

The logo consists of the letters 'C', 'A', and 'P' in a bold, dark blue, sans-serif font. The 'A' is significantly larger than the 'C' and 'P'. A thick horizontal bar is positioned below the 'A' and 'P', extending from the left edge of the 'C' to the right edge of the 'P'.

CAP

A low-angle photograph of a tall skyscraper under construction, reaching towards a blue sky with scattered white clouds. The building's facade is covered in a dense network of metal scaffolding and safety netting. The perspective is from the ground looking up, emphasizing the height of the structure.

LarrainVial

Conferencia Andina 2012

Company overview



Global industry update



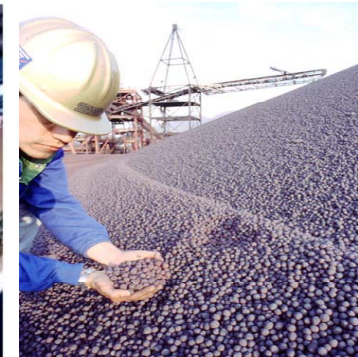
Financial performance



Business Plan



Conclusion



Vertically integrated company

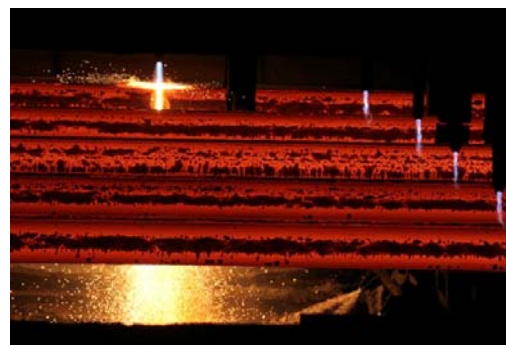


- Exports iron ore products, mainly to Asia
- Produces steel for the domestic market
- Processes value-added steel solutions in Chile, Peru and Argentina
- Consolidated figures of: Revenues of US\$ 2.79 billion, EBITDA₍₁₎ of US\$ 1.18 billion and Net Income of US\$ 442 million in 2011

Mining



Steel

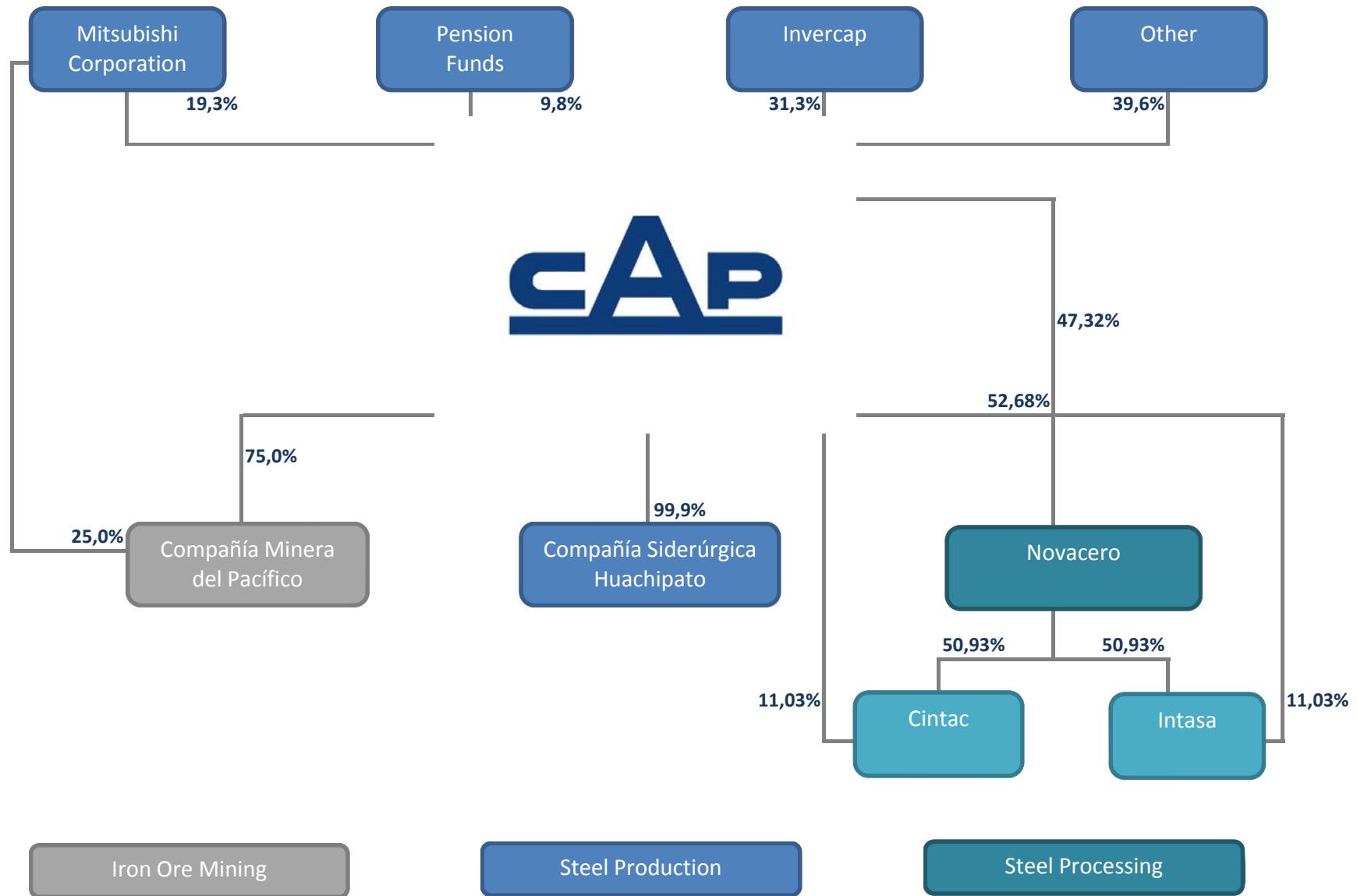


Steel processing



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

Corporate structure



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 La Serena, Vallenar and Copiapó:

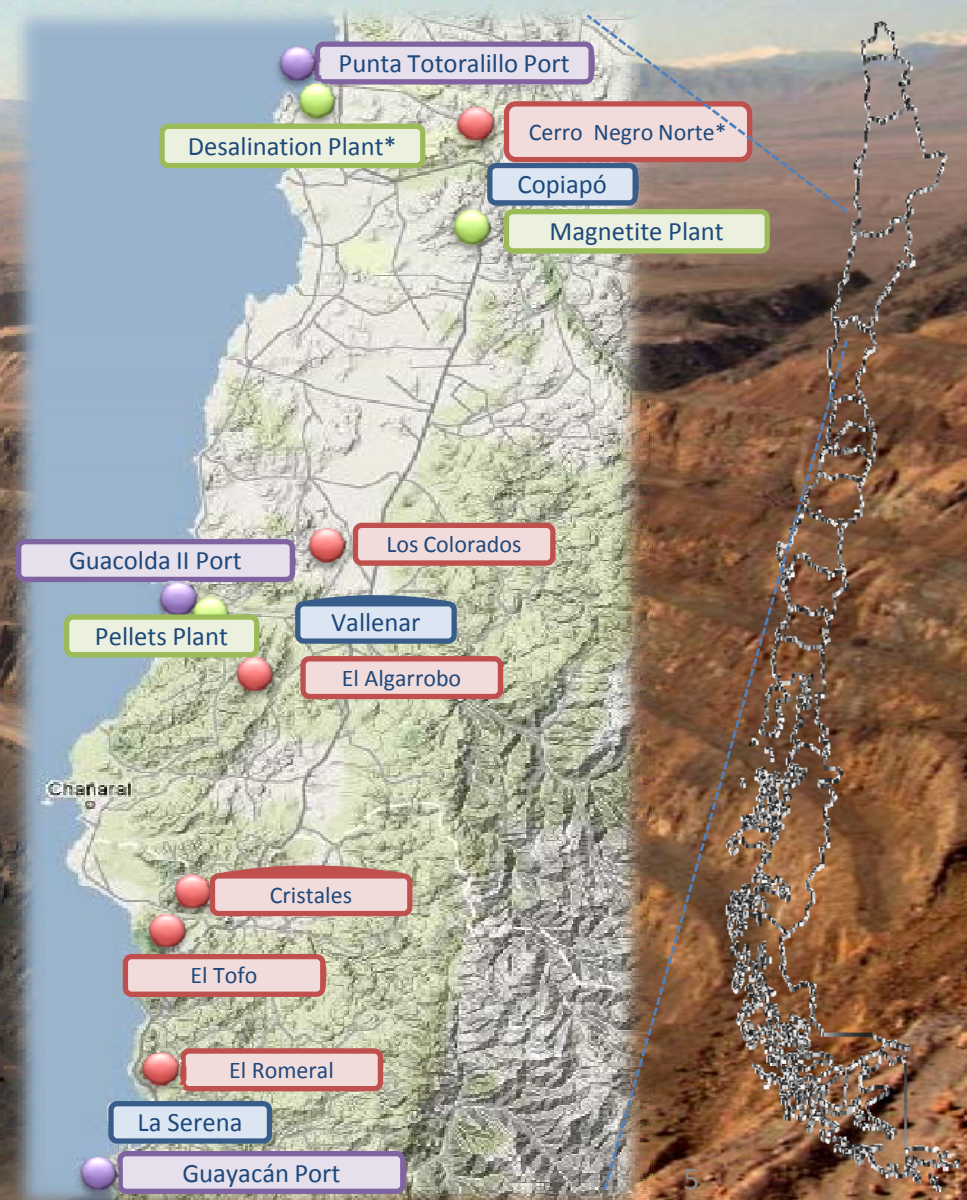
Cities

Mines

Processing Plants

Ports

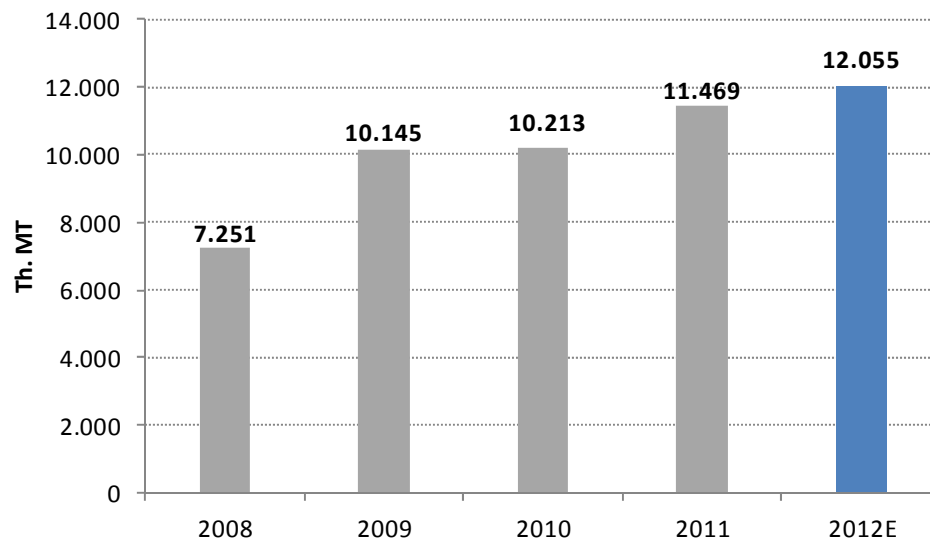
* Under construction



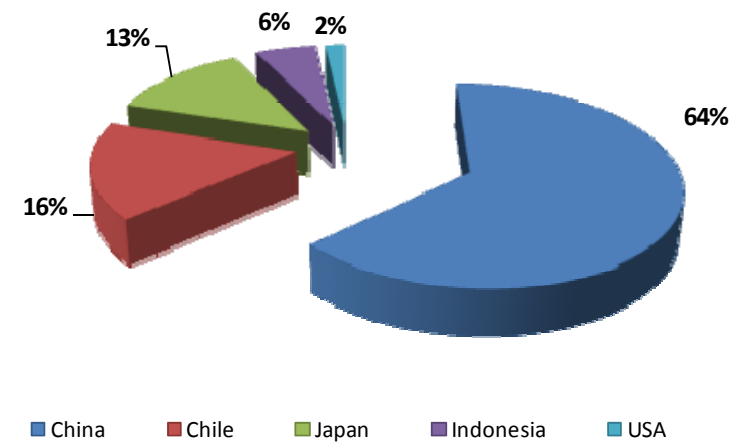
Shipments and markets



Shipments



Markets 2011



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 geological resources that are feasible of being mined economically. **(3)** CMP has the contract for processing the tailings of the Candelaria copper mine.

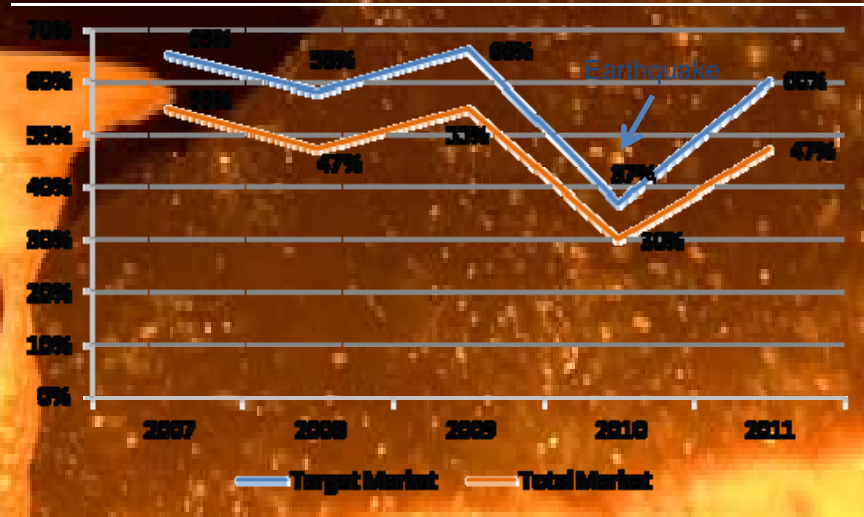
Tonnages and grades of Fe are estimated by CAP's Minería specialized professionals. The information presented, to comply with Chilean law 20.235, is currently under certification process by independent professionals in mining resources and reserves. The referred process will take approximately three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

Steel production

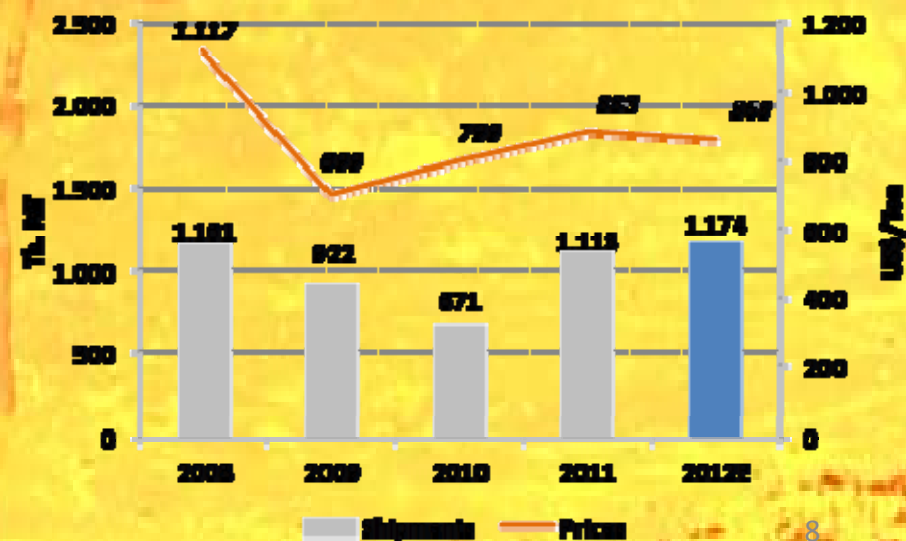


- The leader in Chile's steel market
- 1.45 million tons of annual liquid steel production capacity
- Strong long term commercial relations with customers in Chile
- Vertical integration in iron and limestone provides an advantage in economic cycles
- Long products: Rebar, wire rod and grinding bars; Flat steel: HRC, CRC and zincaluminum

