US\$ million)

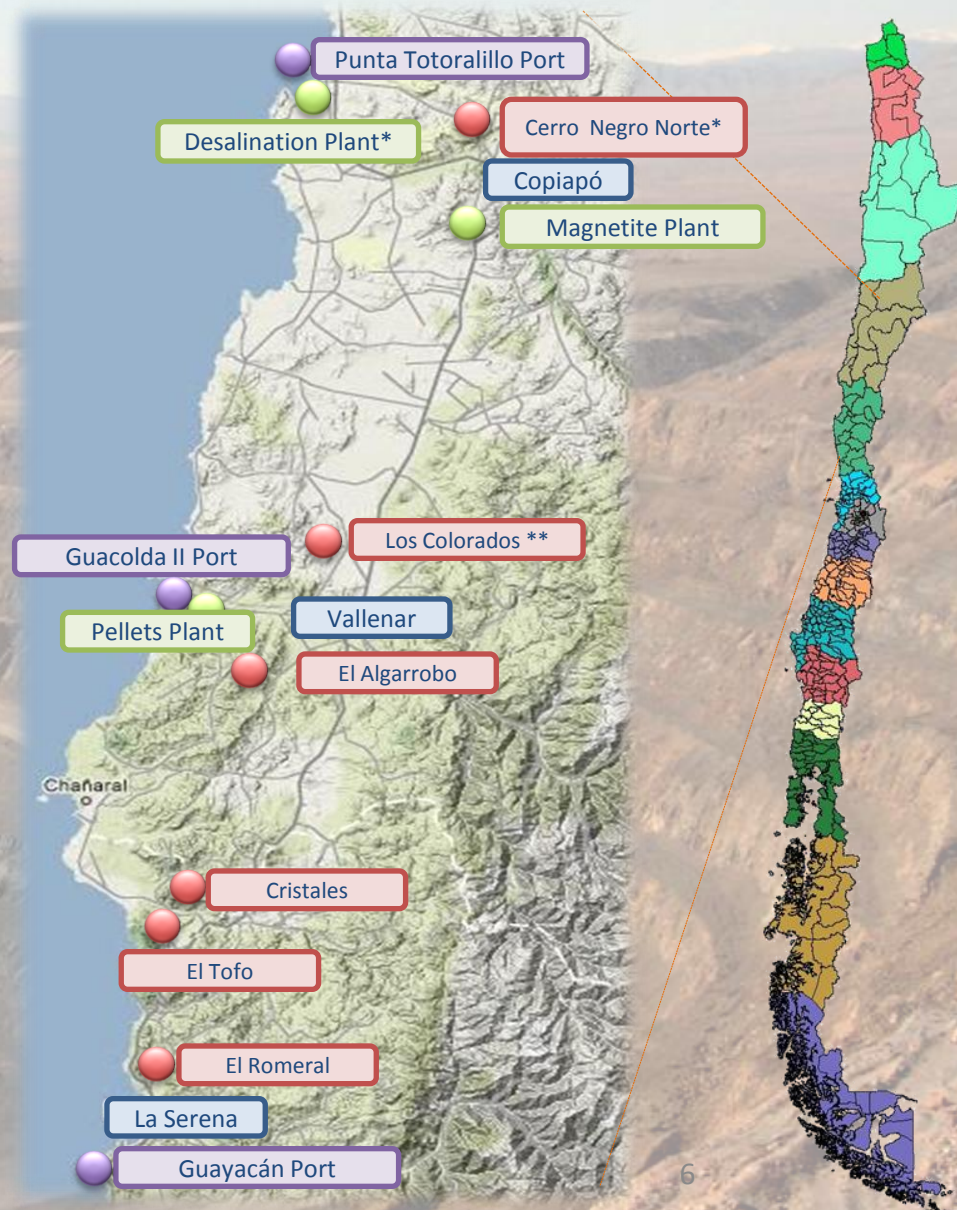


(1) EBITDA: Gross Margin – S&AE + Depreciation and Amortization, over the last twelve months

Iron ore mining operations

(Los Colorados Mine)

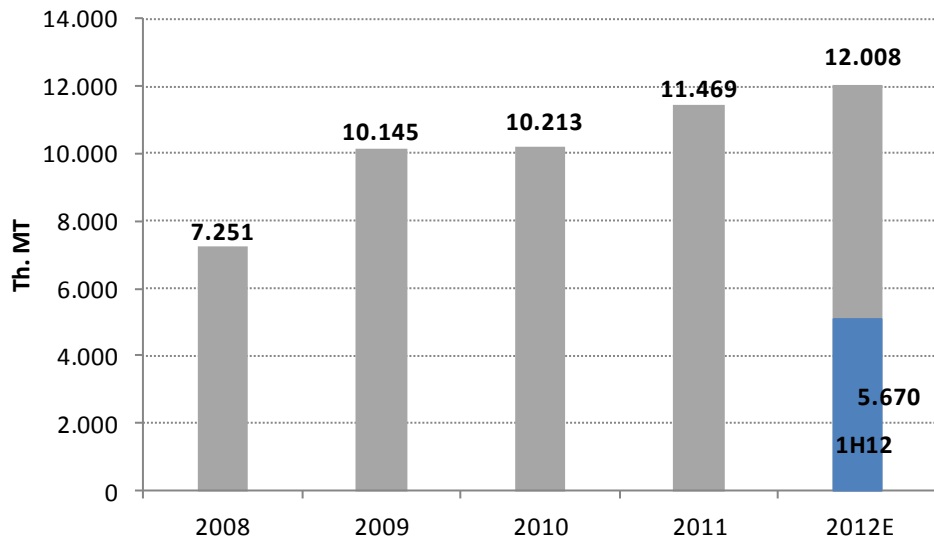
There are currently three different and independent areas of operation in the north of Chile, located around the cities of Copiapó, Vallenar and La Serena:



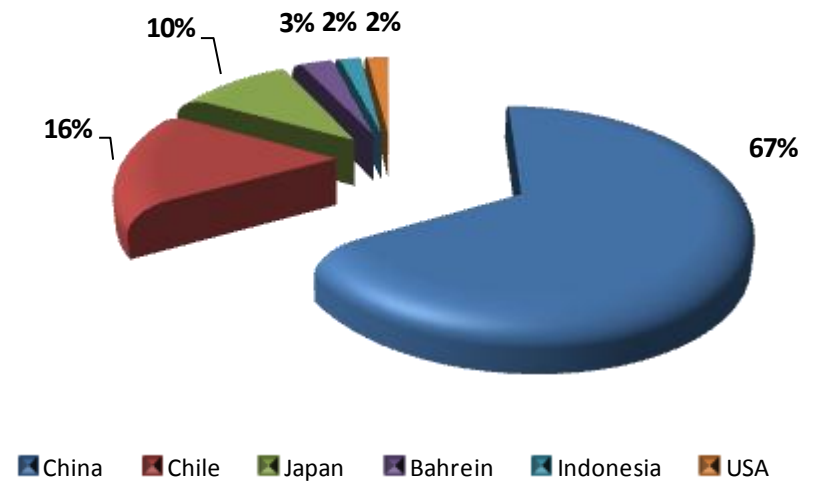
* Under construction

** Under expansion process

Shipments



Markets 1H2012



Resources and reserves of magnetite ore



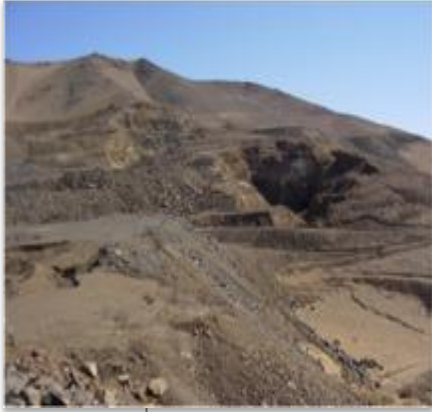
Mine / Deposit	Total Mineral Resources (1)		Reserves (2)	
	MTM	Grade (% Fe)	MTM	Grade (% Fe)
Existing operations				
Los Colorados (under expansion) + District	425	45,0%	244	43,8%
El Romeral	464	28,4%	106	30,5%
El Algarrobo	90	49,0%	47	48,3%
Hierro Atacama I - Candelaria (3)	280	10,0%	280	10,0%
Projects under construction				
Cerro Negro Norte	457	34,6%	177	39,0%
Reserves for future development				
Tofo	1.527	27,4%	691	28,7%
El Laco	734	49,2%	376	56,7%
El Algarrobo District	590	32,8%	118	35,5%
Cristales	150	32,8%	1	58,8%
Total	4.716	33,4%	2.039	35,0%

Source: CAP

- As a result of continued successful exploration campaigns, iron ore resources have increased progressively over the years, reaching 4.716 million MT in 2011
- Current resources would allow for eventual 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.

