

The logo consists of the letters 'C', 'A', and 'P' in a bold, outlined, sans-serif font. The 'A' is taller than the 'C' and 'P'. Below the letters is a solid horizontal bar that spans the width of the 'C' and 'P'.The background is a collage of industrial images. On the left, a yellow mining truck is visible. On the right, there is a complex of industrial pipes and structures, possibly a refinery or chemical plant. The text is overlaid on a semi-transparent white rectangular area.

**3rd Annual Larrain Vial
International Investors' Conference
March 2009**

Contents

- Company overview
- Global and local environment
- Financial highlights
- CAP's strategy

Vertically integrated ferrous metals company

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



Mining

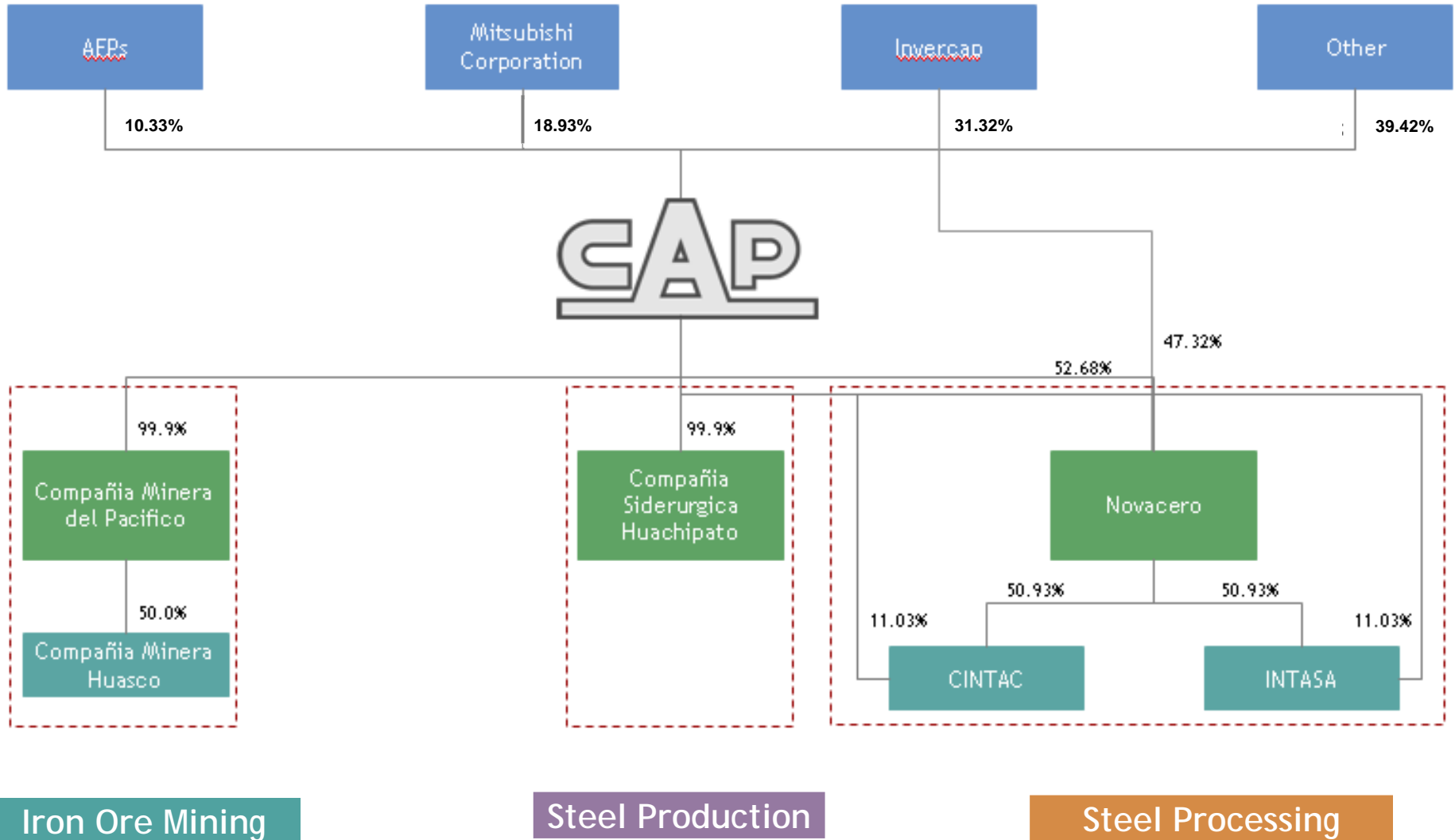


Steel production



Steel processing

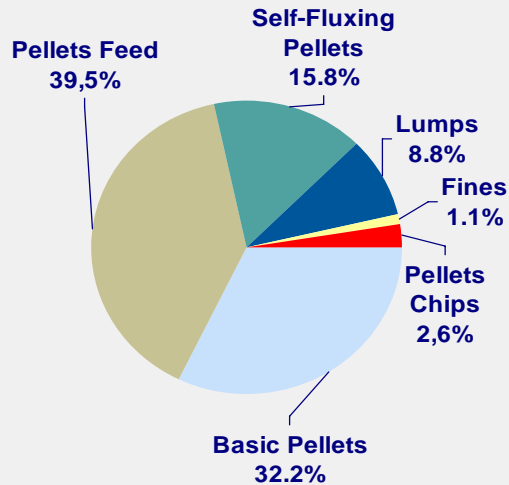