Market share



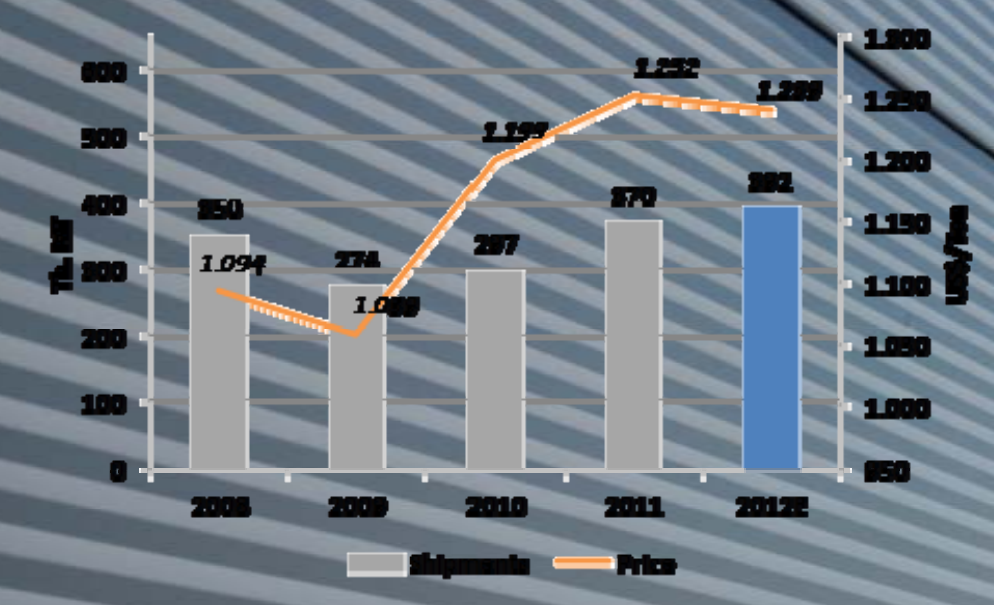
Shipments and prices



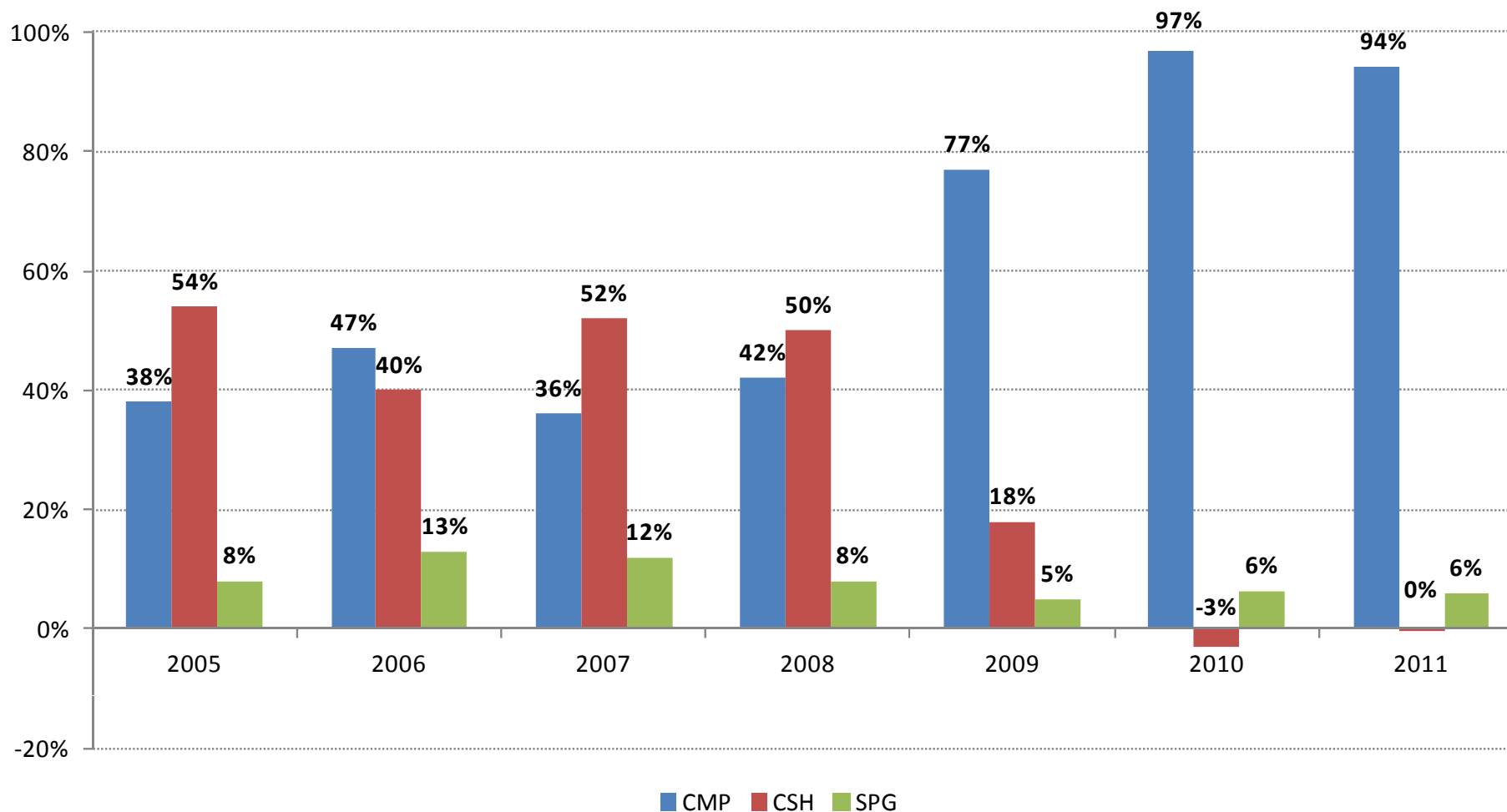
Steel processing

- 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



EBITDA ⁽¹⁾ by business unit



