

The background of the slide is a faded, semi-transparent image of an industrial facility. On the left side, a large yellow truck, likely a haul truck, is visible. On the right side, there is a complex network of silver pipes and metal structures, possibly part of a processing plant or refinery. The overall scene is industrial and brightly lit.

CAP

Celfin Capital Andean Investor Day London – New York

June 7 & 8, 2010

Jaime Charles

President and Chief Executive Officer

Raul Gamonal

Senior Executive Vice President – CFO

Company overview

Global environment

Business plan

Conclusions

- Exports iron ore products, mainly to Asia
- Produces steel for the domestic market
- Processes value-added steel solutions in Chile, Peru and Argentina

Mining

Steel

Steel processing

Production capacity

11.5 million tonnes.

1.45 million tonnes.

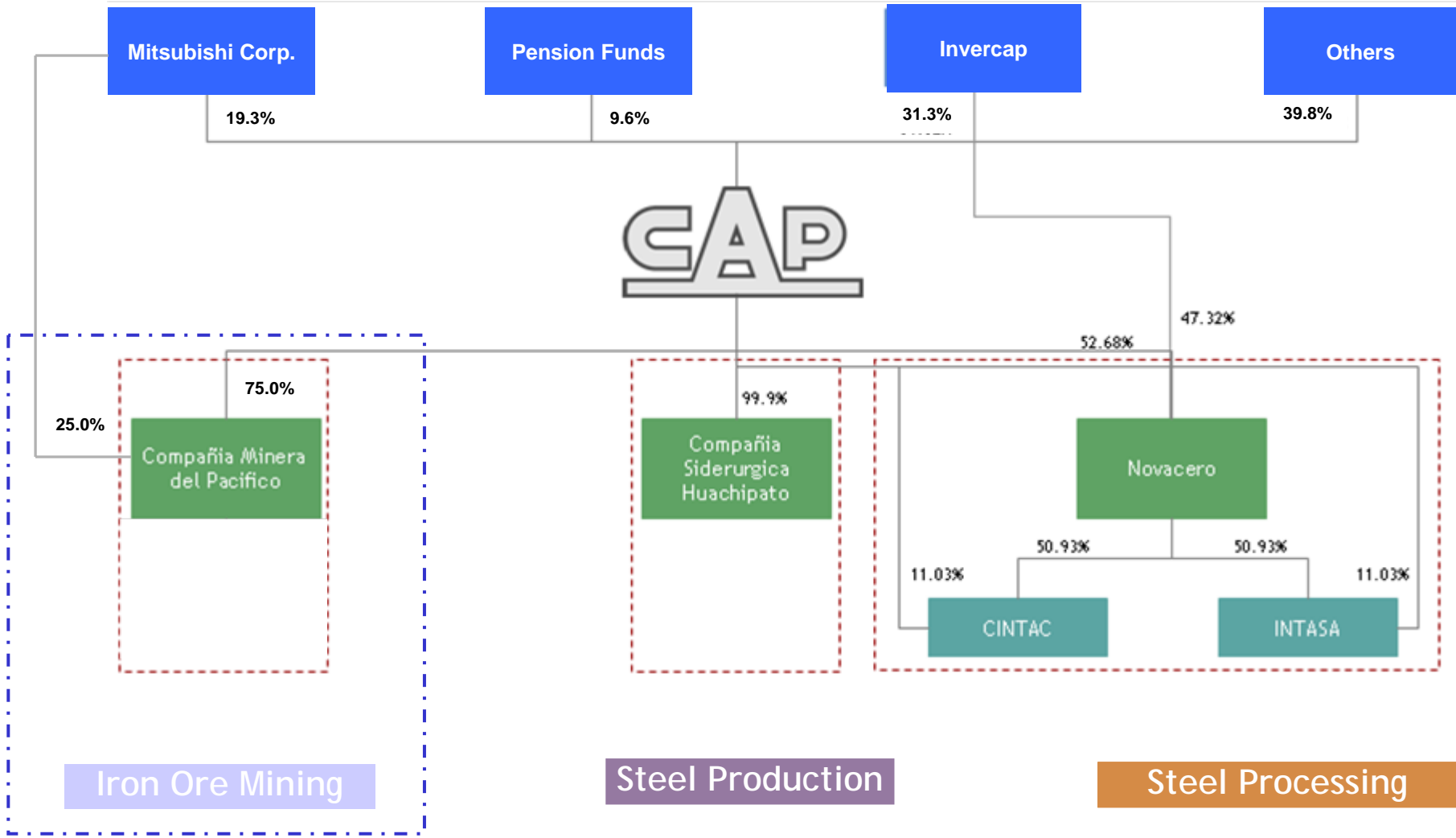
400 thousand tonnes.



- Dominant position in Chile
- Magnetite ores
- Independent operator for over 50 years
- 1% of global seaborne trade

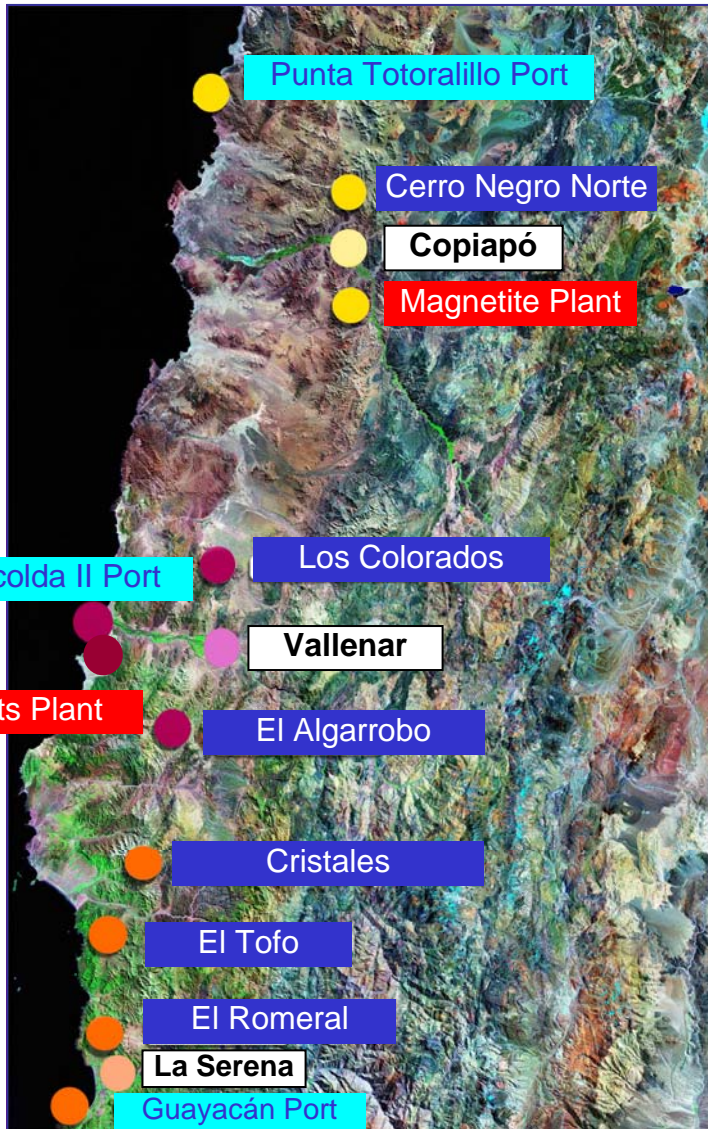
- Dominant position in Chilean steel market
- Over 50% of total steel market
- Over 60% of target market

- Leading steel processor in Chile
- Regional player



Following merger of CAP's and Mitsubishi's iron ore interest in Chile





Three different and independent areas of operations in the north of Chile, around the cities of La Serena, Vallenar and Copiapó:

➤ Mines

➤ Processing plants

➤ Ports

➤ Slurry pipeline

➤ Railroads

As from May 1, 2010 Mitsubishi Corp. became owner of 25% of CMP, in exchange for its 50% ownership in CMH and a capital contribution of US\$ 401 million



