

CAP S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2009 AND 2008

1.- Inscription in the Securities Register

a) CAP S.A. (the Company) is inscribed in the Securities Register of the Superintendency of Securities and Insurance (No.0131) and subject to the regulatory authority of that Superintendency.

b) The following direct and indirect subsidiaries are also inscribed in the Securities Register and are regulated by the Superintendency of Securities and Insurance:

Direct subsidiaries :

Compañía Siderúrgica Huachipato S.A.	Tax No. 94.637.000-2	Registration No.0506
Compañía Minera del Pacífico S.A.	Tax No. 94.638.000-8	Registration No.0489

Indirect subsidiaries:

Cintac S.A.	Tax No. 92.544.000-0	Registration No.0438
Intasa S.A.	Tax No. 99.503.280-5	Registration No.0804

2.- Accounting principles applied

a) ACCOUNTING PERIOD: These consolidated financial statements relate to the periods between January 1 and September 30, 2009 and 2008.

b) PREPARATION: The consolidated financial statements are prepared in accordance with generally accepted accounting principles in Chile as published by the Chilean Institute of Accountants and the instructions of the Superintendency of Securities and Insurance. Where the two differ, the instructions of the latter prevail.

c) PRESENTATION AND CURRENCY OF THE FINANCIAL STATEMENTS: The financial statements of the Company and most of the subsidiaries in Chile are prepared in US dollars. The financial statements of foreign subsidiaries are translated into US dollars in accordance with accounting principles generally accepted in Chile. The financial statements of the other subsidiaries in Chile are prepared in local currency and translated into US dollars at the closing exchange rate.

The financial statements are shown in thousands of US dollars and are compared to the same period of the year before, and corresponding reclassifications are made as necessary.

d) CONSOLIDATION: The consolidated financial statements include the assets, liabilities, results and cash flows of the Company and its consolidated subsidiaries. The amounts and effects of significant transactions between consolidated subsidiaries have been eliminated, and the participation of minority investors has been recorded in the Minority Interest accounts in liabilities and the results.

The companies included in the consolidation are shown in the accompanying table:

e) BASES OF TRANSLATION: At the close of the financial statements, assets and liabilities in currencies other than the US dollar and those expressed in other monetary units have been translated at the following rates:

Equivalents	2009	2008
Closing exchange rate (peso/dollar)	550.36	551.31
Value of Unidad de Fomento (pesos)	20,834.45	20,988.34
Closing exchange rate (Argentine peso/dollar)	3.843	3.135

Exchange differences are credited/charged to income.

f) TIME DEPOSITS - Time deposits include the principal plus interest accrued to the end of the period.

g) MARKETABLE SECURITIES – Marketable securities relate to investments in short-term fixed-income mutual fund quotas, and are shown at the market value of the quota at the end of each period.

h) INVENTORIES: The main inventories are valued at absorption cost, as follows:

- Steel products, at the lower of the quarter's production cost and net realization value.
- Finished products and minerals, at average production or acquisition cost.
- Raw materials, supplies in warehouse and other inventories, at average cost.
- Materials in transit, at cost.

The cost of inventories does not exceed their net realization value.

The allowance for surplus materials refers mainly to spares and other surplus and slow-moving materials.

Inventories are shown under Current assets and Other long-term assets according to the estimated period for their realization.

i) ESTIMATE OF DOUBTFUL ACCOUNTS: The policy of the Company and its subsidiaries is to make allowances for all accounts subject to judicial recovery and to make specific and global allowances for outstanding accounts that represent some risk of non-payment. The specific debtors mentioned in Circular 458 of the Superintendency of Securities and Insurance (in cessation of payments or bankruptcy) are of insignificant amounts and are fully allowed for. There are no accounts receivable from related companies that imply any risk of non-payment

j) PROPERTY, PLANT AND EQUIPMENT: Property, plant and equipment are shown at cost or technical appraisal value, as appropriate, and include interest costs incurred during construction periods and major renovations and improvements. Maintenance and repair costs are charged to income.

k) DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT: Property, plant and equipment are depreciated using the straight-line method over the estimated useful lives of the assets. During the 2009 period, and in consideration of the reserves information and production plans of El Romeral Mines, it was determined that the mine could be exploited until 2024. The useful life of the installations was therefore extended from 2015 to 2024, which implied reducing the charge for depreciation by ThUS\$ 1,727 in the first nine months of 2009.

l) LEASED ASSETS: Assets acquired under financial leases by subsidiaries are shown as acquisitions of property, plant and equipment, recording the sum of lease installments as a liability and interest on an accrual basis. Such assets do not legally belong to the subsidiaries, so they cannot freely dispose of them until the purchase option is exercised.

m) SALE OF PROPERTY, PLANT AND EQUIPMENT UNDER LEASE-BACK AGREEMENTS. The sale of land under financial lease-back agreements is shown by maintaining the value of the land in property, plant and equipment at the same book value recorded prior to the transaction and recording the proceeds received as a credit to the liability for leasing obligations.

n) INVESTMENTS IN RELATED COMPANIES: According to Circular 1697 of the Superintendency of Securities and Insurance, investments in related companies made until December 31, 2003 continue to be shown at their proportional equity value and investments in related companies as from January 1, 2004 are valued according to the equity value method, as established in Technical Bulletin No.72 (business combinations) of the Chilean Institute of Accountants.

o) GOODWILL AND NEGATIVE GOODWILL: The amounts of goodwill and negative goodwill have been determined as the difference between the price paid and the equity value at fair value according to the balance sheet at the time of acquisition of the shares or rights in the company acquired and in accordance with Technical Bulletin No.72 of the Chilean Institute of Accountants. Their amortization is carried out over the estimated period of return of the investment and considering the average useful life of the non-monetary assets of each one.

p) BONDS PAYABLE: The Company has issued and placed Series D and E bonds in Unidades de Fomento on the domestic market. These are shown restated at the value of the UF at the close of each period, including accrued interest to those dates. The Series E bonds were placed in May 2008 for an amount equivalent to UF 2 million and with a term of 5 years.

In September 2006, the Company placed a bond issue abroad for US\$ 200 million. This bond will be fully paid on maturity in 2036 and may be prepaid only for its full amount plus the interest accrued to that date.

The Company also issued and placed in May 2008 a bond issue in US dollars (Series F) for a total of ThUS\$ 171,480 and with a term of 10 years.

The Company has capitalized the bond issue and placement costs, showing them as deferred expenses in Other assets at short and long term in order to amortize them over the term of the respective instruments.

The Series D bonds may be prepaid on any principal and/or interest payment date.

The Series E and F bonds cannot be prepaid and are only fully repayable on their respective maturity dates.

q) **INCOME TAX AND DEFERRED TAXES.**- The Company and its Chilean subsidiaries book Income tax on the basis of net taxable income calculated in accordance with the Income Tax Law. Their foreign subsidiaries do so in accordance with the regulations in their respective countries. The Company and most of its subsidiaries show deferred taxes for timing differences, tax losses and other events creating differences between the financial and tax treatment of assets and liabilities, in accordance with the provisions of Technical Bulletins Nos.60, 69 and 71 of the Chilean Institute of Accountants.

r) **DERIVATIVE CONTRACTS** – CAP S.A. has signed cross-currency swap contracts with Banco Santander Chile to cover fluctuations in the value of the US dollar with respect to part of the Series D bonds and all the Series E bonds, denominated in Unidades de Fomento. It has also signed a interest-rate swap contract in order to fix the variable interest rate on the Series F bonds. These contracts have been defined as hedges for expected transactions. In addition, it has signed forward currency contracts with financial institutions. Another group company, which maintains its accounts in Chilean pesos, has signed US dollar futures contracts with another financial institution, to hedge fluctuations against the US dollar of its investments in peso time deposits.

Los results of the exchange and interest-rate hedging transactions and the forward exchange contracts, have been recorded in accordance with Technical Bulletin No.57 of the Chilean Institute of Accountants

s) **SEVERANCE INDEMNITIES.**- Provisions are made for severance indemnities that are covered by work contracts, mainly by applying the present value method of the accrued cost of the benefit, using a discount rate of 6% and considering a future permanence in the Company until retirement age. During 2009, the subsidiary Cía. Minera del Pacífico S.A. modified its estimate of the future years of permanence of the personnel at Elqui Valley, taking into account the extension of the remaining useful life of the El Romeral Mines. The effect of the change at the start of the year was ThUS\$ 1,235.

t) **VACATIONS:** The cost of personnel vacations is charged to income for the period in which the right accrues.

u) **SALES:** Sales correspond to products delivered and services provided during the period up to the date of closing of the financial statements.

v) **FACTORING TRANSACTIONS:** The assignment of notes receivable to factoring institutions with recourse are shown as the obtaining of a financial credit guaranteed by documents and are shown in Other liabilities in Current liabilities.

w) **RECOGNITION OF INCOME GENERATED BY INDUSTRIAL PROMOTION:** According to the percentage tax-breaks that correspond to the indirect subsidiary Tubos Argentinos S.A. within the framework of industrial promotion, the Argentine Federal Administration of Public Revenues (ex "Dirección General Impositiva de la República Argentina") granted fiscal credit certificates to suppliers of raw materials in payment of Value Added Tax (V.A.T.) invoiced by them. The promotional benefit (subsidy) is recognized in sales as a benefit received during the period.

x) **COMPUTER SOFTWARE:** The Company and its subsidiaries only acquire operating system programs and their accessories, whose costs are charged to income. Management and control programs have been developed internally or with specialized external assistance; the less significant management programs are charged to income and the production programs are capitalized and amortized over four consecutive years.

CAP S.A. has acquired an ERP - SAP system which is being implemented in the Company and some of its subsidiaries. The amounts paid to date for licences and development are booked as Other assets, which will begin to be amortized as from the second half of 2009.

The indirect subsidiary CINTAC S.A. has bought a computer program whose cost is being amortized over four years. This is shown under Other property, plant and equipment.

y) **RESEARCH AND DEVELOPMENT COSTS:** Research and development costs that do not include mine development and exploration work, are charged to income. There have been no significant costs of this kind over the last five years.

z) **EXPLORATION EXPENSES:** Expenses incurred in exploring for minerals or mines are charged to income.

aa) **MINING CLAIMS:** Disbursements for mining claims and mining companies which are not being exploited, are charged to income.

ab) **STATEMENT OF CASH FLOWS:** Cash and cash equivalents include cash, bank balances, time deposits not exceeding 90 days term and marketable fixed-income securities. The net positive cash flow from operating activities represents the net cash or cash equivalents received during the period resulting from operations affecting the results of the Company and its subsidiaries.

ac) **FAIR VALUE OF SUBSIDIARY:** The changes are the following:

For its increased shareholding in Novacero S.A. made in late 2006, the Company determined its fair value in accordance with Technical Bulletin No.72 of the Chilean Institute of Accountants, based on a valuation made by an independent professional.

Detail of the conciliation of the equity value of Novacero S.A. to its fair value:

	2009	2008
	ThUS\$	ThUS\$
Equity at book value Novacero S,A,	69,320	87,687
Adjustment to fair value	6,543	8,312
	-----	-----
Equity at fair value	75,863	95,999
Equity value	8.3811%	6,358
		8,047

ad) **INVESTMENTS IN ARGENTINA.** -The indirect subsidiary INTASA S.A. has a direct 99.99% investment in Argentina in the company Tubos Argentinos S.A.

The management of INTASA S.A. and its subsidiary has evaluated the recoverability of its assets and believes that the general situation in Argentina will not result in adjustments in this respect.

As of September 30, 2009, the financial statements of the Argentine subsidiary show total assets that represent 1.045% of total consolidated assets.

The companies included in the consolidation are:

ae) **CINTAC GROUP INVESTMENT MOVEMENT**

Instapanel S.A. Division: On July 1, 2009, an extraordinary shareholders meeting of Instapanel S.A. agreed to the division of the company into Instapanel S.A. as the successor and Instapanel II S.A.

Capital increase of Varco Pruden Chile S.A.: By public deed dated August 30, 2009, the company agreed to a capital increase of ThCh\$ 19,762,590, which was subscribed by the parent Cintac S.A.