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

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Financial performance



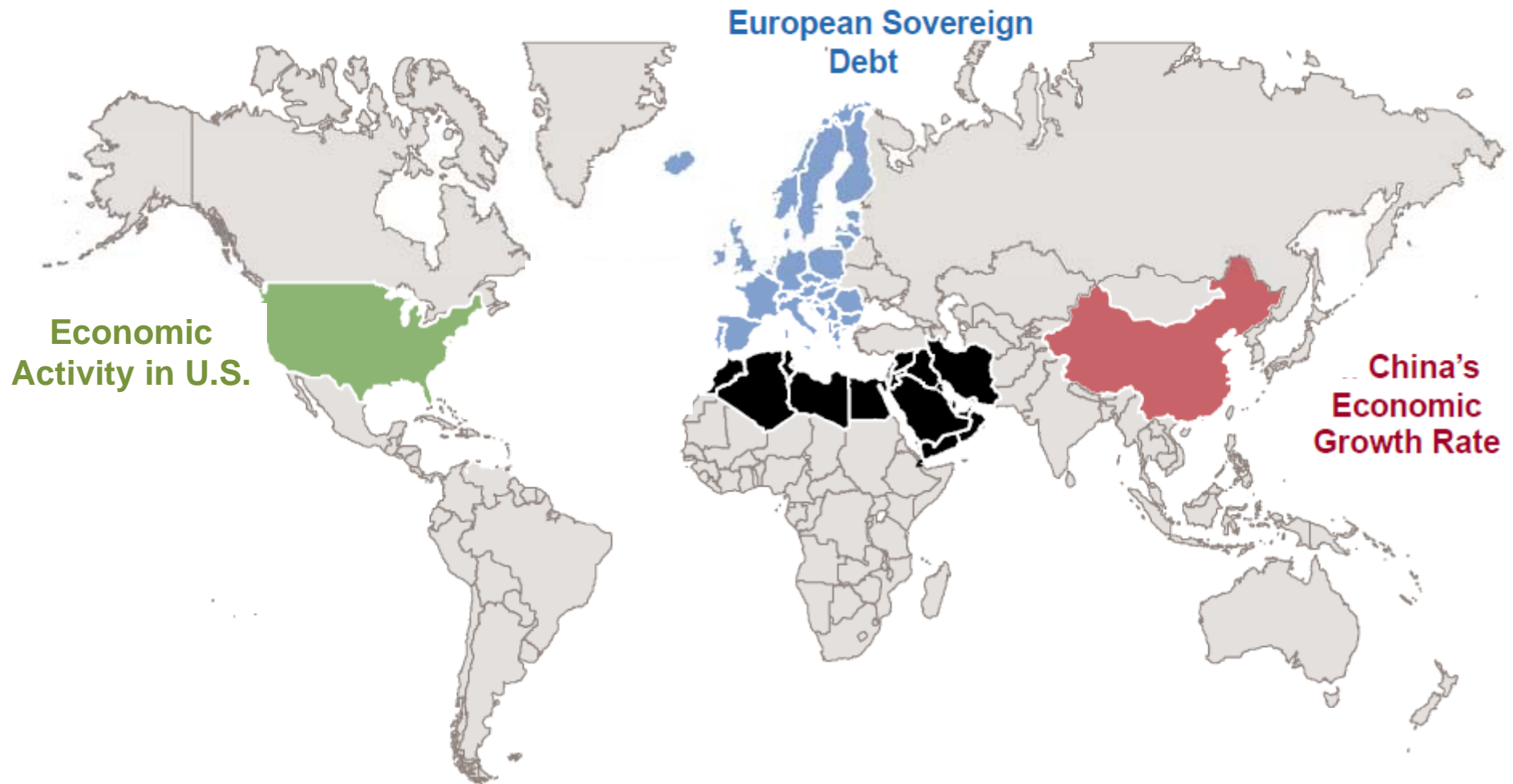
Business Plan

