Celfin Capital
Andean Investor Day
London – New York

June 2011

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Agenda

Company overview

Global environment

Business plan

Financial highlights

Investment considerations

Vertically integrated ferrous metal company

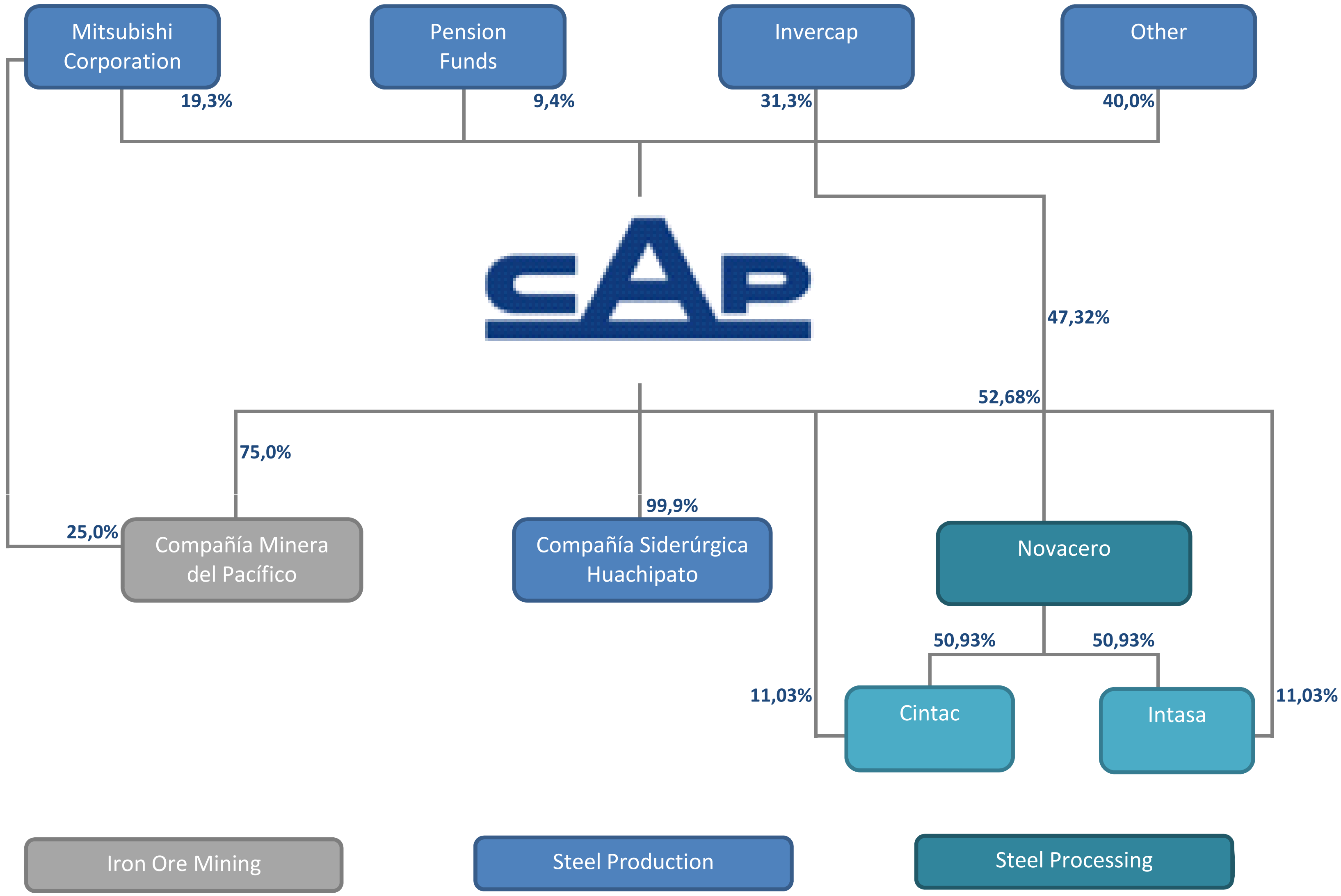
- Exports iron ore products, mainly to Asia
- Produces steel for the domestic market
- Processes value-added steel solutions in Chile, Peru and Argentina
- The above allows for a balanced and profitable business portfolio
- 2010 Consolidated Revenues, EBITDA and Net Income of US$ 2 billion, US$ 740 million and US$ 304 million respectively

Mining

Steel

Steel Processing

Corporate structure



Source: CAP, May 26 2011

Iron ore mining

Los Colorados mine

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

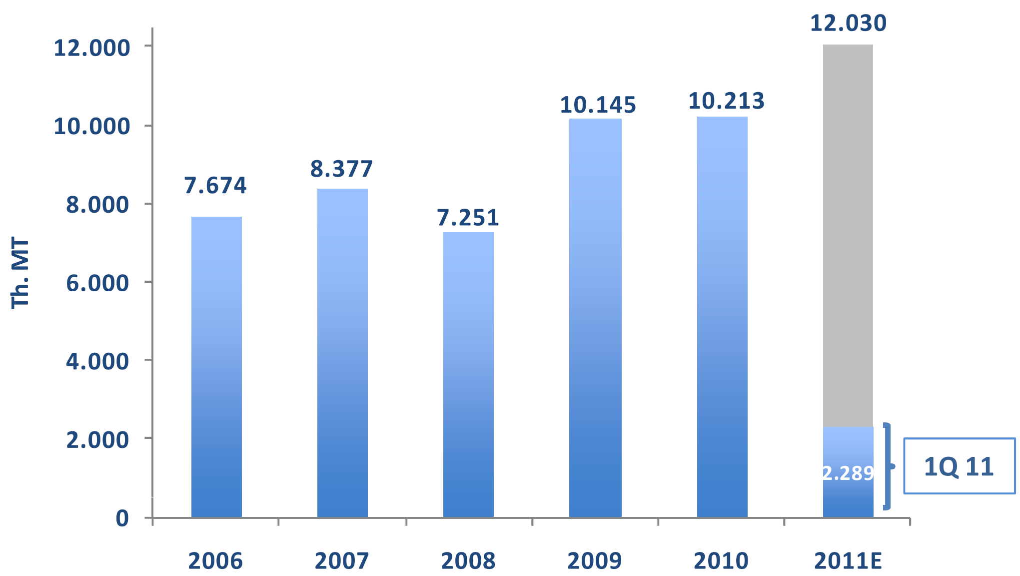
Mines

Processing Plants

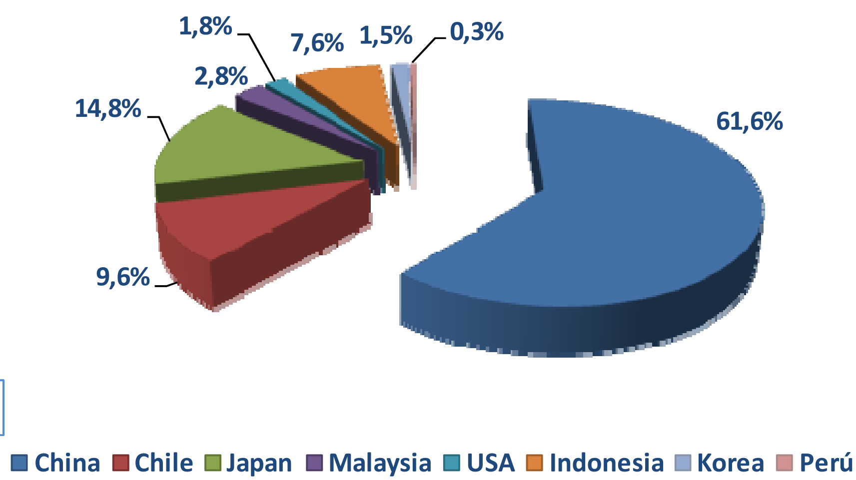
Ports

Shipments and markets

Shipments



Markets 2010



Share of Seaborne market

Seaborne Trade	2005	2006	2007	2008	2009	2010	2011f
CMP Market Share (%)	1,11%	1,04%	1,07%	0,86%	1,11%	0,98%	1,10%

Source: Goldman Sachs, Credit Research 2010

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.