Mine / Deposit	Total Mineral Resources (1)		Reserves (2)	
	MTM	Grade (% Fe)	MTM	Grade (% Fe)
El Laco	734	49,2%	376	56,7%
Hierro Atacama II - Cerro Negro Norte	457	34,6%	176	39,0%
Los Colorados (3)	432	44,9%	272	43,6%
Hierro Atacama I - Candelaria (4)	344	10,0%	---	---
El Romeral	292	33,6%	91	40,1%
Pleito - District	253	26,1%	---	---
Alcaparra D	230	31,5%	119	35,5%
Cristales - District	150	32,8%	---	---
Alcaparra A	122	46,0%	---	---
Domeyko II	107	28,0%	---	---
El Algarrobo	82	49,3%	57	51,2%
El Algarrobo - District	54	28,0%	---	---
Los Colorados - District	26	43,4%	---	---
El Tofo	7	30,3%	5	39,3%
Total	3.290		1.096	

➔ Due to continued exploration campaigns, our resources have increased progressively over the years; 2.352 MTM in 2007, 2.927 MTM in 2008 and 3.290 MTM in 2009, representing practically 99% of all iron ore resources and reserves in Chile

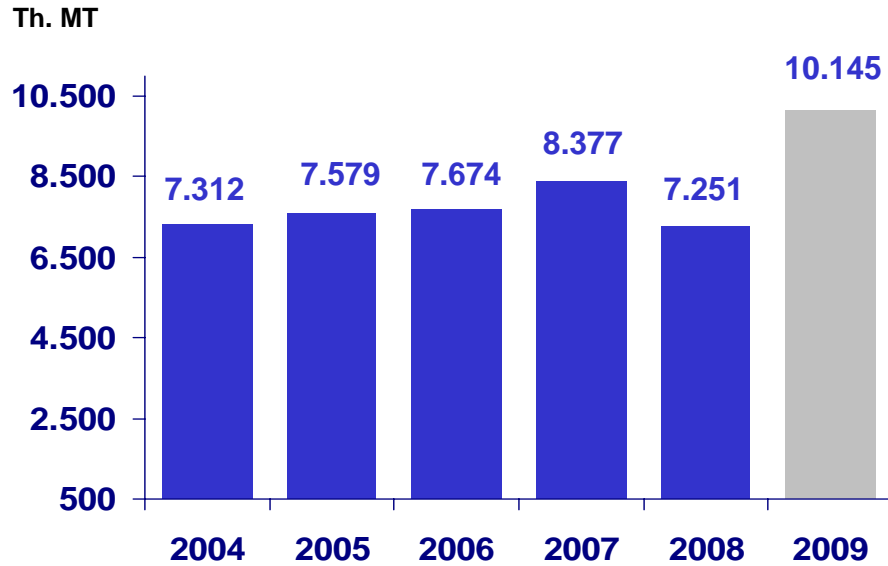
(1) Those minerals measured on a geological ore content feasible for being mined.

(2) Those geological resources that are feasible of being mined economically.

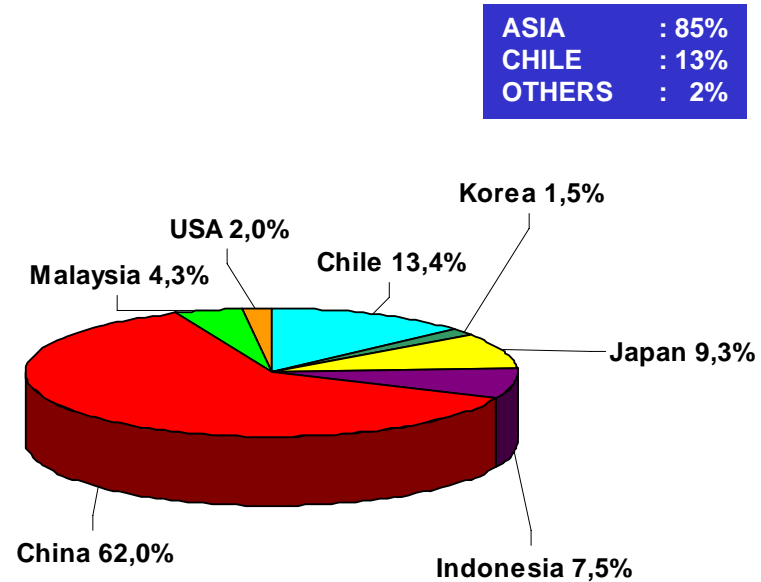
(3) Compañía Minera Huasco is the owner of Los Colorados mine.

(4) CMP has the contract for processing the tailings of the Candelaria copper mine.

Deliveries



Markets (2009)

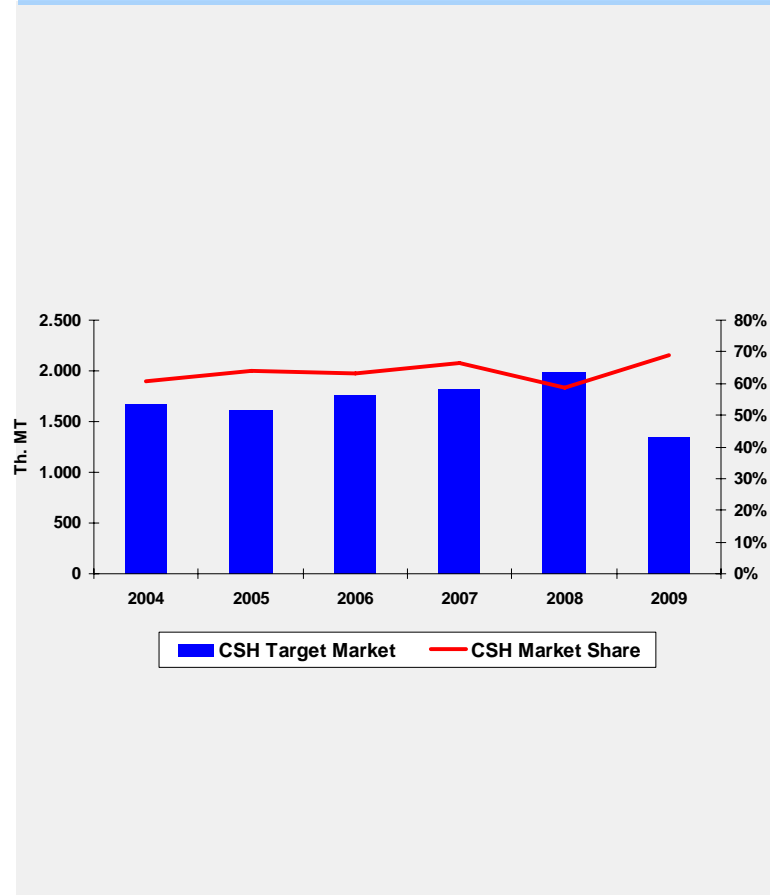




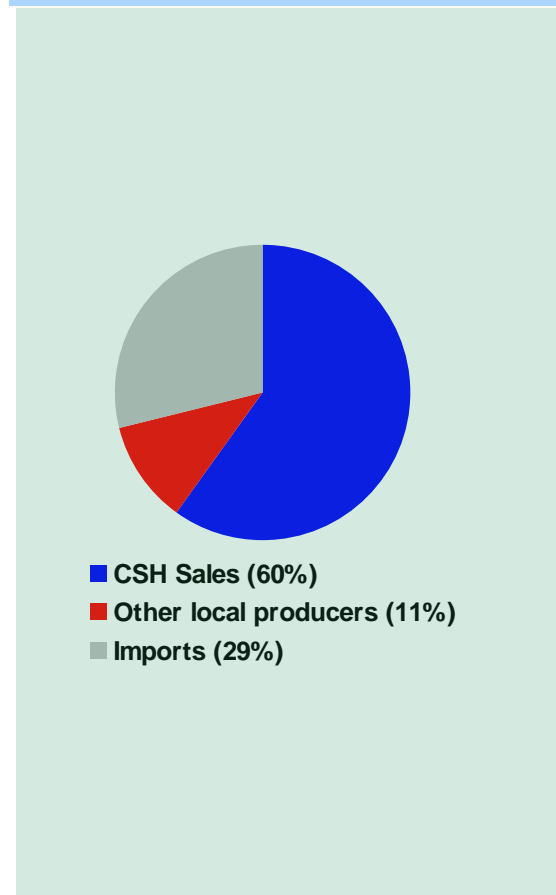
- Chile's steel market leader
- 60% and 68% market share in total and target markets respectively in 2009
- 1.45 million tons of annual liquid steel production capacity
- Strong long-term commercial relations with customers in Chile
- Vertical integration in iron and limestone provides advantage in facing economic cycles



