CUMBRE
LATINOAMERICANA
MERCADO
INTEGRADO

2°

CORPBANCA

Qué

2°
CUMBRE
LATINOAMERICANA
MERCADO
INTEGRADO

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Company overview

Global industry update

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Business Plan

Conclusion

Vertically integrated ferrous metal company

- Exports iron ore products, mainly to Asia
- Produces steel for the domestic market
- Processes value-added steel solutions in Chile, Peru and Argentina
- The above allows for a balanced and profitable business portfolio
- 3Q Consolidated Revenues, EBITDA(1) and Net Income of US$ 2.12 billion, US$ 1.18 billion and US$ 363 million respectively

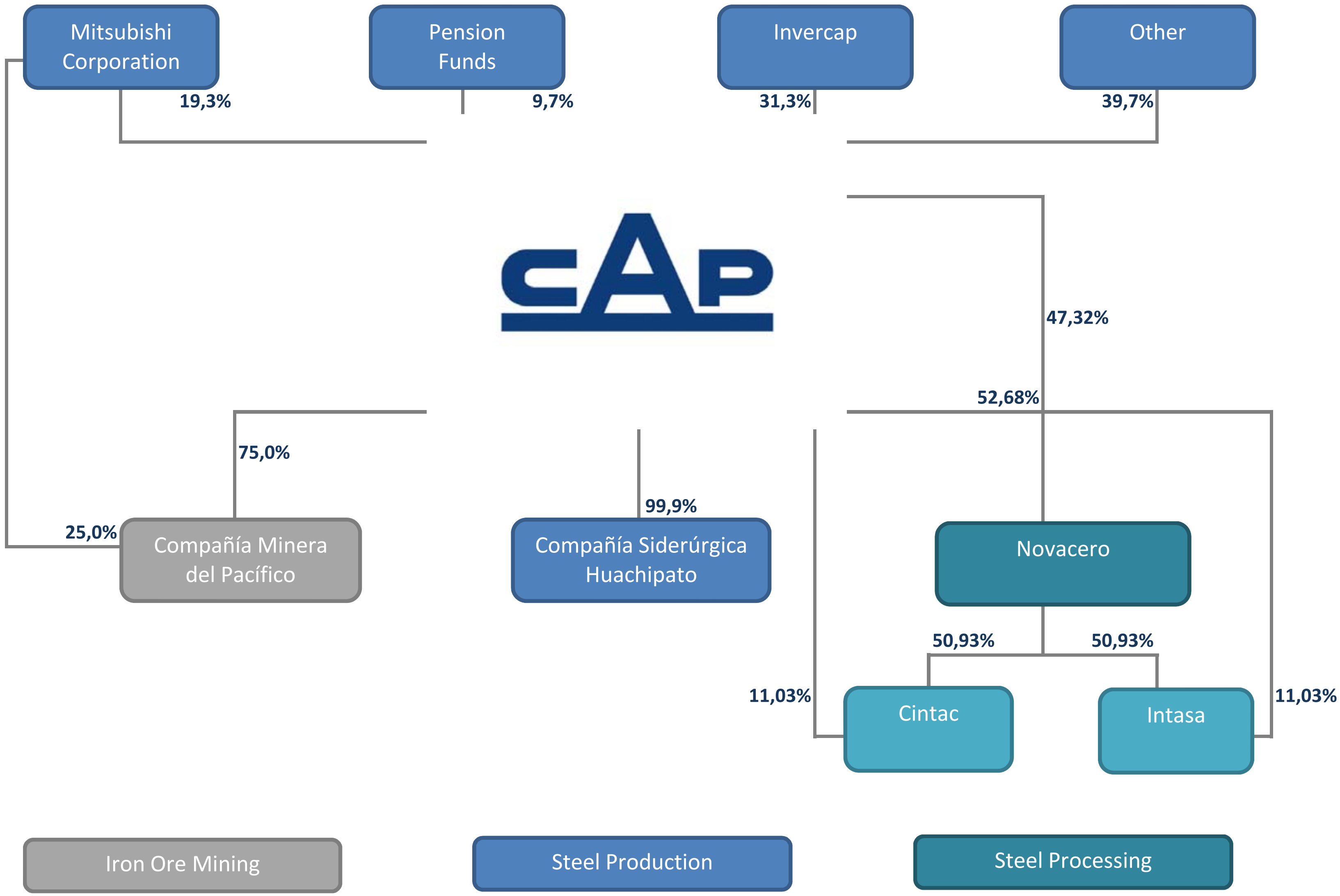
Mining

Steel

Steel Processing

(1) EBITDA: Gross Margin – S&AE + Depreciation + Dividends received in cash, over the last twelve months

Corporate structure



Iron ore mining

Iron ore mining operations

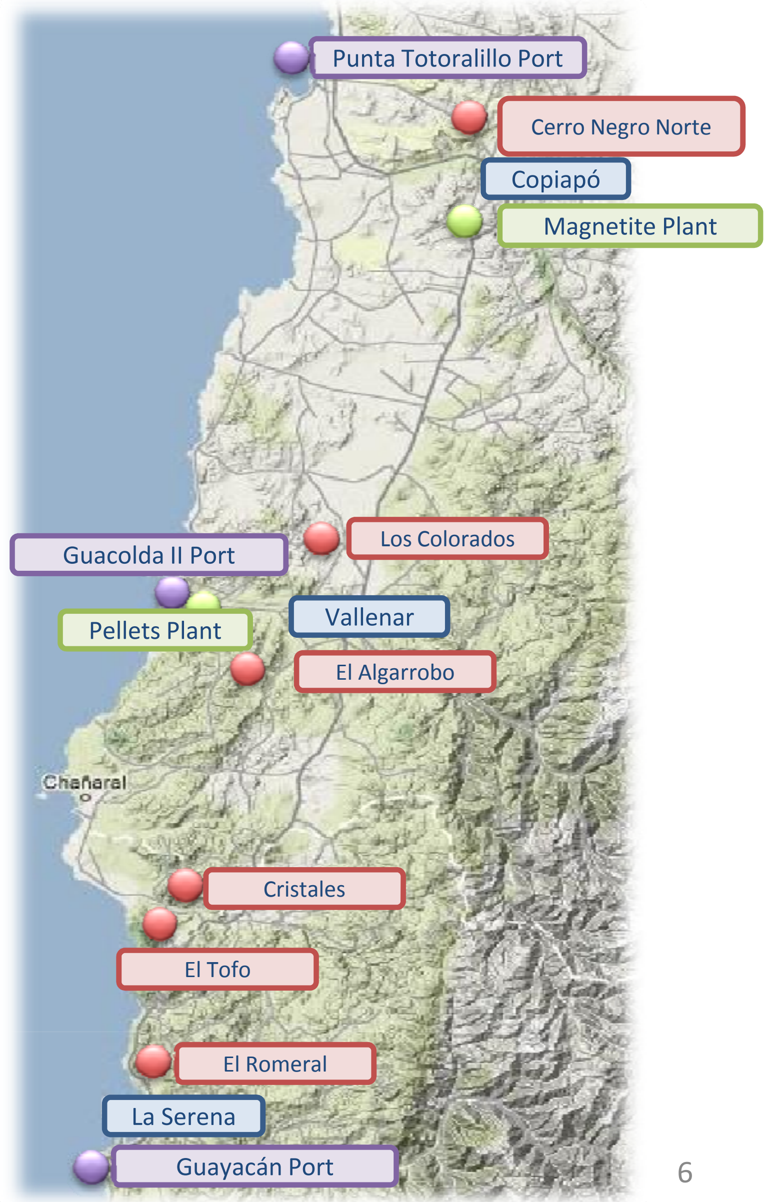
There are currently three different and independent areas of operation in the north of Chile, located around the cities of La Serena, Vallenar and Copiapó:

Cities

Mines

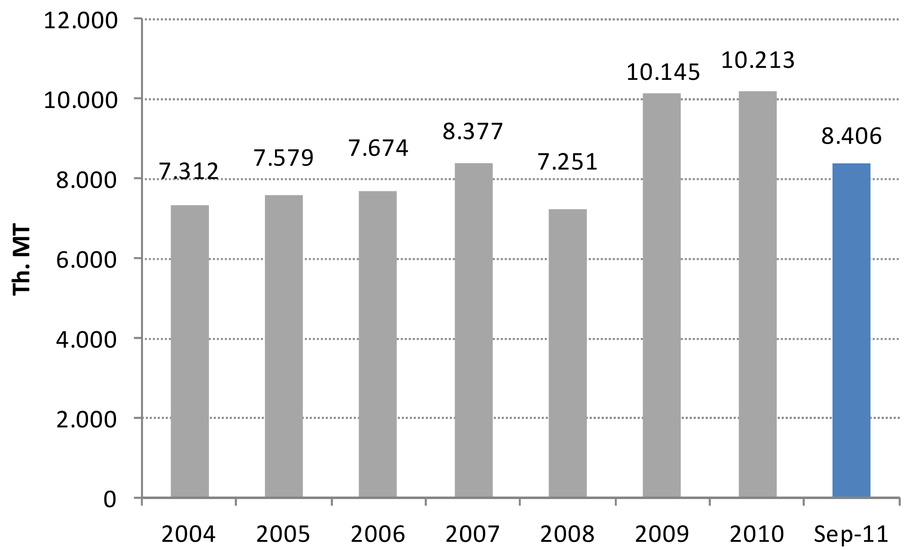
Processing Plants

Ports

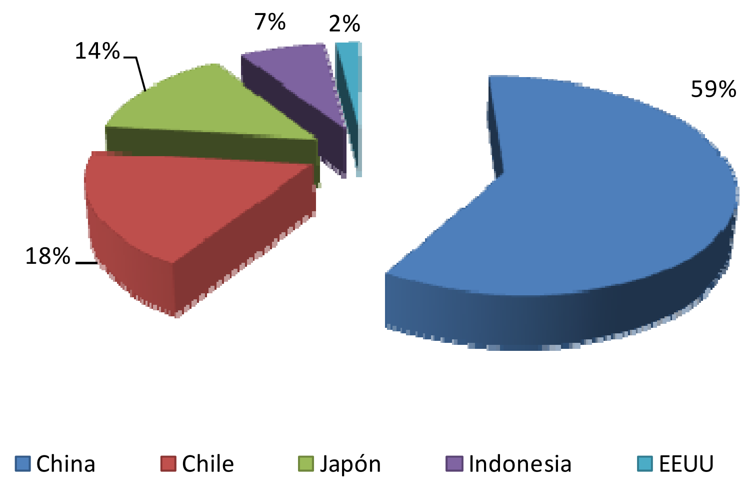


Shipments and markets

Shipments



Markets (September 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	437	45,0%	256	43,6%
El Romeral	282	33,9%	86	39,7%
El Algarrobo	143	41,3%	47	47,8%
Hierro Atacama I - Candelaria (3)	302	10,0%	--	--
Projects under construction				
Cerro Negro Norte	457	34,6%	177	39,0%
Reserves for future development				
Pleito Cristales / Tofo District	587,4	28,4%	Under study	
El Laco	734	49,2%	376	56,7%
El Algarrobo - Alcaparra District	536	33,2%	118	35,5%
Total	**3.478**	**35,80%**	**1.060**	

Source: CAP

- As a result of continued successful exploration campaigns, iron ore resources have increased progressively over the years; 2.352 million MT in 2007, reaching 3.478 million MT in 2010
- 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.

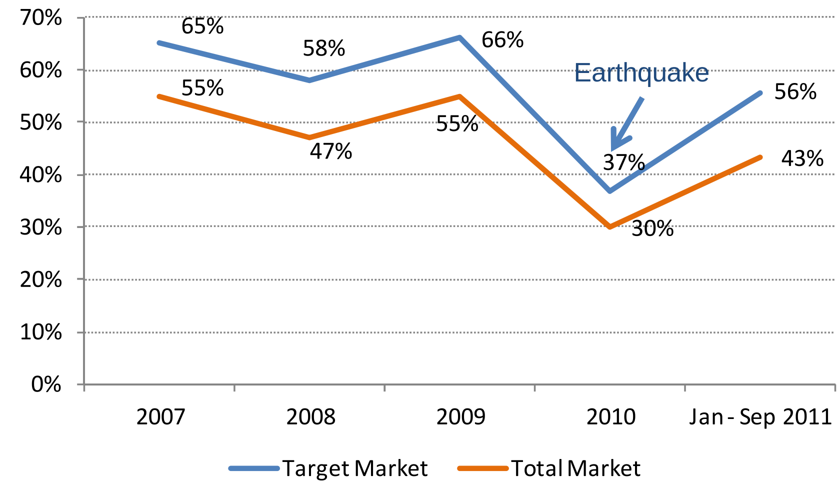
(3) CMP has the contractual right to process the tailing dump and fresh tailings of Candelaria copper mine.