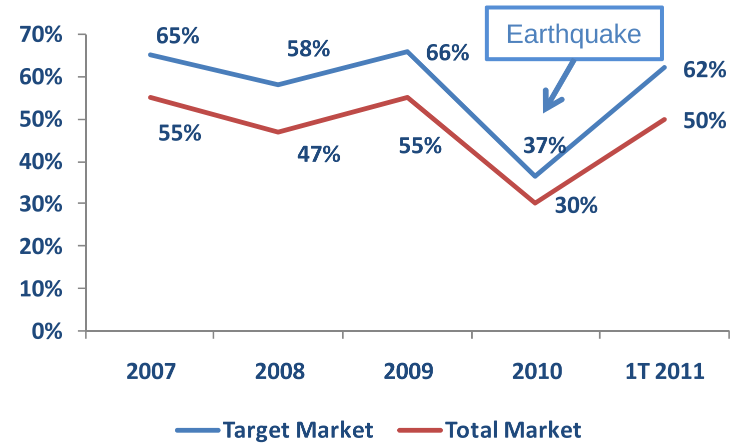
Steel production

Blast Furnace at CSH

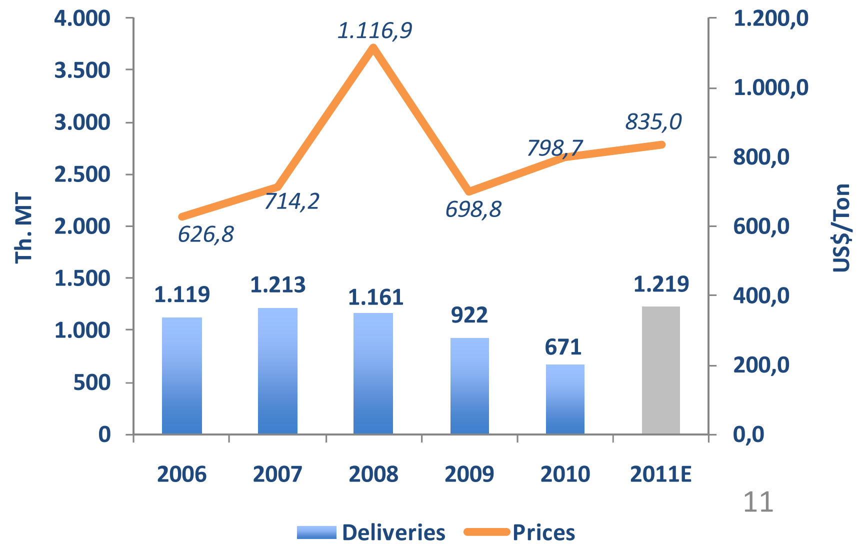
Steel production

- 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 production

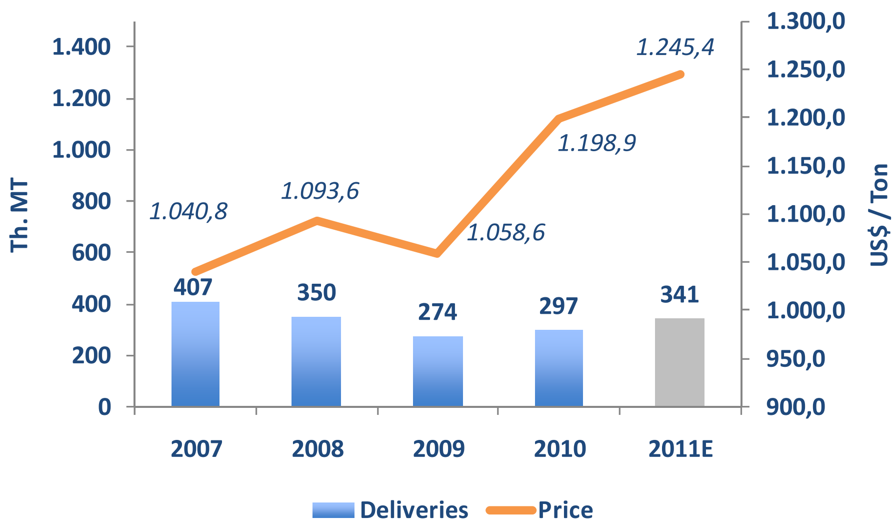
- The earthquake of February 27, 2010, severely damaged our steel mill, causing a 3 months detention
- Greater damage in primary production area: pier, coke plant, blast furnaces and steel shop
- Production restarted within June , 2010
- In 2011 plant operating at full capacity (around 100 Th. tons of finished product per month)
- Integrated steel producers' margins facing a strong challenge due to increase in raw materials costs and electricity

Steel processing

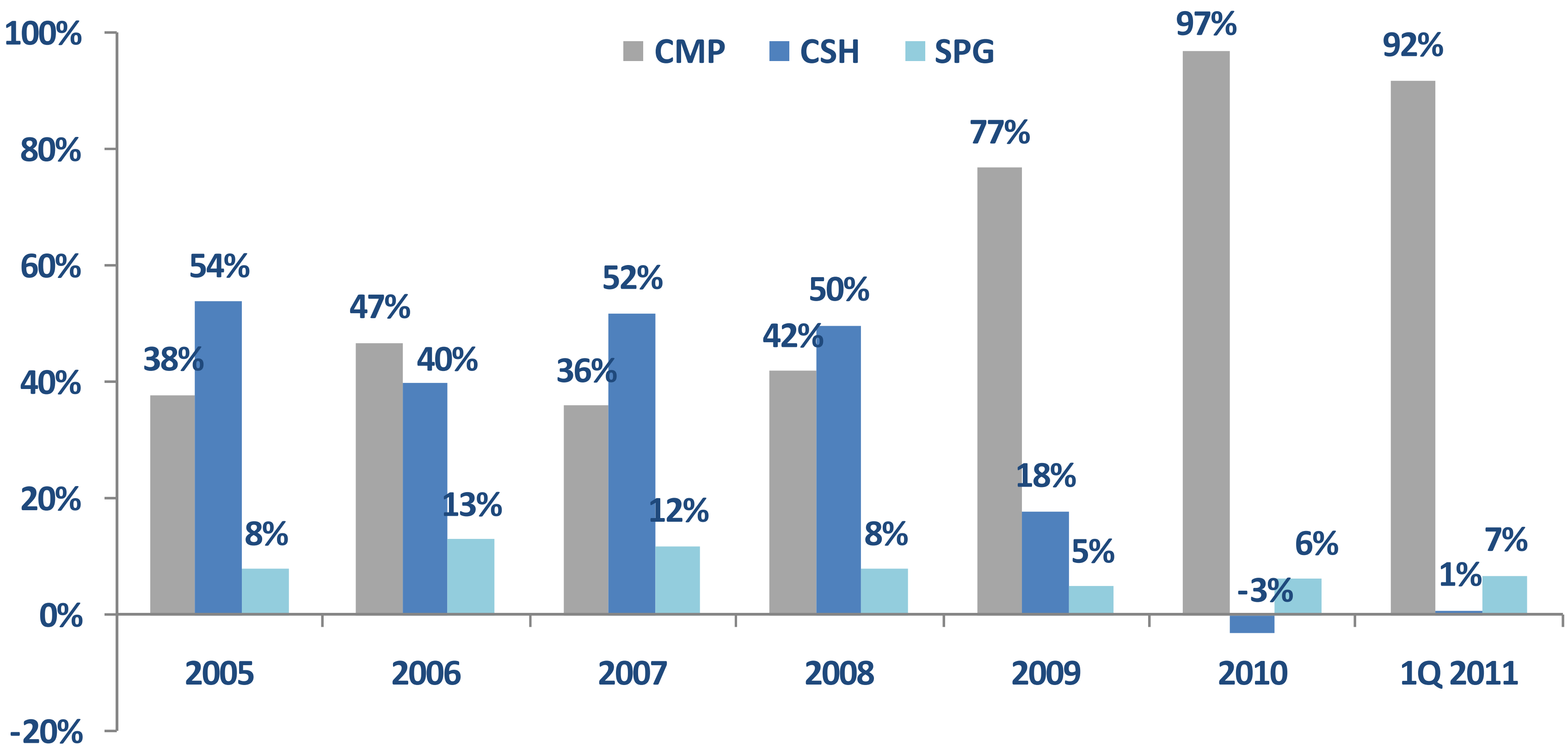
Steel processing

- 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



US$ million	2005	2006	2007	2008	2009	2010	1Q 2011
EBITDA	255	247	336	534	128	740	223

(1) EBITDA: Gross Margin – S&AE + Depreciation + Dividends received in cash.

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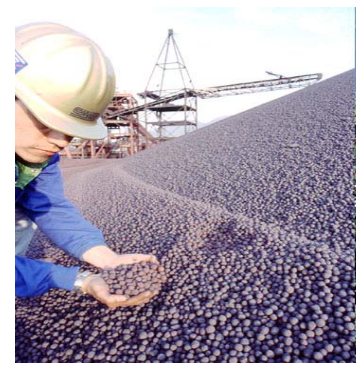
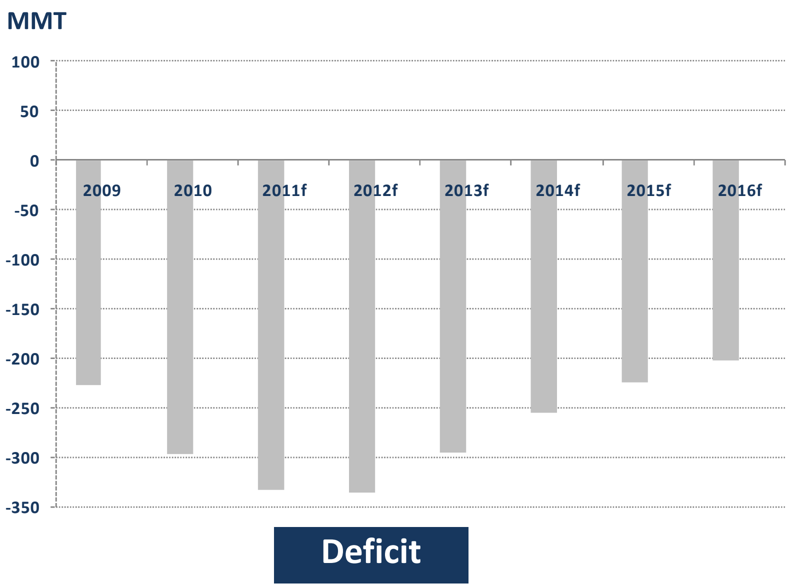