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 to be completed.



Cerro Negro Norte (greenfield project)

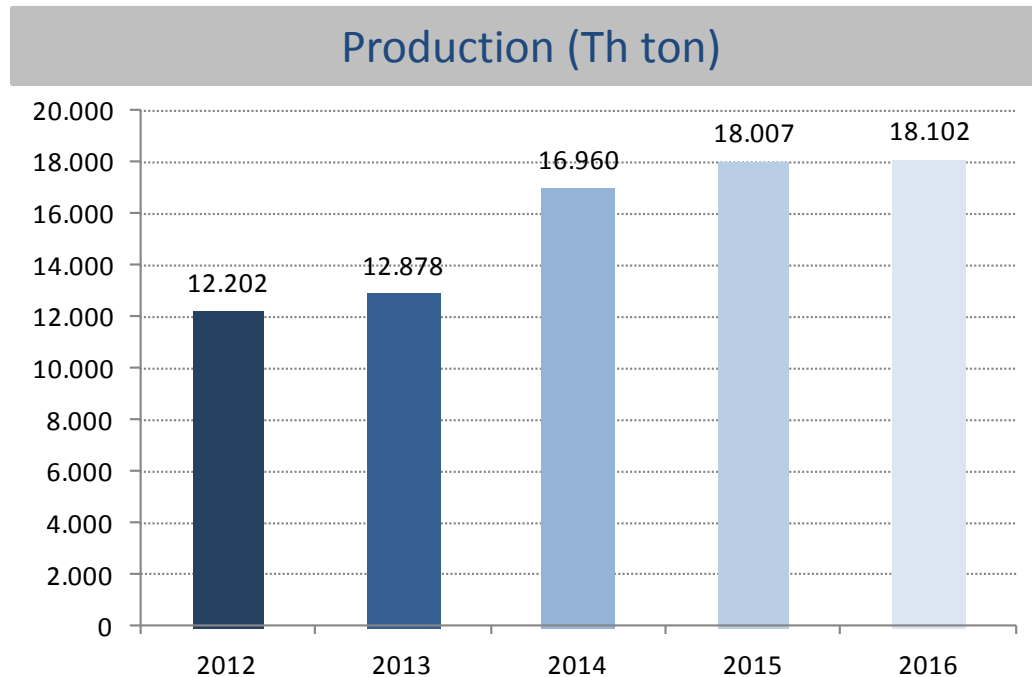
- Production: 4.0 million tonnes / Pellet feed
- Estimated new production start-up: October 2013
- CAPEX: US\$ 880 million



Los Colorados (brownfield expansion)

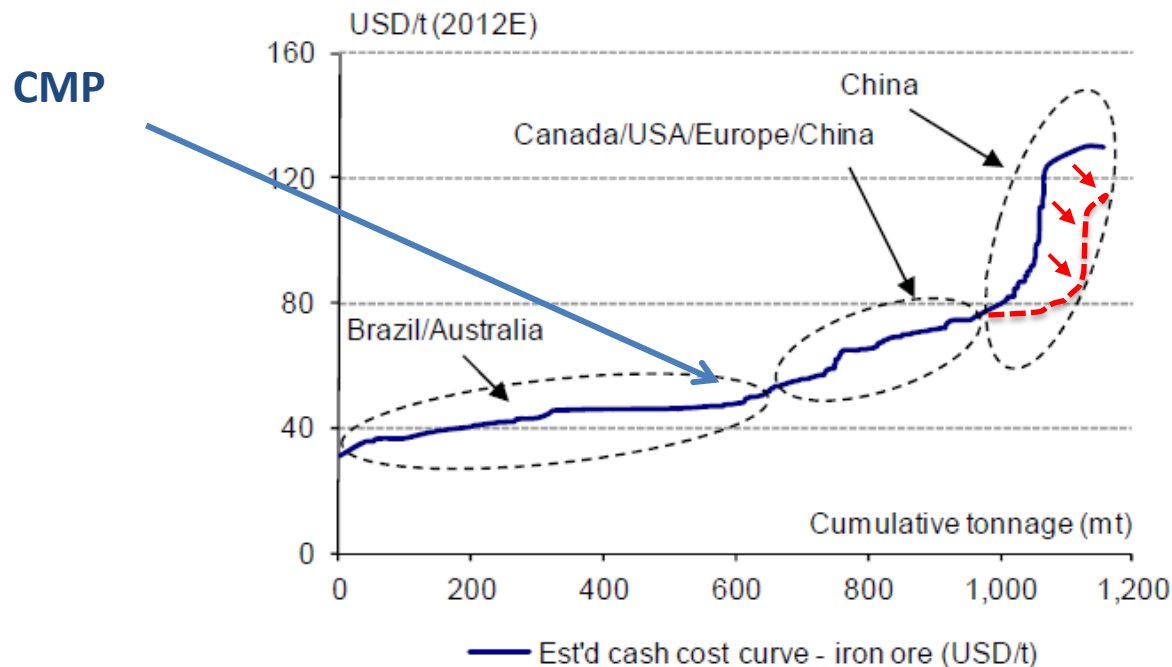
- Current production: 5.2 million tonnes / Pellets and pellet feed
- Projected increase: 2.0 million tonnes / Pellet Feed
- Estimated new production start-up: May 2013
- CAPEX: US\$ 413 million

- Desalination plant (up to 400 lts/s): start-up May 2013 / Capex US\$ 360 million



- Production capacity will increase from 12 million MT in 2012 to 18 million MT in 2015
- Current average cash cost per ton US\$ 45,89 (12 million tons)
- Expected average cash cost per ton, with new projects, US\$ 48,31 (18 million tons)
- Investment in exploration will continue to ensure further knowledge of our mining property for future development and growth
- Financing of expansion projects targeted to be financed with internal cash generation

Iron ore cost curve



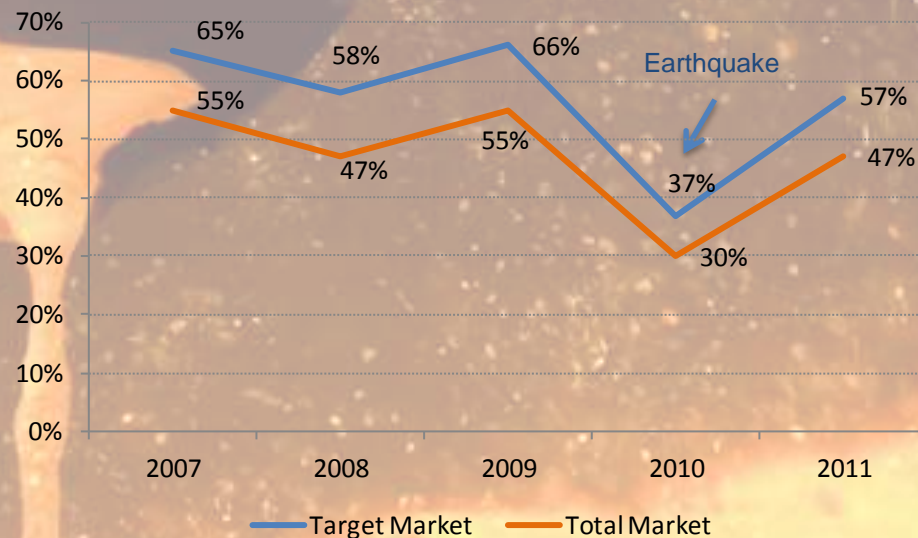
Source: Deutsche Bank

- Even though iron ore chinese producers are high cost producers, short - term measures applied by its government, such as rebates and tax reductions, have permitted them an unsustainable competitive position due to an artificial shift on the iron ore cost curve