Corporate structure



Product value-added chain

Total Consolidated Sales 2008: US\$ 1.972 million

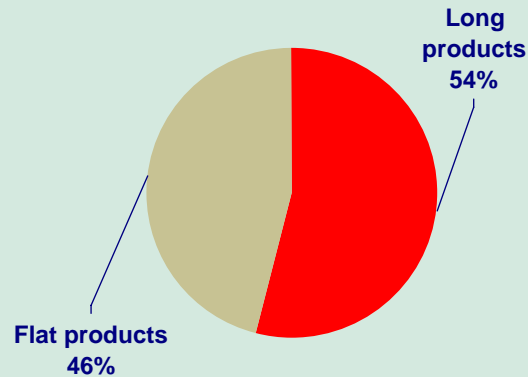
Iron Ore Sales 2008 7.25 million tons



1.8 million MT of iron ore

➤ 75% exported, mainly to Asia

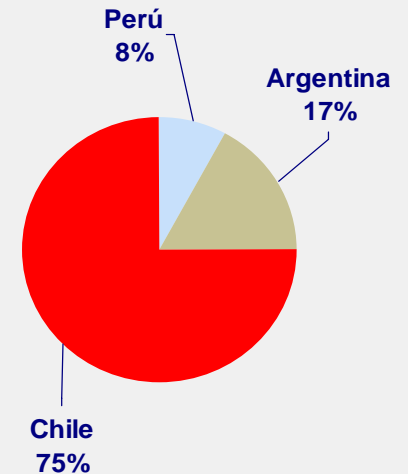
Steel Sales 2008 1.16 million tons



157 ThMT of CSH steel

➤ Market share above 46% of the total steel market and 59% of its target market

Steel Processing Sales 2008 350 thousand tons

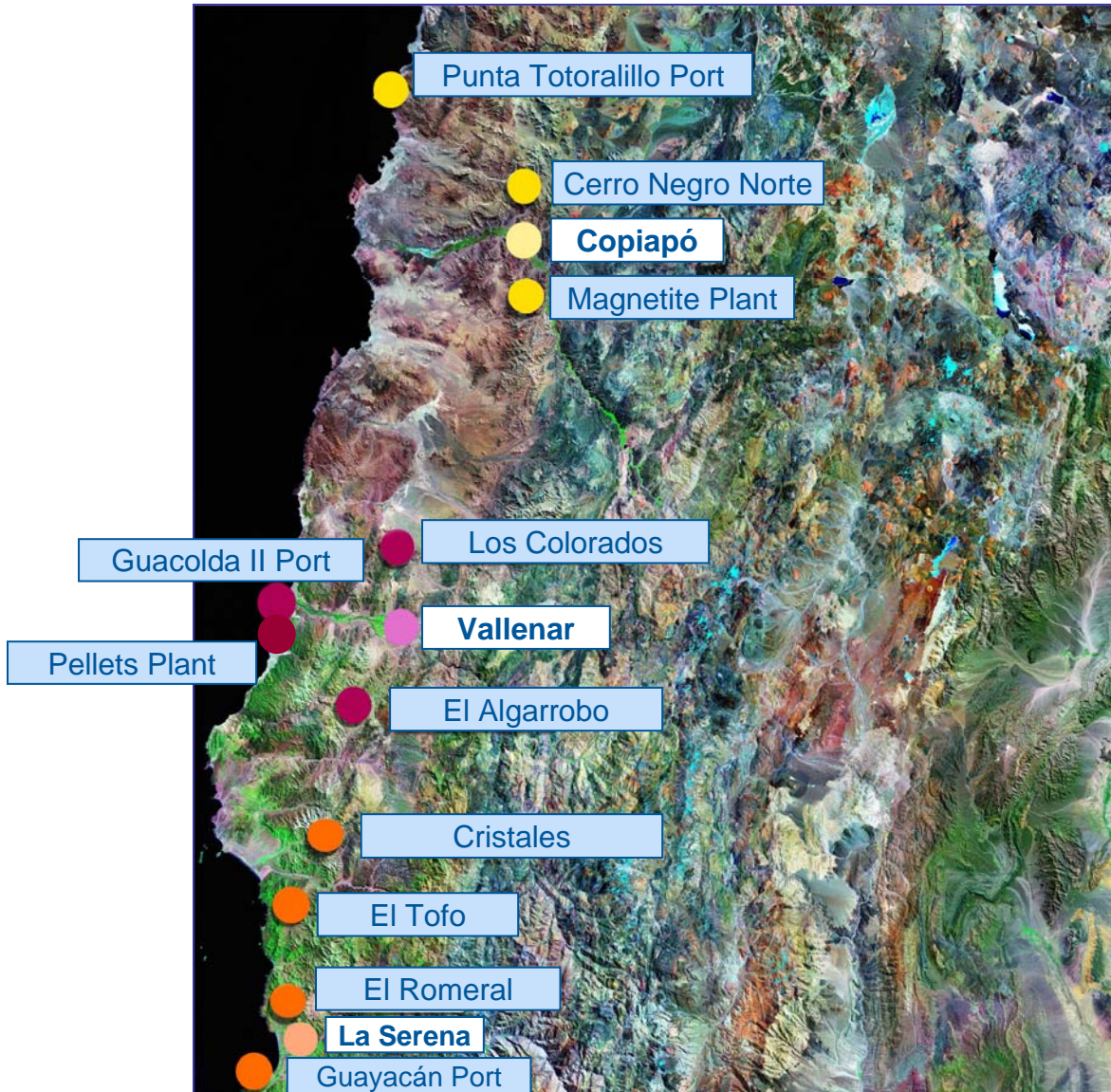


➤ Market leader in the manufacture of tubes, profiles and steel solutions in Chile

Iron ore mining



Areas of operation



Iron ore mining

- Largest producer of iron ore and pellets on the Pacific coast of South America with a production capacity of 11.5 million MT
- Ample resources and known reserves, together with the expansion of its exploration activities, guarantee continuity of operations for many decades