Steel production

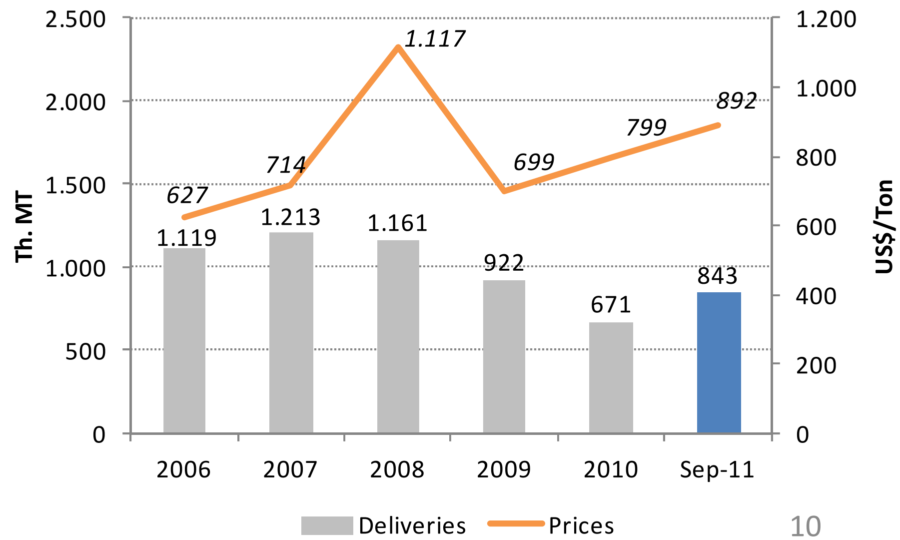
Steel production

- 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 zincalum

Market share



Shipments and prices

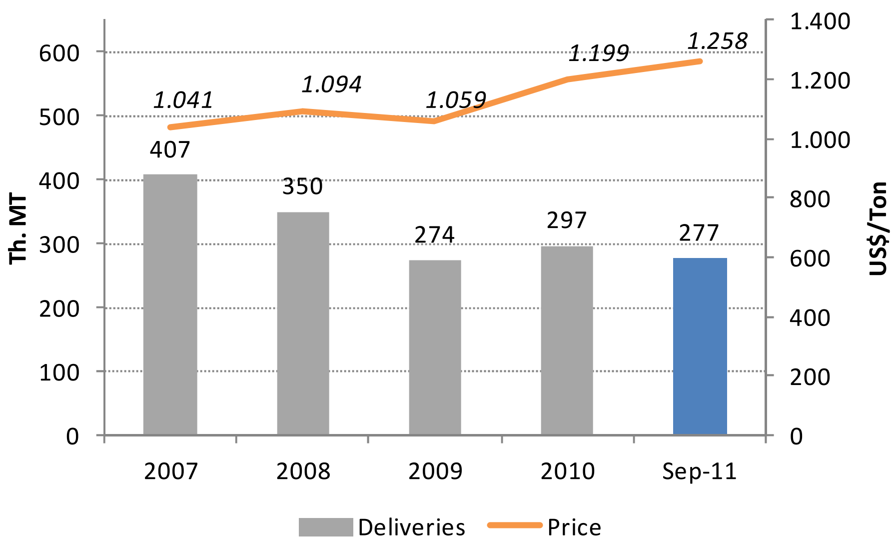


Steel processing

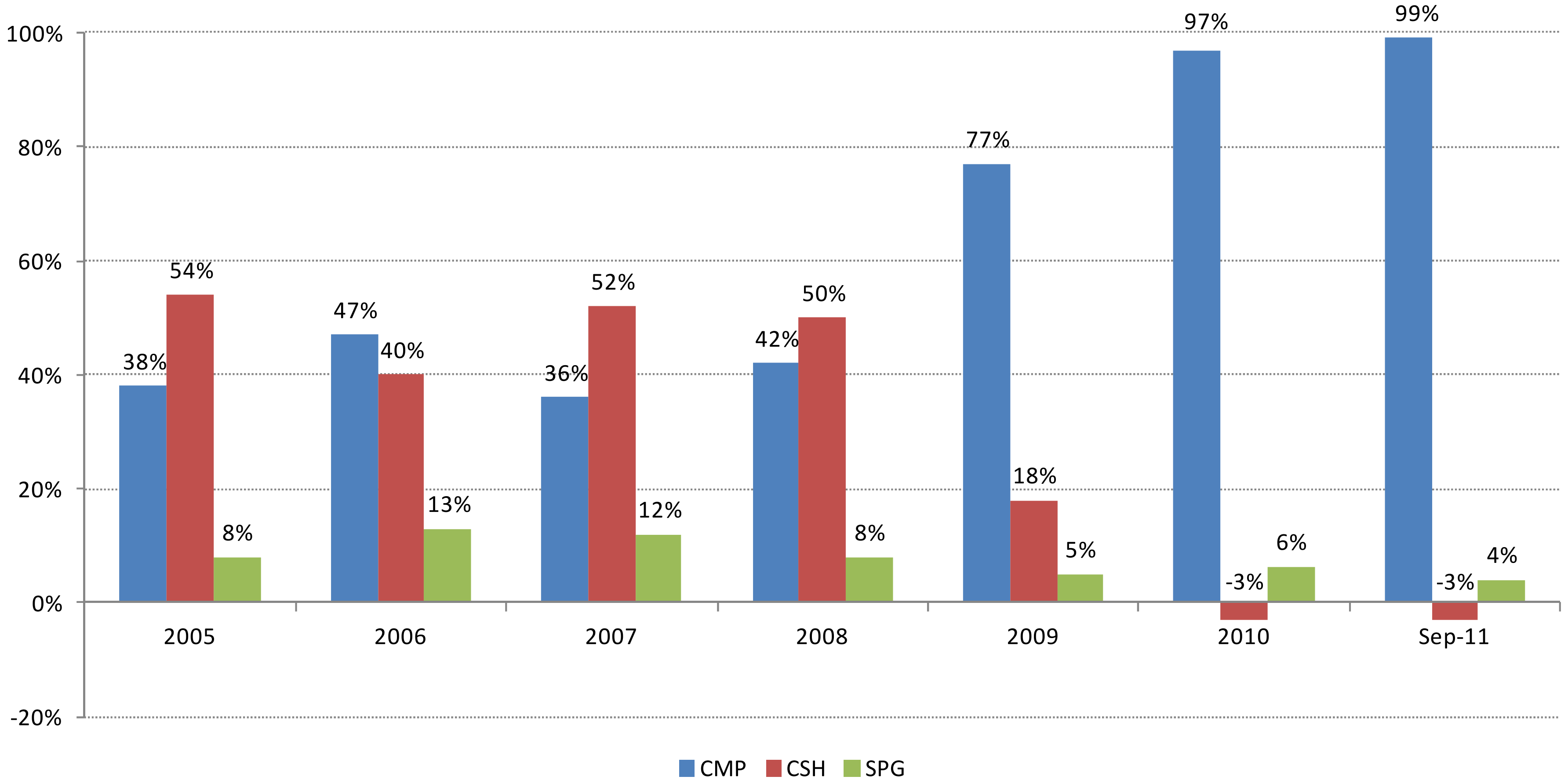
Steel processing

- 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 + Dividends received in cash, over the last twelve months

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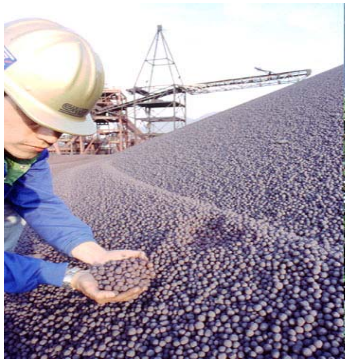
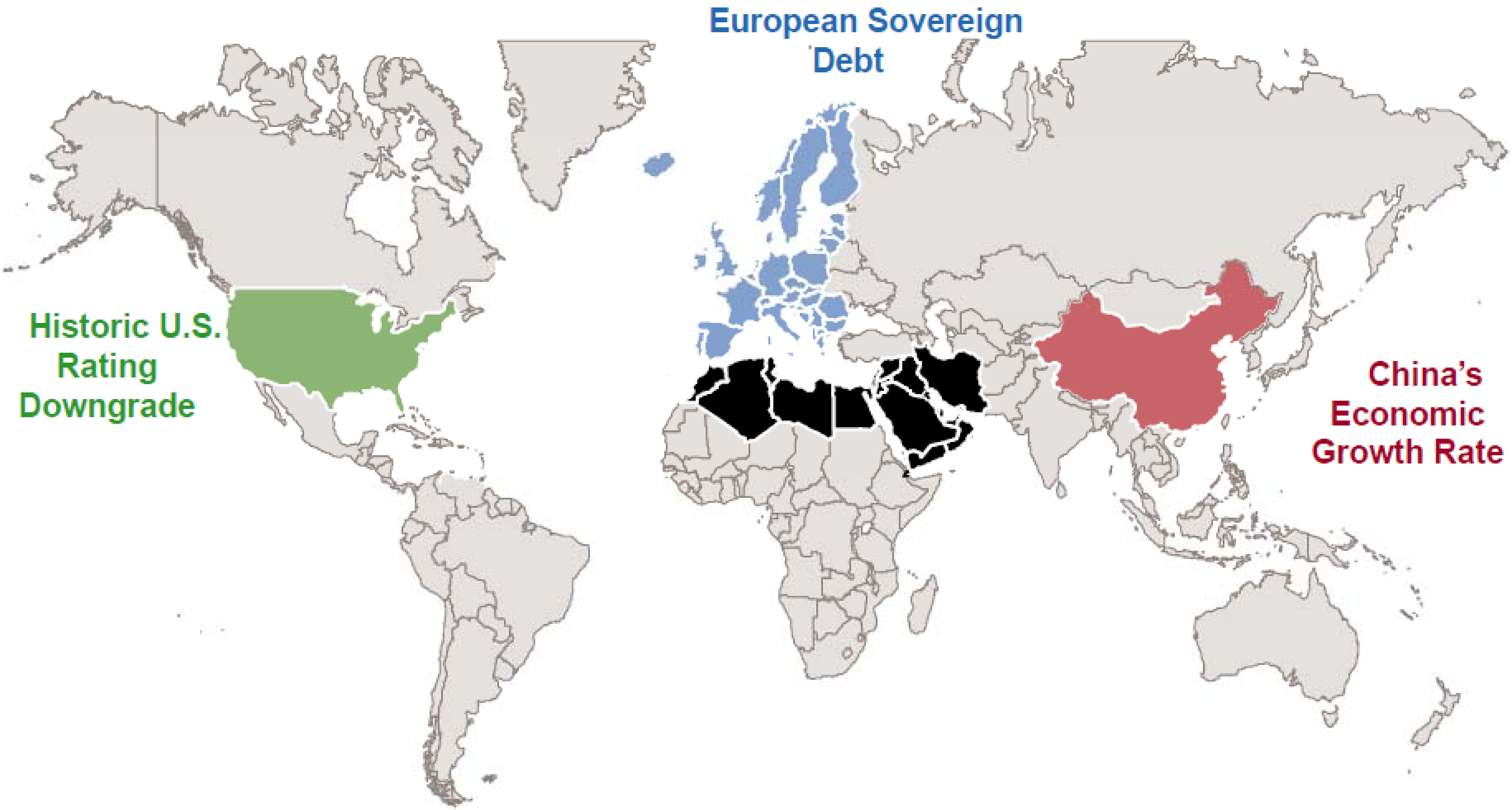