Merger of Instapanel S.A. and Varco Pruden Chile S.A.: By public deed dated September 1, 2009, Cintac S.A. paid the subscribed capital increase in Varco Pruden Chile S.A. by contributing 55,505,674 shares that it held in Instapanel S.A., producing the merger of Instapanel S.A. and Varco Pruden Chile S.A. by having all the shares in the one hand. On the same date, Varco Pruden Chile S.A. changed its name to Instapanel S.A.

Capital increase of Cintac S.A.I.C.: On September 11, 2009, an extraordinary shareholders meeting of Cintac S.A.I.C. agreed to increase the company's capital by ThCh\$ 47,527,914 to ThCh\$ 82,525,086 through the capitalization of Other reserves and Retained earnings of ThCh\$ 14,721,996 and the issue of 42,266,986 new shares, fully subscribed by the parent Cintac S.A. at a cost of ThCh\$ 20,265,164, paid with the contribution of its shareholdings in its subsidiaries Instapanel S.A. and Conjuntos Estructurales S.A..

According to the public deed dated September 17, 2009, Cintac S.A. sold its rights in Instapanel S.A. and Conjuntos Estructurales S.A. to its subsidiary Cintac S.A.I.C.

The companies included in the consolidation are:

TAX NO.	COMPANY	PERCENTAGE PARTICIPATION			
		30-09-2009			2008
		DIRECT	INDIRECT	TOTAL	TOTAL
94637000-2	COMPAÑIA SIDERURGICA HUACHIPATO S.A.	99.9998	0.0000	99.9998	99.9998
94638000-8	COMPAÑIA MINERA DEL PACIFICO S.A.	99.9995	0.0000	99.9995	99.9995
79942400-2	CIA. DISTRIBUIDORA DE PETROLEOS DEL PACIFICO LTDA.	0.0000	99.9994	99.9994	99.9994
90915000-0	MANGANESOS ATACAMA S.A.	0.0000	98.8501	98.8501	98.7636
94235000-7	ABASTECIMIENTOS CAP S.A.	50.0000	49.9998	99.9998	99.9998
Foreign	PACIFIC ORES & TRADING N.V.	0.0000	99.9995	99.9995	99.9995
Foreign	PACIFIC ORES & TRADING B.V.	0.0000	99.9995	99.9995	99.9995
Foreign	P.O.R.T. INVESTMENTS LTD. N.V.	100.0000	0.0000	100.0000	100.0000
Foreign	P.O.R.T. FINANCE LTD. N.V.	0.0000	100.0000	100.0000	100.0000
79807570-5	SOC. DE ING Y MOVIMIENTOS DE TIERRA DEL PACIFICO LTDA.	0.0000	99.9979	99.9979	99.9979
76369130-6	TECNOCAP S.A.	60.0000	39.9999	99.9999	99.9999
76399380-9	ECOCAP S.A.	0.0000	99.9999	99.9999	39.9999
99503280-5	INTASA S.A.	11.0305	26.8328	37.8633	37.8633
Foreign	TUBOS ARGENTINOS S.A. (ARGENTINA)	0.0000	37.8595	37.8595	37.8595
92544000-0	CINTAC S.A.	11.0305	26.8328	37.8633	37.8633
96925940-0	NOVACERO S.A.	52.6821	0.0000	52.6821	52.6821
Foreign	STEEL TRADING CO. INC. (BAHAMAS)	0.0000	37.8633	37.8633	37.8633
96919030-3	CONJUNTOS ESTRUCTURALES S.A.	0.0000	37.8507	37.8507	37.8507
Foreign	TUBOS Y PERFILES METALICOS (PERU)	0.0000	37.8633	37.8633	37.8633
96705210-8	CINTAC S.A.I.C. EX ACERO CINTAC S.A.	0.0000	37.8633	37.8633	37.8633
96706060-7	INSTAPANEL S.A.	0.0000	37.8633	37.8633	37.8633
96859640-3	VARCO PRUDEN CHILE S.A.	0.0000	0.0000	0.0000	37.8633
76721910-5	INMOBILIARIA CINTAC S.A.	0.0000	37.8629	37.8629	37.8629
76734400-7	CENTROACERO S.A. EX NUEVA CENTROACERO S.A.	0.0000	37.8633	37.8633	37.8633
99537280-0	TECNOACERO S.A.	0.0000	37.8632	37.8632	37.8633
99553700-1	TECNOACERO UNO S.A.	0.0000	37.8632	37.8632	37.8633
76498850-7	PUERTO LAS LOSAS S.A.	0.0000	50.9997	50.9997	50.4692
76800010-7	MINERA HIERRO ATACAMA S.A.	0.0000	99.9995	99.9995	99.9995
76399400-7	CLEANAIRTECH SUDAMERICANA S.A.	0.0000	99.9999	99.9999	39.9999

3.- Accounting Changes

The accounting principles and criteria described in Note 2 have been applied uniformly during the periods ended September 30, 2009 and 2008.

4.- Marketable securities

The balances as of September 30, 2009 and 2008 relate to the following mutual fund quotas valued at the end of each period.

Instrument	Book value	
	30-09-2009	30-09-2008
Mutual fund quotas	6,548	29,355

5.- Short and long-term debtors

The detail of these as of September 30, 2009 and 2008 is as follows:

	Current						Long Term		
	Up to 90 days		90 days to 1 year		Total Current (net)		2009	2008	
	2009	2008	2009	2008	2009	2008			
Trade accounts receivable	162,936	323,880	1,503	3,699	164,439	159,464	320,962		
Estimate of doubtful accounts					4,975				
Notes receivable	11,029	17,279	954	1,462	11,983	9,821	16,493	13	
Estimate of doubtful accounts					2,162				
Sundry debtors	25,567	15,071	4,789	4,072	30,356	29,704	18,687	5,926	
Estimate of doubtful accounts					652			4,878	
	Total long-term debtors						5,939	4,878	

Of the total short-term debtors at September 30, 2009, 88.94% represent Chilean debtors and 11.06% foreign debtors (92.68% and 7.32% respectively at September 2008).

Long-term debtors at September 30, 2009 and 2008 split 98.15% and 97.07% into Chilean, and 1.85% and 2.93% foreign debtors, respectively.

6.- Balances and transactions with related entities

The detail of short and long-term balances with related companies and transactions with unconsolidated related companies is as follows:

Notes and accounts receivable

Tax No.	Company	Short term		Long term	
		2009	2008	2009	2008
		ThUS\$	ThUS\$	ThUS\$	ThUS\$
96.778.700-0	Cía. Minera Huasco S.A.	4	892	0	0
78.170.790-2	Armacero Industrial y Comercial S. A.	1,965	7,425	1,735	0
80.927.500-0	Sociedad Naviera Ultragas Ltda	0	0	0	0
80.992.000-3	Ultramar Agencia Maritima Ltda.	50	0	0	0
	Total	2,019	8,317	1,735	0

Notes and accounts payable

Tax No.	Company	Short term		Long term	
		2009	2008	2009	2008
		ThUS\$	ThUS\$	ThUS\$	ThUS\$
96.778.700-0	Cía. Minera Huasco S.A.	21,906	19,937	0	0
80.927.500-0	Sociedad Naviera Ultragas Ltda..	618	366	0	0
Foreign	BHP Billiton Mitsubishi Alliance	88,079	65,529	0	0
Foreign	Mitsubishi Corporation	327	0	0	0
96.708.470-0	Invercap S.A.	460	734	0	0
78.170.790-2	Armacero Industrial y Comercial S. A.	0	0	0	0
	Total	111,390	86,566	0	0

The account receivable from Ultramar Agencia Marítima Ltda. arises from business transactions, accrues no interest and is payable monthly.

The short-term account payable to Compañía Minera Huasco S.A. for the purchase of pre-concentrates by C.M.P. and of pellets by C.S.H. does not accrue interest and its term does not exceed 3 months.

The short-term account payable to Mitsubishi Corporation in 2008, mainly for mineral sale commissions, did not accrue interest and was payable at 30 days.

The balance of the account payable to BHP Billiton Mitsubishi, related through the shareholder Mitsubishi Co., relates to debts for coal imports and accrues interest at an average annual rate of 3.087%.

The other short-term accounts receivable and payable relate to business transactions and are payable within the terms established for each.

Directors' Remuneration:

The following shows the remuneration of the directors of CAP S.A. and its subsidiaries for the periods ended September 30, 2009 and 2008:

	2009	2008
	ThUS\$	ThUS\$
Attendance at meetings	456	523
Representation expenses	92	107
Directors' committee fees	14	15
Balance profit sharing	1,811	1,382
Total	2,373	2,027

Principal transactions with unconsolidated related companies:

Company	Tax No.	Relationship	Transaction	2009		2008	
				Amount	Effect on results (charge)/credit	Amount	Effect on results (charge)/credit
				ThUS\$	ThUS\$	ThUS\$	ThUS\$
COMPAÑIA MINERA HUASCO S.A.	96778700-0	ASSOCIATE	PURCHASE OF PRE-CONCENTRATES	124,255	0	108,634	0
COMPAÑIA MINERA HUASCO S.A.	96778700-0	ASSOCIATE	SALE OF MATERIALS & SERVICE	32,444	27,310	46,733	39,369
COMPAÑIA MINERA HUASCO S.A.	96778700-0	ASSOCIATE	SALE OF MINERALS	233,916	196,910	219,269	184,259
COMPAÑIA MINERA HUASCO S.A.	96778700-0	ASSOCIATE	PURCHASE OF PELLETS	70,488	0	131,074	0
COMPAÑIA MINERA HUASCO S.A.	96778700-0	ASSOCIATE	RENTAL & OTHER SERVICES	1,375	(1,155)	1,207	(1,014)
SOCIEDAD NAVIERA ULTRAGAS LTDA.	80927500-0	DIRECTORS & EXECS. COMMON	PURCHASE OF SERVICES	10,265	0	15,665	0
ARMACERO INDUSTRIAL Y COMERCIAL S.A.	78170790-2	ASSOCIATE	SALE OF PRODUCTS	9,331	7,841	31,533	26,498
INVERCAP S.A.	96708470-0	MAJOR SHAREHOLDER	SERVICES PROVIDED	16	13	3	2
MITSUBISHI CORPORATION	Foreign	SHAREHOLDERS	SALES COMMISSIONS	4,095	(4,095)	3,523	(3,523)
MITSUBISHI CORPORATION	Foreign	SHAREHOLDERS	SALES	5,007	5,007	0	0
BHP BILLITON MITSUBISHI	Foreign	DIRECTOR IN COMMON	PURCHASE OF PRODUCTS	55,133	(2,407)	93,493	(1,008)
EMPRESA ELECTRICA GUACOLDA S.A.	96635700-2	DIRECTOR IN COMMON	SERVICES SOLD	31	26	0	0
EMPRESA ELECTRICA GUACOLDA S.A.	96635700-2	DIRECTOR IN COMMON	SERVICES BOUGHT	186	(156)	0	0
ULTRAMAR AGENCIA MARITIMA	80992000-3	DIRECTOR IN COMMON	SERVICES SOLD	334	281	0	0
ULTRAMAR AGENCIA MARITIMA	80992000-3	DIRECTOR IN COMMON	SERVICES BOUGHT	28	(24)	0	0
ARMACERO INDUSTRIAL Y COMERCIAL S.A.	78170790-2	ASSOCIATE	PURCHASE OF PRODUCTS	20	0	0	0

7.- Inventories

The detail of these at September 30, 2009 and 2008 is as follows:

	2009	2008
	ThUS\$	ThUS\$
Finished steel products	45,300	80,929
Semi-finished steel products & in process	19,633	36,285
Primary products & others	32,131	26,714
Steel byproducts	0	408
Sub total	97,064	144,336
Finished pellets	11,425	8,926
Pellet chips	202	3,032
Mine pre-concentrates	2,672	130
Mineral lumps & fines	16,923	20,928
Pellet feed & stockpile	1,725	1,414
Other minerals being processed	1,629	5,106
Ferro-alloys & other metals	15,232	17,329
Sub total	49,808	56,865
Finished steel products	26,866	42,956
Steel products being processed	4,463	9,115
Primary steel products & others	0	0
Vostecs catalyzer equipment	2,584	3,449
Sub total	33,913	55,520
Imported coal	28,991	31,787
Imported coke	15,365	27,492
Zinc-alum alloys, silicon	1,775	7,069
Iron ore	10,448	8,708
Lime, limestone & other raw materials	3,536	9,944
Raw materials in transit	15,188	37,147
Sub total	75,303	122,147
Materials in warehouse	57,729	34,971
Spares & supplies	3,875	2,127
Disposable equipment & materials	0	5,417
Allowance for surplus & obsolescent materials	0	0
Allowance for net realization value	0	0
Materials in transit	0	1,085
Sub total	61,604	43,600
Allowance for obsolescence	(6,883)	(5,415)
Allowance for net realization value	0	0
Sub total	(6,883)	(5,415)
Total	310,809	417,053

8.- Deferred taxes and income tax

GENERAL INFORMATION AS OF SEPTEMBER 30, 2009 AND 2008

a) Taxable income and provision for income tax

	2009	2008
	ThUS\$	ThUS\$
Taxable income	34,639	264,309
Tax loss for the period	171,217	16,673
Provision for income tax	5,889	44,937
Provision for income tax foreign subsidiaries	2	1,715

b) Taxed earnings

At September 30, the Company and its subsidiaries showed the following consolidated balances of retained taxed earnings, accumulated tax losses and tax credits for shareholders:

	2009	2008
	ThUS\$	ThUS\$
Taxed earnings with credit	622,857	741,789
Taxed earnings without credit	24,616	47,789
Exempt income	865	858
Non-tax income	2,059	2,067
Accumulated tax losses	16,640	17,881
Credits	145,240	144,672

c) Net recoverable income tax

The net recoverable tax relates to the taxation of the Company and its subsidiaries.