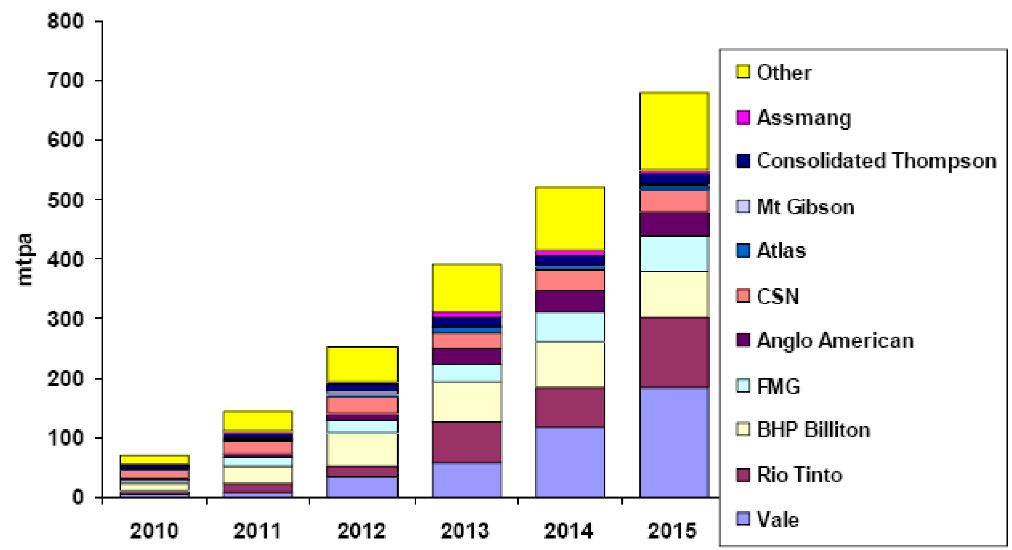
Seaborne iron ore supply and demand balance

Seaborne supply and demand balance



Source: Macquarie Research, May 2011

New projects

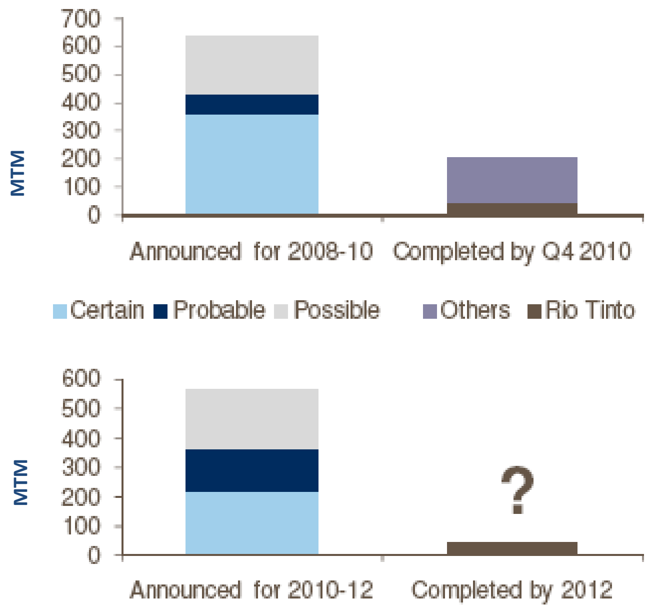


Source: Macquarie Research, 2010

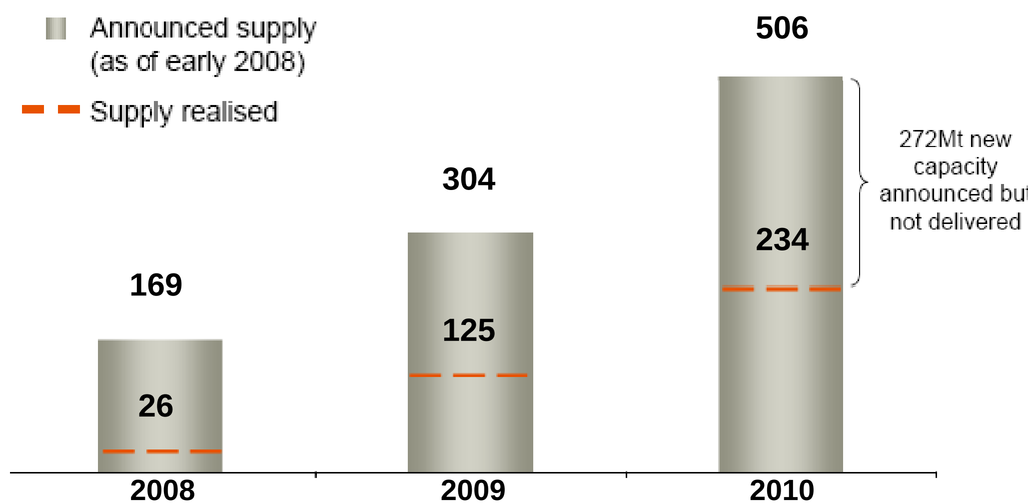
- Target implementation date of new projects highly unpredictable
- Iron ore supplies will remain tight for the next several years

Seaborne iron ore supply and demand balance

Increase in production capacity



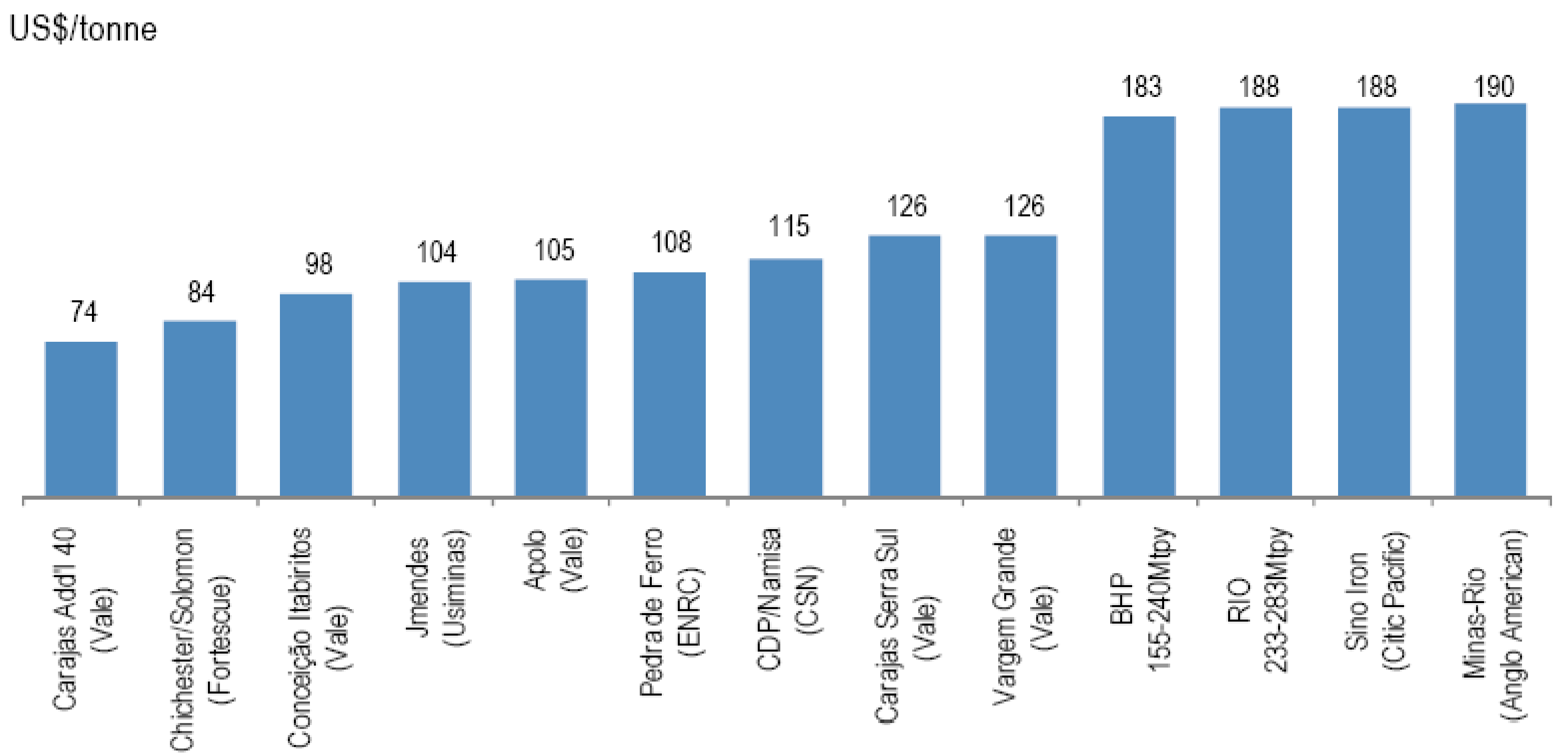
New projects



- New projects generally require high infrastructure cost and extended construction periods
- Environmental permits ever more demanding
- Average project Capex has quadrupled since 2006
- As a result over half of projects targeted by large producers for 2008-2010 have been delayed. Those more recently announced should follow similar fate