Global environment

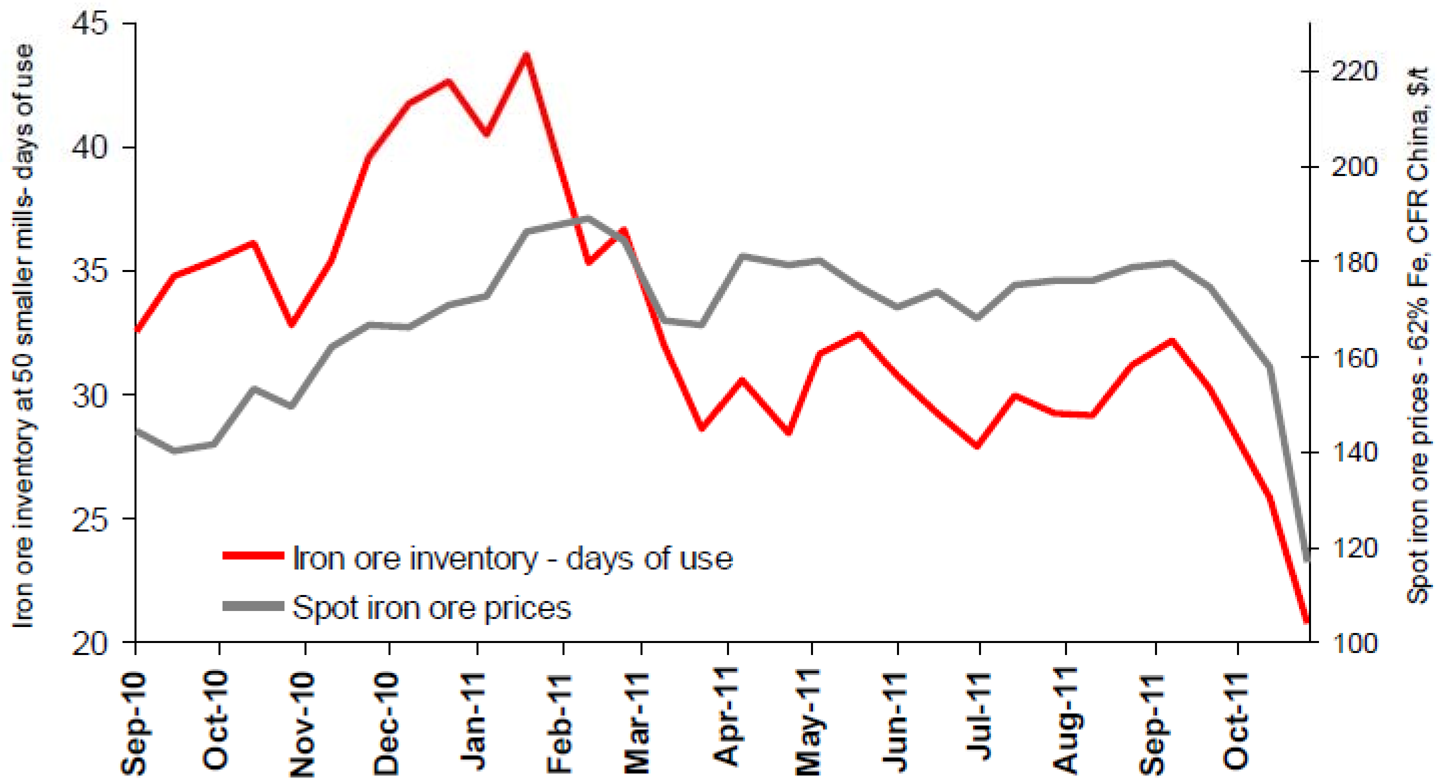
- During the last months, we experienced important macroeconomic events

Date	Event
June	Expiration of Quantitative Easing in the U.S. (QE2)
July	Acceleration of European debt crisis (Greece restructuring announced)
August	Historic downgrade of United States credit rating
September	Downturn in stock markets worldwide