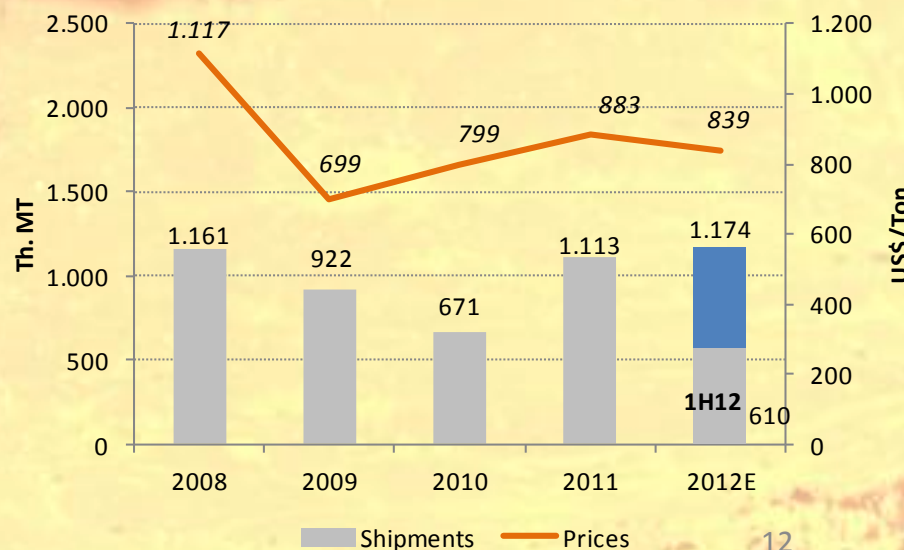
Steel production

- 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
- Vertical integration in iron and limestone provides an advantage in economic cycles
- Long products: Rebar, wire rod and grinding bars.
Flat steel: HRC

Market share



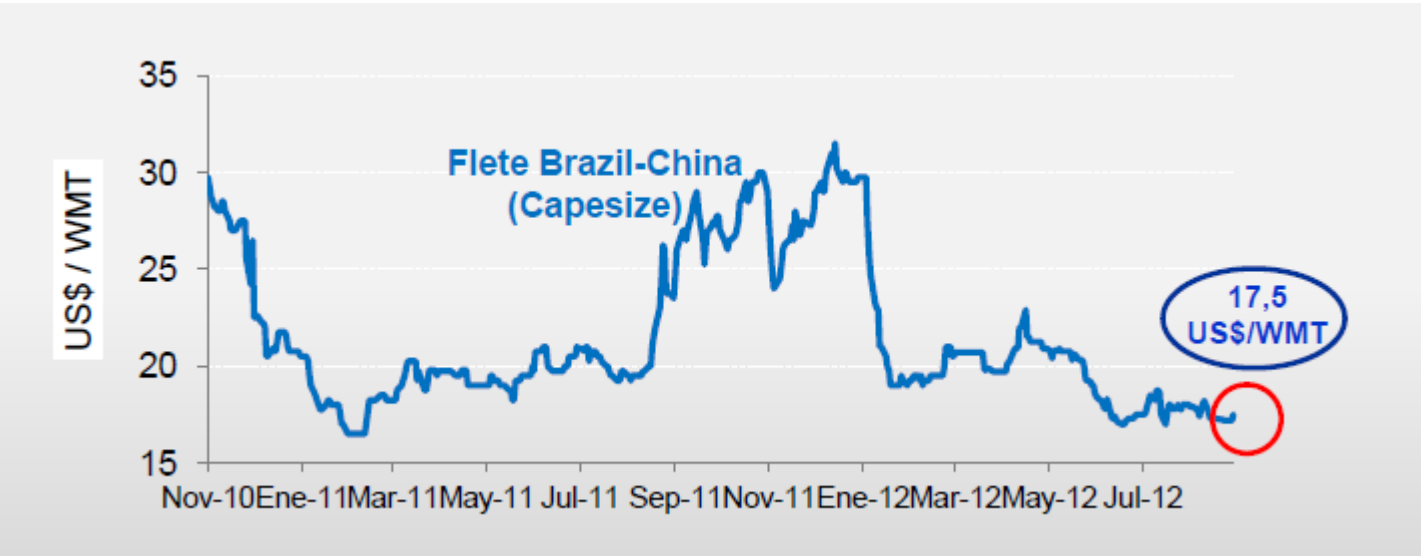
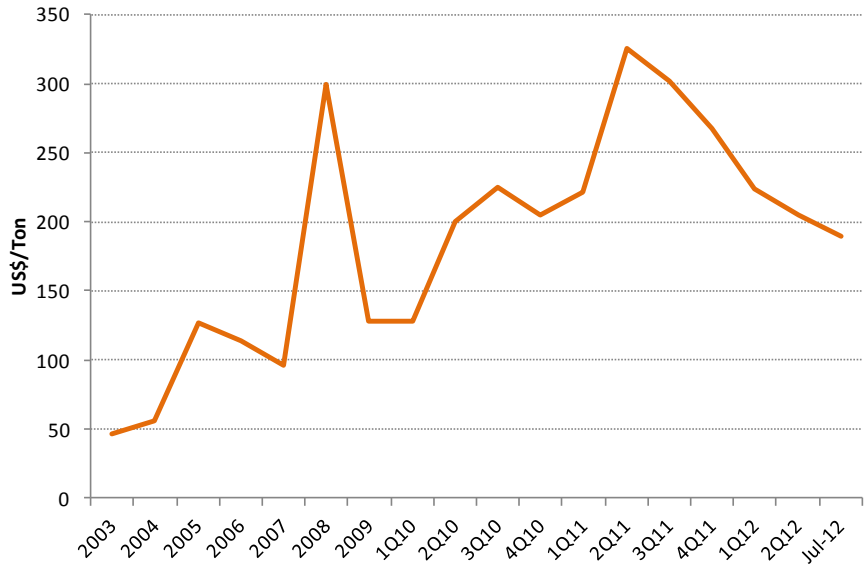
Shipments and prices



- Under process of optimizing its steel production capabilities, through a gradual reorientation towards long steels
- Demand for long steel in Chile substantially exceeds that for flat steel as the mining and construction industries consolidate their position as the most dynamic sectors in the Chilean economy
- Substantial global overcapacity in steel production, a significant obstacle to an increase in Chilean steel capacity
- Operating focus on cost efficiency and optimization of product lines and commercialization synergies with steel processing