Source: Macquarie Research, March 2011

Strong increase in Capex observed for new projects

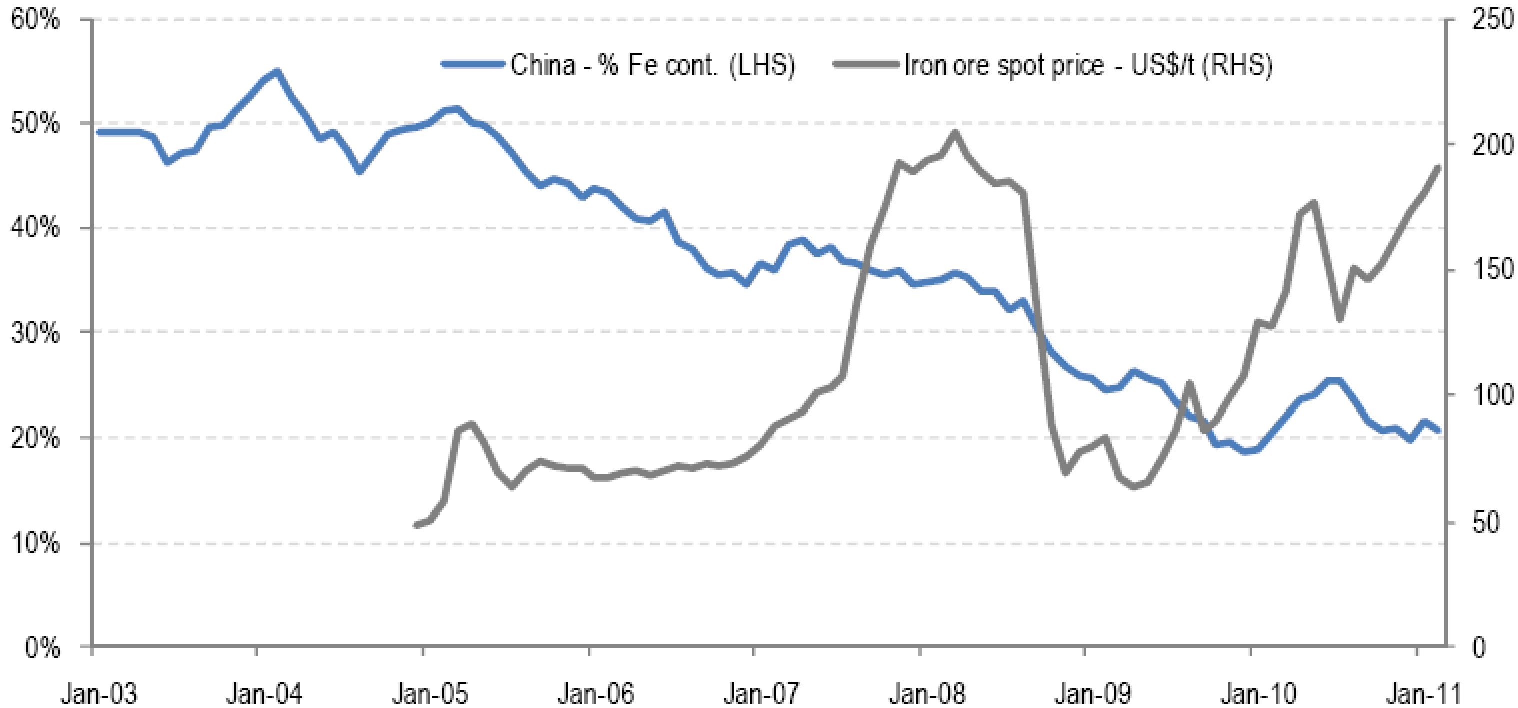


Source: JP Morgan Research , May 2011

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

Iron ore price evolution

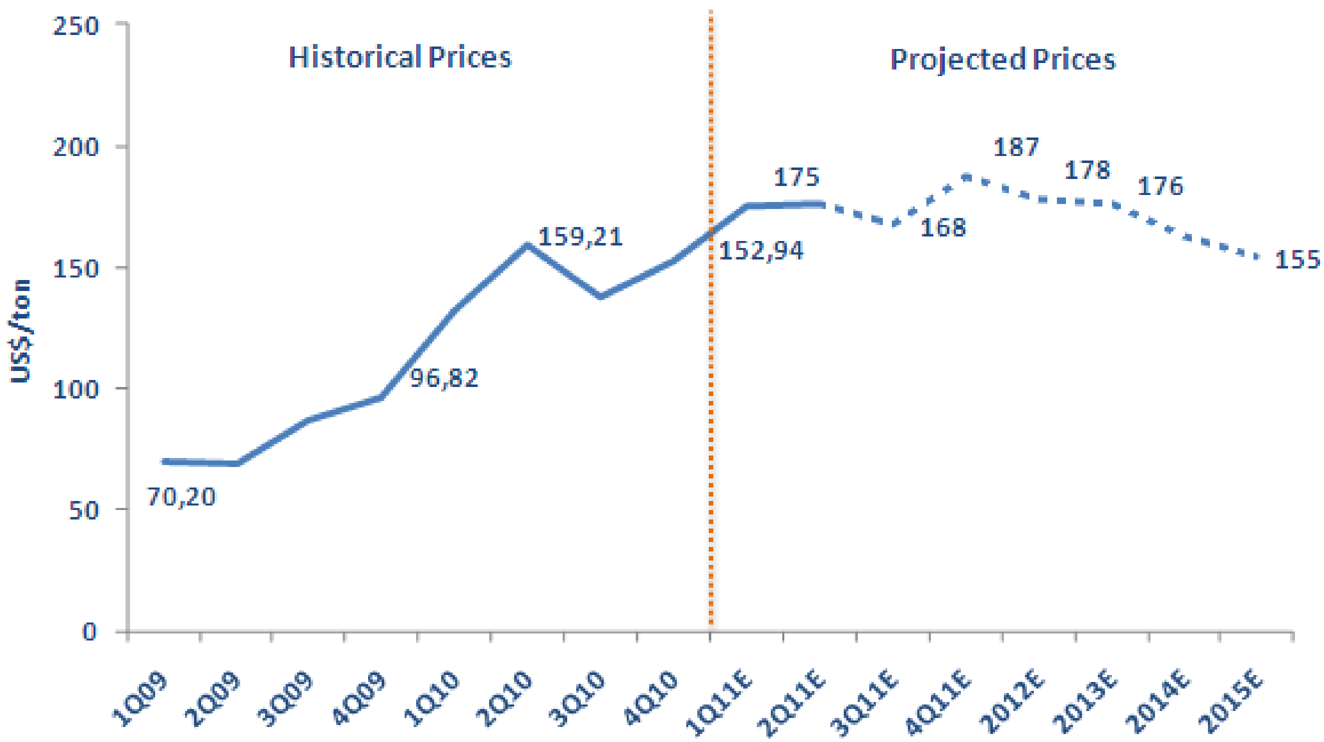
Iron ore grades of Chinese producers v/s Iron ore spot prices



Source: JP Morgan Research, May 2011

Iron ore price projection

Iron Ore Spot Price Estimates (Pellet Feed US$/Ton)

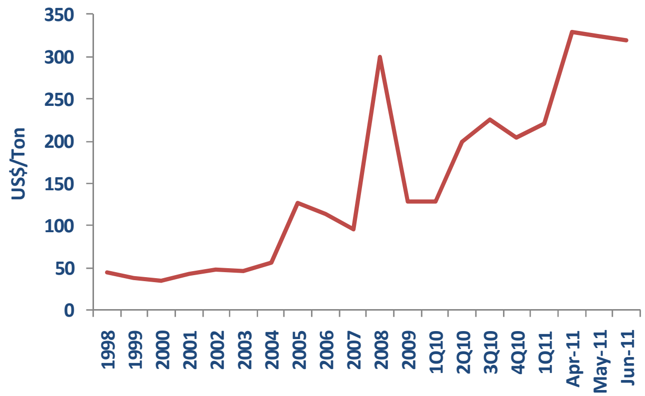


Source: Macquarie Commodities Research, May 2011

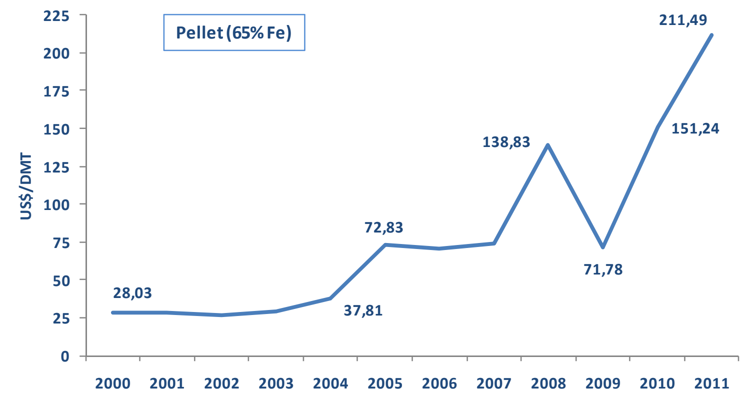
- According to the market projections, iron ore prices will remain strong