Areas of concern



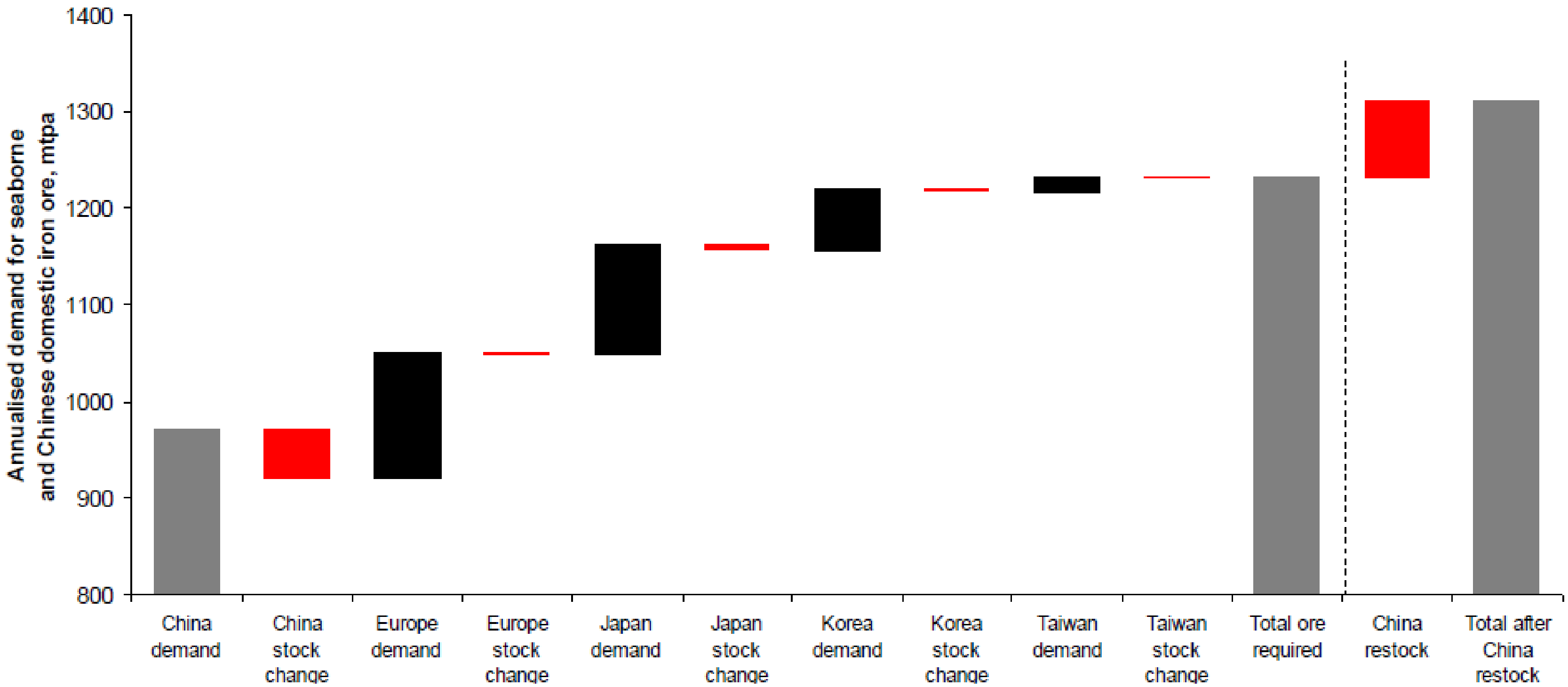
Iron ore price



- The fall in iron ore prices is reflecting an aggressive destock, but not a collapse in real demand

Source: Macquarie Research, 2011

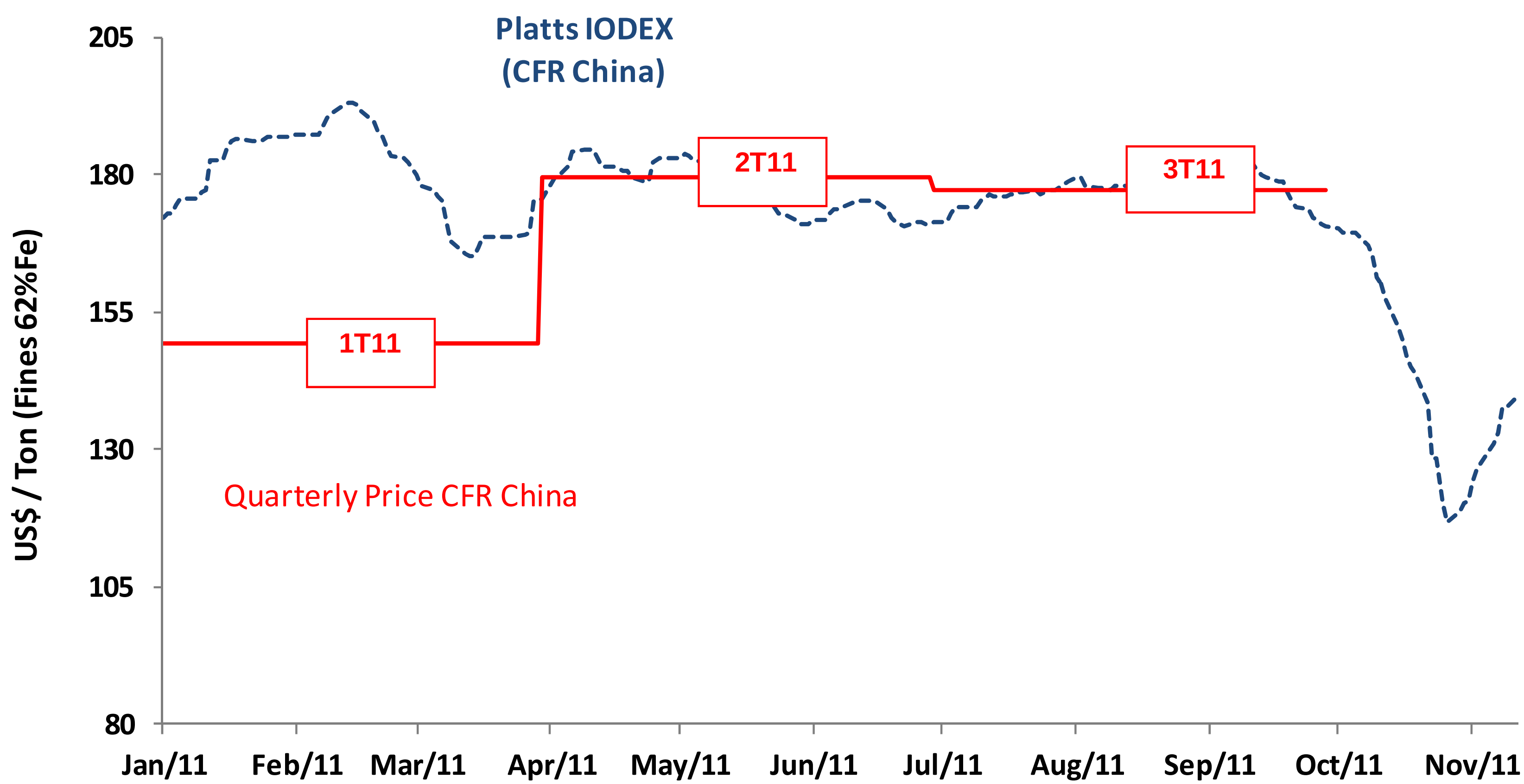
Iron ore demand



- China moving from destocking to restocking could add 80 mtpa to global iron ore demand