The detail of net recoverable income tax is as follows:

	2009	2008
	ThUS\$	ThUS\$
Income tax prior to applying accumulated tax losses		
	(5,891)	(46,652)
Special clause 21 tax	(76)	(108)
Extraordinary income from application of accumulated tax losses		
	<u>12,496</u>	<u>2,566</u>
Net charge to income for tax	6,529	(44,194)
Balance from previous year	1,358	2,154
Credit for absorption of profits	1,422	0
Monthly tax prepayments	26,160	35,090
Fiscal credit Argentine subsidiary	959	2,608
Fiscal credit & others	8,168	16,615
Net income tax recoverable	<u>44,596</u>	<u>12,273</u>

At September 30, 2009, the net recoverable income tax is shown in current assets for ThUS\$ 44,670 and income tax in current liabilities for ThUS\$ 74. As of September 30, 2008, net recoverable income tax is shown in current assets for ThUS\$ 24,961 and in income tax in current liabilities for ThUS\$ 12,688.

d) Deferred taxes

As instructed by the Superintendency of Securities and Insurance in Circular 1560 of September 20, 2001, deferred taxes are shown net in the balance sheet as follows:

	2009	2008
	ThUS\$	ThUS\$
Deferred tax assets - current	19,830	8,088
Deferred tax liabilities - current	(5,029)	(6,972)
Total Assets (Liabilities) – net current	14,801	1,116
Deferred tax assets – long term	5,747	5,941
Deferred tax liabilities – long term	(39,610)	(34,234)
Total Assets (Liabilities) – net long term	(33,863)	(28,293)

	2009				2008			
	Deferred tax asset		Deferred tax liability		Deferred tax asset		Deferred tax liability	
	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term
Timing differences	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Allowance doubtful accounts	1,450	2	0	0	1,948	36	20	0
Unearned income	0	0	0	0	0	0	0	0
Provision for vacations	817	629	0	0	1,072	507	36	0
Amortization intangible assets	0	0	0	542	0	0	0	515
Leased assets	351	168	7	398	375	1,247	0	1,266
Manufacturing expenses	0	0	2,184	0	0	0	5,002	0
Depreciation property, plant & equipment	129	46	83	62,134	0	0	242	59,541
Severance indemnities	13	372	31	8,061	11	407	31	6,421
Other events	301	893	1,169	0	720	2,363	1,123	477
Provision long-service awards	259	0	0	0	304	0	0	0
Sundry provisions	3,784	1,158	0	0	3,140	808	0	0
Unrealized income on asset sale	333	700	116	0	458	746	0	0
Deferred expenses	98	0	470	4,568	206	0	470	5,324
Provision retirement pensions	0	0	0	130	0	0	0	12
Provision work accidents	0	0	0	97	0	0	0	17
Interest & commissions	0	0	0	1,020	0	0	0	1,183
Pellets feed stockpile	0	0	0	0	0	0	0	0
Prepaid expenses	0	0	300	0	0	0	48	447
Allowance obsolescent materials	1,155	434	0	0	354	1,019	0	0
Accumulated tax loss	11,259	1,996	0	0	0	2,403	0	0
Inventories	317	141	0	0	185	0	0	0
Property, plant & equipment	103	929	69	926	11	669	0	1,191
Financing cost prop., plant & equip.	0	0	0	31	0	0	0	39
Materials being processed	0	72	600	0	0	0	0	0
Def. tax fair value Novacero S.A.	0	0	0	219	0	0	0	219
Sub total	20,369	7,540	5,029	78,126	8,784	10,205	6,972	76,652
Complementary accounts – net of amortization	0	516	0	38,516	0	2,112	0	42,418
Valuation provision	539	1,277			696	2,152		
Total	19,830	5,747	5,029	39,610	8,088	5,941	6,972	34,234

e) Income tax

	2009	2008
	ThUS\$	ThUS\$
Current tax charge (provision for tax)	(5,967)	(46,760)
Tax charge adjustment (previous year)	(55)	107
Effect on deferred tax assets or liabilities for the period	4,342	2,209
Benefit of tax losses	14,576	2,566
Effect of amortization of complementary deferred tax asset & liability accounts	(2,949)	(3,289)
Effect on assets or liabilities of deferred taxes due to changes in the valuation provision	741	(384)
Other charges or credits to the account	(78)	(15)
Total	10,610	(45,566)

9.- Other current assets

The detail of other current assets at September 30, 2009 and 2008 is as follows:

	2009 ThUS\$	2008 ThUS\$
Capitalized bond issue & placement costs	2,763	2,763
Capitalized long-term loan arrangement costs	514	413
Capitalized investment project expenses	1,662	3,097
Effect of change in discount rate on provision for severance indemnities	318	430
Insurance & deferred expenses	0	0
Prepaid personnel benefits	0	2,094
Net amount receivable from Banco Santander Chile, current portion of currency & UF rate swap contract. Series D bond (Note 23a)	665	0
Net receivables under forward contracts (Note 28d)	3,597	16,901
Sundry minor items	1,137	70
Total	10,656	25,768

10.- Property, plant and equipment

Property, plant and equipment relate mainly, in Cía. Siderúrgica Huachipato and Cía. Minera del Pacifico, to land, buildings, infrastructure, mining machinery and equipment, pellets plant, mineral shipment ports, steel plant and piers. It also includes the industrial plants of the subsidiaries Cintac, Centroacero, Instapanel and Tecnoacero in Chile, and the industrial plants of Tupemesa in Lima, Peru, and of Tasa in Argentina. The detail is shown below:

DEPRECIATION

Depreciation amounts to ThUS\$ 52,539 to September 2009 and ThUS\$ 53,674 in 2008, and includes ThUS\$ 35 and ThUS\$ (538) respectively of net depreciation of the incremental or lesser technical appraisal valuation.

Assets	2009					2008		
	Cost		Technical Appraisal		Totales	Cost plus technical appraisal	Accumulated depreciation	Net property, plant & equipment
	Cost	Accumulated depreciation	Amount	Accumulated depreciation	Net property, plant & equipment			
ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
Land	16,063	0	6,343	0	22,406	18,909	0	18,909
Improvements to land & roads	0	0	0	0	0	34,606	(30,730)	3,876
Buildings	488,600	(333,133)	31,776	(33,429)	153,814	379,692	(273,148)	106,544
Infrastructure works	0	0	0	0	0	71,072	(54,014)	17,058
Machinery & equipment	1,727,608	(1,176,712)	61,212	(62,173)	549,935	1,671,209	(1,194,976)	476,233
Transport & handling equipment	65,272	(56,084)	4,194	(4,534)	8,848	70,037	(59,637)	10,400
Leased fixed assets	26,030	(3,947)	0	0	22,083	30,918	(3,333)	27,585
Other assets	34,336	(24,116)	0	0	10,220	30,090	(23,622)	6,468
Works in progress	432,357	0	0	0	432,357	451,367	0	451,367
Total	2,790,266	(1,593,992)	103,525	(100,136)	1,199,663	2,757,900	(1,639,460)	1,118,440

TECHNICAL APPRAISAL

In 1988, the principal subsidiaries, Compañía Siderúrgica Huachipato S.A. (C.S.H.) and Compañía Minera del Pacifico S.A. (C.M.P.), adopted the provisions of Circular 829 of the Superintendency of Securities and Insurance to revalue their property, plant and equipment. The indirect subsidiaries Cintac S.A. and Instapanel S.A. re-appraised their property, plant and equipment in 1980, 1992 and 1994. As a result, C.S.H., Cintac and Instapanel increased the value of their property, plant and equipment while C.M.P. reduced these, compared to their respective book values.

LEASED ASSETS

The detail of leased assets is as follows:

	2009	2008
	ThUS\$	ThUS\$
In Cía. Minera del Pacífico S.A.		
Mining equipment	6,216	6,868
Light equipment	4,271	4,193
Total	10,487	11,061

The average annual interest rate on these agreements is 6.471% and their term is up to 4 years. The leasing obligation is shown in Sundry creditors in current and long-term liabilities

In Cía. Siderúrgica Huachipato S.A.	ThUS\$	ThUS\$
Land for corporate building	14,925	14,925

This subsidiary signed a leasing agreement with Banco de Crédito e Inversiones to finance the construction of a corporate building for ThUS\$ 14,925, agreed in 96 equal instalments of UF 4,873.79 plus VAT and with an annual interest rate of 6.35%, plus a purchase option instalment of the same amount. The first installment was paid on September 15, 2008 and the last is payable in 2016.

In Novacero S.A. and subsidiaries	ThUS\$	ThUS\$
Land in Cintac S.A.	0	4,844
Computer licenses & others	618	88
Total	618	4,932

The computer-equipment contracts are denominated in UF, have a term of 1 to 3 years and an average monthly interest rate of 0.97%. In 2008 the land and buildings for ThUS\$ 4,844 related to a financial lease-back transaction. This contract was terminated in advance on June 4, 2009 (Note 11).

Total assets leased	26,030	30,918
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OTHER PROPERTY, PLANT & EQUIPMENT

The heading Other property, plant and equipment includes, among other things, works in progress of ThUS\$ 432,357, the most important being:

- 1) In Compañía Minera del Pacífico S.A. for ThUS\$ 371,543 at September 30, 2009, mainly relating to the Hierro Atacama project that involves a total investment of ThUS\$ 260,384.
- 2) In Compañía Siderúrgica Huachipato S.A. for ThUS\$ 50,705 at September 30, 2009, the most important investments being for handling the pier and raw materials, roller rectifier, road improvements, tree-planting, access, green areas and other minor projects.
- 3) In Cintac S.A. for ThUS\$ 10,109, mainly in installations and machinery.

11.- Leaseback transactions

Other property, plant and equipment (Note 10) in 2008 includes land of the indirect subsidiary CINTAC S.A. for ThUS\$ 4,030 relating to a leaseback agreement signed with the bank CorpBanca in October 2002.

On June 4, 2009, CINTAC S.A. terminated this leaseback contract in advance.

12.- Investments in related companies

UNREALIZED INCOME:

a) The subsidiary Compañía Minera del Pacífico S.A. (CMP) generated unrealized income in Compañía Minera Huasco S.A. (CMH) in 1996 mainly corresponding to the difference in the valuation of mining claims contributed by CMP on the constitution of the associate company Compañía Minera La Jaula. These claims were sold to Compañía Minera Huasco S.A. in 2000. Transfers to income are made in quarterly instalments over the estimated life of the Los Colorados mine, i.e. until December 2028. The amount realized during the nine months to September 2009 was ThUS\$ 161 (ThUS\$ 332 in 2008).

b) CAP S.A. also showed unrealized income at September 30, 2009 and 2008, in proportion to its percentage participation, for inventories of products sold by Compañía Siderúrgica Huachipato S.A. and which are included in the inventories of Armacero Industrial y Comercial S.A..