- Strong long-term commercial relations with customers in Asia



Resources and reserves

Mine / Deposit	Total Mineral Resources (1)		Reserves (2)	Recoverable Product (3)	Mine Life (4)
	MTM	Grade (% Fe)	MTM	MTM	Years
Los Colorados (5)	432	44,9%	272	132	20
El Romeral	292	33,7%	113	50	17
Candelaria (6)	358	10,0%	358	39	13
Cerro Negro Norte	457	34,6%	177	73	19
El Algarrobo	87	47,6%	---	---	---
El Algarrobo - District	391	29,6%	119	36	18
El Laco	546	54,7%	376	253	25
Los Colorados - District	26	44,9%	---	---	---
Pleito Cristales - District	339	31,4%	---	---	---
Total	2.928		1.415	583	

(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) Iron ore (whether lumps, fines and/or pre-concentrates) feasible to be sold.

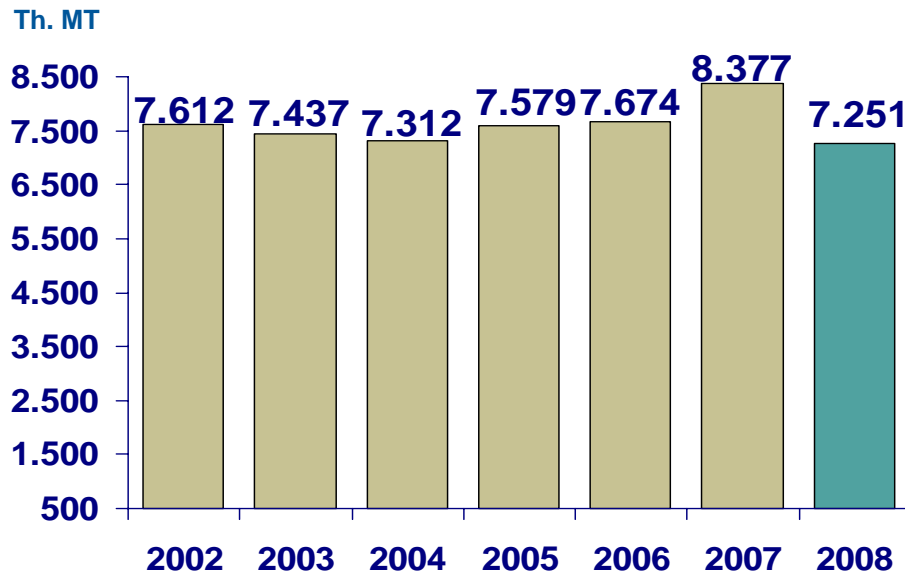
(4) Projections of the useful life of the mine is the reflection of its present reserves and current processing and mining plans.