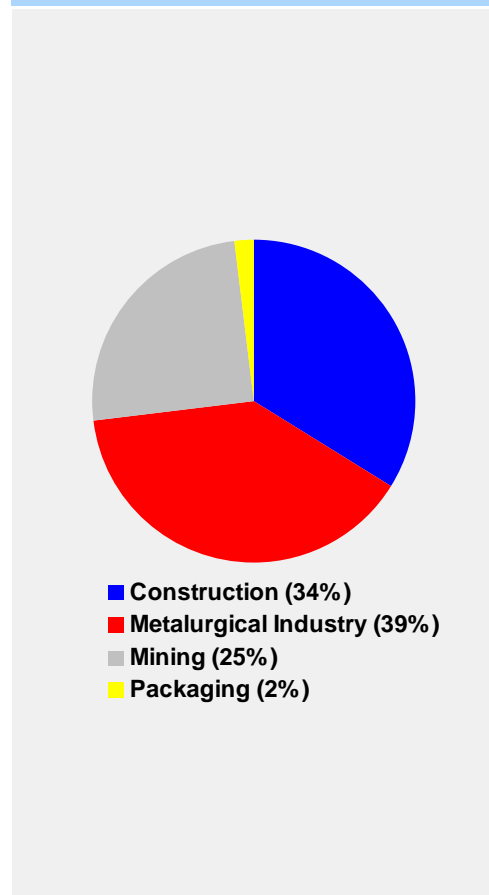
Sales of CSH in its Target Market (2009)
(thousands tons sold – market share)



Total Steel Market
(1.52 million tons in 2009)



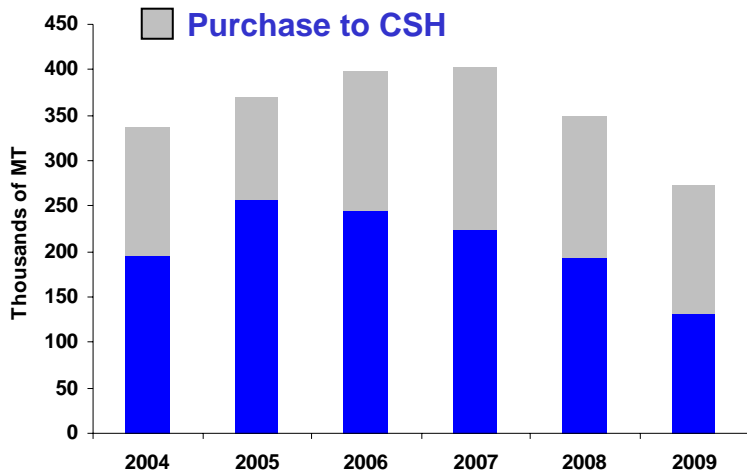
CSH Sales
(922 Th. tons in 2009)



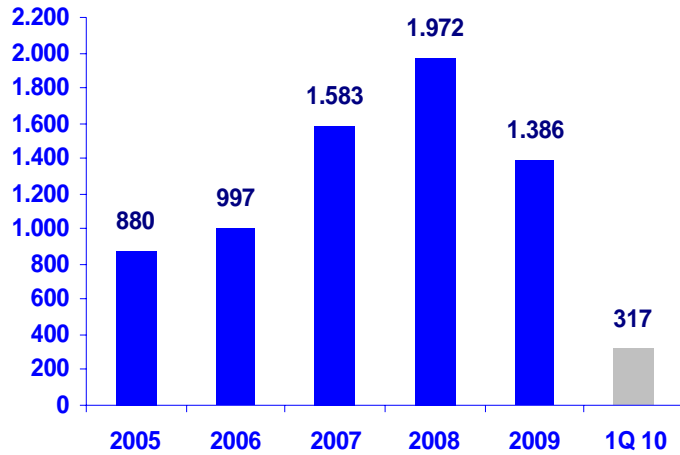


- Creates value-added solutions for construction, industry and infrastructure sectors in Chile, Peru and Argentina
- Its addition to the CAP group seeks to promote steel consumption
- Should result in improvements in consolidated returns

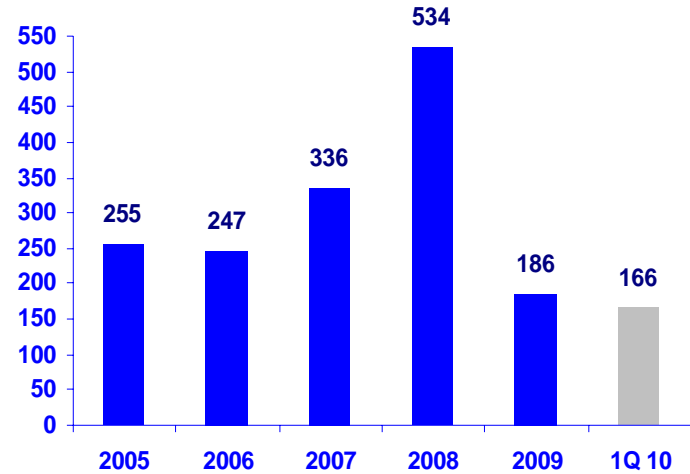
Deliveries



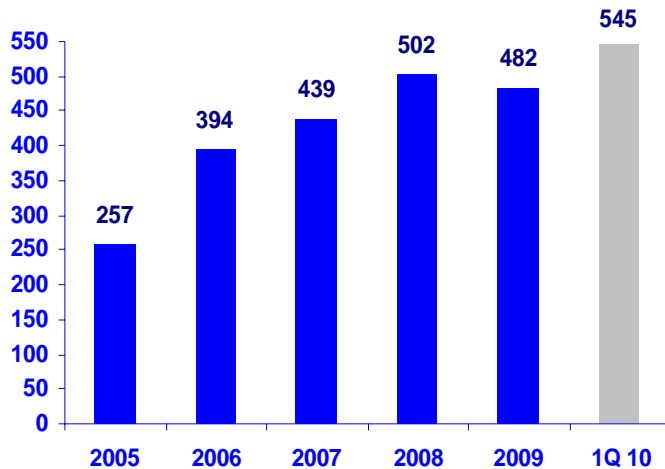
Sales



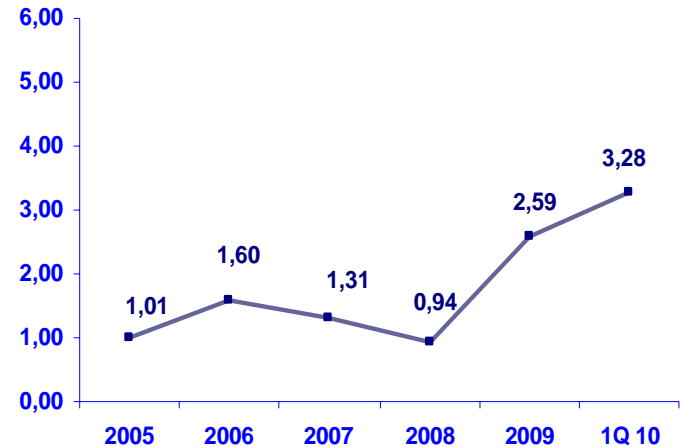
EBITDA (1)



Net Financial Debt



Net Financial Debt / EBITDA



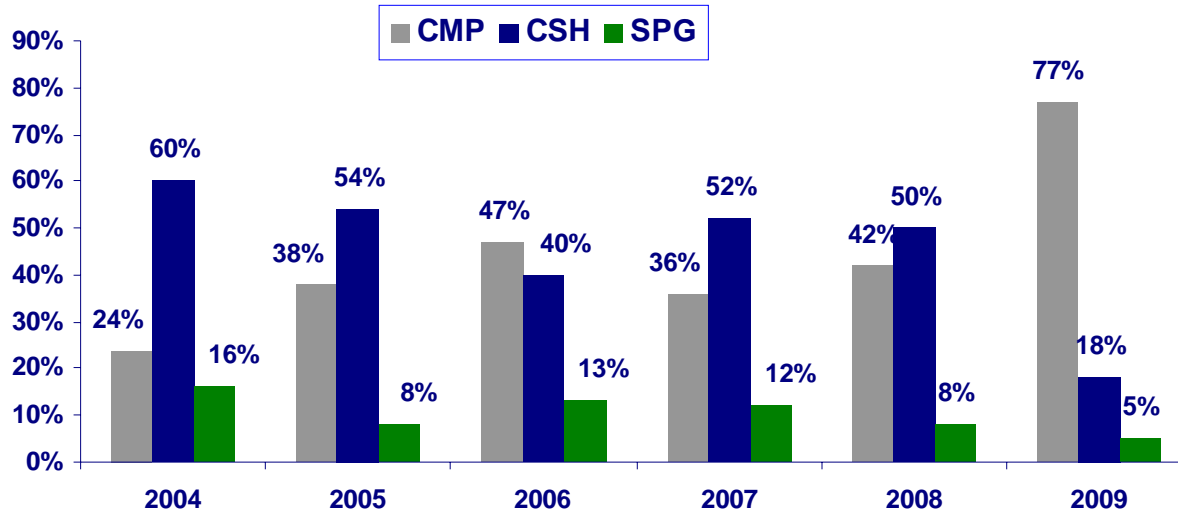
(1) EBITDA = Operating Income + Depreciation + Dividends received in cash, over the last twelve months