FOREIGN INVESTMENTS

a) Earnings on foreign investments that are potentially remittable to the Company and its subsidiaries at the end of each period are as follows:

	2009 ThUS\$	2008 ThUS\$
Pacific Ores and Trading N.V.	324	1,992
Tubos Argentinos S.A.	---	4,035

Neither the Company or its subsidiaries has contracted any debt to cover these foreign investments during either year.

The subsidiary Cía. Minera del Pacífico S.A. decided to discontinue in 2008 the operations of its subsidiaries Pacific Ores and Trading N.V. and Pacific Ores and Trading B.V. which operated as sales agents.

ADDITIONAL INFORMATION:

The board of Cía Minera del Pacífico S.A., on January 24, 2007, agreed to form a closely-held corporation in which it would have a 99% shareholding and its subsidiary IMOPAC the remaining 1%. This company was constituted on February 9, 2007 with the name Minera Hierro Atacama S.A. with an initial capital of US\$ 1,000,000 divided into 10,000 shares of no par value. As of September

30, 2009, the paid capital amounts to ThUS\$ 110 of which C.M.P. has contributed ThUS\$ 100 and IMOPAC ThUS\$ 10.

An extraordinary shareholders meeting of Puerto las Losas S.A., a subsidiary of C.M.P., held on August 11, 2009, agreed to amend the capital from pesos to dollars and increase the capital from US\$ 16,373,839 to US\$ 46,569,366. The increase of US\$ 30,195,527, equivalent to 1,844,132 shares, maintain the shareholdings at 51% for Cía. Minera del Pacífico S.A. (C.M.P.) and 49% for Agrocomercial A.S. Ltda. On August 14, 2009, the shareholders paid in US\$ 24,300,000 of the capital increase, US\$ 12,393,000 by C.M.P. and US\$ 11,907,000 by the other shareholder.

On May 25, 2009, the production activities of the subsidiary Manganesos Atacama S.A. were suspended due to weak demand for its products. The present stock is sufficient to cover all existing commitments for an estimated term of two years.

a) As of September 30, 2009

Tax No.	Company	Country of Origin	Investment control currency	No. of shares	Percentage holding	Equity of company	Result for the period	Equity of company at fair value	Accrued results	Proportional equity value	Unrealized income	Book value
						ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
96778700-0	Cía. Minera Huasco S.A.	Chile	Dollar	1,050,000	49.99975	165,943	80,961	0	40,641	82,971	4,118	78,853
78781830-7	Cía. Minera La Jaula	Chile	Dollar	10,500	49.99975	108	15	0	8	54	0	54
78170790-2	Armacero Ind y Com. S.A.	Chile	Dollar	3,877,633	50.00000	16,313	847	0	423	8,156	42	8,114
79756730-2	Inmob y Const San Vicente Ltda	Chile	Dollar	0	0.49000	3,697	(408)	0	(2)	18	0	18
	Total									91,199	4,160	87,039

b) As of September 30, 2008

Tax No.	Company	Country of Origin	Investment control currency	No. of shares	Percentage holding	Equity of company	Result for the period	Equity of company at fair value	Accrued results	Proportional equity value	Unrealized income	Book value
						ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
96778700-0	Cía. Minera Huasco S.A.	Chile	Dollar	1,050,000	49.99975	275,561	203,471	0	102,066	137,780	4,389	133,391
78781830-7	Cía. Minera La Jaula	Chile	Dollar	10,500	49.99975	104	(14)	0	(7)	52	0	52
78170790-2	Armacero Ind y Com. S.A.	Chile	Dollar	3,877,633	50.00000	15,689	9,022	0	4,510	7,845	1,183	6,662
79756730-2	Inmob y Const San Vicente Ltda	Chile	Dollar	0	0.49000	3,644	82	0	0	19	0	19
	Total									145,696	5,572	140,124

13.- Goodwill and Negative Goodwill

These comprise the following as of September 30, 2009 and 2008:

Tax No.	COMPANY	2009		2008	
		Amount amortized in the period	Balance of goodwill	Amount amortized in the period	Balance of goodwill
		ThUS\$	ThUS\$	ThUS\$	ThUS\$
96925940-0	Novacero S.A.	594	1.783	594	2,576
96925940-0	Novacero S.A.(adjustment to fair value)	114	0	127	0
96619660-2	Centro Acero S.A.	22	159	23	189
96925260-0	Eci Dos S.A.	150	150	150	350
	Total	880	2.092	894	3,115

Tax No.	COMPANY	2009		2008	
		Amount amortized in the period	Balance of negative goodwill	Amount amortized in the period	Balance of negative goodwill
		ThUS\$	ThUS\$	ThUS\$	ThUS\$
76498850-7	Sociedad Puerto Las Losas S.A.	0	6,961	0	6,836
96703550-5	Imsatec Chile S.A.	1,213	13,556	1,223	15,168
96705210-8	Latin American Enterprises S.A.	188	2,097	189	2,348
	Total	1,401	22,614	1,412	24,352

The balance of goodwill in Centroacero S.A. was generated as a result of the investment made in that company by the indirect subsidiary Cintac S.A., while the balance of goodwill in Novacero S.A. was generated as a result of the subscription and payment in late 2006 of the whole capital increase of this subsidiary by CAP S.A..

The higher negative goodwill in Imsatec Chile S.A. and Latin American Enterprises S.A. was generated by the investments made by the indirect subsidiary Cintac S.A.. The negative goodwill in Puerto Las Losas S.A. was due to the contribution made by the subsidiary Compañía Minera del Pacifico S.A. which is to be amortized over the estimated period of return of the investment, once its operations begin.

14.- Other assets

The detail of long-term other assets at September 30, 2009 and 2008 is as follows:

	2009	2008
	ThUS\$	ThUS\$
Rights in installations	561	560
Inventories realizable in more than one year	40,773	51,292
Allowance for obsolescence of materials	(2,552)	(6,556)
Actuarial adjustments of deferred severance indemnities	2,711	2,959
Other assets & minor investments	3,043	1,777
Long-term portion of discount & expenses on bond placements (Note 26)	23,014	25,719
Non-accrued part of long-term loan arrangement costs	1,595	482
Non-accrued part of special bonus for collective bargaining	3,574	4,505
Assets at Guarello	840	916
Amount receivable from Bco. Santander Chile for currency & interest rate swap in Unidades de Fomento (Note 28a)	13,946	15,258
Others	2,140	2,028
Total	89,645	98,940

15.- Borrowings from banks and financial institutions at short term

a) The detail of these as of September 30, 2009 and 2008 is as follows:

Tax No.	Bank	CURRENCY OR INDEXATION UNIT								Non-indexed pesos		TOTAL	
		Dollars		Euros		Other foreign currencies		Unidades de Fomento					
		2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	Short term	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
97.036.000-K	Banco Santander Santiago	377	3,813							0		377	3,813
97.032.000-8	BBVA Banco BHIF	0	0									0	0
97.015.000-5	Banco Santander Santiago	0	0									0	0
97.023.000-9	Banco Corpanca	0	0									0	0
97.080.000-k	Banco Bice	0	0									0	0
Foreign	Banco Continental	0	1,841									0	1,841
Foreign	Banco Crédito (Perú)	3,181	14,806									3,181	14,806
97.030.000-7	Banco del Estado de Chile	517	2,923	0						0		517	2,923
97.006.030-8	Banco Crédito e Inversiones	0	8,589	583	954	0	0			0	1,619	583	11,162
97.018.000-1	Banco Scotiabank Sudamericano	0	4,434									0	4,434
97.004.000-5	Banco de Chile	103	0							0	5,996	103	5,996
76.450.030-k	Banco Itau Chile	223	839									223	839
Foreign	Bci Miami	0	0									0	0
Foreign	Banco Patagonia	4,026	4,000			0	1,494					4,026	5,494
Foreign	Banco Rio	0	0			0	149					0	149
Foreign	Banco Itau	0	0			0	15					0	15
97.032.000-8	Banco BBVA	0	1,967							0	0	0	1,967
97.041.000-7	Banco Boston	0	0									0	0
97.053.000-2	Banco Security	0	0									0	0
Foreign	Scotiabank - Perú	0	1,633									0	1,633
Foreign	Interbank	0	1,725									0	1,725
Foreign	Bci Perú	0	4,831									0	4,831
	TOTAL	8,427	51,401	583	954	0	1,658	0	0	0	7,615	9,010	61,628
	Principal outstanding	7,626	50,771	577	925	0	1,658			0	7,545	8,203	60,899
	Average annual interest rate (%)	6.77%	5.45%	4.35%	5.83%	0	105%				7.27%		

Current portion of long term		CURRENCY OR INDEXATION UNIT										TOTAL	
Tax No.	Bank	Dollars		Euros		Other foreign currencies		Unidades de Fomento		Non-indexed pesos		TOTAL	
		2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
97.030.000-7	Banco del Estado de Chile	0	0									0	0
Foreign	Bank of Tokyo-Mitsubishi	129	2,246									129	2,246
Foreign	ABN Amro Bank N. V.	0	0									0	0
Foreign	KFW - (Loan credit)	0	1,805									0	1,805
Foreign	KFW - (Basic credit)	0	467									0	467
97.030.000-7	Banco del Estado de Chile	0	311							0	2,240	0	2,551
97.032.000-8	BBVA Banco BHIF	0	1,414									0	1,414
97.006.030-8	Banco de Crédito e Inversiones	0	1,604							0	1,846	0	3,450
97.004.005-5	Banco de Chile	0	0							0	1,312	0	1,312
Foreign	Banco Crédito (Peru)	163	0									163	0
97.015.000-5	ABN Amro Bank	0	0					0	331			0	331
97.015.000-5	Banco Santander	2	1						0			2	1
59.002.220-9	Bank of Tokyo-Mitsubishi ufj	0	570									0	570
97.053.000-2	Banco Security	0	0					0	191	0	1,152	0	1,343
97.041.000-7	Banco Itau	0	518									0	518
97.023.000-9	Corpbanca	0	0							0	419	0	419
Foreign	Banco Patagonia	22	60									22	60
Foreign	Banco Rio	0	0				0					0	0
97.005.000-0	Dresdner Bank	0	0								0	0	0
97.006.000-6	Banco de Crédito e Inversiones	125	136								0	125	136
	Others	0	0									0	0
	TOTAL	441	9,132	0	0	0	0	0	522	0	6,969	441	16,623
	Principal outstanding	184	6,507	0	0	0	0	0	518	0	6,680	184	13,705
	Average annual interest rate (%)	5.78%	4.44%				0	0	4.27%	0%	7.27%		

Percentage in foreign currency (%)	99.5000
Percentage in local currency (%)	0.5000

16.- Other current liabilities

Other current liabilities as of September 30, 2009 and 2008 are as follows:

	2009 ThUS\$	2008 ThUS\$
Factoring of CAP S.A. (1)	50,305	- -
Factoring of Cintac S.A. (2)	12,547	12,657
Net amount payable to Banco Santander Chile in interest on Currency and UF rate swap contracts, bonds Series D, E & F (Note 28a, b, c)	3,323	2,349
Other minor items	1,445	16
	-----	-----
Total	67,620	15,022
	=====	=====

(1) Originated in September 2009 when the Company carried out a factoring transaction with recourse with BCI Factoring, assigning in guarantee invoices due from customers of its subsidiary Cía. Siderúrgica Huachipato S.A..

(2) Originated mainly in May 2006 when the indirect subsidiary Cintac S.A. carried out a factoring transaction with recourse with BCI Factoring for ThCh\$ 15,931,877 (historic pesos) equivalent to ThUS\$ 28,948 (current), pledging in guarantee invoices receivable from customers for the same amount. The proceeds were used to finance the investment in Imsatec Chile S.A. and Latin American Enterprises S.A. (Cintac S.A.I.C. as of September 30, 2009), with a balance payable of ThUS\$ 12,547 due on November 15, 2009.