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

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

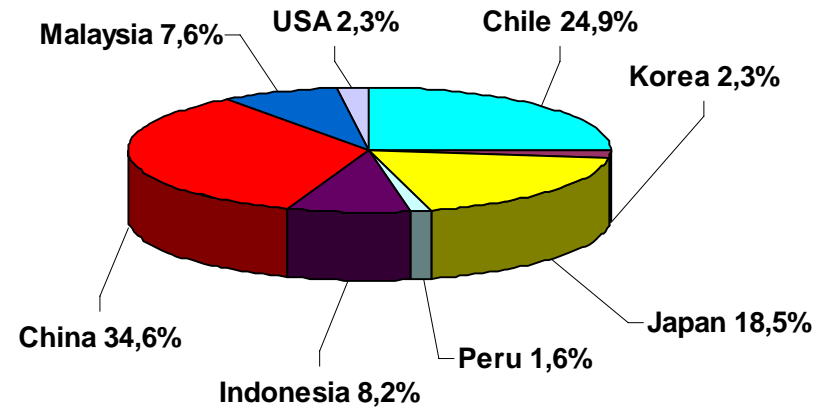
Stability of sales and markets

Deliveries



Markets

ASIA	: 71%
CHILE	: 25%
OTHERS	: 4%



Steel production operations



Steel production

- Chile's steel market leader
- 46% and 59% market share in total and target markets respectively
- 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



Share of CSH in its target market

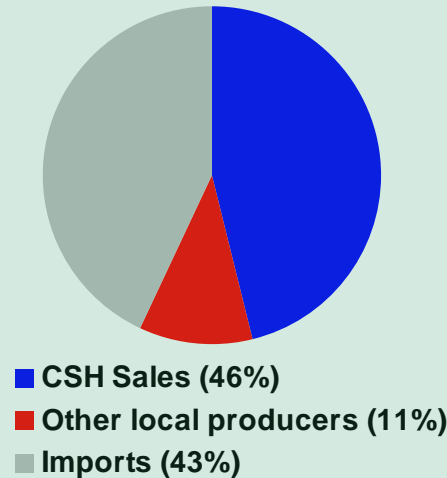
Sales of CSH in its Target Market (2008)

(thousands tons sold – market share)



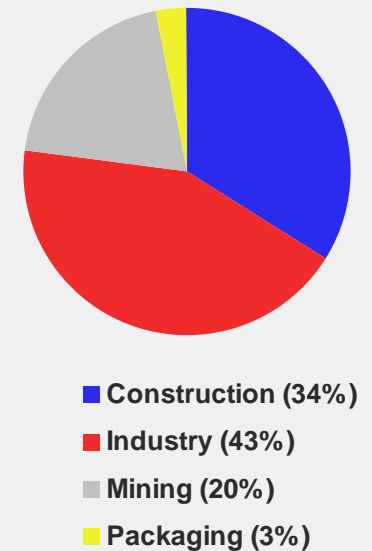
Total Steel Market

(2.55 million tons in 2008)



CSH Sales

(1.16 million tons in 2008)