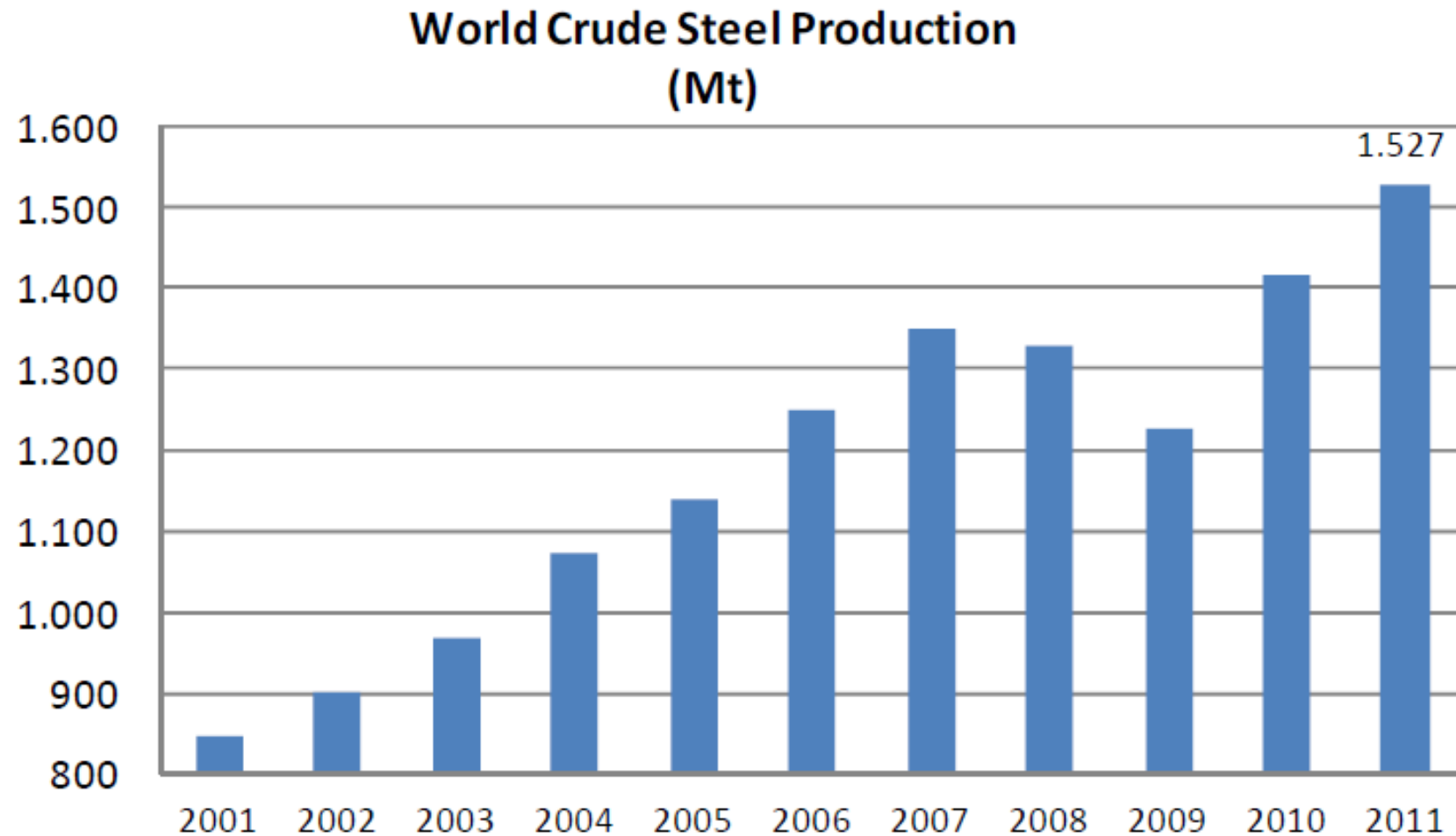


Conclusion

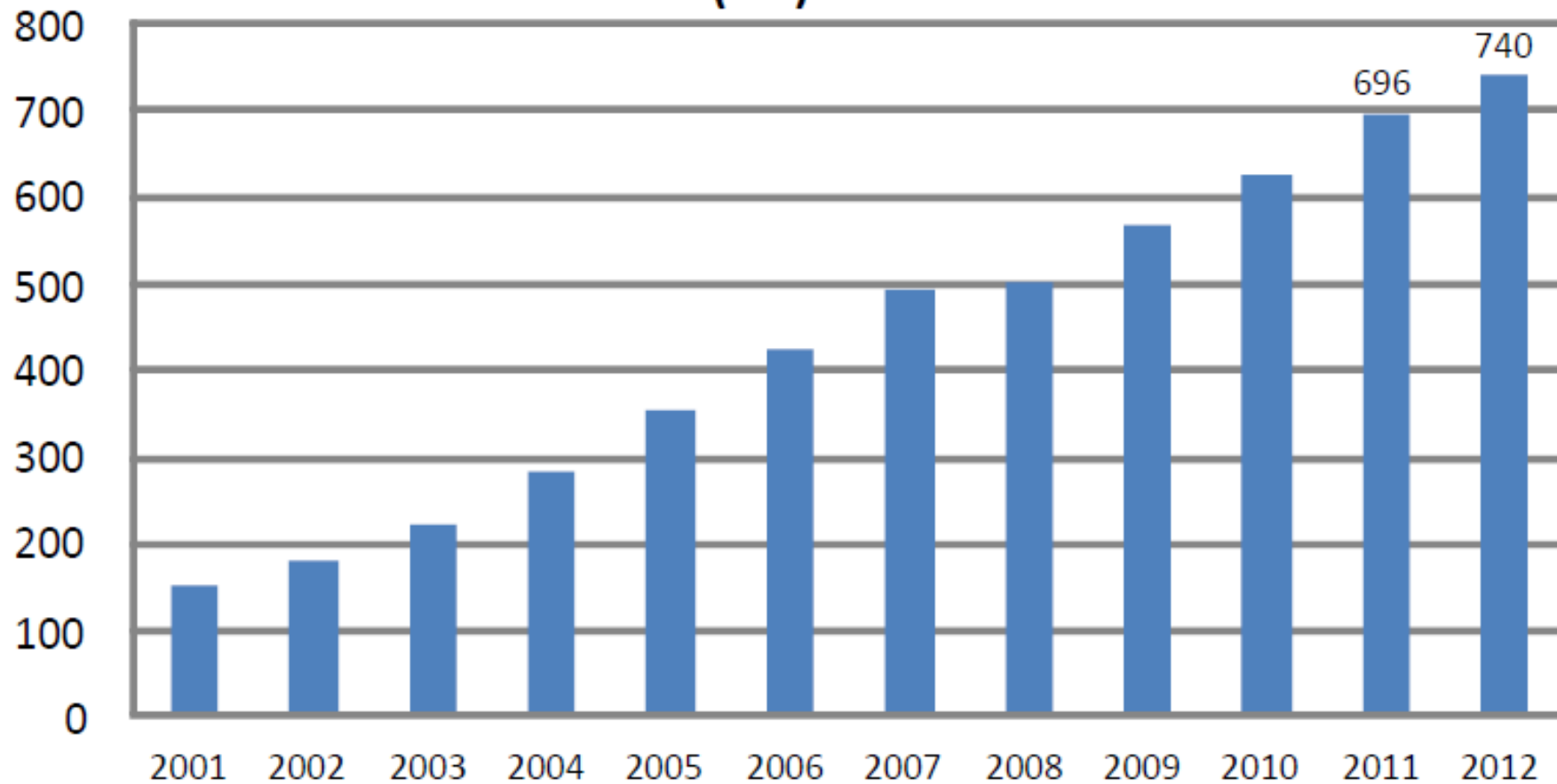


Areas of concern

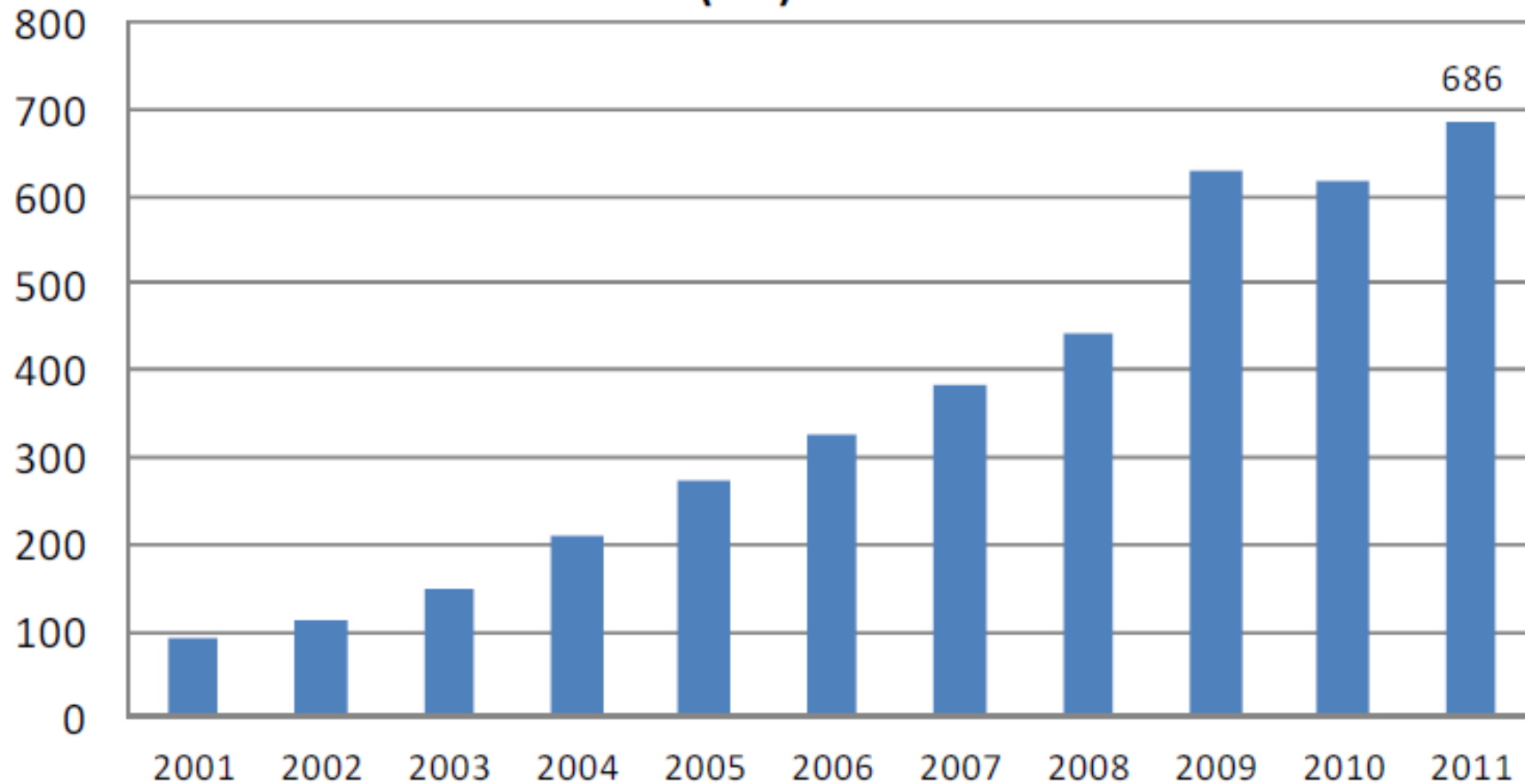




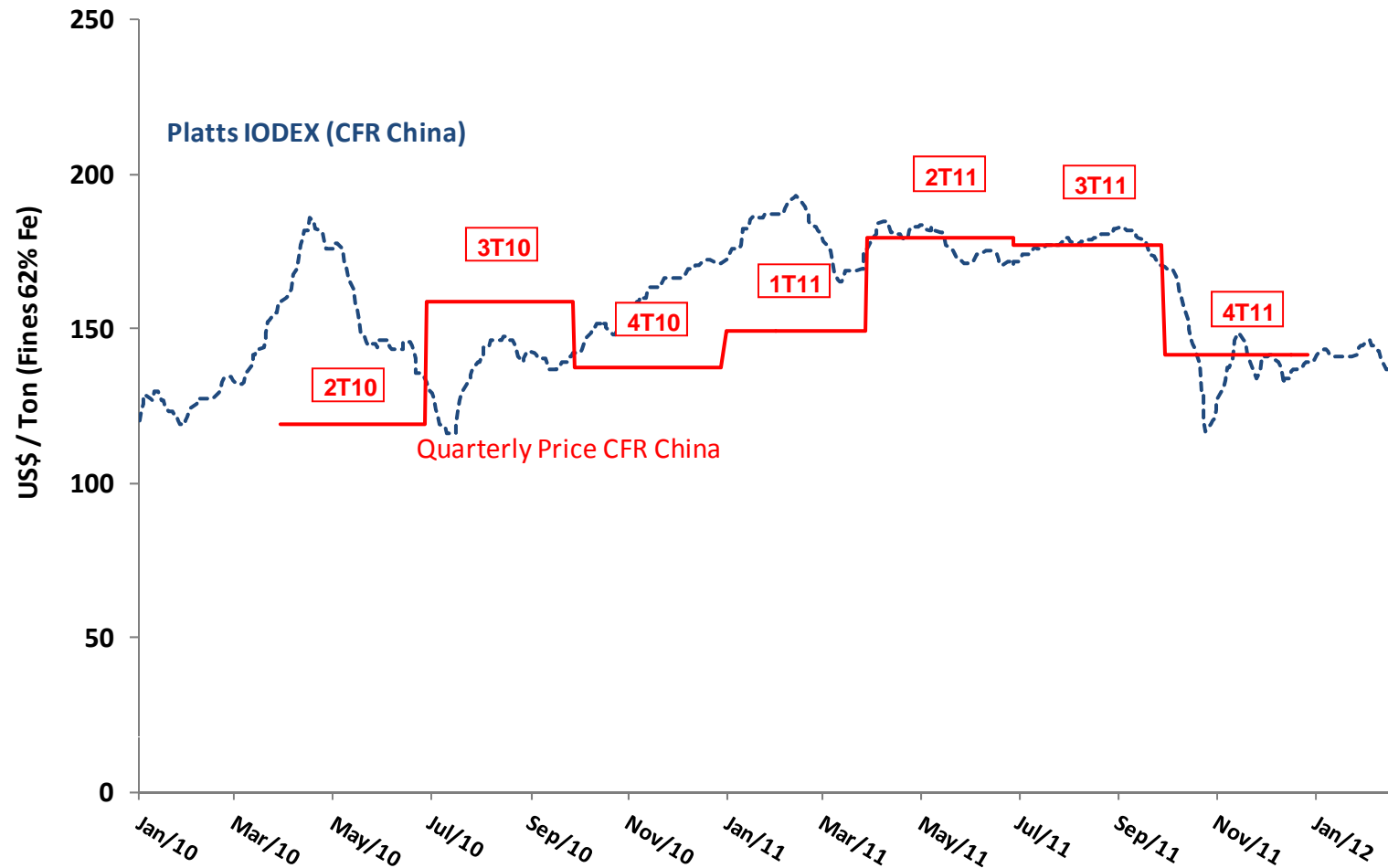
China Crude Steel Production (Mt)