(US\$ million)	2005	2006	2007	2008	2009	1Q 10
Cash	154	242	184	379	387	330
Short Term Debt (2)	136	97	81	111	44	84
Long Term Debt	275	539	543	769	826	792
Total Financial Debt	411	636	623	880	870	875
Net Financial Debt	257	394	439	502	482	545
Net Financial Debt / EBITDA	1,01x	1,60x	1,31x	0,94x	2,59x	3,28x
Equity	646	732	884	1.039	949	1.264
Investment (additions of fixed assets)	55	119	309	161	142	27

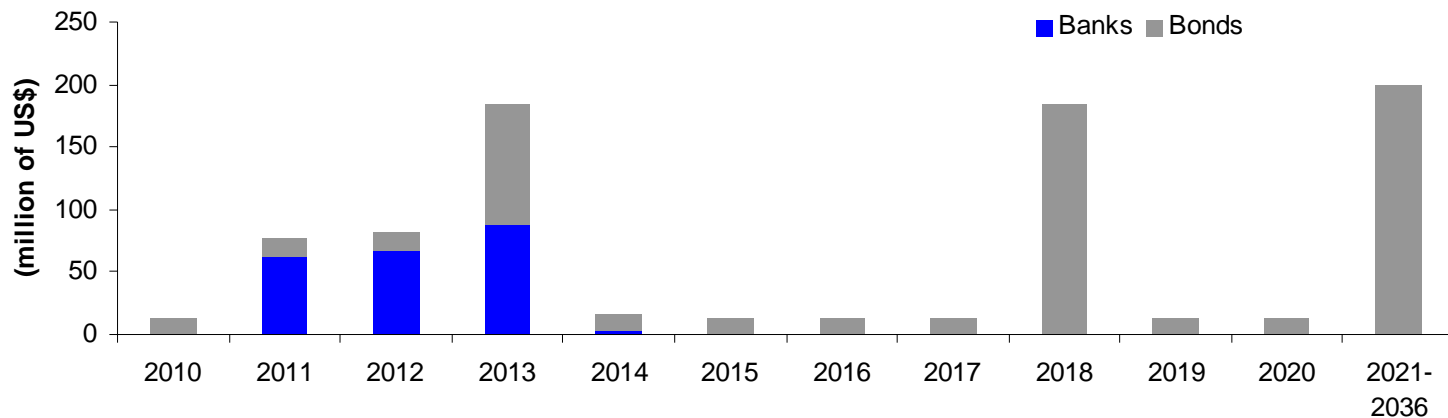
(1) EBITDA = Operating Income + Depreciation + Dividends received in cash, over the last twelve months.

(2) Includes portion of long term debt.

EBITDA by business unit



Debt maturity profile



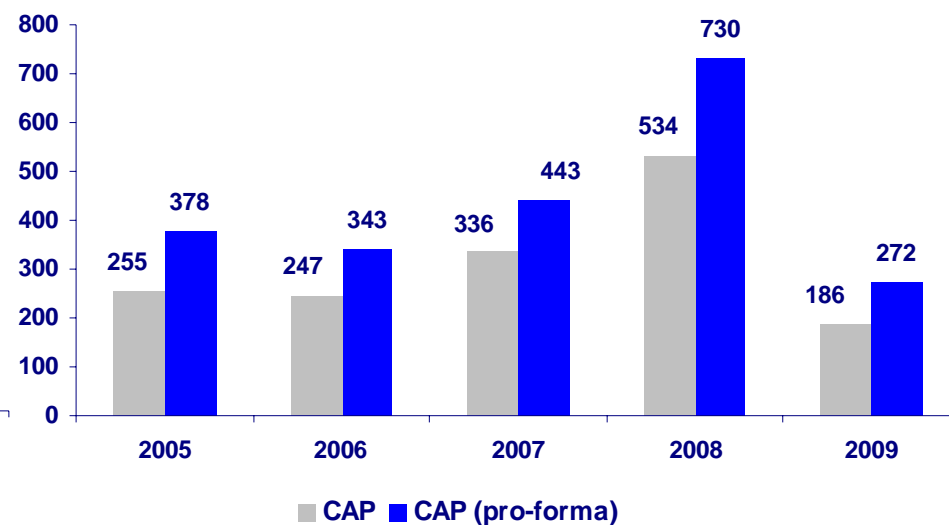
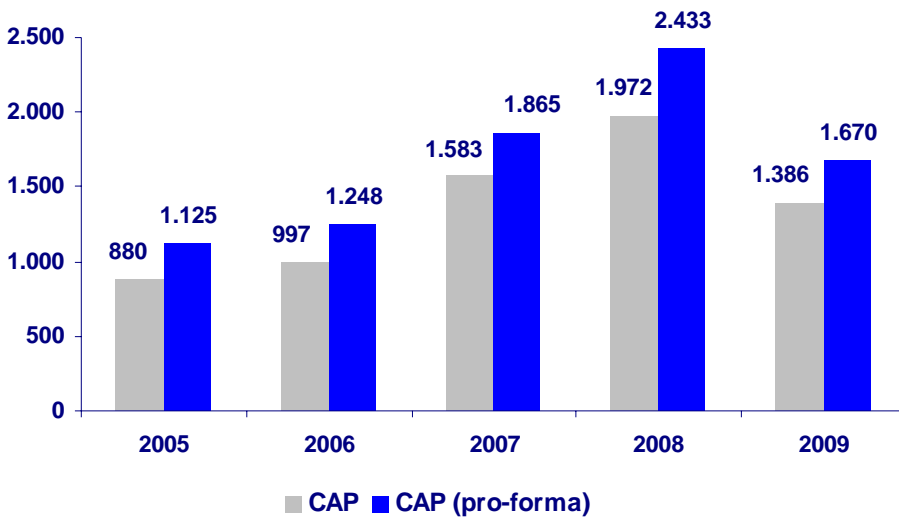


SALES and EBITDA

Comparison Pre and Post Mitsubishi transaction (Pro-forma)

Sales (US\$ million)

EBITDA (US\$ million) (1)



(1) EBITDA = Operating Income + Depreciation + Dividends received in cash, over the last twelve months

Company overview

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Business plan

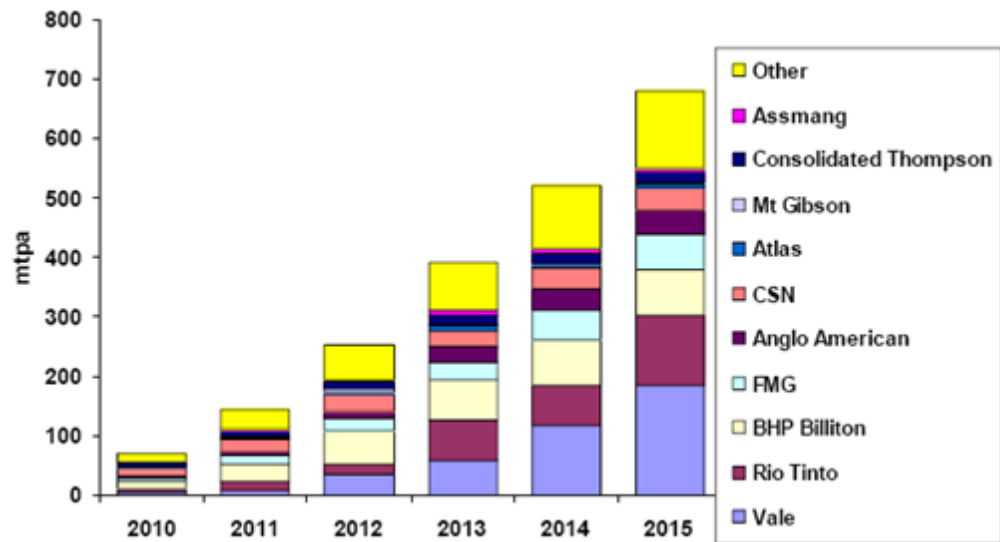
Conclusions

- Iron ore to remain tight for the next three years (at least) before moving into surplus in 2013 when China's rate of steel production growth to slow and a number of iron ore projects globally to be in operation