17.- Borrowings from banks and financial institutions at long term

LOAN AGREEMENT OF 2004

On March 23, 2004, two long-term loan agreements were signed with Kreditanstalt Für Wiederaufbau (KfW) for a total of US\$ 17 million for financing part of the expansion of the pellets feed plant of the subsidiary Cía. Minera del Pacífico S.A.. One of these, for ThUS\$ 13,277, was fully drawn in April 2004 and the other, for ThUS\$ 3,723, was drawn when payments had to be made to suppliers of the German equipment. The last of these drawings was made on April 29, 2005 to complete the total of the loan.

On June 15, 2009 these two loans were fully prepaid to the bank, for a total amount of ThUS\$ 10,925, including principal and accrued interest.

AMENDMENT AGREEMENT

An agreement was signed on December 22, 2004 partially amending the conditions of the loan agreement for ThUS\$150,000 signed in 2003 with ABN Amro Bank N.V., by reducing the range of the applicable interest rate spread. At the same time, the Chilean bank participants withdrew and were replaced by new foreign banks, maintaining unchanged the total amount of the loan and the repayment maturities.

On March 31, 2006, the original agreement with ABN Amro Bank N.V. was again amended in order to change the repayment dates of principal, the amount of each repayment and the form of calculating the variable spread rate. Repayments will be made in 6 equal instalments of ThUS\$ 25,000 each, starting on October 17, 2009 and ending on April 17, 2012. The change in the form of calculating the variable spread rate came into effect in 2007, taking as a basis the financial statements as of December 31, 2006.

On September 23, 2009, a new amendment was signed to the original syndicated loan agreement of ThUS\$ 150,000, the most important modifications being:

- 1) ABN Amro Bank N.V. ceased to be the agent bank and was replaced by the new agent bank The Bank of Tokyo-Mitsubishi UFJ Ltd.
- 2) Three banks increased their participations and four foreign banks withdrew, with the total amount of the loan remaining unchanged.
- 3) The semi-annual repayments were retained but their due dates were changed, the first now being on April 17, 2011 and the last on October 17, 2013.
- 4) The form for calculating the interest rate was changed. This is based on a new applicable-margin table according to the leverage ratio and will come into effect from October 19, 2009 based on the financial statements as of June 30, 2009.

In September 2008, the subsidiary Cintac S.A. signed two long-term loan agreements with Banco Santander for ThUS\$ 30,000 and a term of 5 years. Of these, approximately ThUS\$ 21,409 was used to prepay short-term debts related to import letters of credit.

On April 9, 2009, Cintac S.A. refinanced short-term bank loans at long term for an amount equivalent to ThUS\$ 33,850 through loans obtained from BCI and Banco del Estado, in equal shares. Both loans have a term of 5 years with 2 years' grace and semi-annual repayments, with an annual interest rate of nominal TAB plus 1.65%.

Long-term borrowings from banks and financial institutions at June 30, 2009 and 2008 were as follows:

Tax No.	Bank or financial institution	Currency or indexation unit	Years to maturity					2009		2008
			1 to 2	2 to 3	3 to 5	5 to 10	More than 10	Total long term	Average annual interest rate	Total long term
			ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$		ThUS\$
Foreign	ABN Amro Bank N. V.	Dollars	25,000	50,000	75,000			150,000	Libor + 2.00 %	150,000
Foreign	KFW – (Loan credit)	Dollars	0	0	0	0		0	0	7,468
Foreign	KFW – (Basic credit)	Dollars	0	0	0	0		0	0	2,190
97.006.030-8	Banco Crédito e Inversiones	Dollars	6,368	1,885	1,885	1,883		12,021	2.60%	14,822
97.006.030-8	Banco Crédito e Inversiones	Non-indexed Ch\$		4,088	12,265			16,353	4.77%	0
97.030.000-7	Banco del Estado de Chile	Dollars	0	0	0			0	0	750
97.030.000-7	Banco del Estado de Chile	Non-indexed Ch\$	0	4,088	12,265			16,353	4.77%	3,175
97.053.000-2	Banco Security	UF	0					0	0	0
97.053.000-2	Banco Security	Non-indexed Ch\$	0	0	0			0	0	1,904
97.919.000-k	ABN Amro Bank	UF	0	0	0			0	0	1,677
97.032.000-8	BBVA Banco Bhif	Dollars	0	0	0			0	0	2,500
97.004.000-5	Banco de Chile	Non-indexed Ch\$	0	0	0			0	0	1,904
97.023.000-9	Corpbanca	Non-indexed Ch\$	0	0	0			0	0	970
59.022.220-9	Bank of Tokyo-Mitsubishi ujf	Dollars	0	0	0			0	0	650
97.041.000-7	Banco Boston	Dollars	0	0				0	0	0
97.041.000-7	Banco Itau	Dollars	0	0	0			0	0	1,250
Foreign	Banco de Crédito (Perú)	Dollars	0	0	0			0	0	162
Foreign	Banco Patagonia	Dollars	11	0				11	10.0%	35
97.015.000-5	Banco Santander	Dollars	7,500	7,500	15,000			30,000	1.94%	30,000
	Total		38,879	67,561	116,415	1,883	0	224,738		219,457
	Percentage in foreign currency (%)			85.4471						
	Percentage in local currency (%)			14.5529						

18.-Bonds payable

Characteristics:

Amount of issue	: No. 435 (Series D)	UF	4,000,000
	Offshore bond	US\$	200,000,000
	No. 434 (Series E)	UF	2,000,000
	No. 434 (Series F)	US\$	171,480,000
Individual bond amount	: No. 435 (Series D)	UF	5,000 each
	Offshore bond	US\$	100,000 each
	No. 434 (Series E)	UF	1,000 each
	No. 434 (Series F)	US\$	10,000 each
Issue date	: No. 435 (Series D)		October 1, 2005
	Offshore bond		September 18, 2006
	No. 434 (Series E)		May 15, 2008
	No. 434 (Series F)		May 15, 2008
Term	: No. 435 (Series D)		14 years & 10 months
	Offshore bond		30 years
	No. 434 (Series E)		5 years
	No. 434 (Series F)		10 years
Final maturity	: No. 435 (Series D)		August 1, 2020
	Offshore bond		September 15, 2036
	No. 434 (Series E)		May 15, 2013
	No. 434 (Series F)		May 15, 2018
Indexation	: No. 435 (Series D)		According to the value of the UF
	Offshore bond		Denominated in US dollars
	No. 434 (Series E)		According to the value of the UF
	No. 434 (Series F)		Denominated in US dollars
Repayments of principal	: No. 435 (Series D)		Semi-annual from April 1, 2010, the last period being for just 120 days
	Offshore bond		In one payment of 200 million dollars on September 15, 2036
	No. 434 (Series E)		100% at maturity.
	No. 434 (Series F)		100% at maturity.
Interest rate	: No. 435 (Series D)		3.6% annually, compounded, on the balance outstanding in UF, calculated on basis of a 360-day year.
	Offshore bond		7.375% annually, calculated on basis of a 360-day year, payable semi-annually on March 15 and September 15.
	No. 434 (Series E)		3.1% annually, in semi-annual payments
	No. 434 (Series F)		Libor at 180 days + 2.25%, in semi-annual payments
Prepayments	: No. 435 (Series D)		Totally or partially on any payment date of principal and interest
	Offshore bond		Only for the full amount of the issue
	No. 434 (Series E)		Not permitted.
	No. 434 (Series F)		Not permitted.

On October 14, 2005, CAP S.A. placed Series D bonds on the domestic market for an amount of UF 4,000,000, for a term of 15 years with 4 years' grace and a yield of 4.4%.

On September 18, 2006, the Company placed on the international market a bond issue for 200 million dollars at a placement rate of 99.761%, with a bullet repayment in 2036.

On May 15, 2008, the Company placed bonds on the domestic market: Series E for UF 2,000,000, a term of 5 years and a placement yield of 3.75%, and Series F for US\$ 171,480,000, a term of 10 years and an interest rate of Libor + 2.25%.

For the bonds issued in UF, the Company has signed cross-currency swap contracts, as described in Note 28, to hedge against the effects of exchange differences. An interest-rate swap was also signed for the Series F bonds, to fix the Libor stipulated for the issue at a rate of 4.58%.

Registration number	Series	Nominal amount placed outstanding	Indexation unit	Interest rate	Final maturity	Payments of		Par value		Placement in Chile or abroad	
						Interest	Principal	30-09-2009	30-09-2008		
Long-term bonds – current portion											
435	D	181,818	U.F.	3.60%	01-08-2020	semi-ann.	semi-ann.	9,585	2.716	Chile	
External	Sole	0	Dollar	7.375%	15-09-2036	semi-ann.	at maturity	615	615	Abroad	
434	E	0	U.F.	3.10%	15-05-2013	semi-ann.	at maturity	883	898	Chile	
434	F	0	Dollar	4.845%	15-05-2018	semi-ann.	at maturity	2,407	3.337	Chile	
Total current portion								ThUS\$	13.490	7.566	
Long-term bonds											
435	D	3,818,182	U.F.	3.60%	01-08-2020	semi-ann.	semi-ann.	144,541	152.280	Chile	
External	Sole	200,000,000	Dollar	7.375%	15-09-2036	semi-ann.	at maturity	200,000	200.000	Abroad	
434	E	2,000,000	U.F.	3.10%	15-05-2013	semi-ann.	at maturity	75,712	76.140	Chile	
434	F	171,480,000	Dollar	4.845%	15-05-2018	semi-ann.	at maturity	171,480	171.480	Chile	
Total long term								ThUS\$	591.733	599.900	

19.- Provisions and write-offs

The balances of provisions at September 30, 2009 and 2008 are as follows:

a) Short-term provisions:		
	2009	2008
	ThUS\$	ThUS\$
Shown in current liabilities:		
Related to personnel:		
Severance indemnities	1,646	5,344
Vacations	6,727	9,738
Long service awards	8,738	7,411
Others	6,299	11,751
Directors' profit sharing	0	1,756
Other sundry provisions	16,224	37,802
Total	39,634	73,802

b) Long-term provisions:

	2009	2008
	ThUS\$	ThUS\$
Severance indemnities	54,770	60,907
Vacations	4,731	3,596
Long-service awards	385	449
Other personnel provisions	960	327
Others	6,752	4,752
Total	67,598	70,031

c) Allowances deducted from the respective asset accounts:

	2009	2008
	ThUS\$	ThUS\$
For short & long-term doubtful debtors	861	847
For short & long-term trade accounts receivable (Note 5)	7,137	8,865
For short & long-term inventories	9,435	11,410
Other current assets	0	90
Allowance for net realization value	438	527

The management of the Company and of the subsidiaries believes that the allowances made reasonably cover the risk of non-recovery of the accounts receivable.

d) WRITE-OFFS

There were no significant write-offs in 2009 and 2008, except for Cintac S.A. which wrote off trade accounts for ThUS\$ 417 in 2009 (ThUS\$ 421 in 2008).

20.- Severance indemnities

The long-term provision for severance indemnities showed the following movement:

	2009 ThUS\$	2008 ThUS\$
Balances at January 1	58,563	61,000
Provision in period as charge (credit) to income, including the effect of exchange differences	18,423	5,653
Payments & transfers to current portion	(22,216)	(5,746)
Balances at September 30 each year	54,770	60,907

21.- Other long-term liabilities

Other long-term liabilities refer mainly to the commitments of CAP S.A. under swap contracts, advance payments received for the sale of minerals by the subsidiary Compañía Minera del Pacífico S.A. and a debt with Compañía Minera Candelaria resulting from a concentrate for the Hierro Atacama project for processing in the end product.

The detail of the account at September 30 each year is as follows:

	2009 ThUS\$	2008 ThUS\$
China Shandong Iron and Steel Products Co. Ltd. (*)	0	1,269
Pioneer Metals Co. (*)	6,593	7,703
Minera Candelaria - Primary Concentrate (**)	1,386	5,940
Amounts payable to Bco. Santander Chile for currency & interest rate hedge contracts in UF (Note 28b)	10,088	9,660
Other minor items	0	3
Total	18,067	24,575

(*) These amounts relate to advances for mineral sales. The current portion booked amounts to ThUS\$ 3,738 (ThUS\$ 6,202 as of September 30, 2008), shown in Long-term liabilities – current portion.