Evolution of raw materials prices

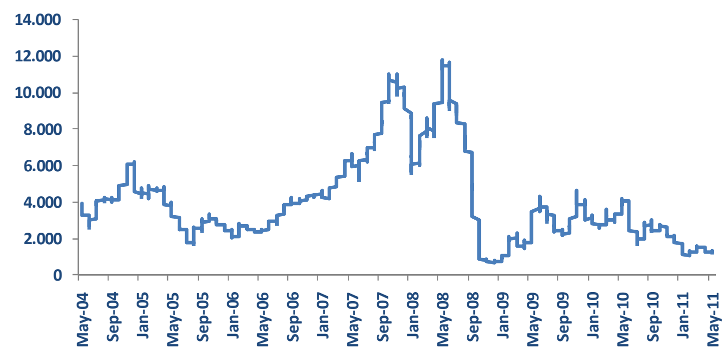
Metallurgical Coal



Iron Ore



Baltic Dry Index

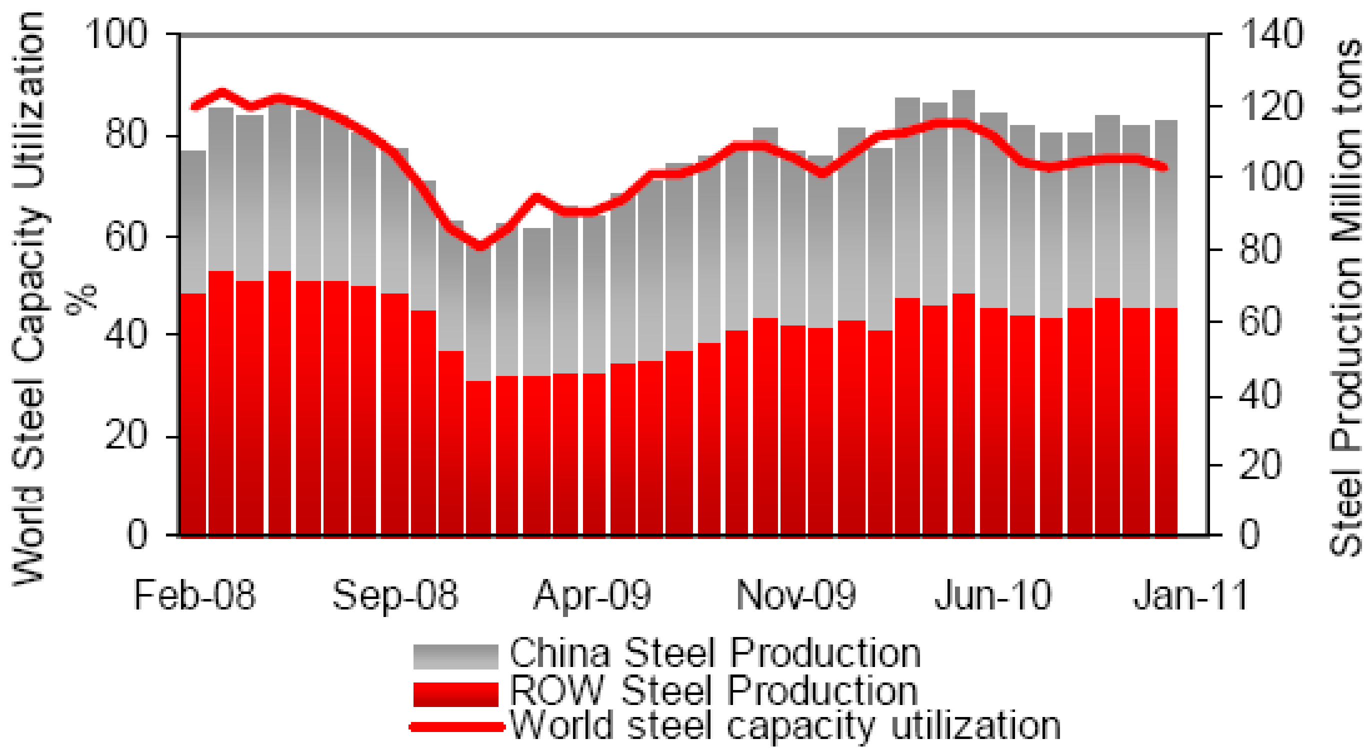


- Both metallurgical coal and iron ore show a sharp drop following the global economic crisis in 2008. Shortly after, steel raw materials prices began to recover but not associated shipping costs (Baltic Dry Index)

Source: CAP and The Baltic Exchange, May 2011

Steel production

World Steel Production (MTM) v/s World Steel Plants Capacity Utilization

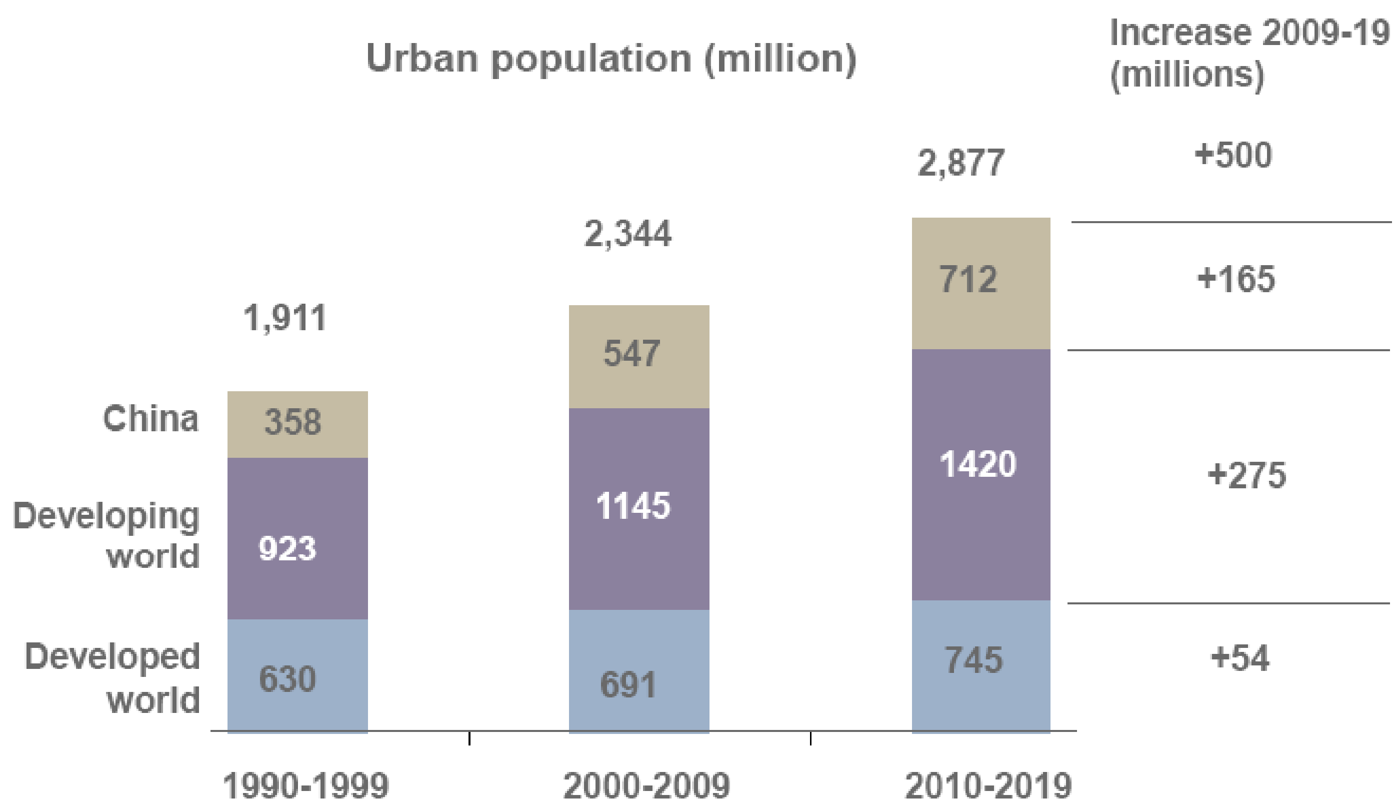


- Current world steel production using approximately 80% of total installed capacity
- Plant utilization outside China considerably lower