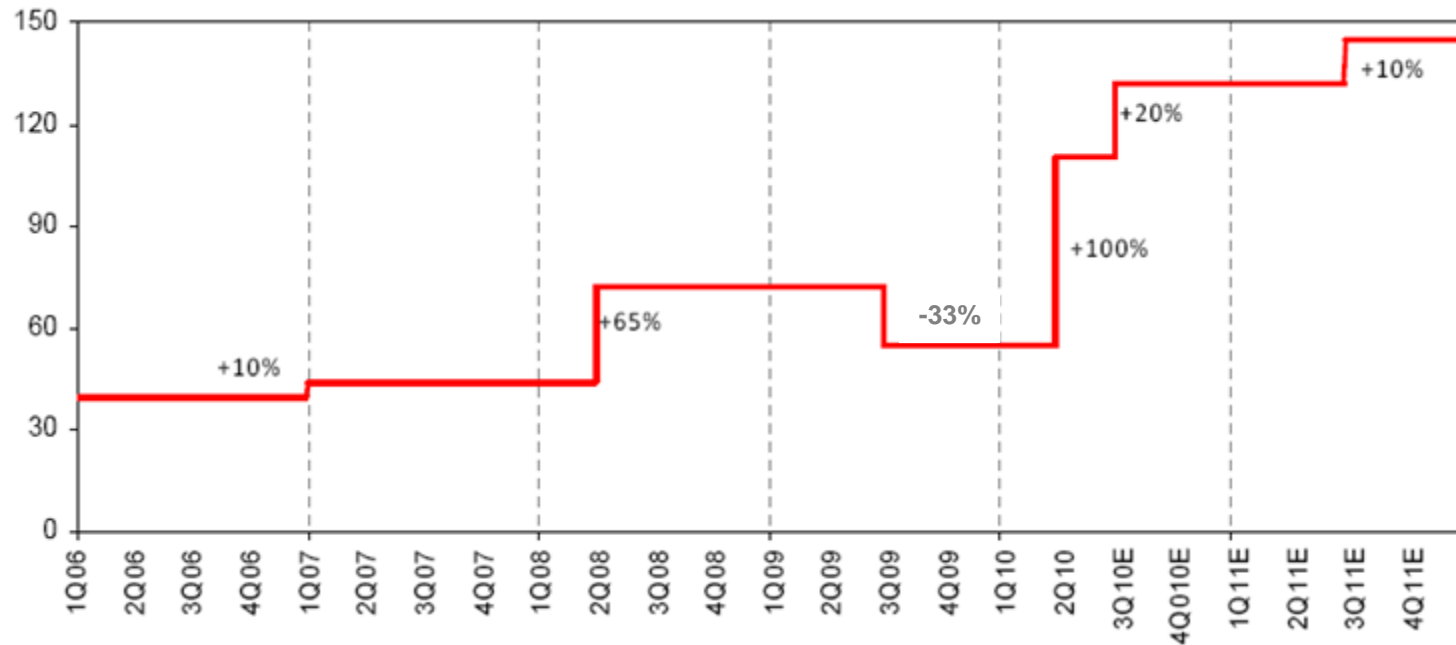
Iron ore supply - demand

million tonnes	2009	2010F	2011f	2012f	2013f	2014f	2015f
Demand							
Europe	97	105	106	108	110	109	108
Japan	106	129	134	135	135	135	135
Korea	42	53	56	56	57	57	58
Taiwan	12	16	17	17	18	18	19
China	623	652	728	806	889	957	1007
Rest of World	45	54	64	74	76	78	80
Total Seaborne Demand	932	1018	1114	1207	1295	1364	1417
Yoy change (mt)	86	86	97	93	88	70	53
% Change y-o-y	10.2%	9.2%	9.5%	8.3%	7.3%	5.4%	3.9%
Supply							
Australia	384	417	470	532	601	665	727
Brazil	288	314	338	371	402	438	479
Canada	27	33	36	40	44	47	50
India	119	125	125	125	120	100	90
S.Africa	44	46	50	52	59	61	61
Sweden	16	22	23	23	23	27	28
Others (inc disruption)	88	64	67	57	58	57	65
Total Seaborne Supply	944	1021	1107	1200	1306	1395	1500
Implied balance	12	3	-7	-7	11	31	83

New projects

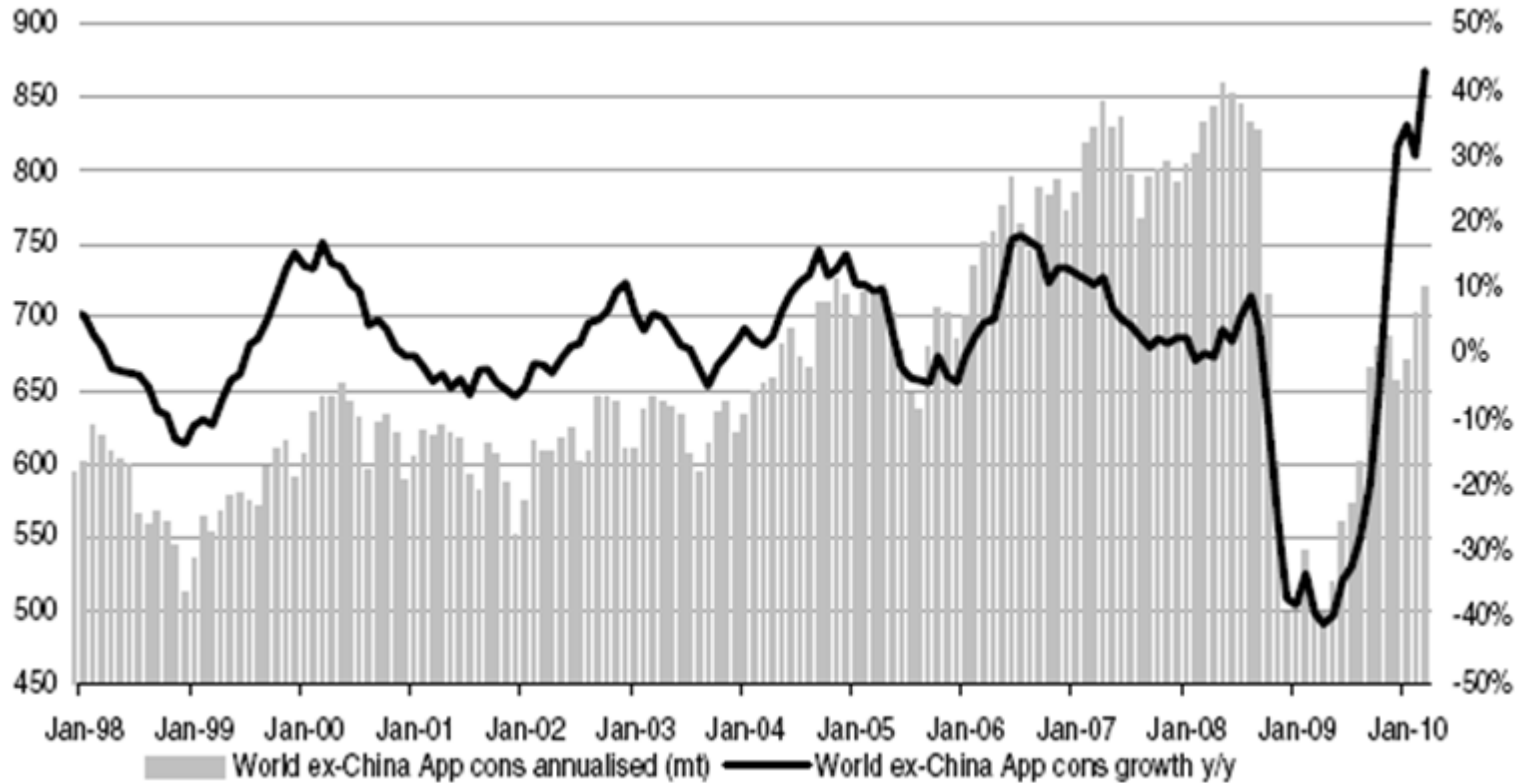


Estimated quarterly Iron Ore contract (Benchmark Fines – US\$/Ton)