Steel processing



Steel processing

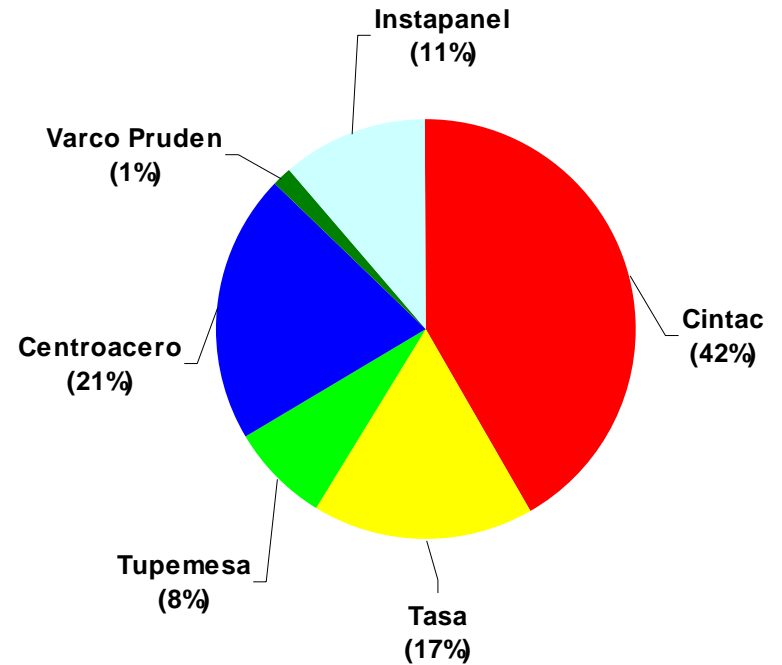
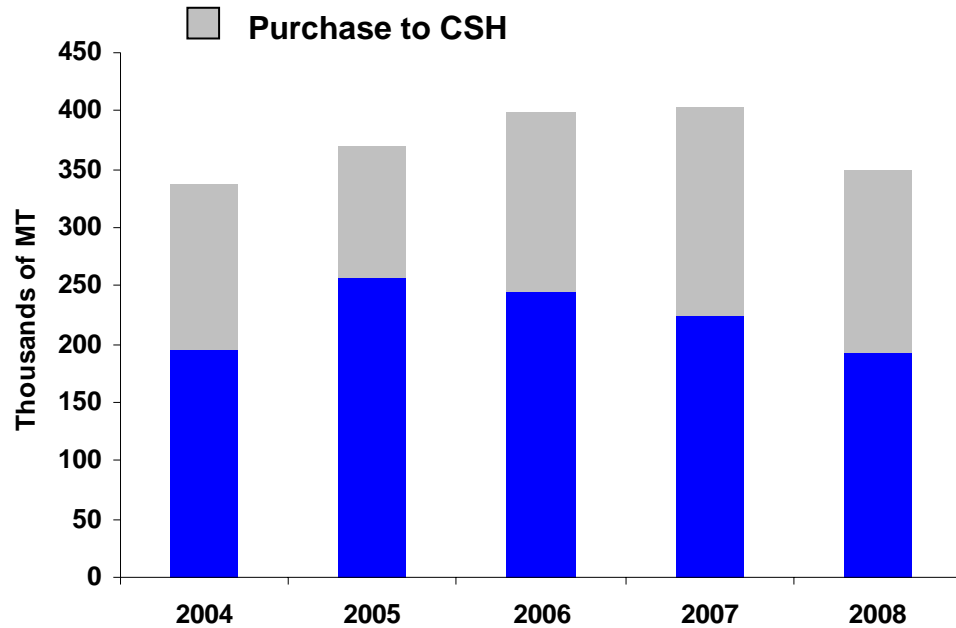
- Creates value-added solutions for construction, industry and infrastructure sectors in Chile, Peru and Argentina
- Its addition to the CAP group seeks to promote steel consumption
- Should result in improvements in consolidated returns



Deliveries

Deliveries

Deliveries by company



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The global and local situations

Situation at the global level



- Problems with financial institutions lead to major tightening in international liquidity
- Deterioration of the real economy results in sharp deceleration in global economic activity and international trade
- Fall in industrial production, in prices of commodities and, in particular, of iron ore and steel



Situation in Chile



- Strong financial position of government allows the launching of a large stimulus package
- Reduced availability and higher cost of finance to all sectors (except major corporates) in the economy
- Deceleration of growth (particularly in the construction and industrial sectors)
- Fall in demand and prices especially in export industries

- Impact on CAP
- Need to review action plans and optimize operations

What to expect for 2009

- Worldwide reduction in economic activity, plus inventory adjustments make difficult the estimation of real levels of demand and consumption
- Response by the steel industry has been a reduction in production rates and the postponement of investments, specially in new production capacity
- Fall in steel consumption globally, concentrated in the construction and automobile segments
- Consequent fall in seaborne iron ore trade
- We expect that inventory reduction by CAP's steel customers to be completed by 1Q/2Q 2009
- CAP aims to contain the reduction of its 2009 steel tonnage to +/- 10% and to increase iron ore shipments

Medium term effects of the crisis

(4 to 5 years)

Global steel market

- It is believed that 4 - 5 years will pass before production and steel demand will reach the level of 1H 2008
- Development and expansion by major players cancelled, postponed or under review

Market for major inputs to the steel industry

- Adjustments of demand and prices (coal, iron ore, other)