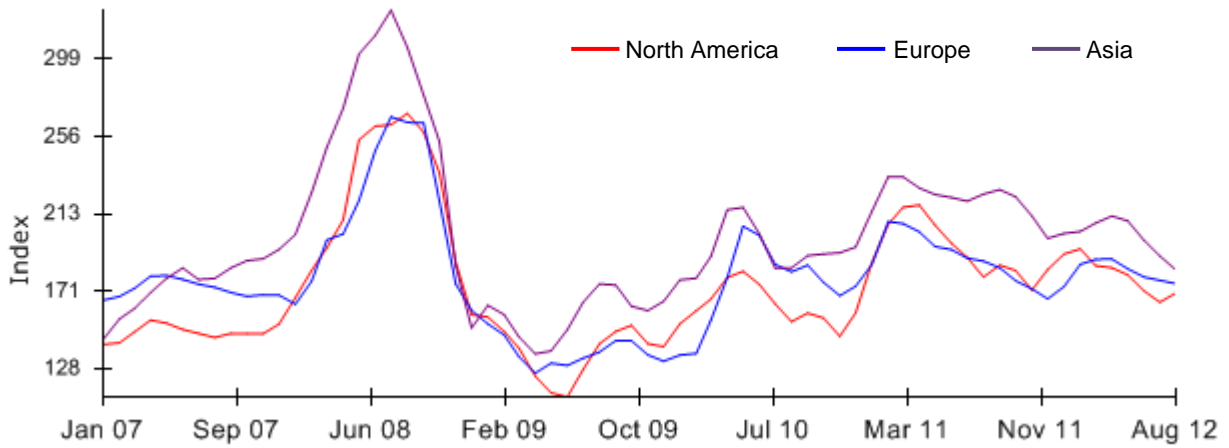


Metallurgical Coal

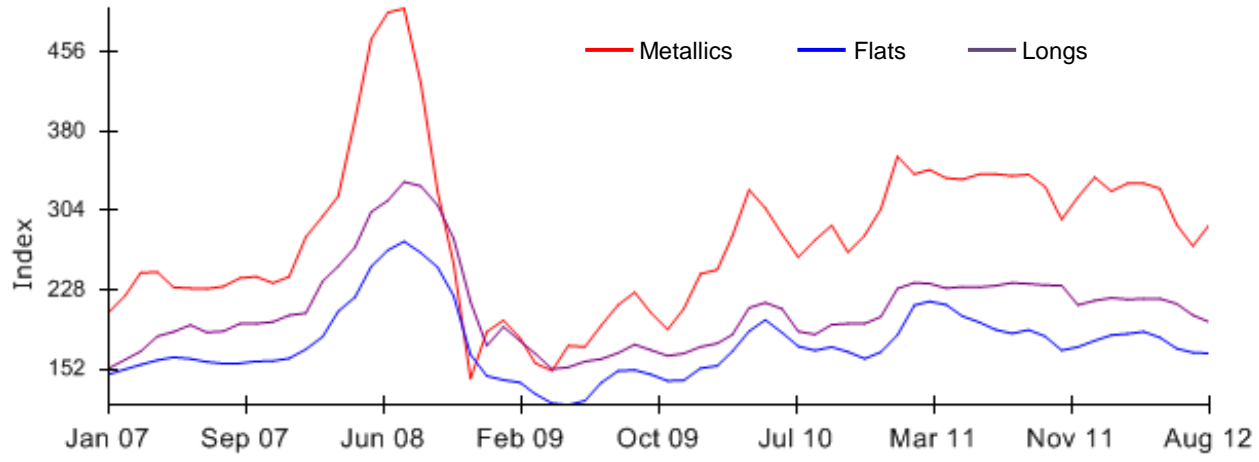


Source: CAP, Platts, August 2012

Evolution of steel prices



Source: www.crugroup.com

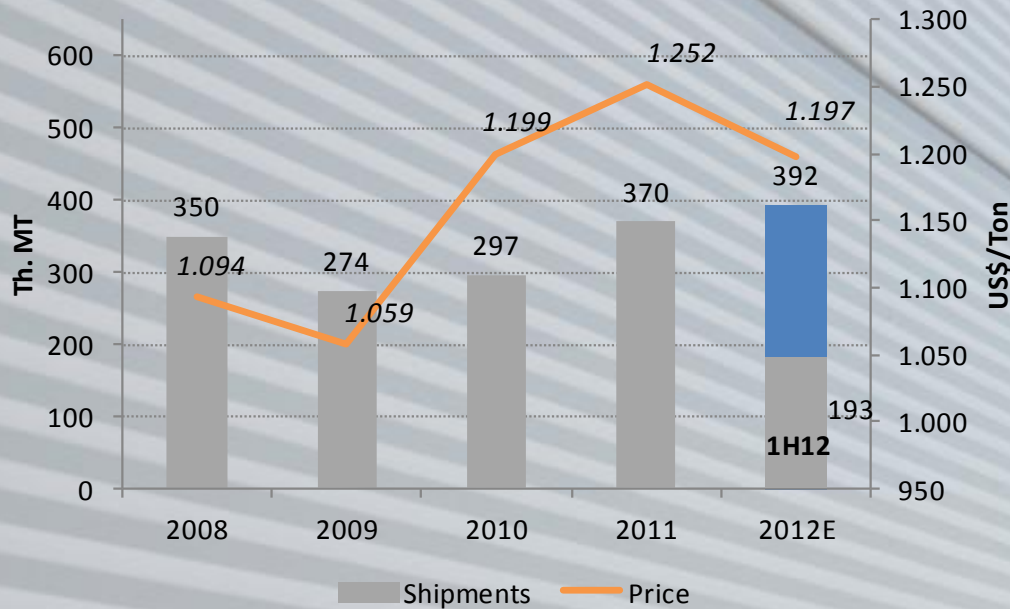


Source: www.crugroup.com

Steel processing

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

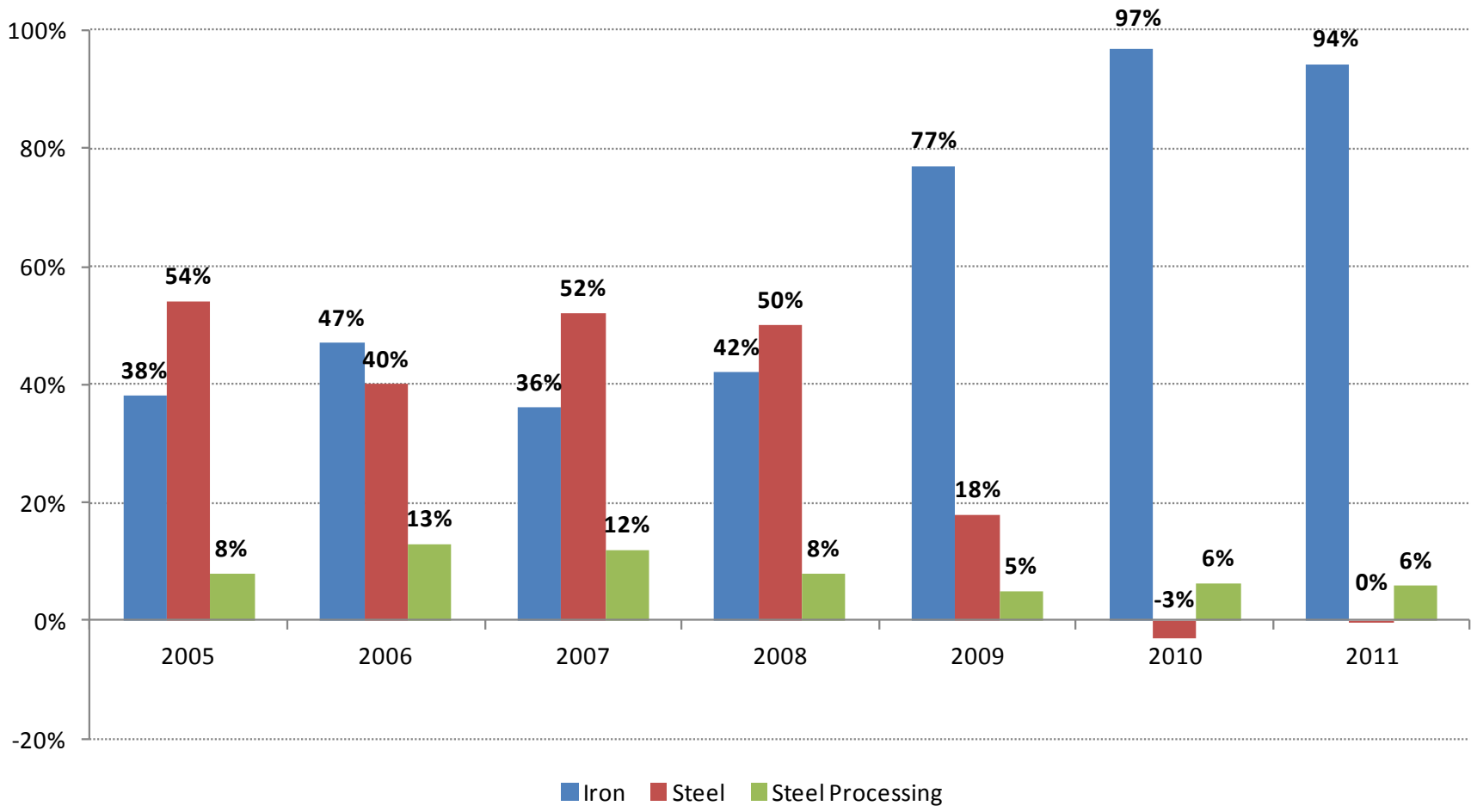
Shipments and prices



- Chile is Latin America's most advanced user of steel in construction
- Operating at full capacity in Chile in the last two fiscal years and continuing over 2012, following the country's economic activity