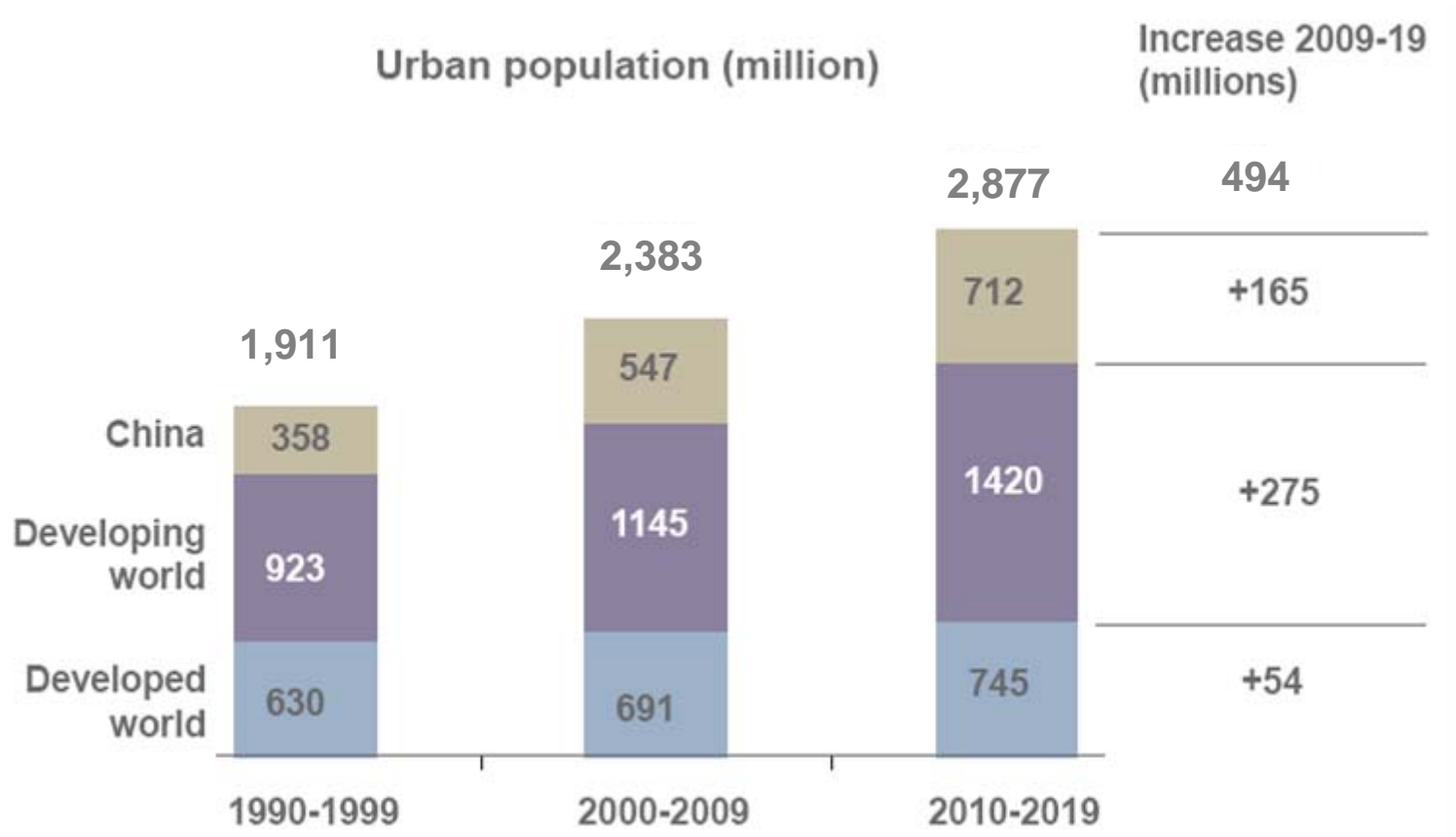


➤ Markets have significantly improve its iron ore price forecast to reflect the tightest supply – demand conditions

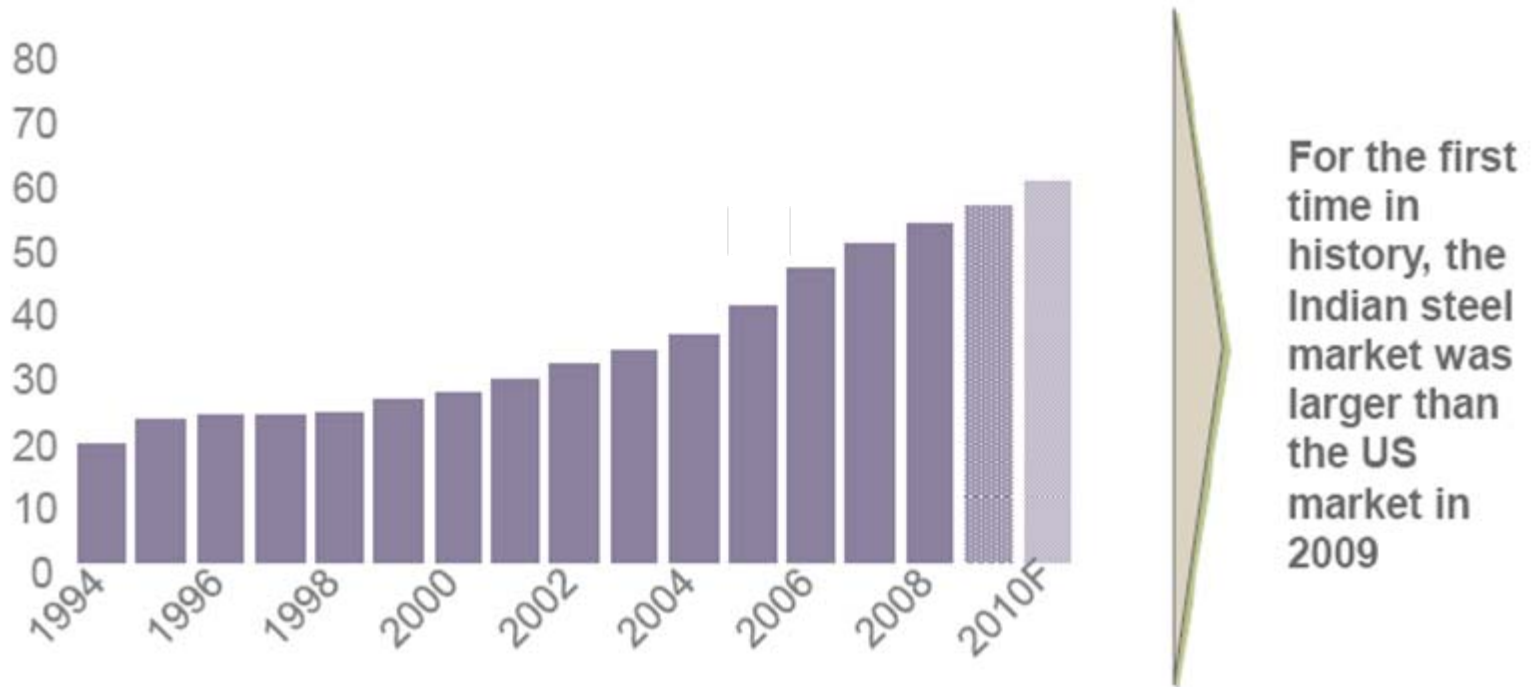
World ex- China apparent steel consumption and growth