Chilean steel market

- Reassessment of size and timing of development plans

International capital market

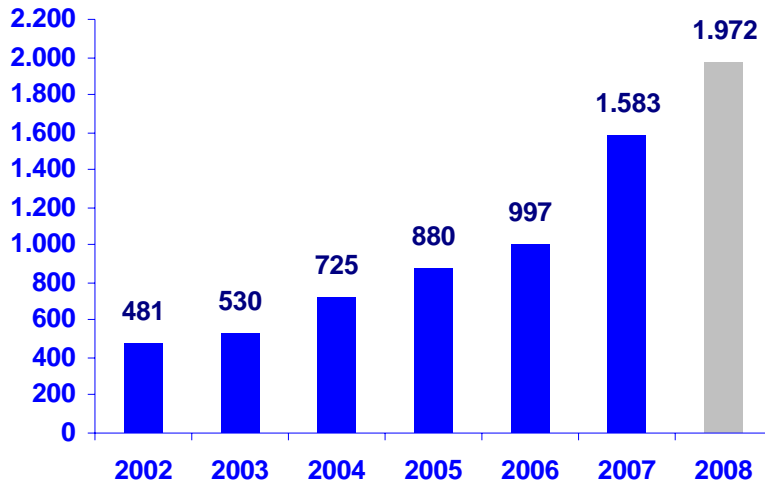
- Increased importance of cash resources and investment grade rating

Contents

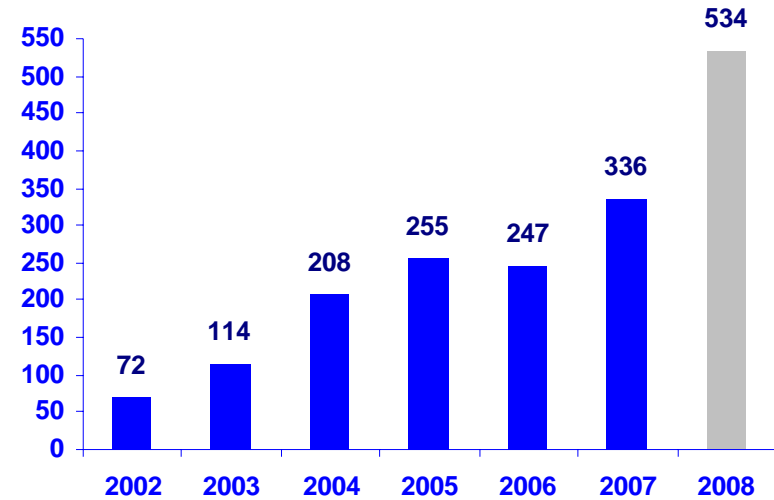
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Financial highlights

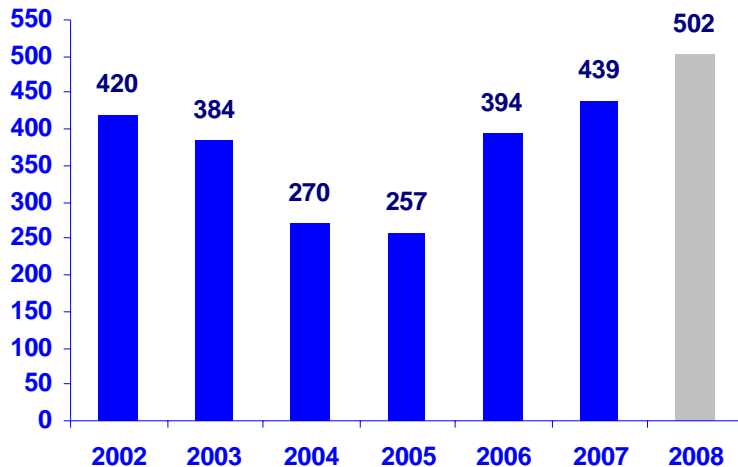
Sales



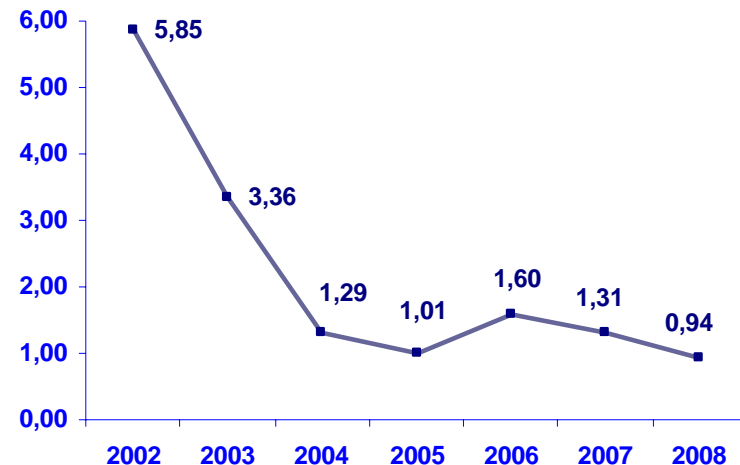
EBITDA (1)