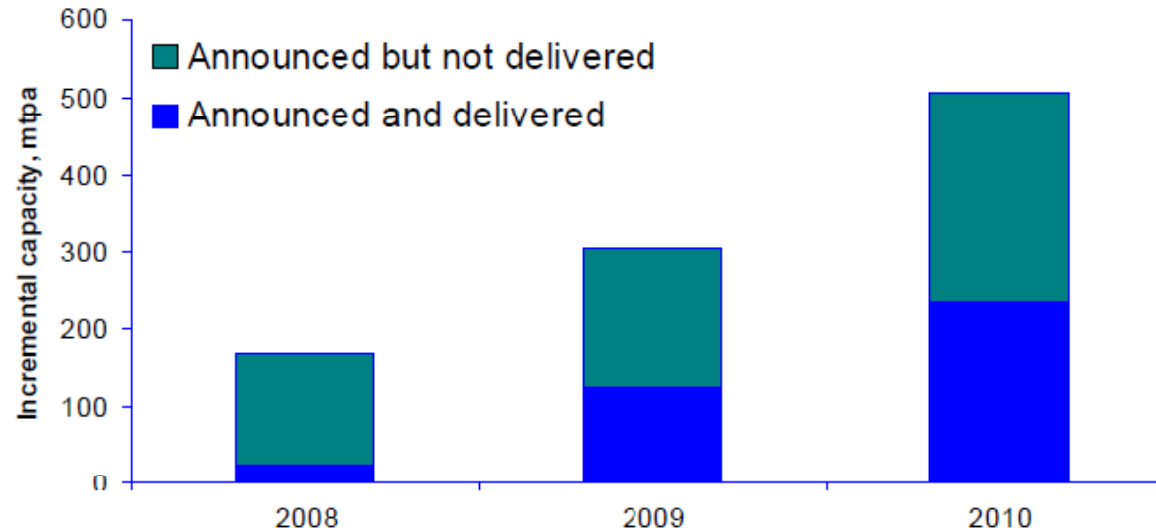
China Iron Ore Imports (Mt)



Iron ore spot and quarterly prices



Projects announced v/s delivered



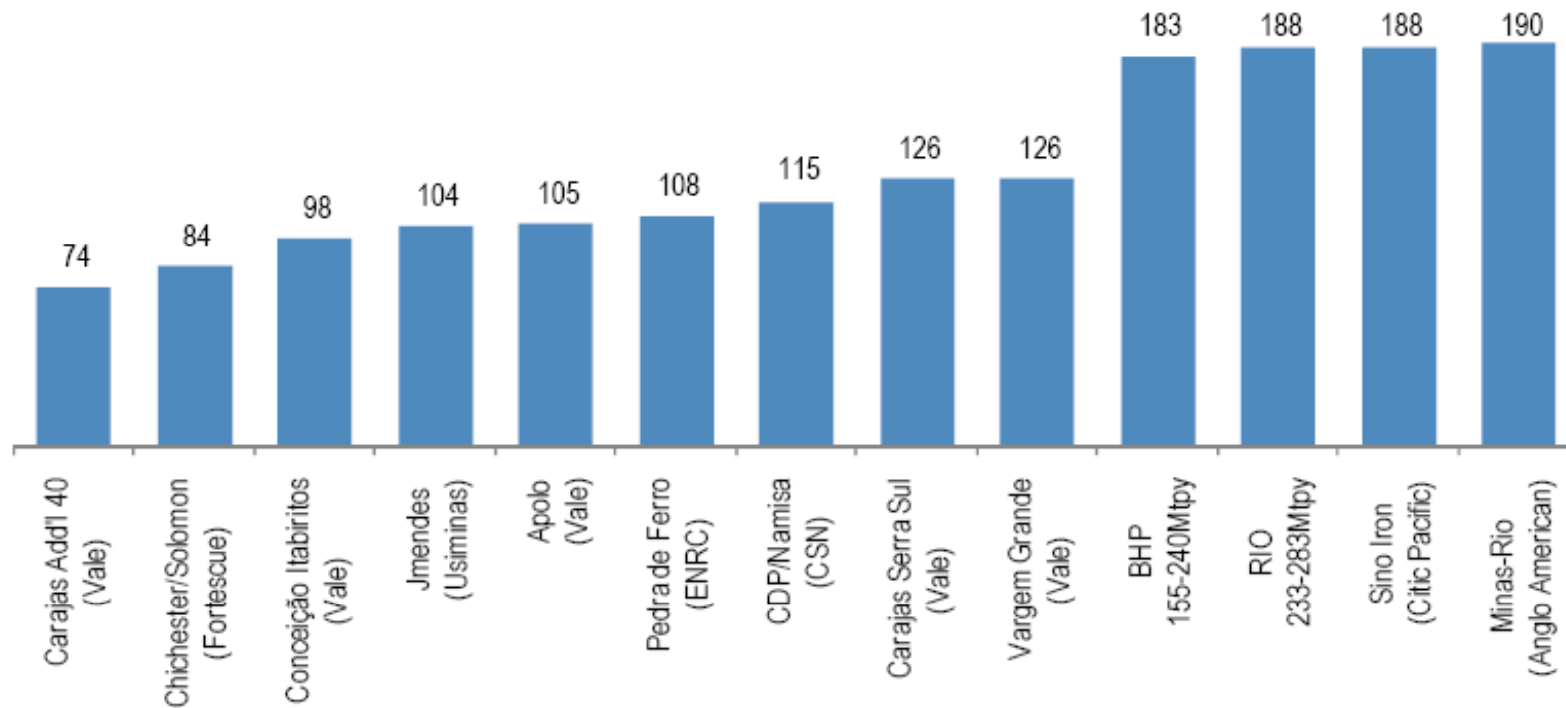
Source: BHPB, Macquarie Research, June 2011

- High cost of infrastructure and longer periods of construction
- Increasing requirements for the approval of environmental permits
- Strong increase in Capex
- High percentage of announced projects delayed