(**) Relate to long-term liabilities associated with long-term inventories of minerals (Note 14), obligations that will be paid once the minerals are transformed into end products and are sold, which will occur from the last quarter of 2010.

22.- Minority interest

The minority interest corresponds to the portion of the equity of subsidiaries belonging to persons other than the parent and its consolidated subsidiaries and their participation in the profits (losses) for the period.

The interest of minority shareholders arises in the following companies:

		2009		2008	
		Liability ThUS\$	Result ThUS\$	Liability ThUS\$	Result ThUS\$
90.915.000-0	Manganesos Atacama S.A.	90	3	97	14
94.637.000-2	Cía. Siderúrgica Huachipato S.A.	1	0	2	0
94.638.000-8	Cía. Minera del Pacífico S.A.	2	0	3	1
76.399.380-9	Ecocap S.A.	0	0	(108)	(2)
96.925.940-0	Novacero S.A.	32,801	(2,510)	41,492	6,704
92.544.000-0	Cintac S.A.:	48,374	(3,206)	60,534	9,277
99.503.280-5	Intasa S.A.	3,259	(671)	4,672	1,379
76.498.850-7	Puerto Las Losas S.A.	18,379	(414)	7,622	(1,063)
	Total	102,906	(6,798)	114,314	16,310

23.- Changes in shareholders' equity

	Paid capital	Participation in reserves of subsidiaries	Accumulated results	Interim dividends	Development period deficit	Result for the period
2008	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Balances at January 1, 2008	379,444	15,086	323,108	(70,140)	0	236,355
Distribution prior year's results			166,215	70,140		(236,355)
Final dividends			(48,037)			0
Accumulated deficit development period			0	0	0	0
Net equity changes in subsidiaries		(2,604)				
Circular No.1819 transfer						
Net income for the period						268,958
Interim dividends				(55,517)		
Balances at September 30, 2008	379,444	12,482	441,286	(55,517)	0	268,958
2009						
Balances at January 1, 2009	379,444	4,549	441,286	(78,999)		292,981
Distribution prior year's results			213,982	78,999		(292,981)
Final dividends			(67,492)			
Net equity changes in subsidiaries		5,413	(1,989)			
Result for the period						(52,495)
Interim dividends				0		
Balances at September 30, 2009	379,444	9,962	585,787	0	0	(52,495)

Series	Number of subscribed shares	Number of paid shares	Number of shares with voting rights
Sole	149,448,112	149,448,112	149,448,112

Subscribed and paid capital: ThUS\$ 379,444

OTHER RESERVES:

These refer exclusively to the account Participation in reserves of subsidiaries and arise from equity changes in subsidiary companies and their associated companies that keep their books in local currency.

DISTRIBUTION OF EARNINGS

Under current legislation, at least 30% of the net income for the year should be distributed in cash dividends unless unanimously agreed otherwise by all shareholders at a shareholders meeting.

The ordinary shareholders' meeting held on April 13, 2009 agreed the following dividend policy:

1) Distribute 50% of the net income at December 31, 2008 as a dividend payable as follows:

- 1.1) Interim dividend No.93 paid on July 22, 2008 for ThUS\$ 28,409.
- 1.2) Interim dividend No.94 paid on October 15, 2008 for ThUS\$ 27,108.
- 1.3) Interim dividend No.95 paid on January 20, 2009 for ThUS\$ 23,482.
- 1.4) Final dividend No.96 paid on April 22, 2009 for ThUS\$ 25,629.
- 1.5) Final dividend No.97 paid on July 13, 2009 for ThUS\$ 28,104.
- 1.6) Final dividend No.98 paid on October 29, 2009 for ThUS\$ 13,759.

2) The earnings not distributed amounting to ThUS\$ 146,490 were added to retained earnings.

CAPITAL INCREASE

An extraordinary shareholders meeting was held on August 4, 2008, which resolved as follows:

1.- To increase the capital of CAP S.A. to US\$929,443,645.64 through the issue of 13,250,777 shares for payment, representing in total a capital increase of US\$550,000,000. 10% of these shares, i.e. 1,325,077 shares, would be used for compensation plans for the personnel of the Company and its subsidiaries. The meeting authorized the board to set the final placement price. The term for the subscription of the shares would be 3 years, and 5 years in the case of those for the personnel compensation plan, as from the date of the extraordinary meeting.

2.- Replace clauses 5 and 6 and the transitory clause of the corporate bylaws in order to reflect the agreements of the meeting.

3.- Because of the significant change in global economic conditions, specifically in the international mining and steel-making sectors, the board on November 7, 2008 resolved not to persevere, for a period of 120 days, with the placement of the shares of the capital increase, as mentioned in 1. above, pending a better equilibrium in stock prices, in order to protect the interests of the Company and its shareholders.

4.- Due to the global crisis, the extraordinary shareholders meeting held on April 13, 2009 resolved to cancel the agreements adopted on August 4, 2008, i.e. not to increase the capital through a share issue and amendment of the Company's bylaws.

24.- Other non-operating income and expenses

The detail at September 30, 2009 and 2008 is as follows:

	2009	2008
	ThUS\$	ThUS\$
Other non-operating income:		
Services provided	5,687	1,050
Net gain on contribution & sales of property, plant & equipment	5,140	255
Net gain on sale of other assets	1,624	1,742
Rentals of properties & installations	9	228
Customer default interest	186	519
Reversal of provisions & adjustments	1,160	1,738
Freight commissions & demurrage	229	1,022
Indexation of bonds in U.F. & swaps	1,031	0
Consultancies	2,500	0
Price-level restatements subsidiaries in pesos	356	0
Net gain from indexation of accounts receivable	324	621
Net gain from exchange differences on banking transactions	5,276	0
Tax refunds	161	235
Other minor items	2,294	1,395
Total	25,977	8,805

	ThUS\$	ThUS\$
Other non-operating expenses:		
Services paid	4,177	6,910
Net loss on sale of property, plant & equipment	3	0
Mining licenses	954	696
Process engineering, and project research & development	14,030	11,794
Adjustments to provisions & write-offs	2,412	1,238
Indexation of bonds in Unidades de Fomento & swaps	0	2,710
Amortization indemnities	1,139	588
Retirement pensions & accidents	582	0
Financial trading	215	208
Monetary correction subsidiaries in pesos	0	1,606
Electricity project studies	0	1,070
Net loss on indexation of accounts	0	173
Net loss from exchange rate fluctuations on banking transactions	0	8,463
Other minor ítems	2,730	7,945
Effect in the steel products market due to the global financial crisis (1)	89,689	0
Total	115,931	43,401

(1) This item shows the expenses incurred by Cía. Siderúrgica Huachipato S.A. and Cintac S.A. during 2009 due to the effects on the steel-products market caused by the global financial crisis, which is public knowledge, and includes the following concepts:

	ThUS\$
a) Severance payments for the firing of personnel due to adjustments of the workforce	12,558
b) Adjustment to the cost of raw-material stocks, products being processed and finished products to their net realization value, due to the fall in sale prices of the finished products because of market contraction	77,131

Total	89,689
	=====

25.- Exchange differences

The following shows a detail of exchange differences on assets and liabilities at September 30, 2009 and 2008:

	Currency	2009	2008
		ThUS\$	ThUS\$
Current assets	Pesos	53,590	(73,147)
Current assets	Other currencies	0	0
Other assets	Pesos	14,327	(19,416)
Total (charges) credits		67,917	(92,563)
Current liabilities	Pesos	(38,306)	53,649
Current liabilities	Other currencies	0	(5)
Long-term liabilities	Pesos	(23,922)	23,774
Total (charges) credits		(62,228)	77,418
Gain (loss) in exchange differences		5,689	(15,145)

26.- Share and bond issue and placement costs

At September 30, 2009 and 2008, the following was the movement in and balances of capitalized costs of bond issues and placements:

	2009		2008	
	Other Assets		Other Assets	
	Current	Long Term	Current	Long Term
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Initial balances	2,763	25,029	906	13,941
Capitalization of new expenses*	0	0	1,857	13,153
Amortization	(2,015)	0	(1,375)	0
Transfer from long to short term	2,015	(2,015)	1,375	(1,375)
Balances at September 30	2,763	23,014	2,763	25,719

(*) The issue and placement of the bonds Series E and F in pesos and dollars respectively in May 2008 generated expenses and discounts of ThUS\$ 15,010. These amounts are shown in Other current assets and "Others" in Long-term assets.

27.- Statement of cash flow

The net positive cash flow from operating activities represents the net cash and cash equivalents received during the periods January-September, 2009 and 2008 resulting from operations affecting the results of CAP S.A. and subsidiaries.

Cash equivalents include marketable securities which relate to investments of surplus funds in fixed-income mutual funds at short term.

Other sources of finance relate to a factoring transaction with Banco de Crédito e Inversiones.

The heading Sale of other investments shows the net redemptions of time deposits of more than 90 days term and the settlement of currency hedging contracts.

In 2008, "Investments in financial instruments", among investment activities, show the net investments made in the period.

28.- Derivative contracts

a) On October 14, 2005, the Company signed with Banco Santander Chile a currency swap contract for approximately $\frac{3}{4}$ of the value of the issue of Series D bonds, i.e. for UF 3,027,535.80, equivalent to ThUS\$ 100,000, in order to cover the probable effects of exchange differences between the value of the Unidad de Fomento and the dollar.

This contract is dated October 14, 2005 and matures on August 1, 2020. The debt of CAP, amounting to ThUS\$ 100,000, carries an annual interest rate of 5.99% with semi-annual repayments. The amount receivable from the bank, amounting to UF 3,027,535.80, accrues interest at an annual rate of 4.4% with semi-annual payments on the same maturity dates as its counterpart. There are also semi-annual repayments of principal that begin on April 1, 2010.

At September 30, 2009, the principal under this contract represents a net amount receivable of ThUS\$ 14,611 which is shown in Other current assets for ThUS\$ 665 (Note 9) and Others in Other

Assets for ThUS\$13,946 (ThUS\$ 15,258 in 2008)(Note 14). The interest accrued to that date amounts to a net payable of ThUS\$ 534 (ThUS\$ 520 in 2008) (Note 16).

b) Arising from the issue of the Series E bonds, the Company on May 15, 2008 signed a new currency-swap contract with Banco Santander, for the same purpose, for UF 2,000,000, equivalent to US\$ 85,800,214. This contract expires on May 14, 2013. The debt of CAP, amounting to ThUS\$ 85,800, accrues interest at a rate of 4.781% annually, payable semi-annually. The amount receivable from the bank amounts to UF 2 million and accrues interest at a rate of 3.10% annually, payable semi-annually on the same dates as the obligation of CAP. The principal is repayable on the expiry of the contract.

As of September 30, 2009, the principal under this contract showed a net value payable of ThUS\$ 10,088 (ThUS\$ 9,660 in 2008) which is shown in Other long-term liabilities (Note 21). There is also net interest payable for interest of ThUS\$ 707 (ThUS\$ 689 in 2008) (Note 16).

c) On June 3, 2008 a swap contract was signed with Banco Santander Chile to fix Libor for the Series F dollar bonds. This contract expires on May 15, 2018, with semi-annual interest compensation payments of the difference between the fixed rate of 4.58% and Libor for the period.

As of September 30, 2009 this contract represents a net amount payable of ThUS\$ 2,082 (ThUS\$ 1,151 in 2008) which effect is shown in Other current liabilities (Note 16).

The adjustment of this contract to fair value implies an unrealized loss of ThUS\$ 18,799.

d) As of September 30, 2009, CAP S.A. has currency futures contracts with Banco BBVA, Banco Santander and Banco de Crédito e Inversiones to hedge against exchange rate fluctuations on its investments in pesos. At that date, CAP S.A. shows obligations payable in pesos equivalent to ThCh\$ 276,321 and amounts receivable of ThUS\$ 279,918, which produces a net amount receivable of ThUS\$ 3,597 (ThUS\$ 16,901 in 2008) (Note 9).