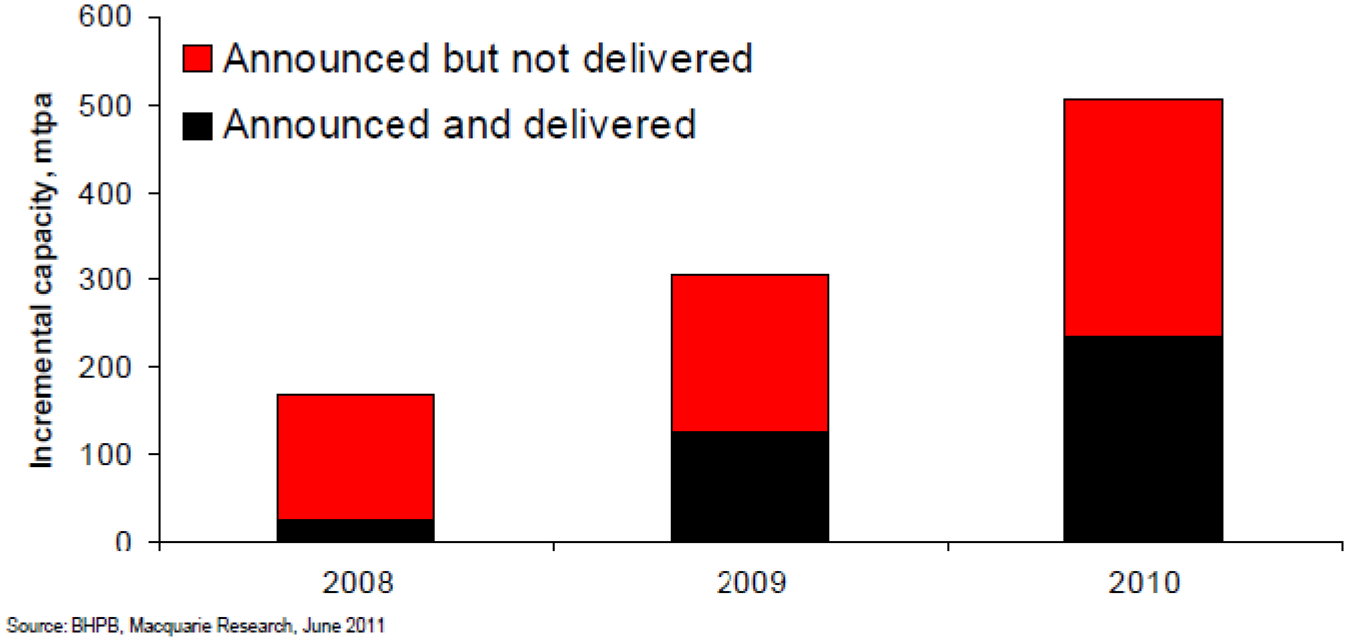
Source: Macquarie Research, 2011

Iron ore spot and quarterly prices



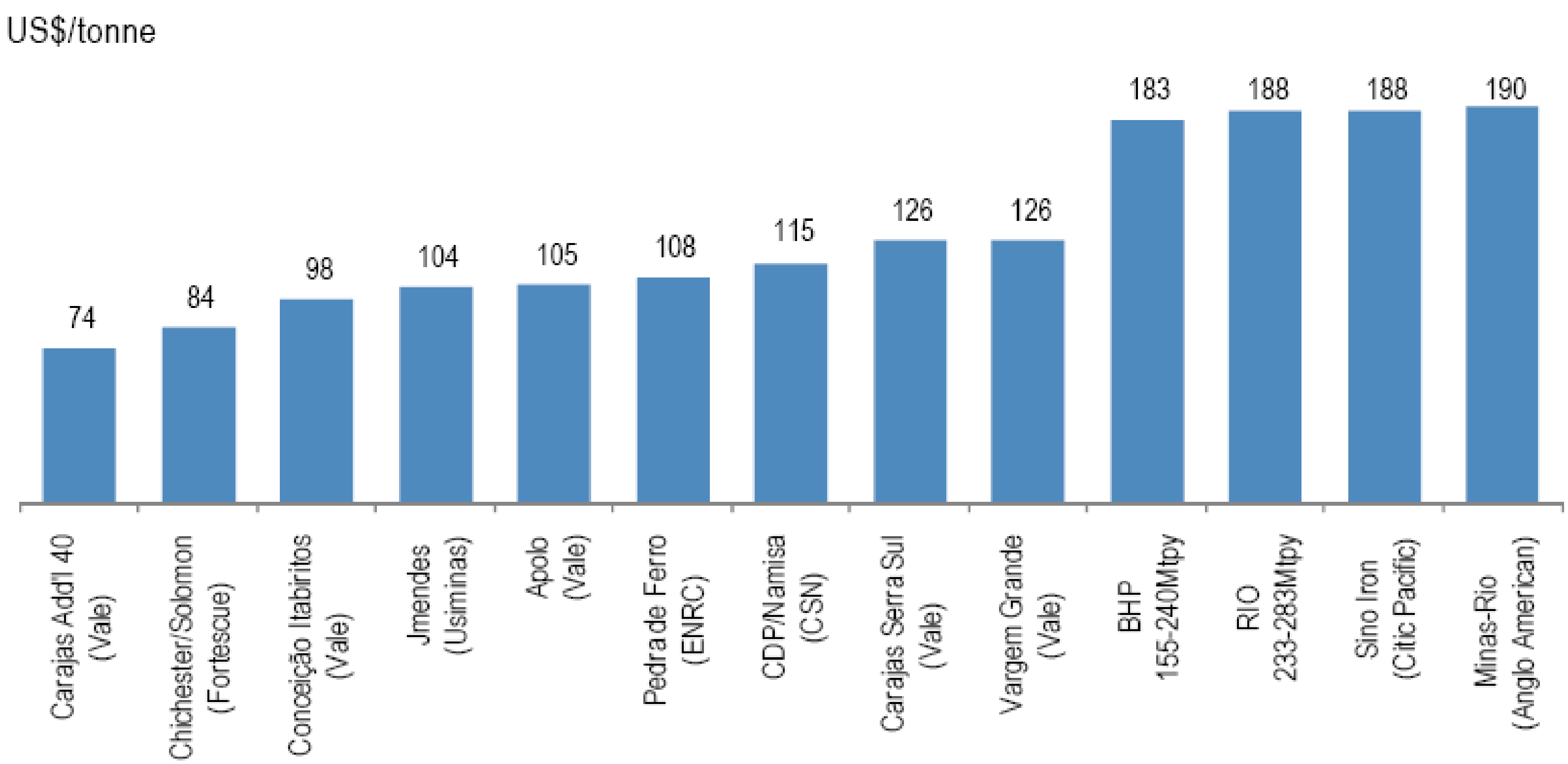
Source: Platts, November 2011

Projects announced v/s delivered



- 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

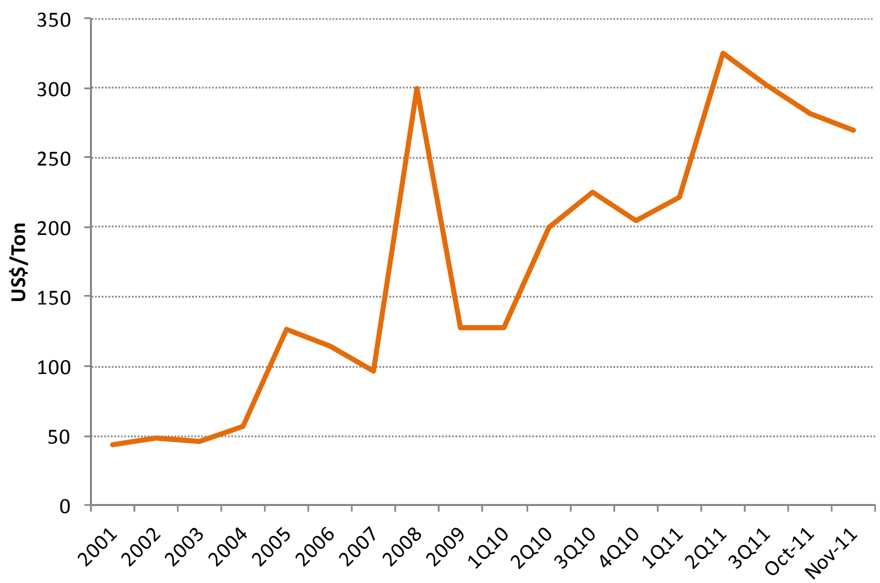


Source: JP Morgan Research

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

Evolution of raw material prices

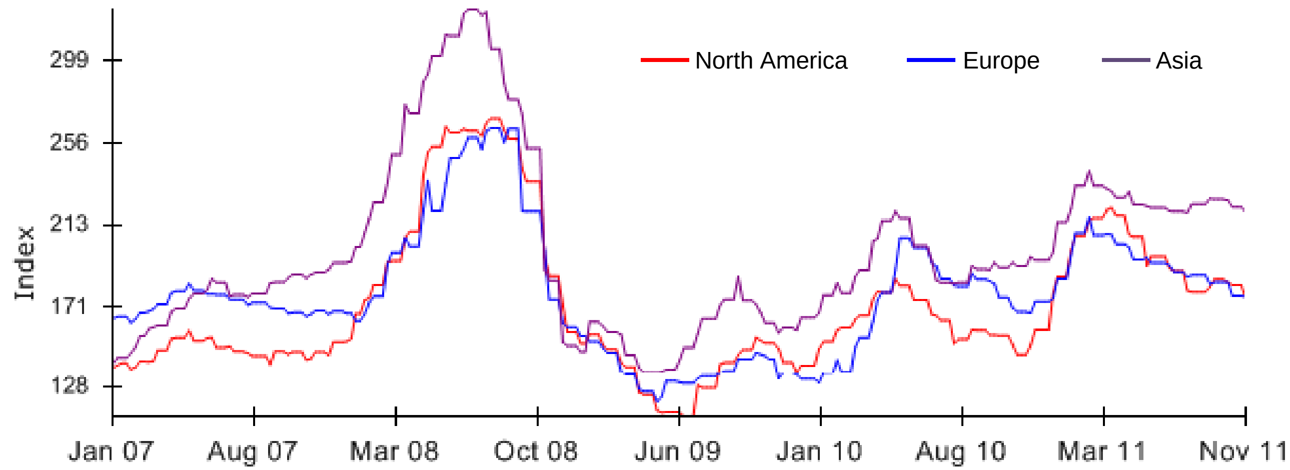