Rising urbanization in developing countries

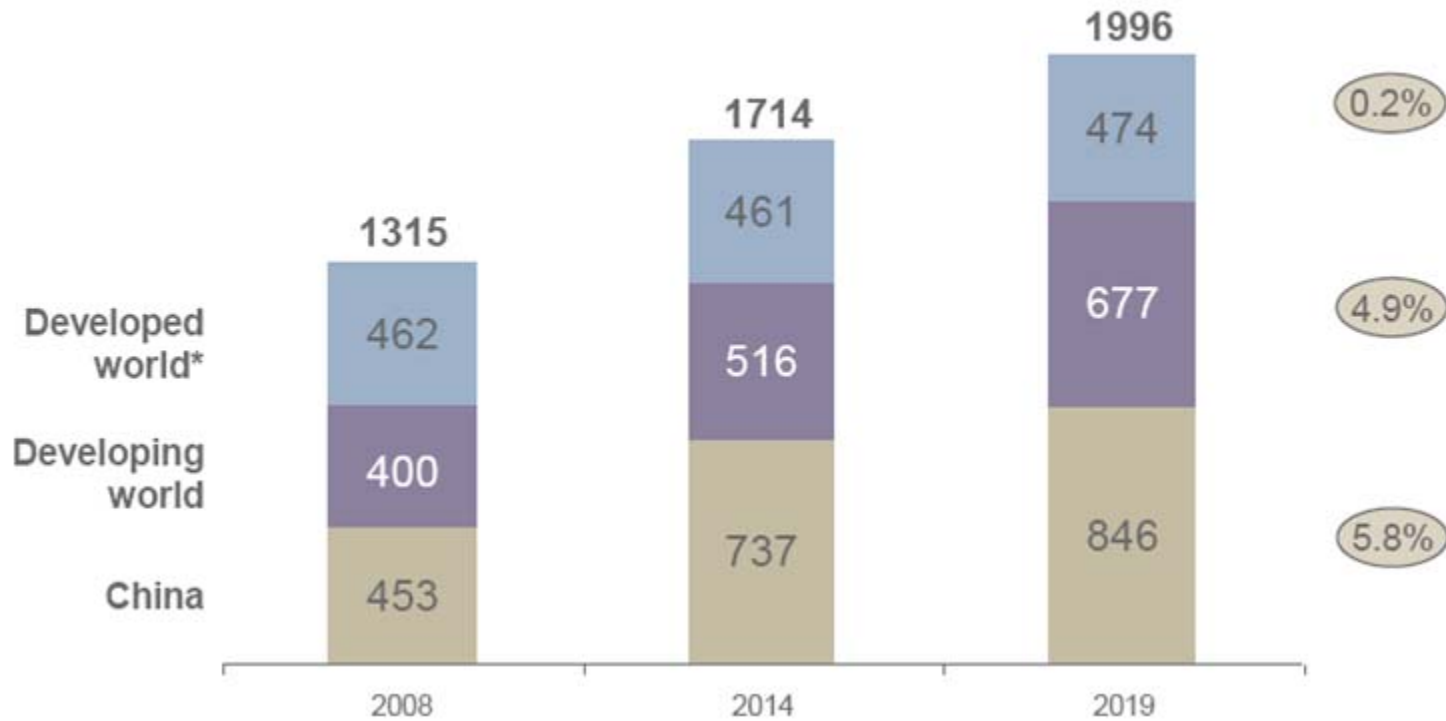


India finished steel demand (MT)



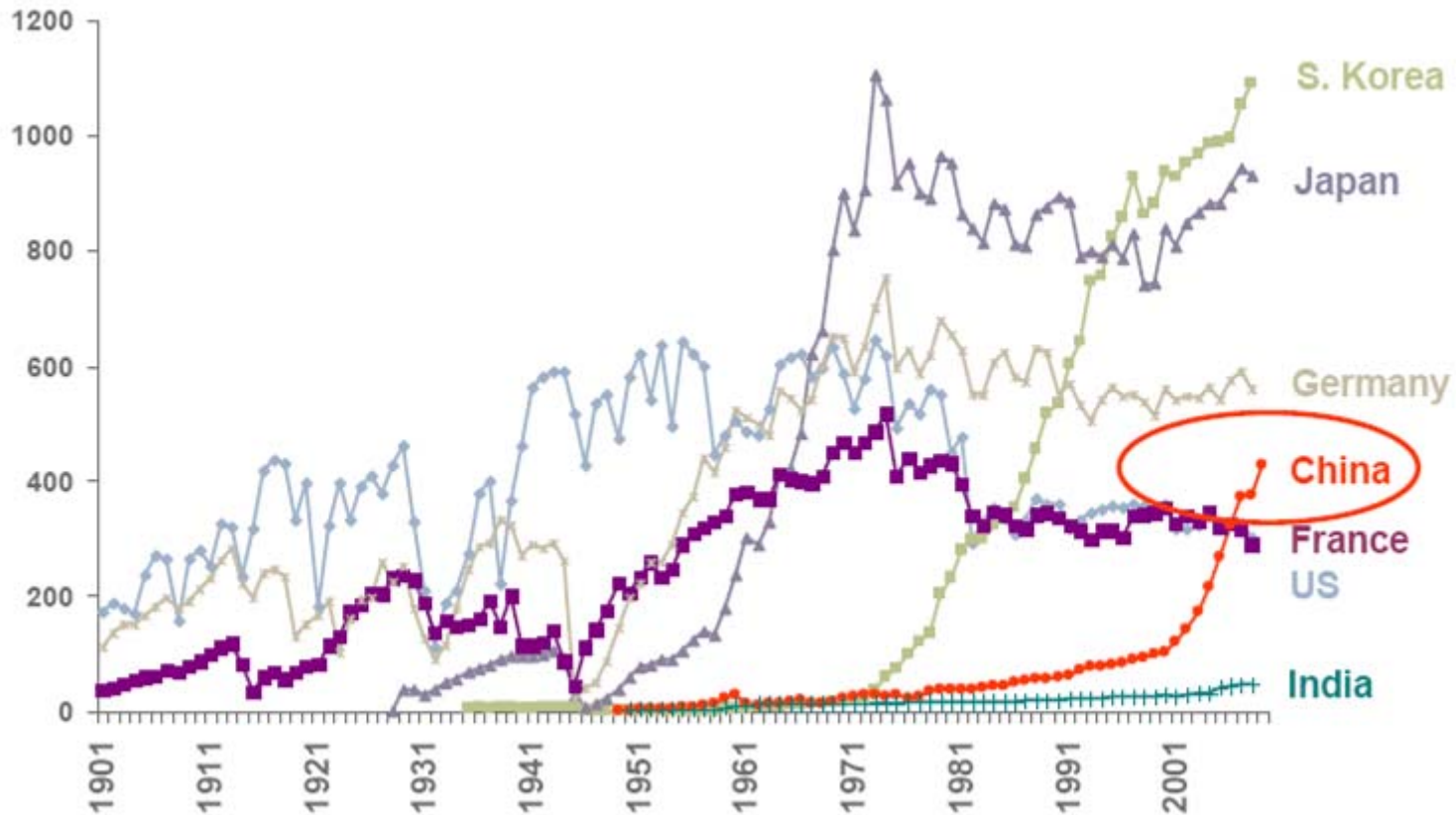
Apparent crude steel consumption (million tonnes)

CAGR '08-'19



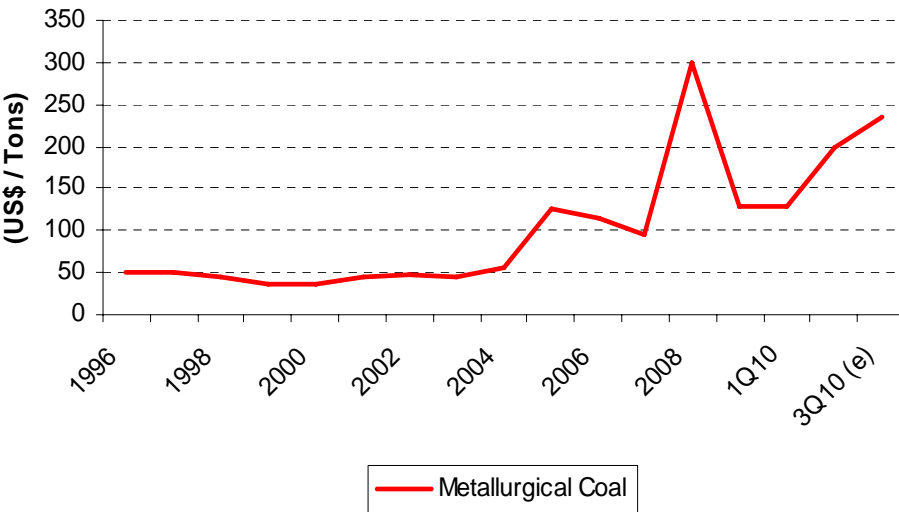
- ➔ Steel consumption forecast continue to grow strongly beyond 2014 in the developing world

Crude steel production (kg/capita)