Type of derivative	Type of contract	Contract amount	Expiry date	Description of the contracts				Value of item hedged	Accounts affected			
				Specific item	Position purchase/sale	Item hedged			Asset / Liability		Result	
						Name	Amount		Name	Amount	Amount	Unrealized
S	CCTE	100,000	Aug-2020	UF	P	Bond UF	100,000	114,611	L/T assets	14,611	14,611	18,633
S	CCTE	85,800	May-2013	UF	P	Bond UF	85,800	75,712	L/T liabilities	10,088	(10,088)	(11,467)
FR	CCPE	279,917	Dec-2009	Pesos	P	Financial investments	279,917	276,321	S/T assets	3,596	3,596	0
S	CCTE	171,480	May-2018	US\$	P	Bond US\$	171,480	171,480	Sundry creditors	3,383	(3,383)	(18,799)

29- Contingencies and restrictions

These comprise:

	2009	2008
	ThUS\$	ThUS\$
Short term:		
Mineral sale commitments	531,642	630,075
Steel products sale commitments	199,528	153,875
Purchase orders placed	3,182	3,182
Long term:		
Mineral sale commitments	1,883,739	2,573,689

The mineral sale commitments relate to contracts with domestic and foreign customers, valued at the sales prices prevailing at the end of each period. These prices are agreed on FOB or CIF terms and are negotiated annually. The average contract term is three years and there are no fines for default as the contracts provide options regarding the volumes shipped each year.

Compañía Siderúrgica Huachipato S.A. and Compañía Minera del Pacífico S.A. are jointly and severally liable for a long-term syndicated loan obtained by CAP S.A. which at September 30, 2009 amounts to ThUS\$ 150,129.

Compañía Siderúrgica Huachipato S,A, and Compañía Minera del Pacífico S,A, are joint and several guarantors for the obligations of CAP S,A, with respect to the issue and placement on the domestic market of Series D bonds for U.F. 4,000,000 and Series E bonds for U.F. 2,000,000, whose total amount outstanding at September 30, 2009, including accrued interest, amounts to ThUS\$ 230,721; for the placement on the domestic market of Series F bonds denominated in dollars amounting to ThUS\$173,887 as of September 30, 2009; and the placement abroad of a bond for US\$ 200 million, amounting as of September 30, 2009 to ThUS\$ 200,615, including accrued interest.

The subsidiary Compañía Siderúrgica Huachipato S.A. signed a leasing agreement with Banco de Crédito e Inversiones to finance the construction of a corporate building for the sum of ThUS\$ 14,925; the first repayment was made in September 2008.

In 2006, the indirect subsidiary Cintac S.A. assigned to a financial institution in a factoring transaction customer invoices for ThUS\$ 12,434 (Note 16).

In 2009, under a factoring transaction carried out by the Company with a financial institution (Note 16), the Company assigned invoices payable by customers for ThUS\$ 50,305.

Under a sub-distribution contract signed by Ecocap S.A. (a company in which Tecnocap S.A., a CAP subsidiary, has an 83% shareholding) with the related company Cleanairtech S.A., Ecocap S.A. directly imported Vostecs technology products, for which the related company Cleanairtech S.A. had the exclusive representation.

The parties terminated this contract with effect from June 20, 2007, while maintaining the technical guarantee for the products currently in the inventories of Ecocap S.A..

Ecocap S.A. currently sells energy savings schemes to productive companies in Chile.

Other commitments

The foreign subsidiary Tubos Argentinos S.A. has granted a floating pledge over its inventories in favor of Siderar S.A.I.C. to guarantee commercial operations of ThUS\$ 2,000.

Intasa S.A. guarantees Tubos Argentinos S.A. with respect to its obligations with Banco Patagonia S.A. (granted on behalf and account of Banco de Crédito e Inversiones) for ThUS\$ 4,000.

In August 2005, Tubos Argentinos S.A. gave its guarantee in favor of Banco Patagonia S.A. to guarantee for 10 years all the obligations with that bank up to maximum sum of ThUS\$ 781.

On September 9, 2008, a request was made to the Superintendency of Securities and Insurance to register a line of bonds of Cintac S.A. in the Securities Register, as required by Law 18,045 and Section IV of the general regulations of that authority.

On November 4, 2008, the Superintendency of Securities and Insurance registered the line of bonds of Cintac S.A. in the Securities Register, under No.556 of that date, for a maximum amount of UF 1,500,000, with a 10-year term as from September 3, 2008.

As of September 30, 2009, Cintac S.A. has not begun the placement of this bond.

B) ASSOCIATION AGREEMENT:

1) As part of the association agreement between Compañía Minera del Pacífico S,A, and MC Inversiones Ltda., described below, Compañía Minera del Pacífico S,A buys from Compañía Minera Huasco S,A, all its iron-ore concentrates and sells it its pellets production.

Compañía Minera del Pacífico S.A. (C.M.P.) and MC Inversiones Ltda., a subsidiary of Mitsubishi Corporation, have a joint project for expanding the Los Colorados mine to produce iron pre-concentrates, convert the pre-concentrates into pellets and commercialize the pellets. At the start of the project, C.M.P. sold to MC Inversiones Ltda, 50% of its absolute rights to the mining claims and water rights of the Los Colorados mine. Both companies later contributed their rights to S.C.M. Compañía Minera La Jaula. During 2000, S.C.M.Compañía Minera La Jaula sold its mining rights to Compañía Minera Huasco S.A.. C.M.P. also holds 50% of Compañía Minera Huasco S.A., a closely-held corporation formed to exploit the above mining claims. Neither of the parties may, within a period of ten years that expired in 2008, cede, assign, transfer, mortgage, charge, pledge or dispose of in any other way its shares in the two above-mentioned companies without the prior consent of the other party.

The project was financed by a credit of ThUS\$ 71,700 from the Mitsubishi Corporation group through MV Cayman Limited. The amount of the credit including accrued interest amounting to ThUS\$ 26,785 was prepaid in May 2004, its original maturity being November 2006.

Once twenty years have passed from July 1, 1998, and C.M.P. has fully depreciated its pellets plant, Compañía Minera Huasco S.A. shall have the option to acquire that plant.

2) On September 5, 2005, the subsidiary Compañía Minera del Pacífico S.A. (CMP) signed a slag purchase agreement with Compañía Contractual Minera Candelaria (CCMC) relating to the Candelaria copper mine located in the district of Tierra Amarilla in Chile's 3rd Region. Under this

agreement, CCMC commits to sell to CMP fresh slag sufficient to reach an estimated production of 3,000,000 tons of iron concentrates. The agreement runs until December 31, 2022.

C. CONTINGENCIES THAT COULD RESULT IN LOSSES FOR THE COMPANY

i) There are two tax demands brought by the Internal Revenue Service regarding stamp taxes, which are subject to appeals before the Santiago Appeals Court and await sentence. There are also eleven demands before the Santiago tax tribunals in the first instance, all related to the same tax.

This contingency is of approximately ThUS\$ 2,344 plus indexation and any fines that might be applied.

No provision has been made in view of the opinions of the Company's legal and taxation advisers, that it is reasonable to believe that the contingency is unlikely to result.

ii) The subsidiary Compañía Minera del Pacífico S.A. (CMP) has an ordinary demand against it brought by Mariela Angelina Garín Zuleta, Catherine Elizabeth Mancilla Campillay and Luciano Alexander Díaz Mancilla, for the payment of damages for a total of ThCh\$ 1,677,600 for civil liability due to the death of a former contractor Claudio Andrés Díaz Garín (REP), the son, partner and father respectively of the plaintiffs.

This subsidiary, together with the contractor Panagiotis Stavros Bracamonte, also has an ordinary demand against it brought by Jorge Antonio Diaz Diaz, claiming the payment of damages for a total of ThCh\$ 337,264 for injuries received by the plaintiff as an employee of the contractor mentioned.

It is not expected that these proceedings will result in losses for the subsidiary.

iii) The former indirect subsidiary Varco Pruden S.A. is involved in arbitration proceedings regarding a dispute with Fashion's Park S.A. for the latter's contractual default.

For its part, Fashion's Park S.A. is demanding from Varco Pruden S.A. fines and damages and the indirect subsidiary is demanding from the former with respect to default under the agreed payment schedule. The civil demand is for approximately ThUS\$ 24.

The legal advisers to Varco Pruden S.A. have still not concluded whether the result of the proceeding will be favorable or not and therefore whether any loss or gain will eventually follow

D. MANAGEMENT RESTRICTIONS AND FINANCIAL COVENANTS

The loan agreements signed by CAP S.A. with Chilean and foreign banks and the issues of bonds placed on the domestic and foreign markets require the Company to comply with the following consolidated financial covenants, calculated on the basis of rolling twelve-month periods:

i) Financial expense coverage

The ratio of EBITDA to net financial expenses should be at least 1.5:1 until December 2010 and 2.5:1 thereafter.

EBITDA is defined as operating income plus depreciation and cash dividends received.

ii) Net financial debt to equity.

The net financial debt (NFD) to equity ratio must not exceed 1.2:1.

NFD refers to all consolidated financial debt less cash balances, time deposits and marketable securities

iii) Shareholders' equity.

The minimum shareholders' equity must be ThUS\$ 550,000.

iv) Leverage ratio:

Net financial debt to EBITDA should be no higher than 4.5:1 until December 2010 and 4.0:1 thereafter.

Net financial debt is the total of financial obligations less cash balances, time deposits and marketable securities for an amount exceeding ThUS\$ 5,000.

CAP is also subject to other covenants and limits like limitations on its ability to dispose of or sell all or a substantial part of its assets, limitations on granting collateral over them, an obligation to provide quarterly financial information and to remain current with its commitments to third parties.

The indirect subsidiary Cintac S.A. is committed under loan agreements to provide periodic financial information and comply with financial ratios. It is also forbidden to make fundamental changes in the company, to transfer an important part of its assets and grant collateral over them without the prior consent of the financial institutions and not to carry out commercial transactions with related companies on more advantageous terms than those prevailing in the market. In addition, Novacero S.A. has committed to maintaining at least a 51% shareholding in Cintac S.A.

The bank loan granted in 2008 to the subsidiary Puerto Las Losas by Banco de Crédito e Inversiones requires this company to meet certain obligations, mainly referring to the provision of periodic financial information, not agreeing to capital reductions without the bank's prior consent, not distributing earnings if it is not current with the payment of its obligations, and not modifying or changing its business, except for extensions of it that might be agreed without the written consent of the bank.

The Company and its subsidiaries have complied and are fully in compliance with all the limitations, restrictions and obligations imposed by the loan agreements and bond issue indentures mentioned above.