- Growth focus in Chile, Peru, Argentina and Brazil. Potential interest in Colombia



EBITDA ⁽¹⁾ by business unit

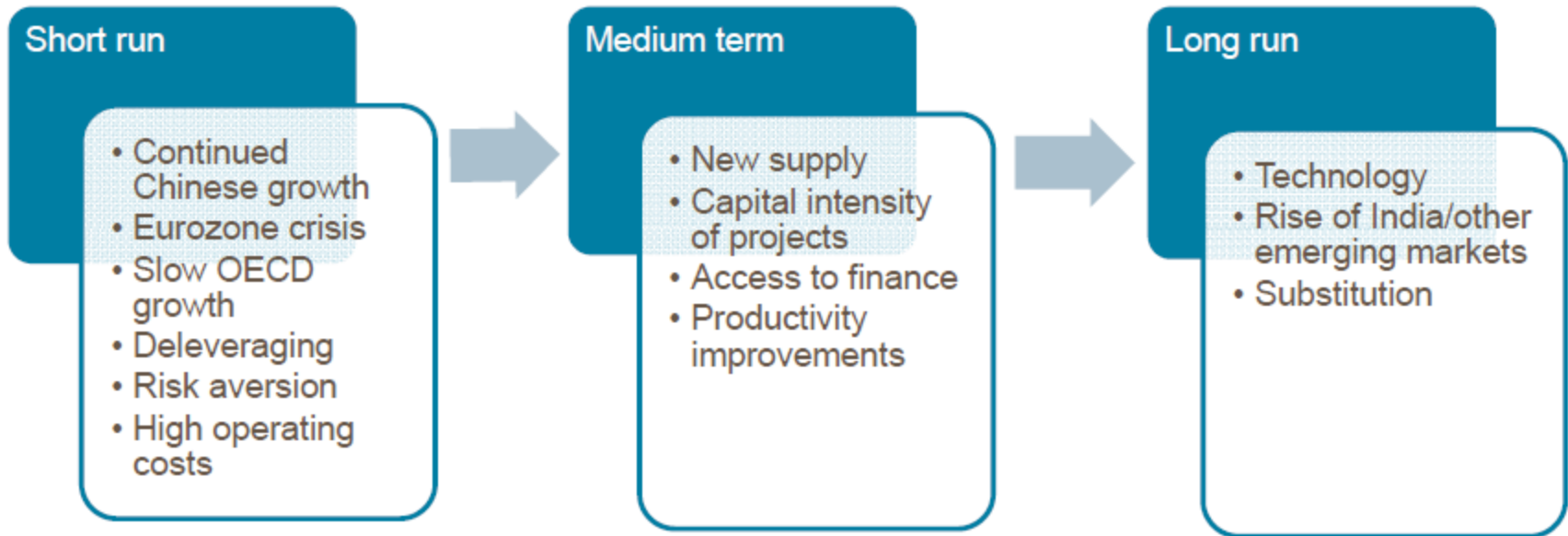


(1) EBITDA: Gross Margin – S&AE + Depreciation and Amortization, over the last twelve months

Company overview

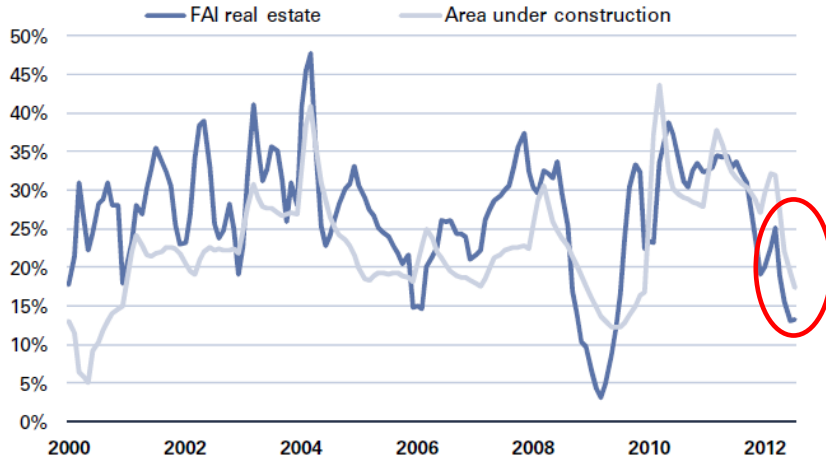
Global industry update

Conclusions



A softening in Chinese construction activity

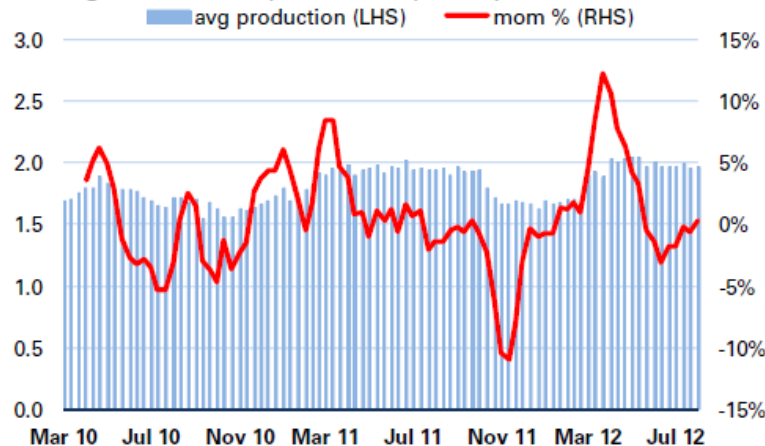
yoY change in real estate investment (in billion Rmb) and area under construction (in million m²)



Source: National Bureau of Statistics.