Source: Bloomberg and Santander Estimates, 2011

Evolution of steel price

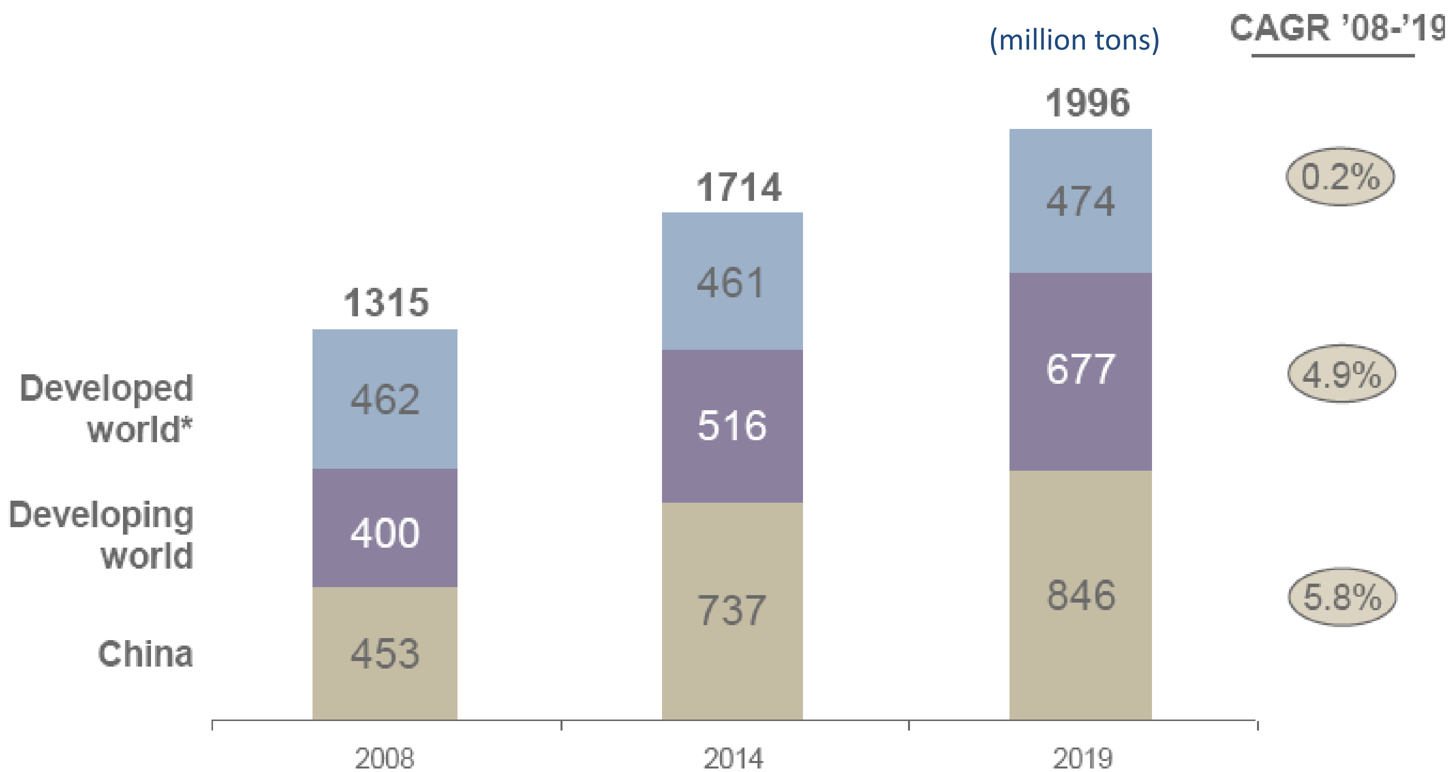
Urbanization in progress



Source: Arcelor Mittal, Metal Bulletin

- Growing urban population levels in developing countries will have an impact on levels of iron ore imported as well as steel production and consumption

Crude steel consumption



Source: Arcelor Mittal, Metal Bulletin

- Within the developing world, steel consumption is forecast to grow strongly beyond 2014

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Development program underway

Cerro Negro Norte (greenfield project)

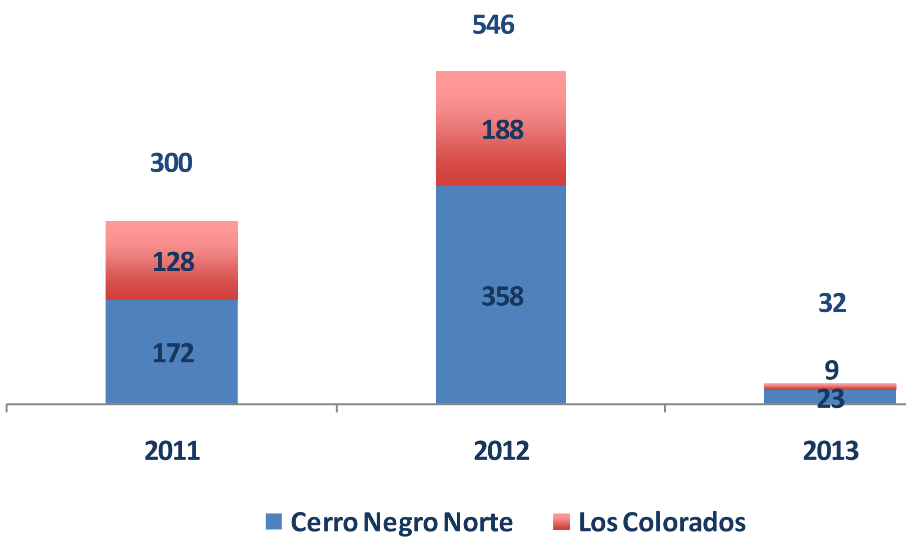
- Production: 4.0 million tonnes / Pellet feed
- Capex: US$574.5 million
- Production start-up: 1Q 2013

Los Colorados (brownfield expansion)

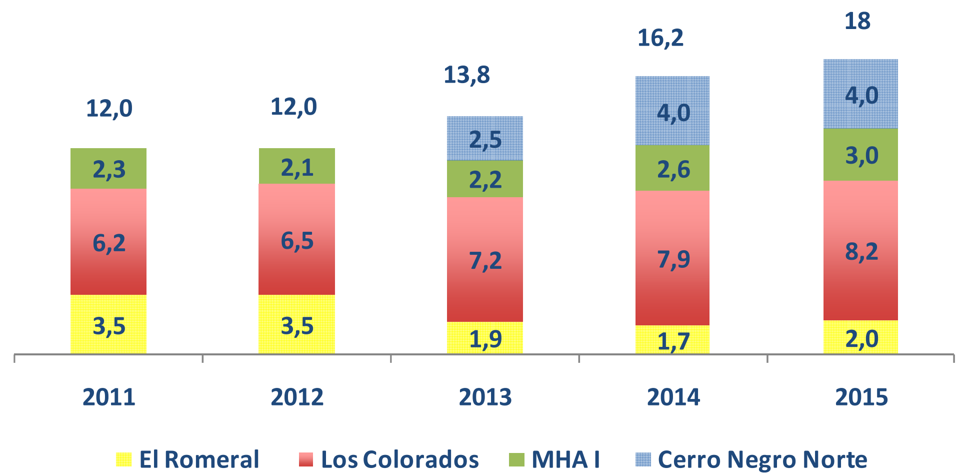
- Current production: 5.2 million tonnes / Pellets and pellet feed
- Projected increase: 2.0 million tonnes / Pellet Feed
- Capex: US$ 342 million
- New production start-up: 1Q 2013

Iron ore

Capex (US$ Million)



Production (Million tons)



- Capex for 2010 – 2013: approximately US$900 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, will be developed by a JV between CAP and Mitsubishi Corp.
- Investment in exploration will continue to ensure further development and growth
- Increase in production capacity will be financed mainly with internal cash generation

Seaborne Trade	2011f	2012f	2013f	2014f	2015f
CMP Market Share (%)	1,10%	1,04%	1,11%	1,21%	1,28%

Source: Macquarie Commodities Research, May 2011

Steel

- After overcoming damages produced by the earthquake, CAP has 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

- Steel processing operated at full capacity in Chile during 2010 – 2011 period, helping the country's recovery efforts following the earthquake
- Growth focus in Chile, Peru, Argentina and Brazil



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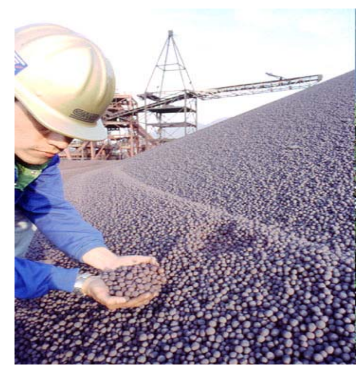
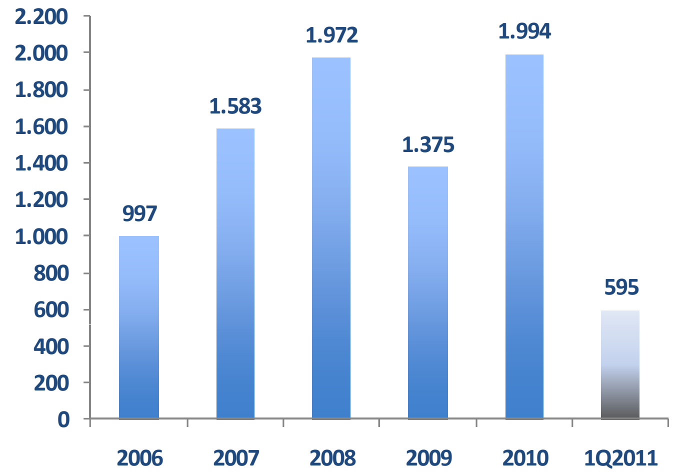
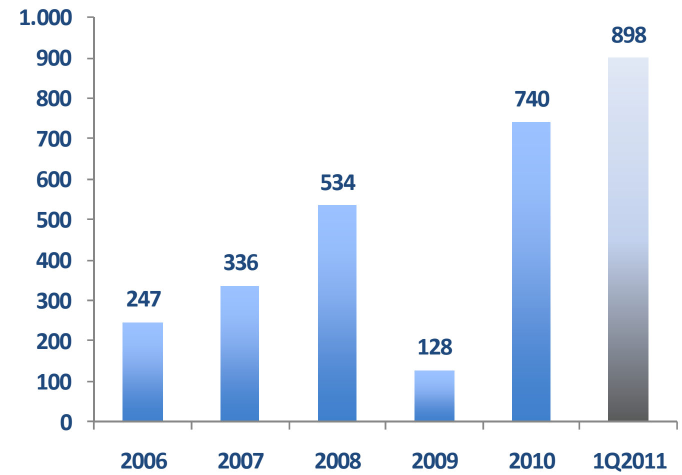
				