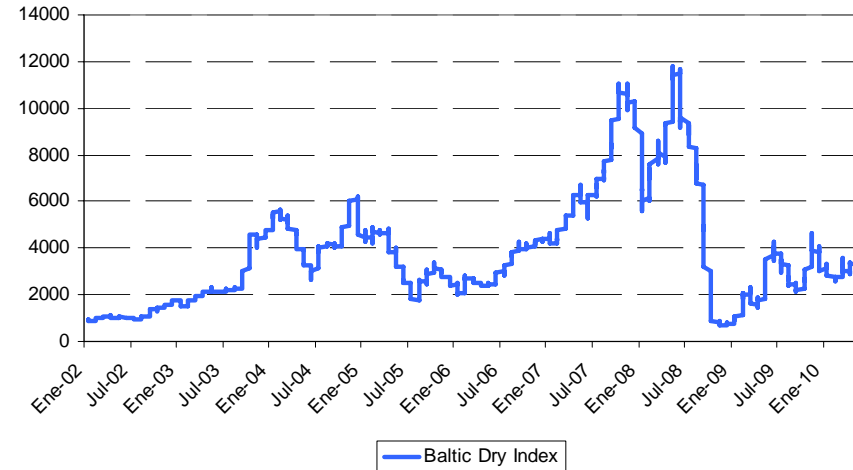


➔ Chinese steel consumption is following same pattern as developed world followed earlier

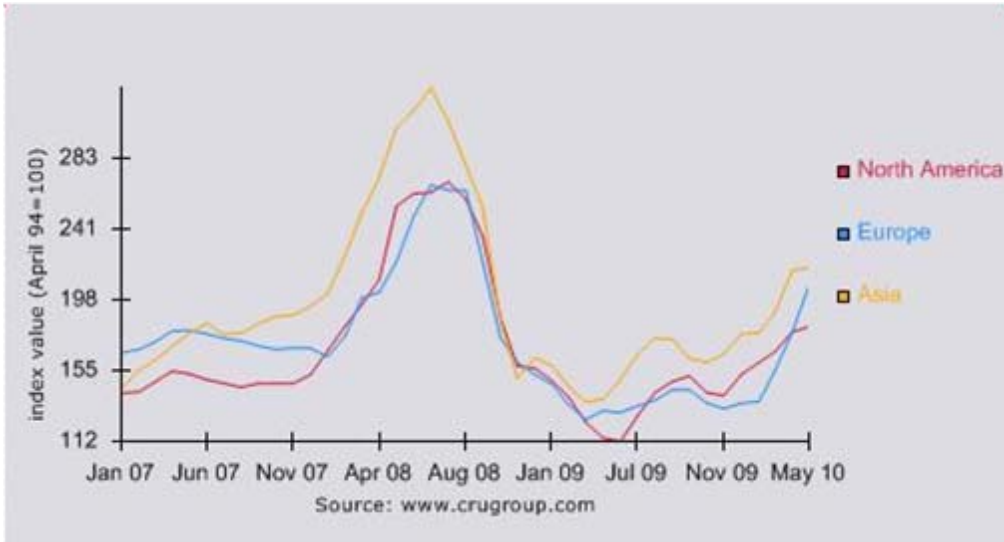
Metallurgical Coal



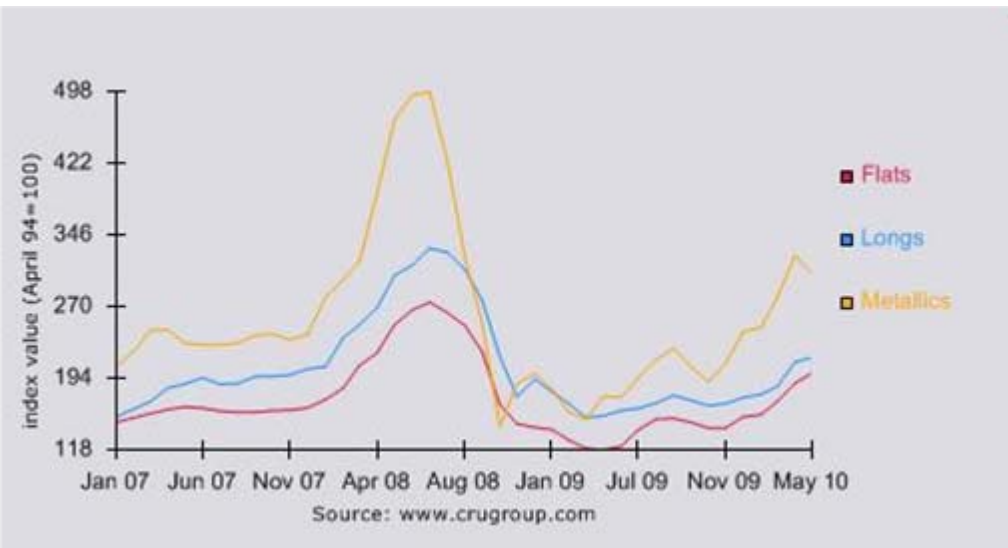
Baltic Dry Index



➔ Recovery of metallurgical coal and shipping after crisis



✓ Positive evolution in all markets



✓ Metallics with downwards trend

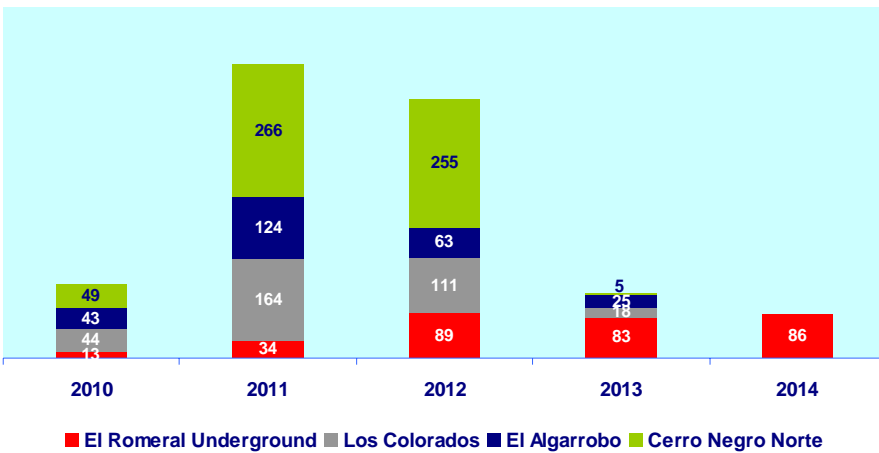
Company overview

Global environment

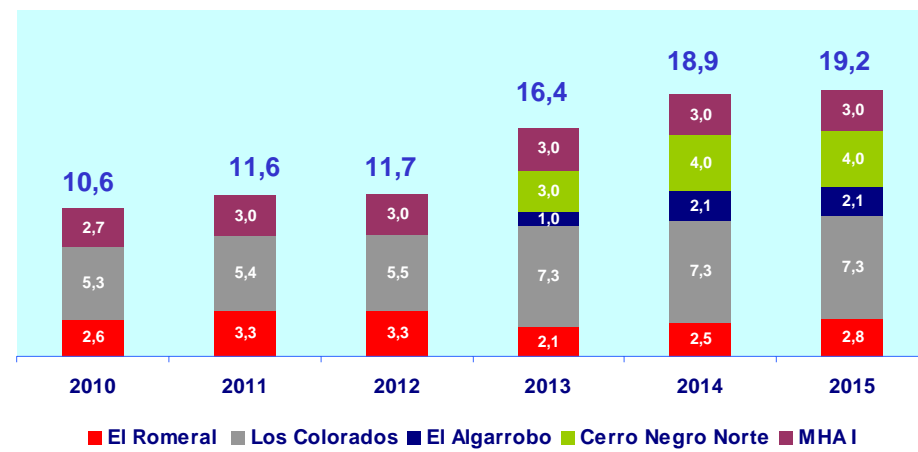
Business plan

Conclusions

Capex (US\$ million)



Production (million tons.)



- ➔ Capex for approximately US\$ 1.470 million 2010 – 2015
- ➔ Brownfield projects: Romeral underground, El Algarrobo and Los Colorados
- ➔ Greenfield project: Cerro Negro Norte
- ➔ Doubling of production capacity from 10.5 MTM in 2010 to over 19.0 MTM in 2015
- ➔ Continued investment in exploration to ensure further development and growth
- ➔ Next stage investment: possibly to increase pelletizing capacity

- Work in Chilean reconstruction to reach normal capacity in the primary production area; pier, coke plant, blast furnace and steel shop
- Restarting production within June 2010
- CAP's steel development plan to be defined in 2010
- Association with other steel operators to be considered given potential for growth in western pacific coast countries



- Production at full capacity throughout the year, participating in Chile's recovery efforts after the earthquake



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Conclusions

- Strong fundamentals
- Substantial margin improvement in iron ore
- Doubling of installed capacity in mining
- Steel strategy to further strengthen already dominant position in Chile and steel processing potential in the Latin American region



CAP



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