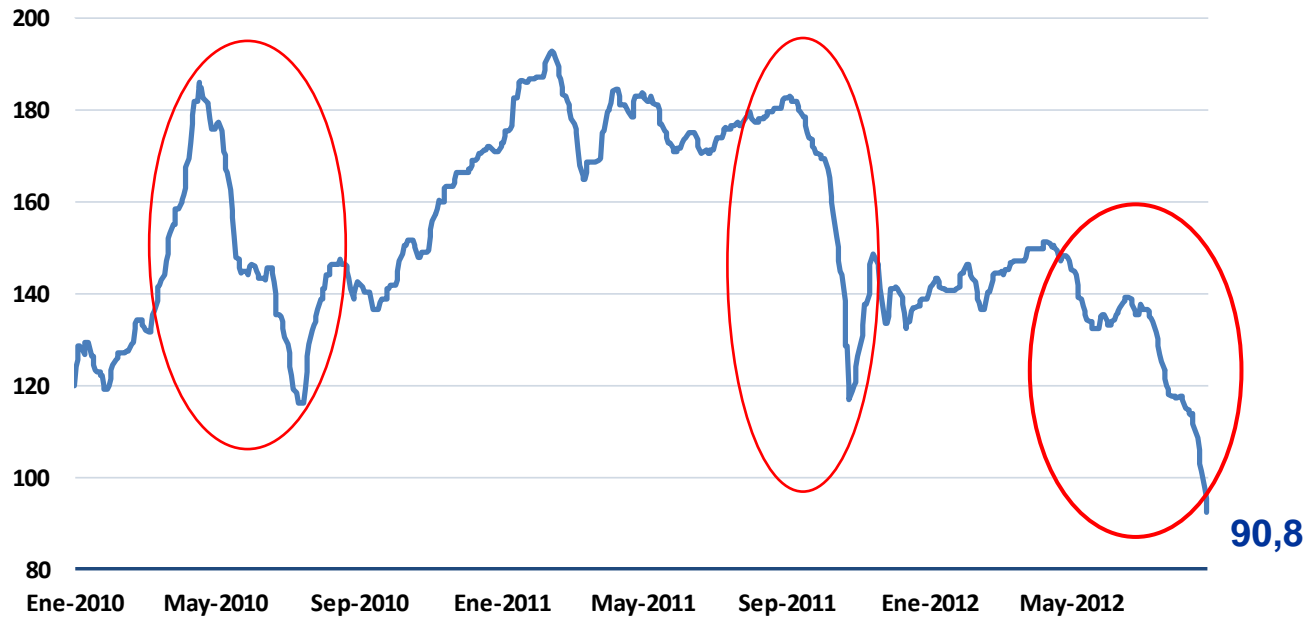
Exhibit 3: Steel production is flat mom

Average crude steel production per day - Mt



Source: CISA.

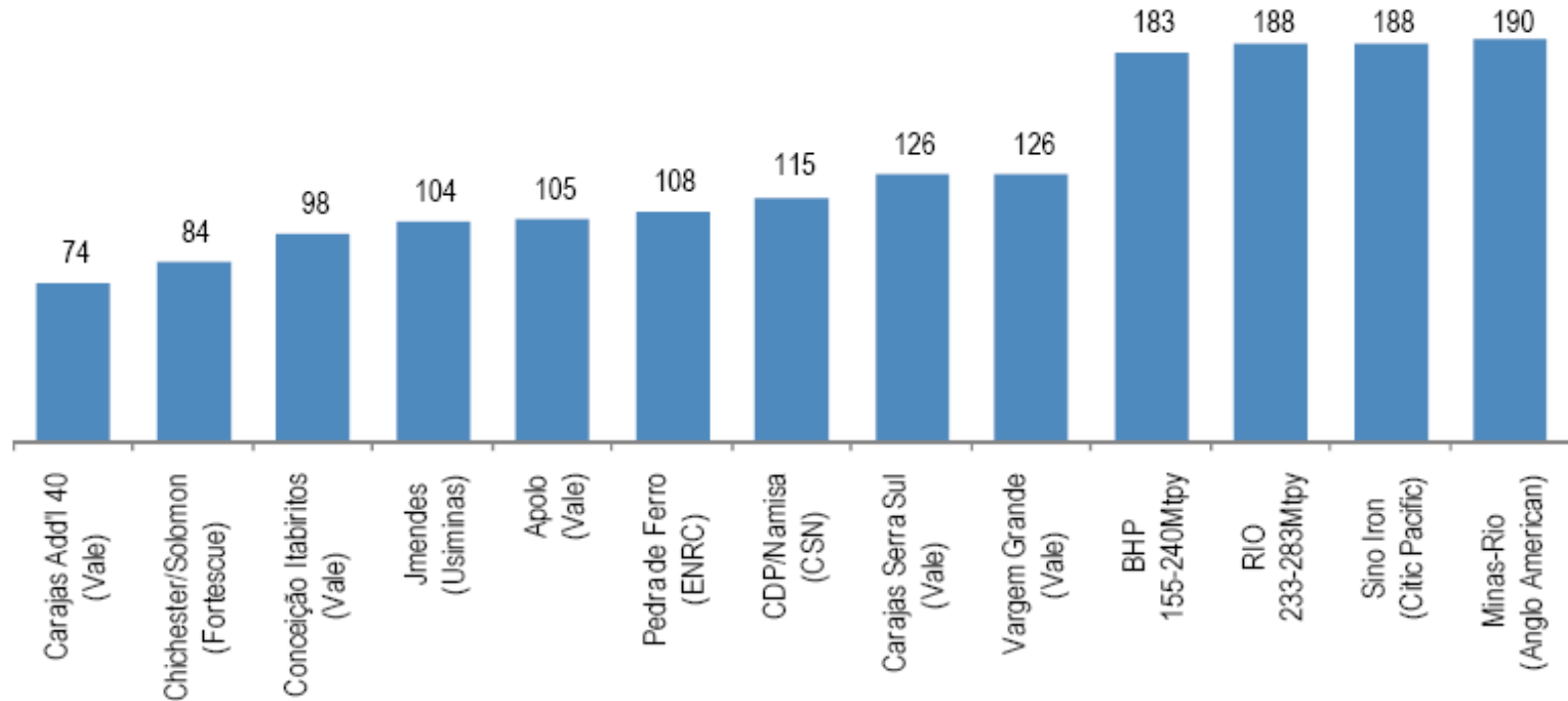
- Construction indicators show a slowdown in real estate investment, after the application for several months, of higher interest rates and bank reserves to reduce the inflation in the chinese economy
- Many steel companies are reducing their level of raw material inventories, and therefore reducing their demand for metallurgical coal and iron ore
- Under this context, prices of raw materials have adjusted to lower levels



Source: Platts.

- The iron ore price evolution shows the effect of the reduction in chinese dynamism, that will revert its trend, likewise occurred in previous economic cycles