Financial highlights

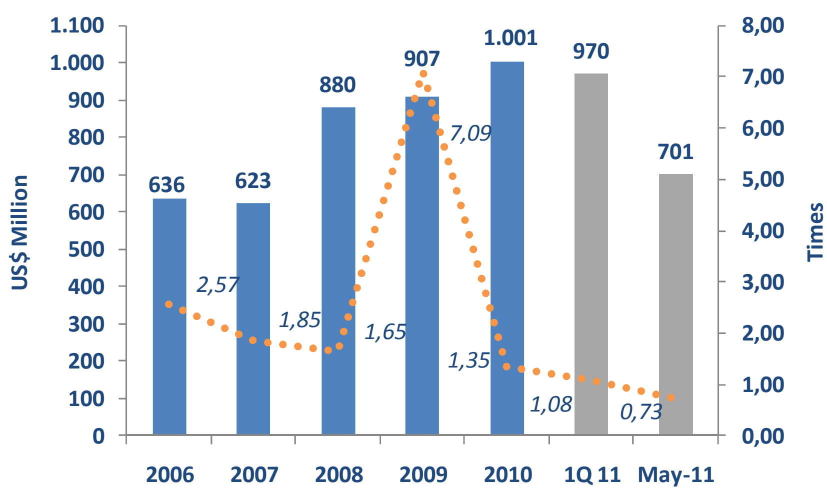
Sales (US$ Million)



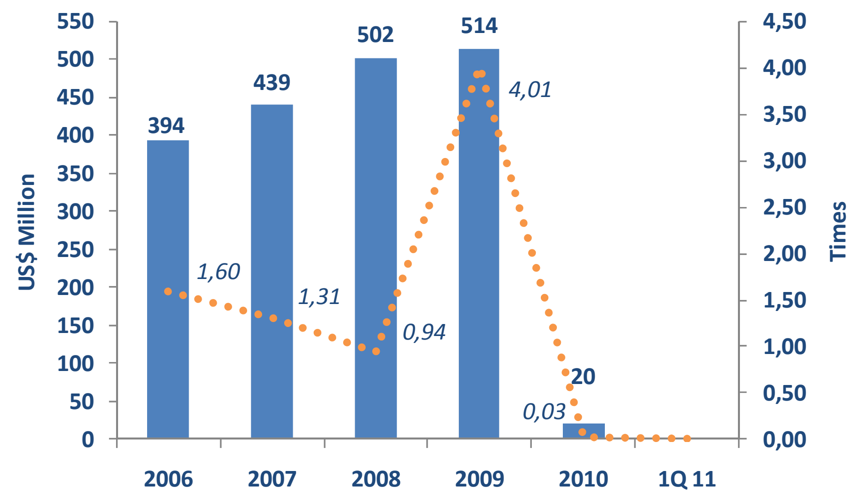
EBITDA 1 (US$ Million)



Gross Financial Debt / EBITDA



Net Financial Debt / EBITDA



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

Financial evolution

(US$ million)	2006	2007	2008	2009	2010	1Q 11
Cash	242	184	379	393	981	1.062
Short Term Debt	97	81	111	84	219	338
Long Term Debt	539	543	769	823	781	632
Total Financial Debt	**636**	**623**	**880**	**907**	**1.001**	**970**
Net Financial Debt	**394**	**439**	**501**	**514**	**20**	**--**
Net Financial Debt / EBITDA	**1,60x**	**1,31x**	**0,94x**	**4,01x**	**0,03x**	**--**
Equity (at book value)	732	884	1.039	1.238	2.686	2.738
CAPEX	119	309	161	142	207	67

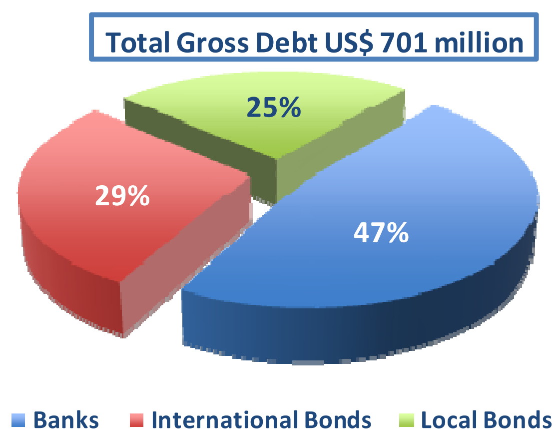
Debt profile

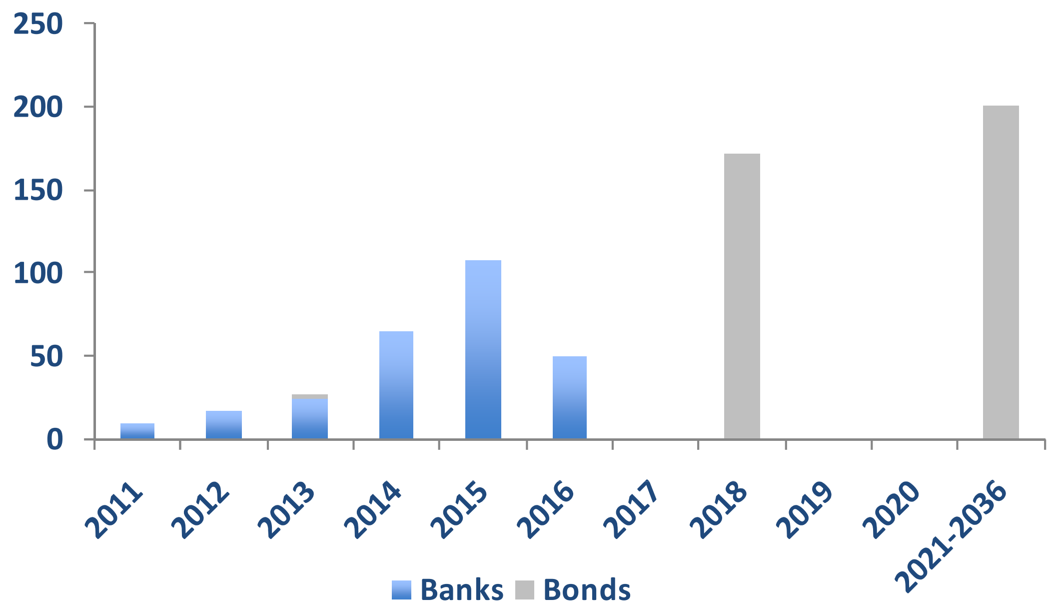
Latest transactions

<u>April</u>
- Refinancing of existing Syndicated Loan, US$ 200 million (5 yr)
- Prepayment Series D Bond, US$ 170 million
- Unwind Cross Currency Swaps, + US$ 33 million

<u>May</u>
- Prepayment Series E Bond, US$ 90 million
- Unwind Cross Currency Swaps, + US$ 3 million

Debt amortization profile post transactions (May 2011)





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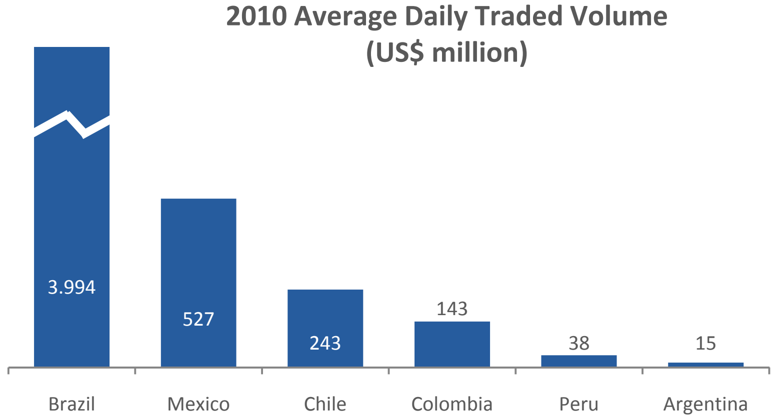
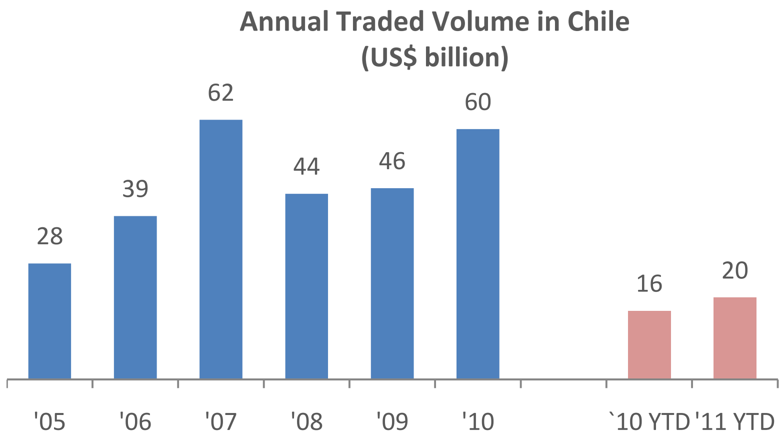
Leading Chilean stocks