Net Financial Debt



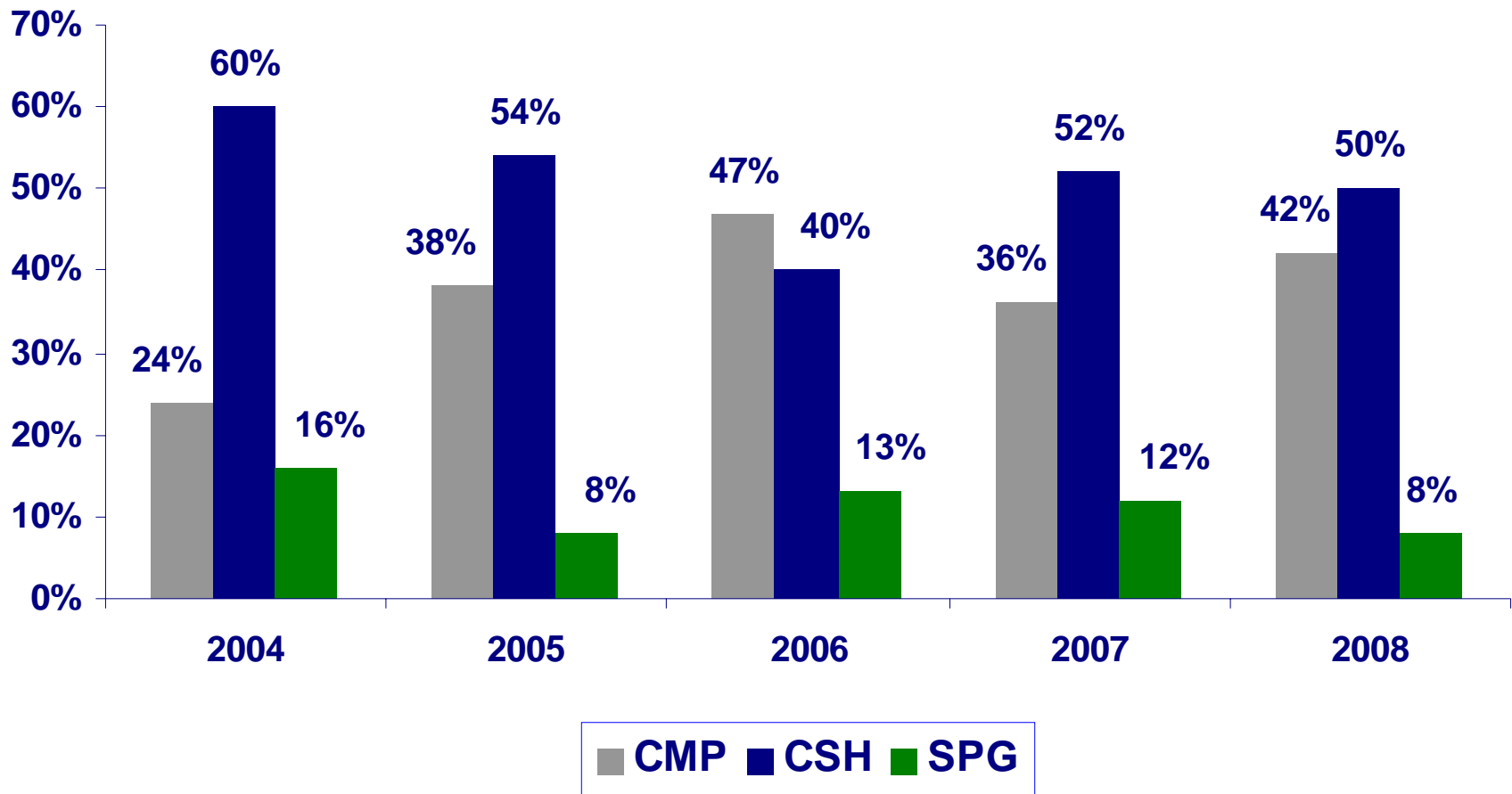
Net Financial Debt / EBITDA



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

Financial highlights

EBITDA by Business Unit



Financial evolution

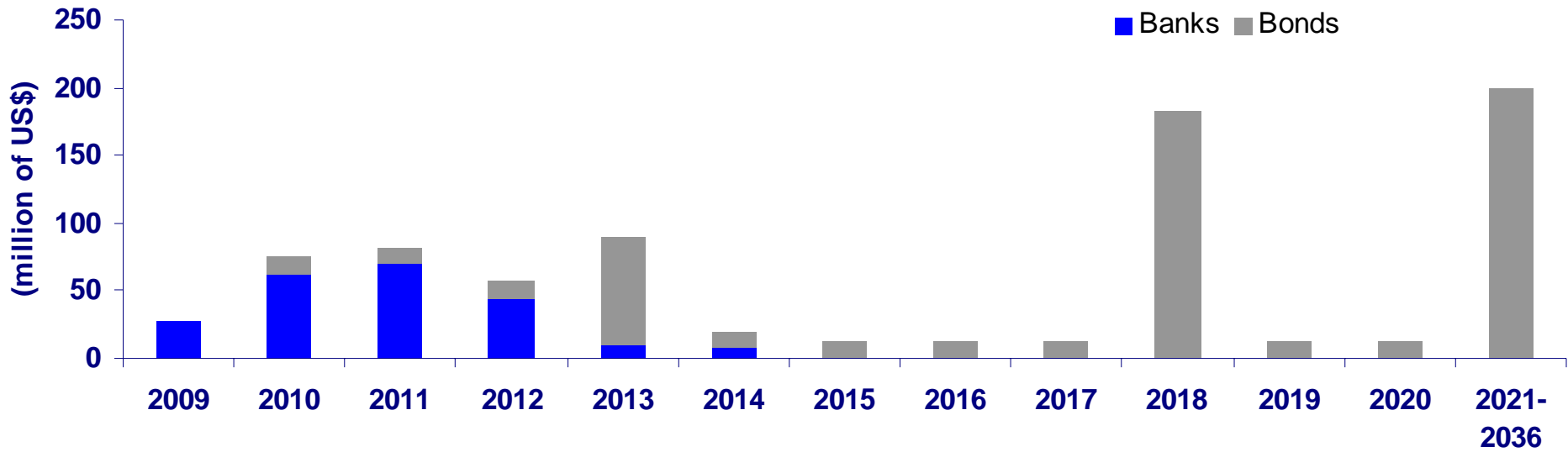
(million of US\$)	2002	2003	2004	2005	2006	2007	2008
Sales	481	530	725	880	997	1.583	1.972
Operational Margin	42	84	180	185	170	301	454
EBITDA (1)	72	114	208	255	247	336	534

(million of US\$)	2002	2003	2004	2005	2006	2007	2008
Cash	4	15	62	154	242	184	379
Short Term Debt (2)	184	106	109	136	97	81	111
Long Term Debt	240	293	223	275	539	543	769
Financial Debt	424	399	331	411	636	623	880
Net Financial Debt	420	384	270	257	394	439	502
Equity	453	473	562	646	732	884	1.039
Investment (additions of fixed assets)	19	16	29	55	119	309	161
Net Financial Debt / EBITDA	5,85x	3,36x	1,29x	1,01x	1,60x	1,31x	0,94x

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

(2) Includes portion of long term debt.

Debt maturity profile



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CAP's current position

Crisis hits CAP at the time of:

- Record profits (US\$ 293 million)
- High liquidity (US\$ 379 million)
- No capital investment commitments
- Minor debt amortization commitments
- Leverage < 1.0x (NFD / EBITDA)
- Detention of one blast furnace (40% of total capacity) and other cash saving measures currently in place

Mining business

Strategic considerations

- Adjustment of investments plan in accordance with the new scenario, under the current economic activity