Metallurgical Coal



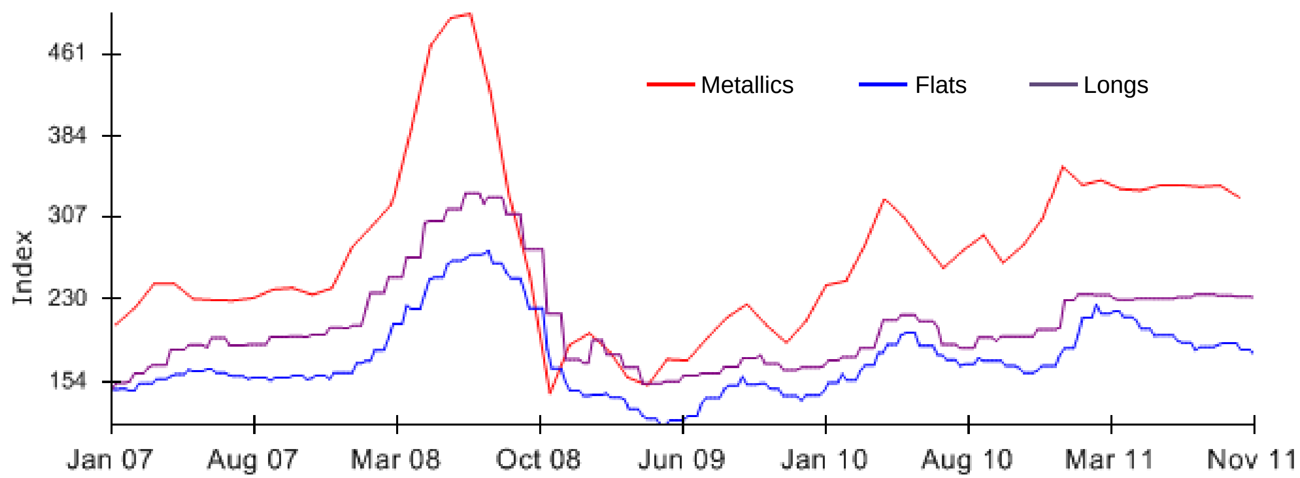
Baltic Dry Index

Source: CAP and The Baltic Exchange 2011

Evolution of steel prices



Source: www.crugroup.com



Source: www.crugroup.com

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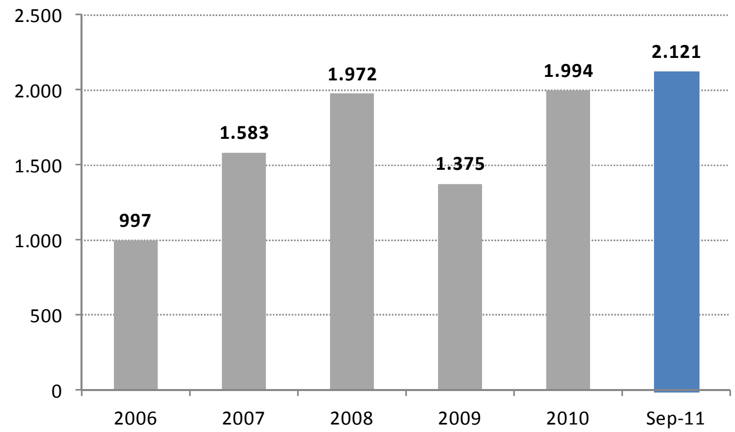
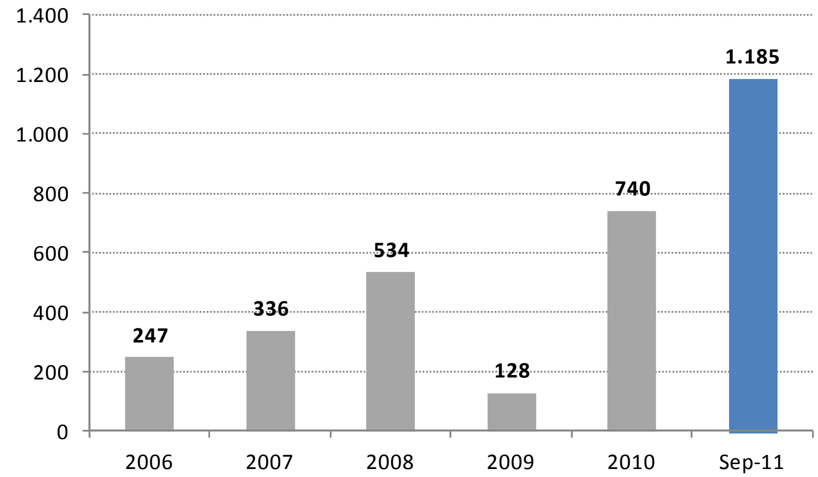
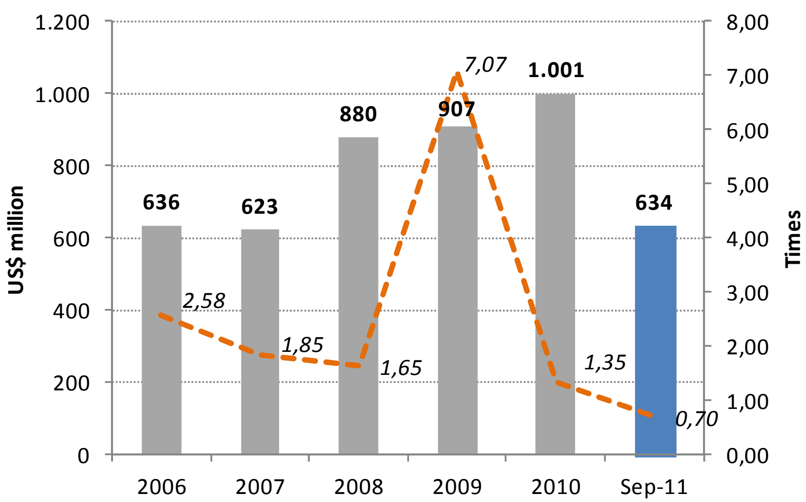
Sales (US$ million)



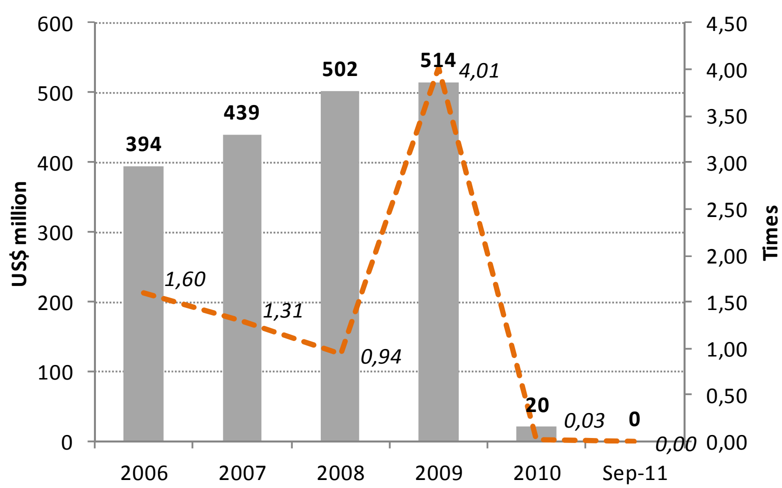
EBITDA (1) (US$ million)