US\$/tonne

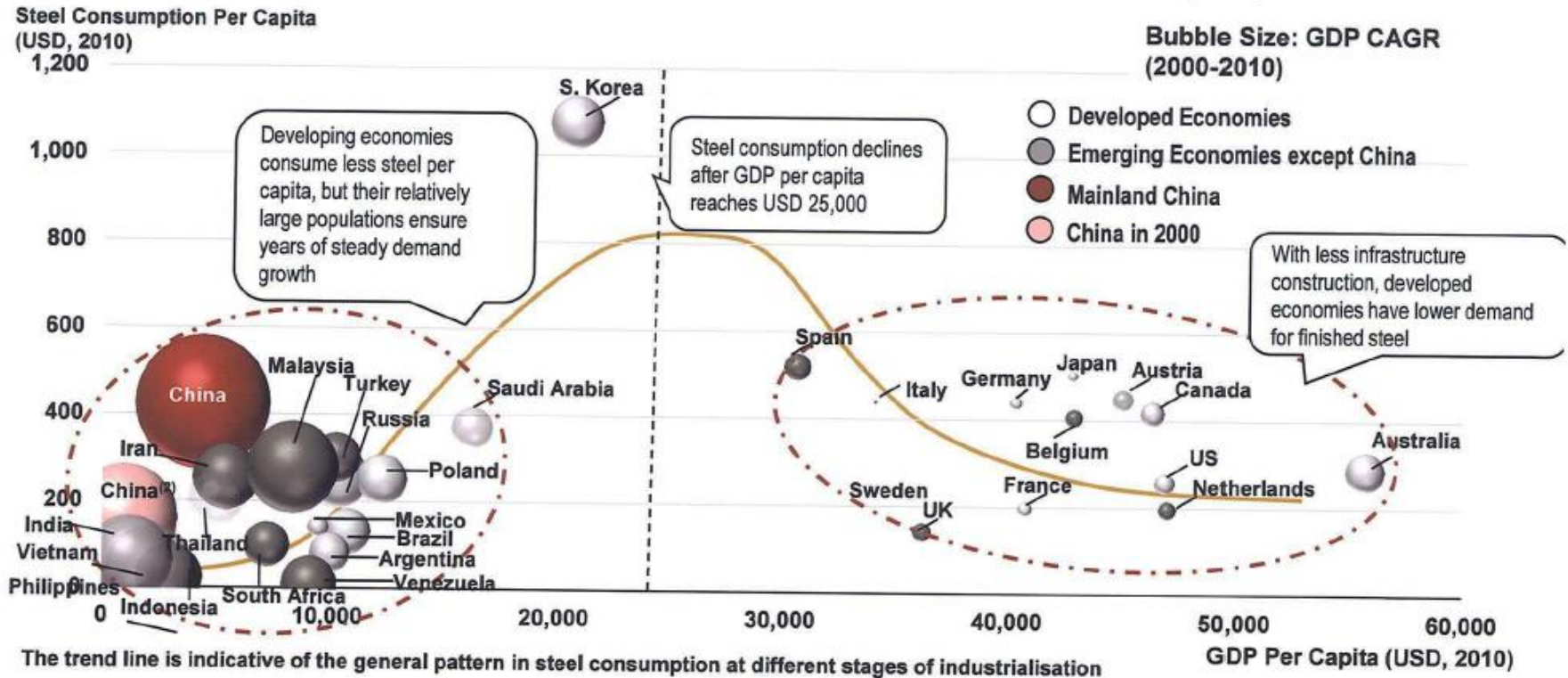


Source: JP Morgan Research

- Capex for new capacity has shown a trend in increasing costs

Long run – Sustainability of steel consumption growth

Steel Intensity Comparison of Top 30 Economies⁽¹⁾ and Other Selected Asian Economies (2010)



Note: (1) Switzerland, Norway and Sweden are not included for comparison purposes

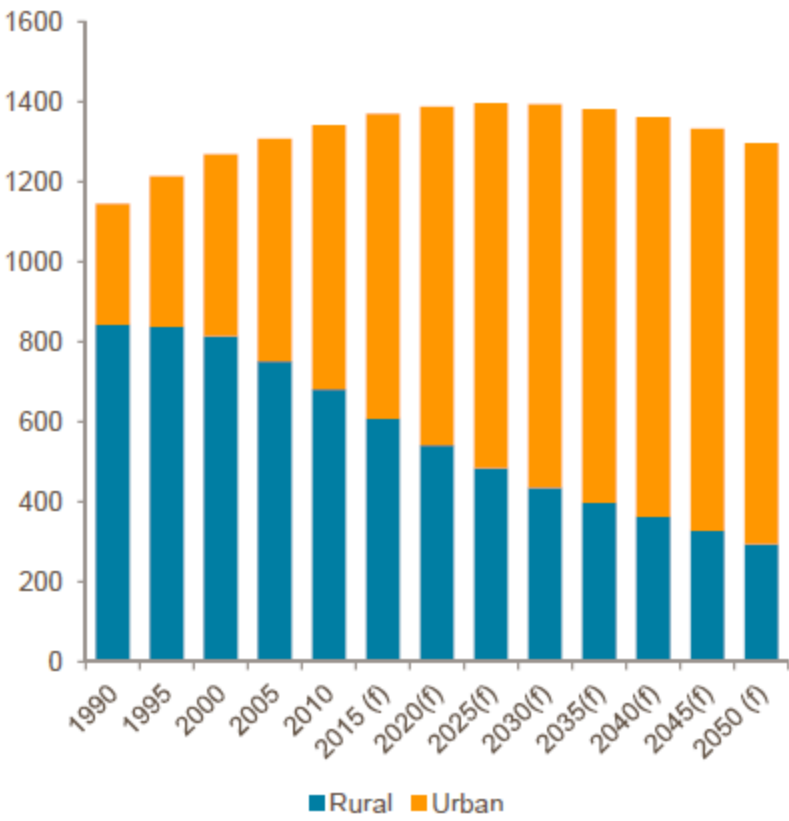
(2) China in the year 2000

Source: IMF; World Steel Association; The Beijing Axis Analysis

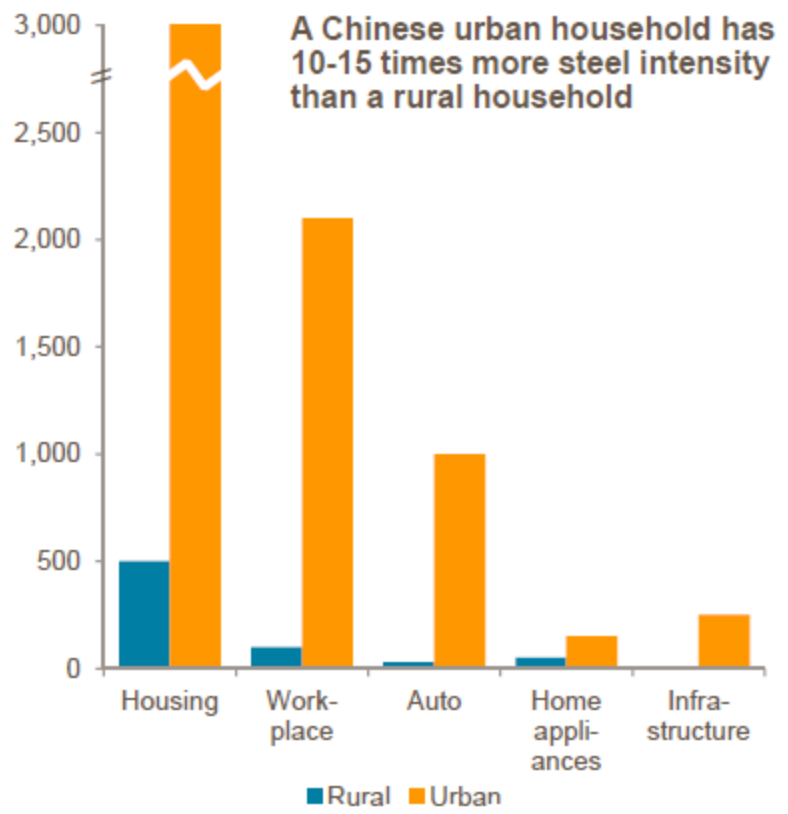
Long run – Urbanisation in China will continue