- This means postponing greenfield Cerro Negro Norte project (4 million tpa) for indefinite period. Materialization of brownfield projects will commence over next two years
- Consolidation of mining assets, through continue investments in exploration of its mineral properties
- Total value of brownfield projects (Romeral 1 million tpa, Algarrobo 2.8 million tpa and Colorados 2 million tpa) should not exceed US\$ 700 million over the next 5 – 7 years

Steel and Steel Processing

Strategic considerations

- Crisis has changed projected growth rates at least for the next five years. Chile and the Pacific coast countries of South America are no exception, although may be less affected
- Increases in productive capacity beyond 1.45 million tpa are deemed unnecessary at this point
- Continue adding value to our product mix, especially flats, via the consolidation and growth of our steel processing subsidiaries

Financial strategy

Action and specific initiatives in the financial area

Cash

Assets

Availability of non-essential assets for potential divestments

Operations

Reduction in structural costs and optimization in operating expenses

Investments

Review of timing and size of projects

Working capital

Optimization of working capital management particularly in accounts receivable, accounts payable and inventories

During 2009 CAP will:

- Protect cash and investment grade rating
- Complete on-going investment projects in mining and steel for a total amount of US\$ 127 + million
- Remain flexible to react appropriately as circumstances may require

CAP

www.cap.cl