Gross Financial Debt / EBITDA



Net Financial Debt / EBITDA

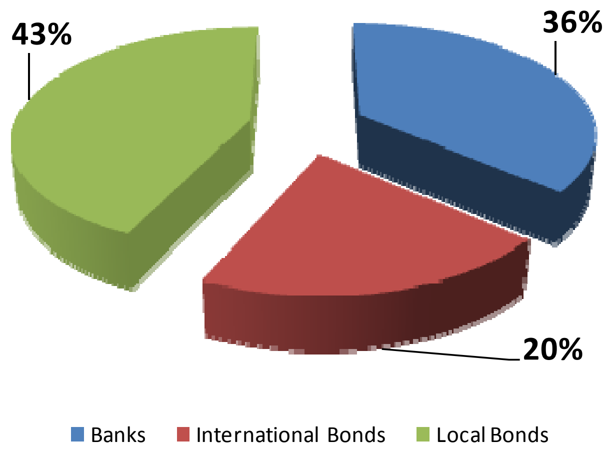


(1) EBITDA: Gross Margin – S&AE + Depreciation + Dividends received in cash, over the last twelve months

Debt reduction

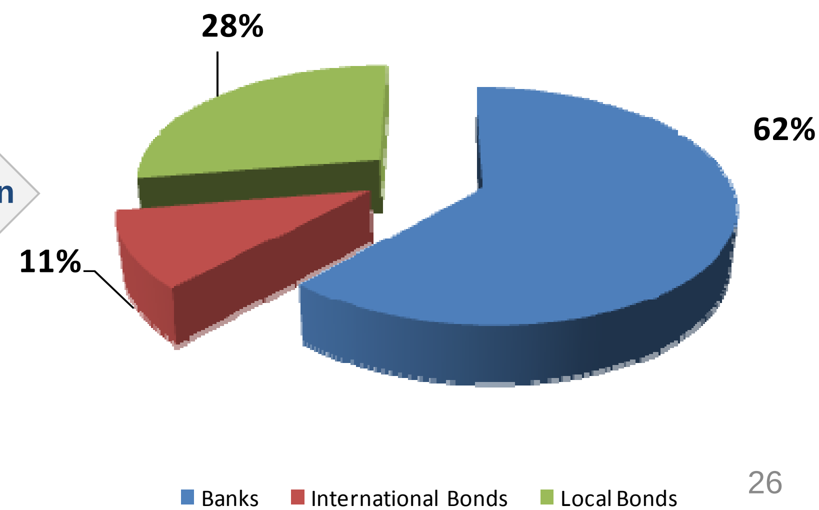
- Strong EBITDA performance (approx. US$ 100 million/month) is permitting:
  - Redemption of two local and one international bond issues and a negative Net Financial Debt position
  - Self financing of current iron ore expansion projects
  - Greater quarterly interim dividends, maintaining CAP's traditional policy to distribute 50% of Net Income to shareholders
  - At September 30, 2011 Cash at hand remains at US$ 900 million +

Total Gross Debt MUS$ 1.101
December 31, 2010



42% reduction

Total Gross Debt MUS$ 634
September 30, 2011



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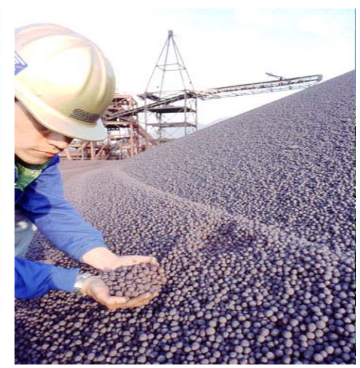


Development program underway

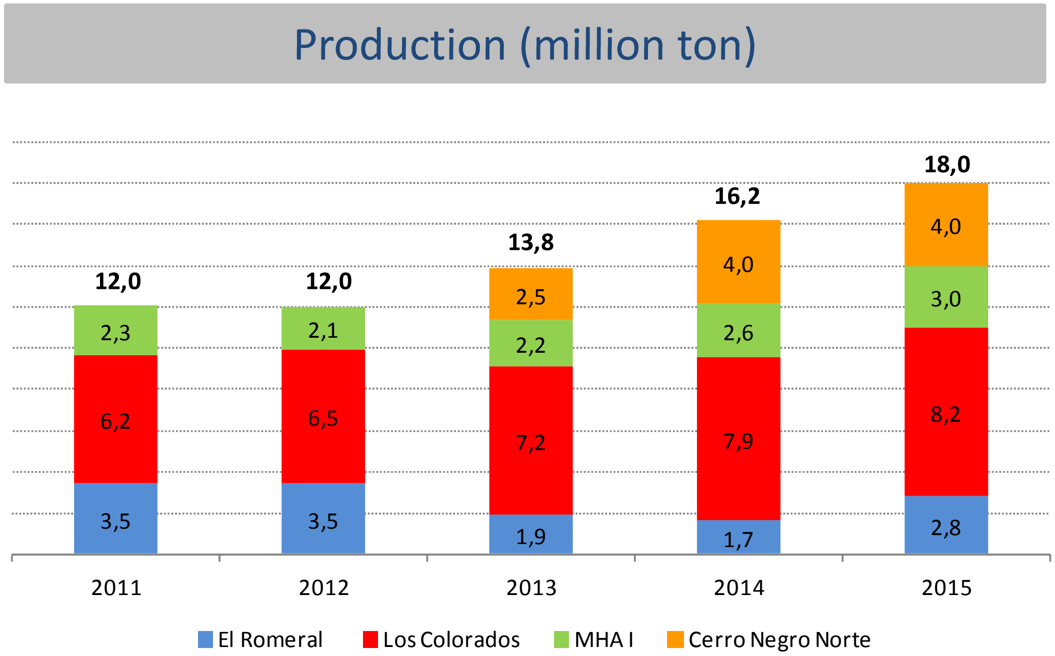
Cerro Negro Norte (greenfield project)

- Production: 4.0 million tonnes / Pellet feed
- Estimated production start-up: 1H 2013

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

Iron ore production capacity



- 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, will be developed by a JV between CAP and Mitsubishi Corp.
- Investment in exploration will continue to ensure further development and growth
- Financing of capacity expansion projects targeted to be financed with internal cash generation

Steel

- After overcoming damages produced by the earthquake in February 2010, CAP has nearly recovered its historic level of market share

- CAP's long term development plan currently under consideration. Principal goal is to ensure supply of a growing Chilean market with tonnages of CAP's own steel and/or alternatively imported material

Steel processing

- 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

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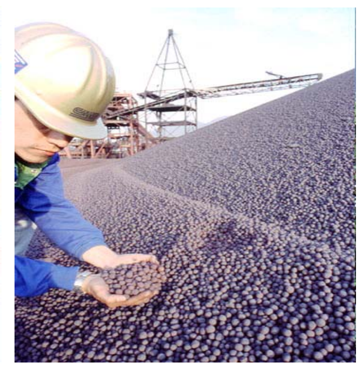

Strong fundamentals

- 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

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