- CAP represents 5.9% of the IPSA(1) volume and its shares are one of the most traded in the Chilean market





Companies	ADTV (*) 2010 (US$ million)	ADTV (*) 2011 (US$ million)	IPSA
LAN	15.8	19.0	7.5%
Cencosud	14.8	15.3	6.6%
SQM	17.7	13.3	5.4%
Falabella	9.7	12.4	4.5%
La Polar	10.7	11.5	1.7%
Endesa	12.6	10.9	6.6%
Copec	8.6	9.3	10.6%
Enersis	10.2	8.9	6.4%
CAP	9.9	7.2	5.9%
Vapores	4.9	5.0	1.7%

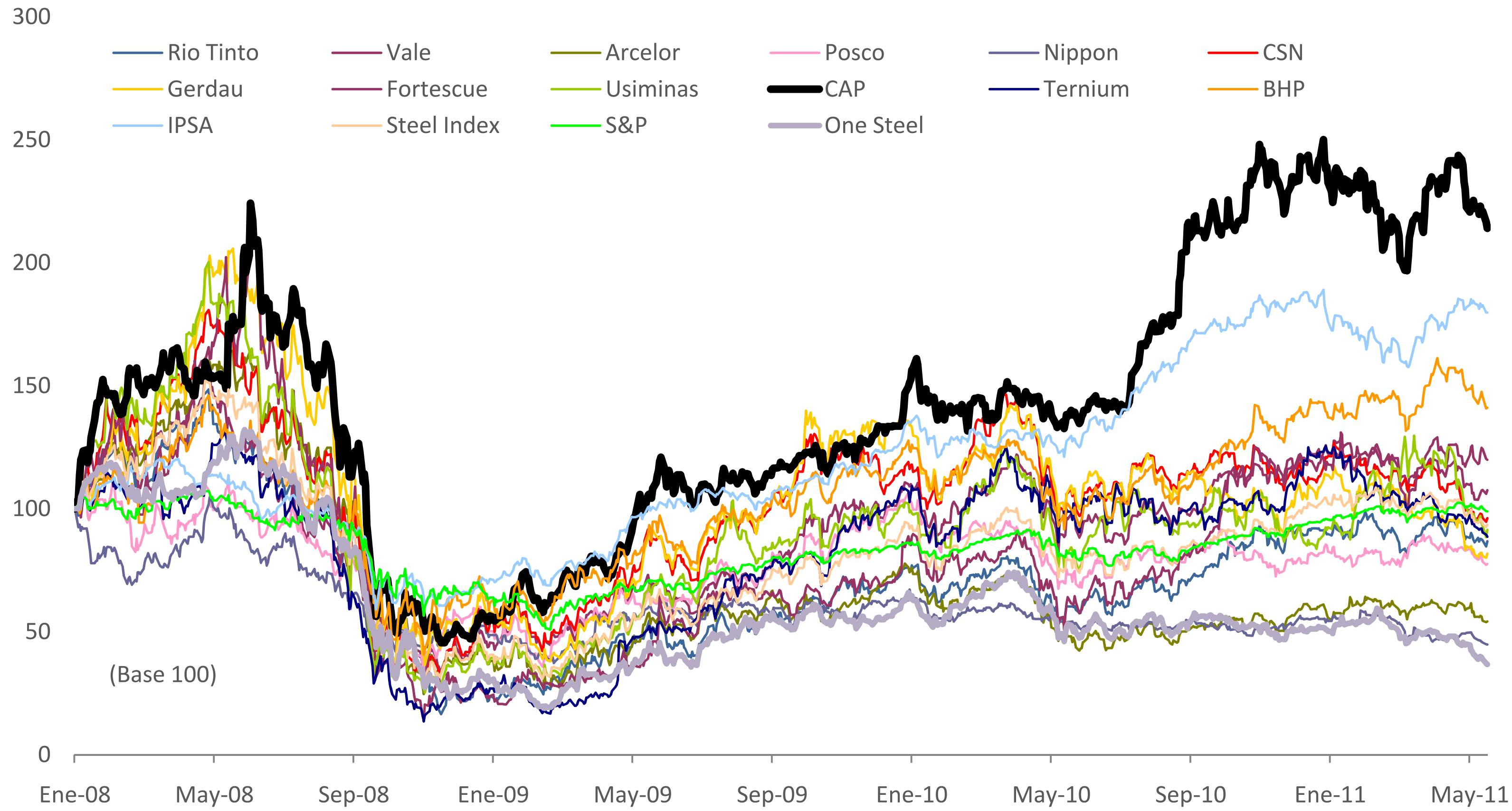
(*) ADTV: Average Daily Traded Volume

(1) IPSA: Index of 40 most activily traded Chilean stocks
Source: Raw data Bloomberg, May 24 2011

Strong fundamentals

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

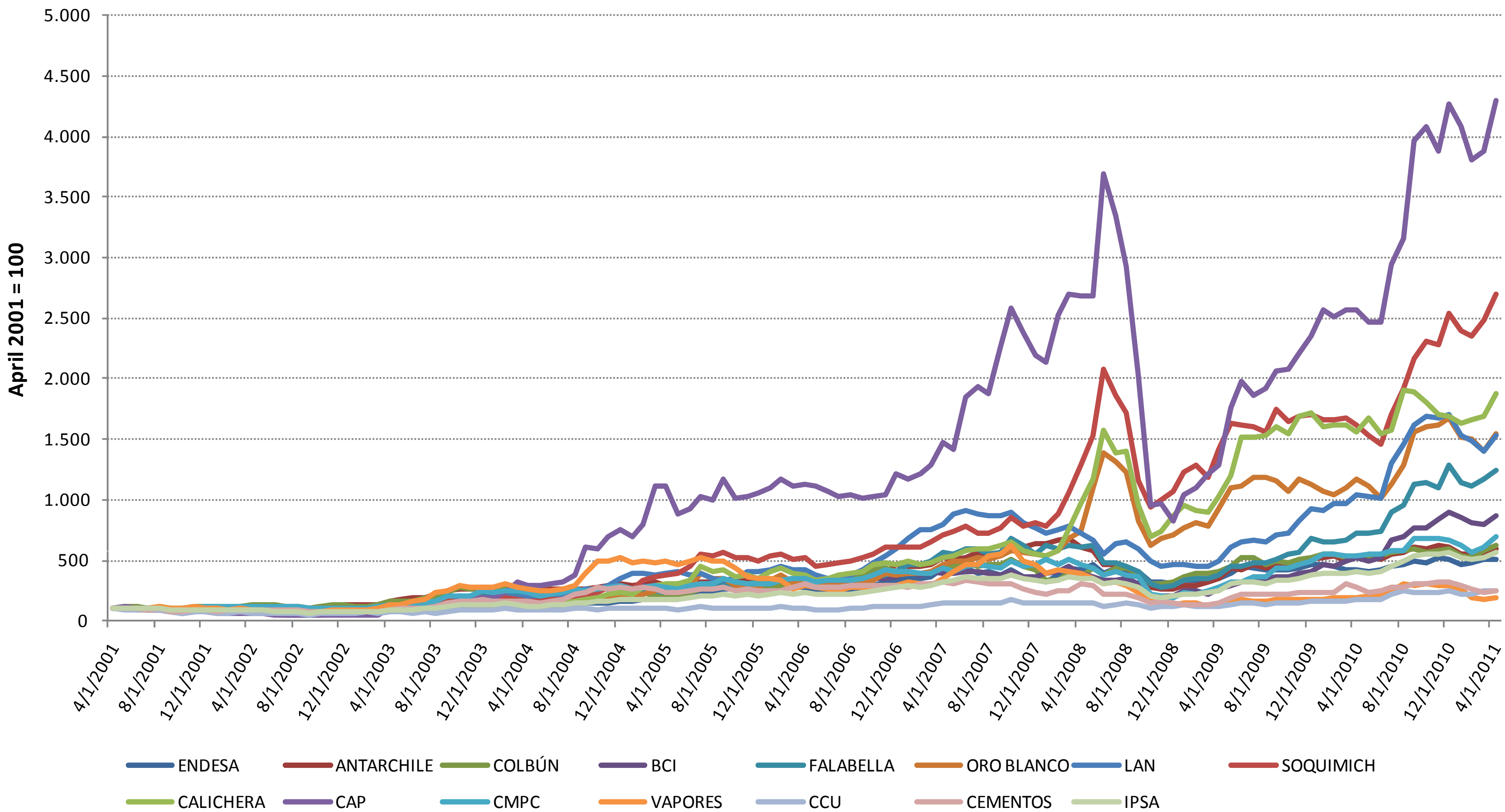
Evolution of CAP's comparables



- CAP has always traded internationally at a premium to peer reference companies

Source: Raw data Bloomberg, May 24 2011

CAP compared with Chilean stocks



- CAP's performance also at a premium versus other leading companies in Chile

Source: Raw data Bloomberg, May 24 2011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