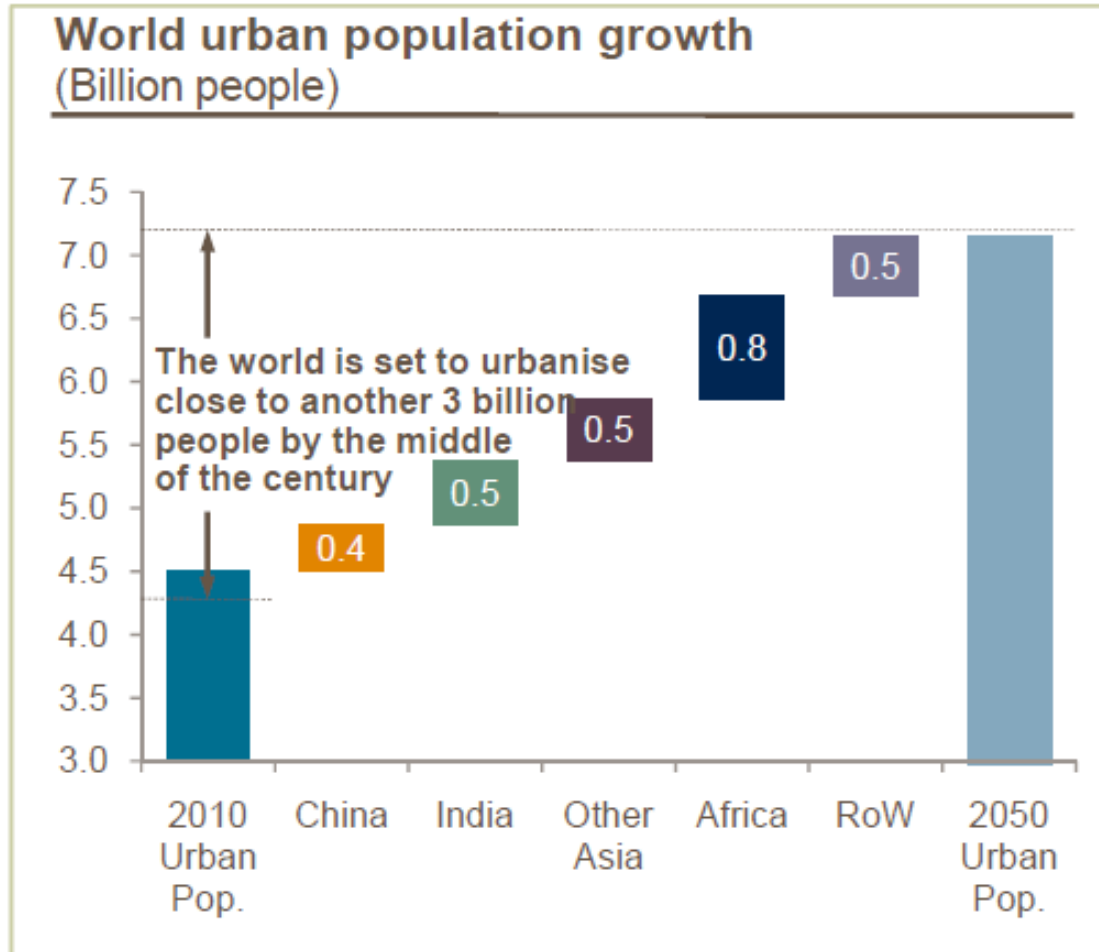


China urban/rural population (million persons)



Chinese household steel intensity (kilograms)





Source: UN, McKinsey, Rio Tinto

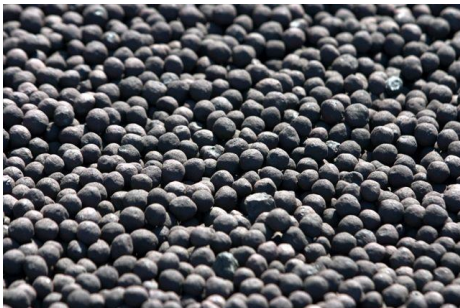
20 March 2012

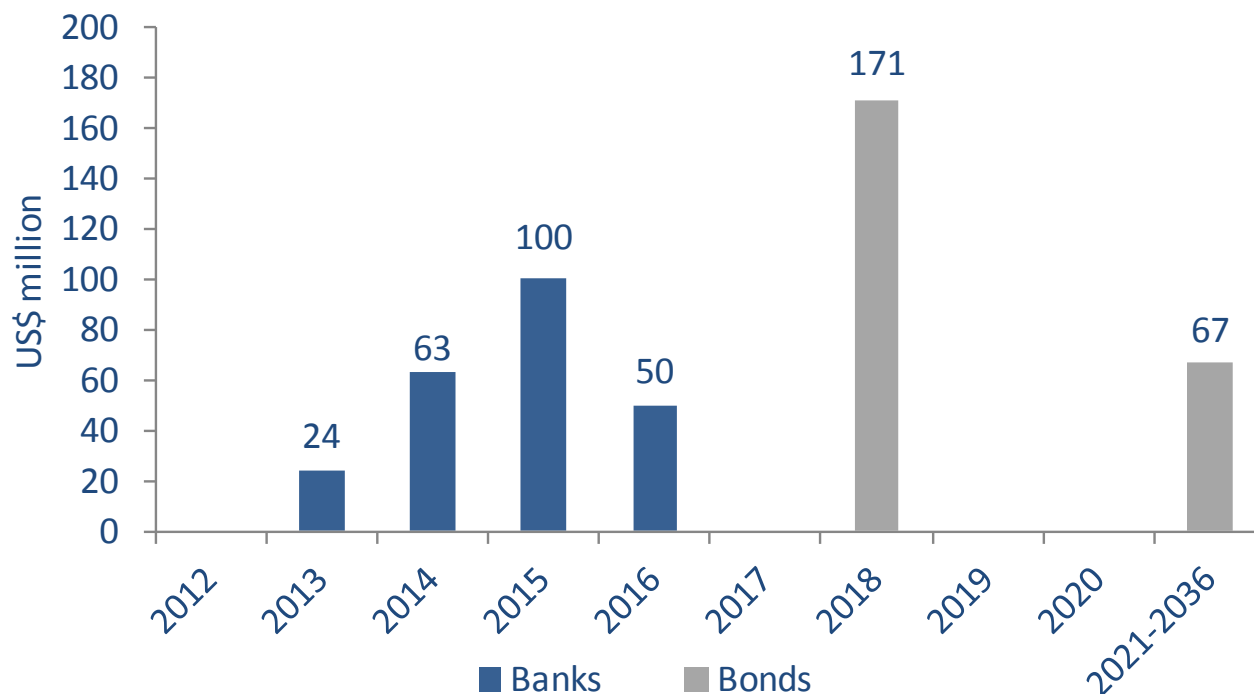
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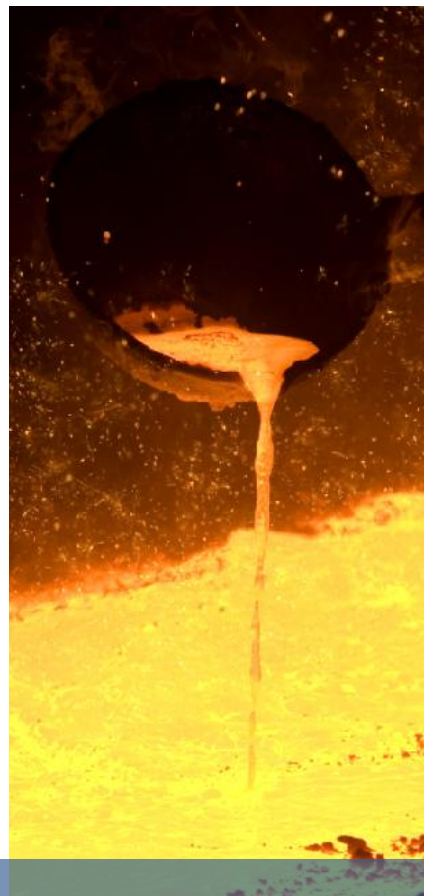
- Substantial growth in iron ore
- Further expansion to 30 – 40 million tons possible through development projects currently under consideration
- Optimization in steel production capabilities, through a gradual reorientation towards long steels
- CAP group is well placed to benefit from growth potential for steel processing in Latin-America
- Strong financial position provides viability to growth objectives, including energy needs





<i>US\$ million</i>	2007	2008	2009	2010	2011	Jun-12
GFD	623	880	907	1.001	628	647
Cash	184	379	393	981	883	906
NFD	439	502	514	20	(255)	(259)
EBITDA	336	534	128	740	1.184	1.094
NFD/EBITDA	1,31	0,94	4,01	0,03	-	-

This information material may include certain forward-looking statements and projections provided by CAP S.A. (the “Company”) with respect to the financial condition, results of operations, cash flows, plans, objectives, future performance, and business of the Company. Any such statements and projections reflect various estimates and assumptions by the Company concerning anticipated results and are based on the Company’s expectations and beliefs concerning future events and, therefore, involve risks and uncertainties. Such statements and projections are neither predictions nor guarantees of future events or circumstances, which may never occur, and actual results may differ materially from those contemplated (expressed or implied) by such forward-looking statements and projections. No representations or warranties are made by the Company or any of its affiliates as to the accuracy of any such statements or projections. Whether or not any such forward looking-statements or projections are in fact achieved will depend upon future events, some of which are not within the control of the Company. Accordingly, the recipient of this material should not place undue reliance on such statements. Any such statements and projections speak only as of the date on which they are made, and the Company does not undertake any obligation, and expressly disclaims any obligation, to update or revise any such statements or projections as a result of new information, future events, or otherwise



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