Strong increase in Capex



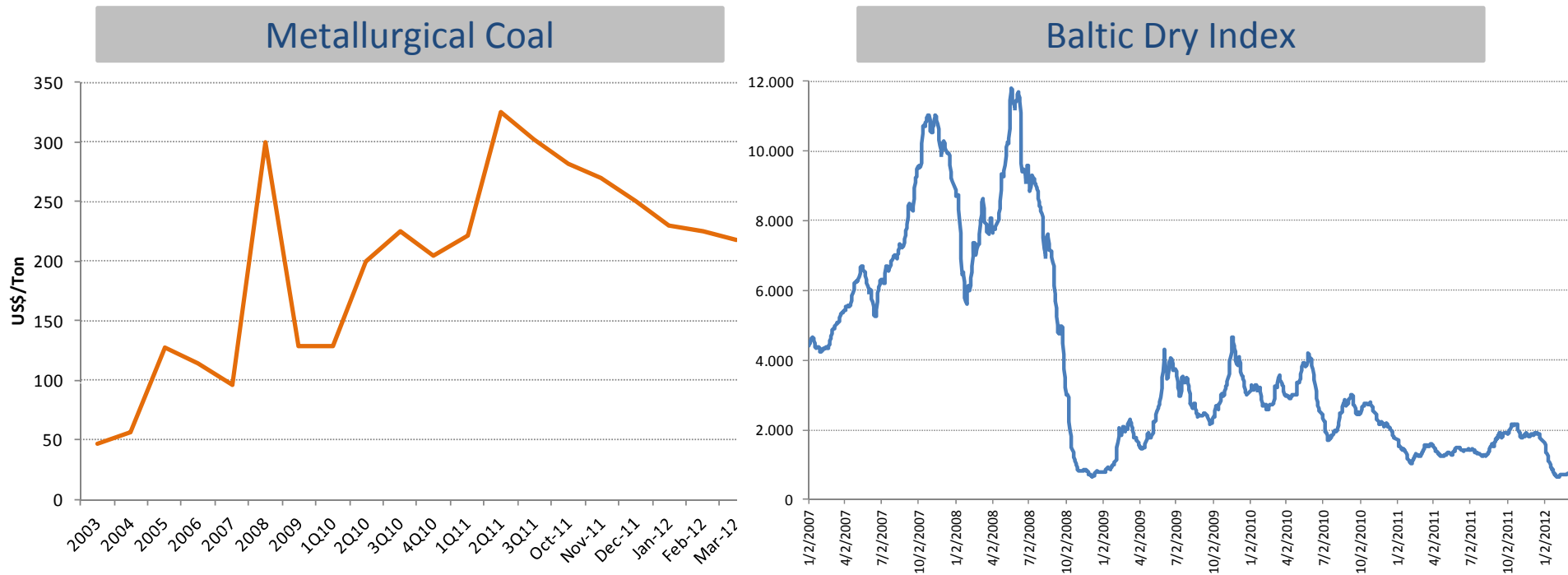
US\$/tonne



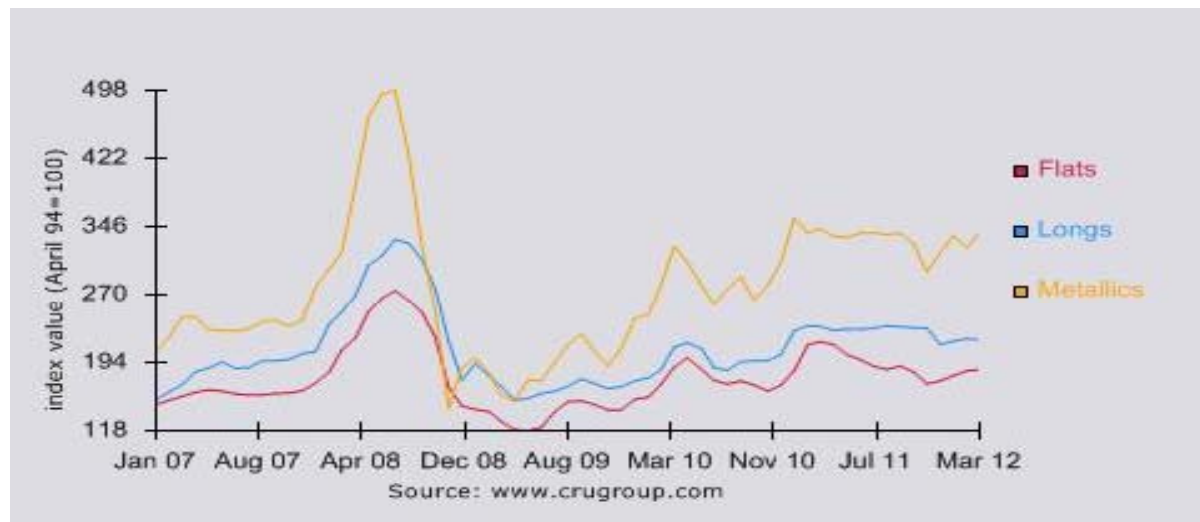
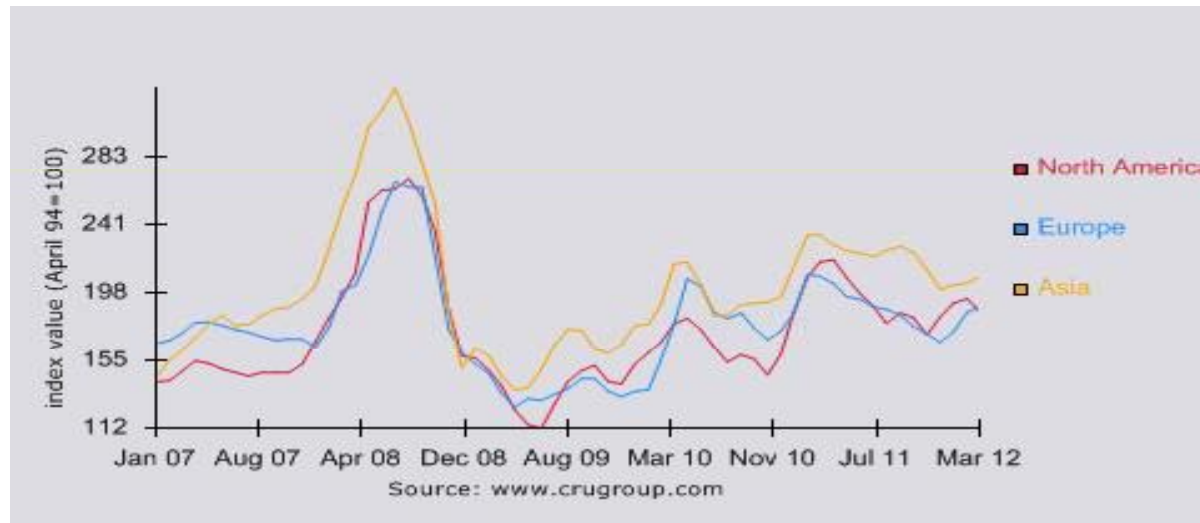
Source: JP Morgan Research

- It is getting more expensive to add new capacity, even for the big 3

Evolution of raw material prices



Evolution of steel prices



Company overview



Global industry update



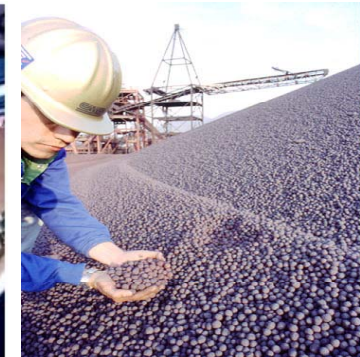
Financial performance



Business Plan



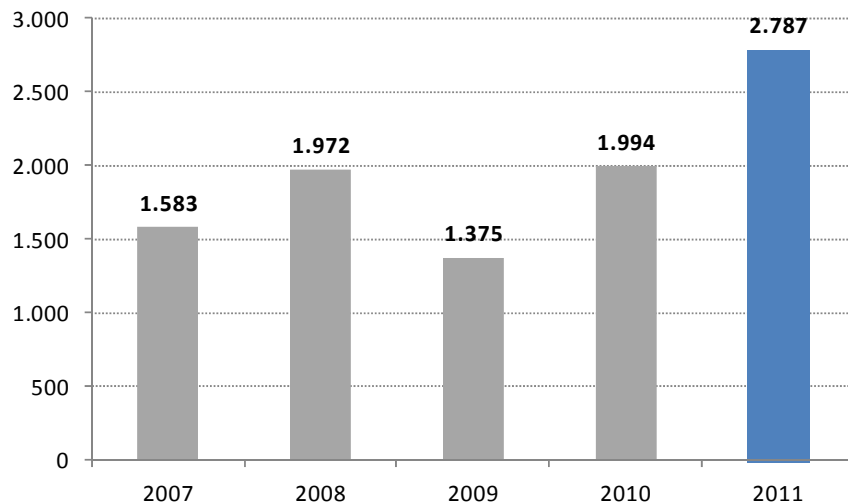
Conclusion



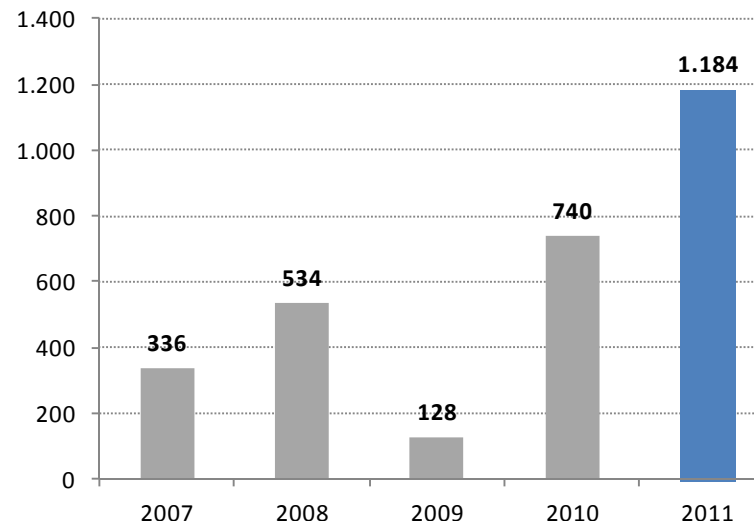
Financial performance



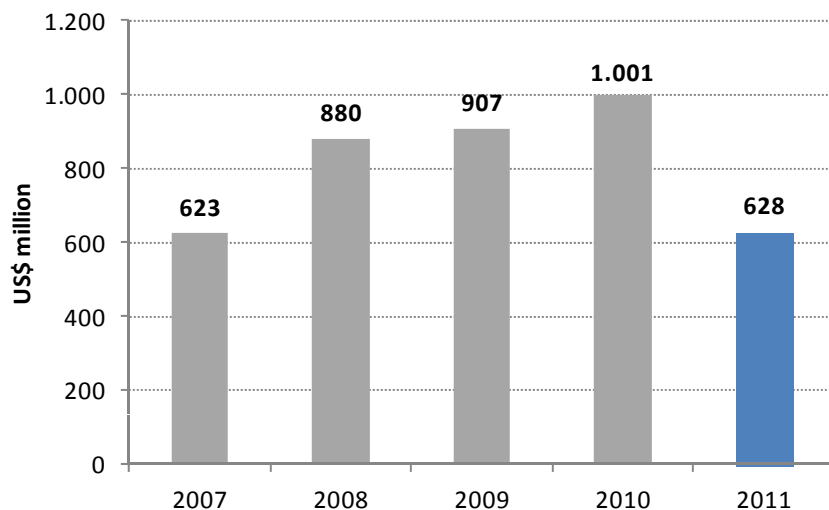
Sales (US\$ million)



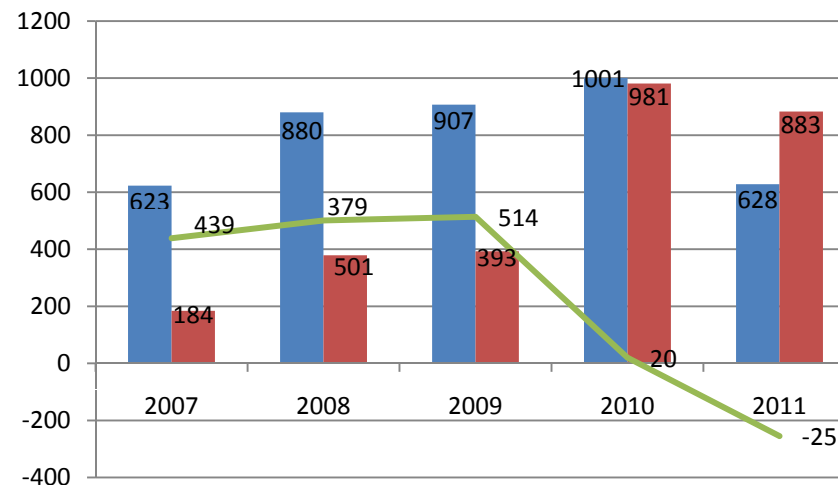
EBITDA ⁽¹⁾ (US\$ million)



Gross Financial Debt



Net Financial Debt



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

Financial evolution



(US\$ million)	2006	2007	2008	2009	2010	2011
Cash	242	184	379	393	981	883
Gross financial debt	636	623	880	907	1.001	628
Net financial debt	394	439	501	514	20	(255)
EBITDA	247	336	534	128	740	1.184
Net financial debt / EBITDA	1,60x	1,31x	0,94x	4,01x	0,03x	0,00x
Net income	165	236	293	(15)	303	442
CAPEX	119	309	161	142	207	282

Company overview



Global industry update



Financial performance

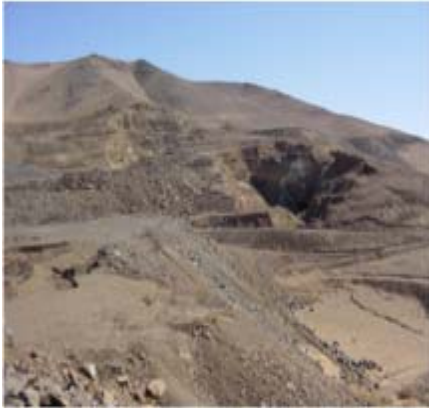


Business Plan



Conclusion





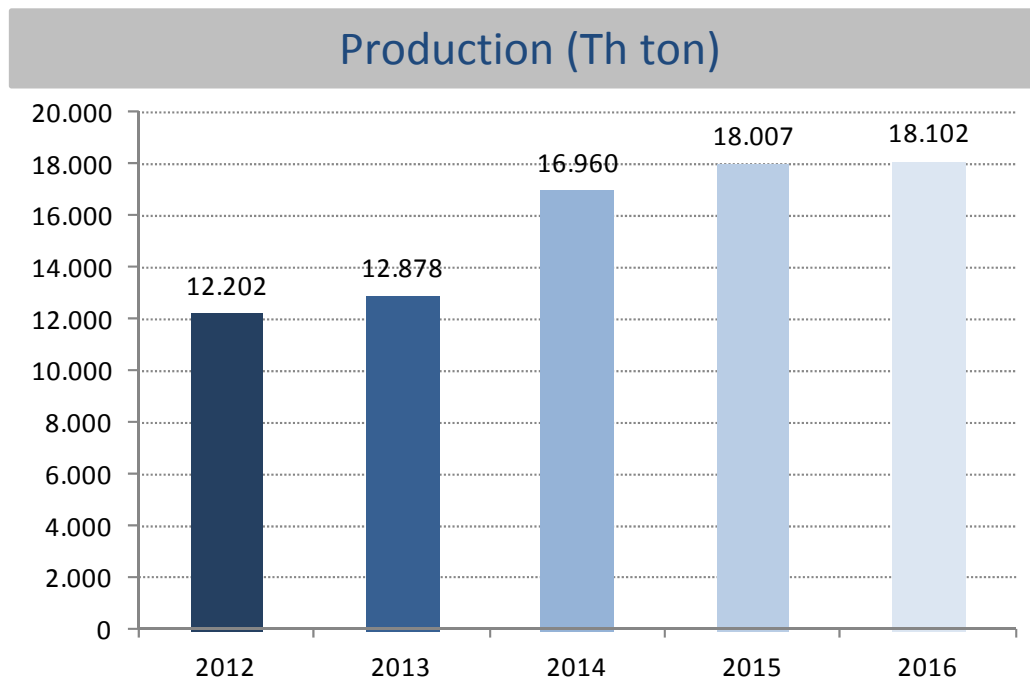
Cerro Negro Norte (greenfield project)

- Production: 4.0 million tonnes / Pellet feed
- Estimated new production start-up: 2H 2013
- CAPEX: US\$ 798 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: 1H 2013
- CAPEX: US\$ 364 million



- Production capacity will increase from 12 million MT in 2010 to 18 million MT in 2015
- Development of a Desalination Plant (200 – 600 lts/s), to cover water needs of Cerro Negro Norte project and other mining operations in the zone, is being developed by a JV between CAP and Mitsubishi Corp.
- Investment in exploration will continue to ensure further knowledge of our mining property for future development and growth
- Financing of capacity expansion projects targeted to be financed with internal cash generation

- After overcoming damages produced by the earthquake in February 2010, CAP has recovered its production capacity and its historical level of market share
- Strengthen CAP's predominant position in all segments of the Chilean steel market
- Maintaining and optimizing our current steel production capability
- Complementing our product mix through enhanced distribution
- Upon the leadership and experience we enjoy in Chilean steel processing, expand our business throughout South America



- Chile is Latin America's most advanced user of steel in construction
- Operated at full capacity in Chile during 2010 – 2011 fiscal years, helping the country's recovery efforts following the earthquake
- Growth focus in Chile, Peru, Argentina and Brazil. Potential interest in Colombia



Company overview



Global industry update



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- Substantial growth in iron ore
- Further expansion to 30 – 40 million tons possible through development projects currently under consideration
- Steel strategy to consolidate already predominant position in Chile
- CAP group is well placed to benefit from growth potential for steel processing in Latin-America
- Strong financial position provides viability to growth objectives



Dividend policy and other distributions to shareholders



- Since privatization in 1986, CAP has sustained a policy of distributing 50% of its annual net income to shareholders
- Additionally, in 1986 and 1994 CAP distributed to them substantial portions of its net worth (excess liquidity and non-core assets)
- CAP is committed to an expansionary business policy whilst at the same time maintaining a prudent debt structure and a strong payout to shareholders

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