30.- Guarantees received from other parties

At September 30, 2008, insurance cover contracted and guarantees and collateral received are as follows:

a) The Company and its subsidiaries have insurance cover for their property, plant and equipment, civil liability and other business risks amounting to a total of approximately ThUS\$ 1,275,209 whose maximum amount payable is approximately ThUS\$ 180,000 for any one claim. These policies expire on August 31, 2010.

b) Guarantees and collateral received from other parties are as follows:

	2009	2008
	ThUS\$	ThUS\$
Securities in guarantee of sales	13,066	13,800
Mortgages & pledges covering loans to personnel	10,141	11,791
Securities & documents received from suppliers & contractors to guarantee works & advances	19,365	37,655
Current & other contracts	1,886	3,458
Pledges & mortgages in guarantee received from customers	0	0
Total	1,304	1,194
Securities in guarantee of sales	45,762	67,898

31- Local and foreign currencies

Assets and liabilities by currency at September 30, 2009 and 2008 are detailed in the following four tables:

ASSETS	Currency	2009	2008
Current assets		ThUS\$	ThUS\$
Cash & banks	PESOS	17,242	46,562
Cash & banks	DOLLARS	2,920	8,826
Cash & banks	OTHER CURRENCIES	1,122	216
Time deposits	PESOS	283,896	257,740
Time deposits	OTHER CURRENCIES	322	0
Time deposits	DOLLARS	106,241	49,879
Marketable securities	PESOS	6,541	29,315
Marketable securities	U.F.	0	0
Marketable securities	DOLLARS	7	6
Marketable securities	OTHER CURRENCIES	0	34
Trade accounts receivable	PESOS	134,624	289,501
Trade accounts receivable	U.F.	0	0
Trade accounts receivable	DOLLARS	20,693	24,818
Trade accounts receivable	OTHER CURRENCIES	4,147	6,643
Notes receivable	PESOS	7,414	13,455
Notes receivable	U.F.	0	75
Notes receivable	DOLLARS	1,345	1,373
Notes receivable	OTHER CURRENCIES	1,062	1,590
Sundry debtors	PESOS	17,726	17,203
Sundry debtors	U.F.	3,392	622
Sundry debtors	DOLLARS	8,235	516
Sundry debtors	OTHER CURRENCIES	351	346
Notes & accounts receivable related companies	PESOS	1,442	7,438
Notes & accounts receivable related companies	U.F.	575	0
Notes & accounts receivable related companies	DOLLARS	2	879
Inventories	PESOS	79,413	93,105
Inventories	DOLLARS	231,396	323,948
Inventories	OTHER CURRENCIES	0	0
Recoverable taxes	PESOS	34,945	15,377
Recoverable taxes	DOLLARS	8,141	4,708
Recoverable taxes	OTHER CURRENCIES	1,584	4,876
Prepaid expenses	PESOS	5,991	4,936
Prepaid expenses	U.F.	139	0
Prepaid expenses	DOLLARS	833	522
Prepaid expenses	OTHER CURRENCIES	60	79
Deferred taxes (net)	PESOS	3,274	458
Deferred taxes (net)	DOLLARS	11,527	658
Deferred taxes (net)	OTHER CURRENCIES	0	0
Other current assets	PESOS	2,311	3,674
Other current assets	DOLLARS	7,680	22,094
Other current assets	U.F.	665	0
Marketable securities	OTHER CURRENCIES	0	0
Property, plant & equipment			
Land & plantations	PESOS	9,531	6,572
Land & plantations	DOLLARS	6,532	6,532
Buildings & infrastructure	PESOS	43,260	43,761
Buildings & infrastructure	DOLLARS	445,340	409,269
Machinery & equipment	PESOS	133,372	129,301
Machinery & equipment	DOLLARS	1,659,508	1,546,382
Other fixed assets	PESOS	70,235	61,830
Other fixed assets	DOLLARS	422,488	450,545
Incremental value technical appraisal	PESOS	16,660	16,766
Incremental value technical appraisal	DOLLARS	86,865	86,942
Accumulated depreciation	PESOS	(120,991)	(125,261)
Accumulated depreciation	DOLLARS	(1,573,137)	(1,514,199)
Other assets			
Investments in related companies	PESOS	46	39
Investments in related companies	DOLLARS	86,993	140,085
Investments in other companies	PESOS	0	0
Investments in other companies	DOLLARS	0	0
Goodwill	PESOS	159	189
Goodwill	DOLLARS	1,933	2,926
Negative goodwill	PESOS	(15,653)	(17,516)
Negative goodwill	DOLLARS	(6,961)	(6,836)
Long-term debtors	PESOS	2,324	1,857
Long-term debtors	U.F.	3,492	2,809
Long-term debtors	DOLLARS	110	212
Long-term debtors	OTHER CURRENCIES	13	0
Notes & accounts receivable related companies	PESOS	0	0
Notes & accounts receivable related companies	DOLLARS	0	0
Notes & accounts receivable related companies	U.F.	1,735	0
Long-term deferred taxes	PESOS	0	0
Long-term deferred taxes	DOLLARS	0	0
Intangible assets	PESOS	1,185	843
Intangible assets	DOLLARS	8,093	3,316
Amortization intangible assets	PESOS	(512)	(119)
Amortization intangible assets	DOLLARS	(458)	(279)
Other long-term assets	PESOS	7,138	7,939
Other long-term assets	U.F.	13,946	0
Other long-term assets	DOLLARS	68,118	90,193
Other long-term assets	OTHER CURRENCIES	443	808
Total Assets	PESOS	741,573	904,965
	DOLLARS	1,604,444	1,653,315
	OTHER CURRENCIES	9,104	14,592
	U.F.	23,944	3,506

Local and Foreign Currencies – Current Liabilities	Currency	Up to 90 days				90 days to one year			
		2009		2008		2009		2008	
		Amount	Average annual interest rate	Amount	Average annual interest rate	Amount	Average annual interest rate	Amount	Average annual interest rate
		ThUS\$	%	ThUS\$	%	ThUS\$	%	ThUS\$	%
Borrowings from banks & financial instit – short term	Pesos	0	0.00	7,615	9.31	0	0.00	0	0.00
Borrowings from banks & financial instit – short term	Dollars	7,665	6.73	18,979	6.4900	762	5.69	32,422	5.47
Borrowings from banks & financial instit – short term	Other currencies	583	3.8	1,658	5.83	0	0.00	954	5.83
Borrowings from banks & financial instit – current portion long term	Pesos	0	0.00	2,715	8.74	0	0	4,254	9.72
Borrowings from banks & financial instit – current portion long term	U.F.	0	0	181	5.69	0	0.00	341	4.50
Borrowings from banks & financial instit – current portion long term	Dollars	441	3.85	4,975	4.77	0	0.0000	4,157	4.25
Borrowings from banks & financial instit – current portion long term	Other currencies	0	0	0	0	0	0.00	0	0
Bonds payable – current portion	U.F.	3,585	3.2333	3,614	3.43	6,883	3.6000	0	0
Bonds payable – current portion	Dollars	2,407	3.6625	3,337	5.18875	615	7.375	615	7.375
Long-term liabilities – current portion	Pesos	0	0	0	0	0	0	34	0
Long-term liabilities – current portion	U.F.	6	0	191	2.38	0	0.00	435	2.38
Long-term liabilities – current portion	Dollars	0	0	0	0	3,763	1.91807	6,279	5.37625
Dividends payable	Pesos	712	0	841	0	0	0	0	0
Dividends payable	Dollars	13,761	0	27,108	0	0	0	0	0
Dividends payable	Other currencies	0	0	0	0	0	0	0	0
Accounts payable	Pesos	61,421	0	48,602	0	0	0	398	0
Accounts payable	Dollars	25,832	0	20,305	0	0	0	0	0
Accounts payable	Other currencies	958	0	2,004	0	0	0	0	0
Notes payable	Pesos	255	3.5	0	0	0	0	3	0
Notes payable	Dollars	0	0	33,935	3.85579	30,256	2.78	12,349	4.06
Notes payable	Other currencies	0	0	0	0	0	0	0	0
Sundry creditors	Pesos	2,195	1.0478	1,541	1.27746	3,092	2.3	1,669	6.35
Sundry creditors	U.F.	231	0	0	0	0	0	0	0
Sundry creditors	Dollars	1,651	6.471	922	6.38	4,953	6.4710	2,816	6.2667
Sundry creditors	Other currencies	0	0	0	0	0	0	0	0
Notes payable related companies	Pesos	19,391	0.99	15,232	4.31594	0	0	0	0
Notes payable related companies	Dollars	15,741	1.556	46,108	3.87	76,258	2.96	25,226	4.1100
Provisions	Pesos	10,212	0	16,796	0	18,978	0	33,922	0
Provisions	Dollars	1,300	0	5,145	0	7,677	0	16,024	0
Provisions	Other currencies	1,467	0	1,915	0	0	0	0	0
Withholdings	Pesos	10,390	0	15,727	0	0	0	299	0
Withholdings	Other currencies	787	0	423	0	0	0	0	0
Withholdings	Dollars	0	0	200	0	0	0	0	0
Income tax	Pesos	0	0	0	0	64	0	2,024	0
Income tax	Dollars	0	0	0	0	10	0	10,425	0
Income tax	Other currencies	0	0	0	0	0	0	239	0
Unearned income	Pesos	1,674	0	3,728	0	0	0	0	0
Unearned income	Dollars	74	0	186	0	0	0	0	0
Deferred taxes	Pesos	0	0	0	0	0	0	0	0
Deferred taxes	Dollars	0	0	0	0	0	0	0	0
Other current liabilities	Pesos	62,852	3.583	13,042	8.50	1,445	0	1,141	0.00
Other current liabilities	U.F.	1,241	5.43	0	0	0	0	0	0
Otros pasivos circulantes	Dólares	2,082	4.58	0	0	0	0	839	0
Totales	Pesos	169,102		125,839		23,579		43,744	
	Dollars	70,954		161,200		124,294		111,152	
	Other currencies	3,795		6,000		0		1,193	
	U.F.	5,063		3,986		6,883		776	

Local and Foreign Currencies – Long-Term Liabilities at 30/09/2009

	Currency	1 to 3 years		3 to 5 years		5 to 10 years		Over 10 years	
		Amount	Average annual interest rate	Amount	Average annual interest rate	Amount	Average annual interest rate	Amount	Average annual interest rate
Borrowings from banks & financial institutions – long term	Pesos	ThUS\$ 8,177	% 4.7700	ThUS\$ 24,529	% 4.77	ThUS\$	%	ThUS\$	%
Borrowings from banks & financial institutions – long term	U.F.	0	0.00						
Borrowings from banks & financial institutions – long term	Dollars	96,920	3.5900	91,704	3.79	3,408	0.0000		
Bonds payable	U.F.	27,532	3.6	103,244	3.233	68,830	3.6	20,647	3.60
Bonds payable	Dollars					171,480	3.66250	200,000	7.375
Sundry creditors	Pesos	6,176	5.1600	4,417	5.61	2,143	6.35	0	
Sundry creditors	U.F.	0	0.00	0	0.00				
Sundry creditors	Dollars	930	6.47100	126	6.471	0		0	
Provisions	Pesos	17,203	5.33000	9,141	5.47	24,404	5.54000	10,098	5.57
Provisions	Dollars	6,752		0					
Deferred taxes	Pesos	0							
Deferred taxes	Dollars	29,802		1,352		2,709			
Other long term liabilities	Pesos	2							
Other long term liabilities	Dollars	6,214	1.91807	11,851	4.354			0	
Other long term liabilities	U.F.	0						0	
Total long-term liabilities	Pesos	31,558		38,087		26,547		10,098	
	U.F.	27,532		103,244		68,830		20,647	
	Dollars	140,618		105,033		177,597		200,000	

Local and Foreign Currencies – Long-Term Liabilities at 30/09/2008

	Currency	1 to 3 years		3 to 5 years		5 to 10 years		Over 10 years	
		Amount	Average annual interest rate	Amount	Average annual interest rate	Amount	Average annual interest rate	Amount	Average annual interest rate
Borrowings from banks & financial institutions – long term	Pesos	ThUS\$ 6,364	% 8.56	ThUS\$ 1,589	% 8.56	ThUS\$	%	ThUS\$	%
Borrowings from banks & financial institutions – long term	U.F.	1,677	6.47	0	0.00				
Borrowings from banks & financial institutions – long term	Dollars	119,719	3.420	81,431	4.1855	8,677	4.5222		
Bonds payable	U.F.	20,765	3.6000	103,827	3.2340	69,218	3.6000	34,610	3.60
Bonds payable	Dollars	0		0		171,480	5.1888	200,000	7.375
Sundry creditors	Pesos	6,925	4.360	4,205	5.578	4,180	6.35	0	0.00
Sundry creditors	U.F.	1,809	2.15	112	2.15				
Sundry creditors	Dollars	1,861	6.2086	173	5.458				
Provisions	Pesos	18,205	5.40598	9,514	5.5129	25,220	5.5752	10,506	6.00
Provisions	Dollars	4,450		2,136					
Deferred taxes	Pesos	5,266							
Deferred taxes	Dollars	23,027							
Other long term liabilities	Pesos	2							
Other long term liabilities	Dollars	21,477	3.2077	3,096	5.3763	0	0.000		
Total long-term liabilities	Pesos	36,762		15,308		29,400		10,506	
	U.F.	24,251		103,939		69,218		34,610	
	Dollars	170,534		86,836		180,157		200,000	
		0		0		0		0	

32.- Sanctions

No kinds of sanctions have been applied by the Superintendency of Securities and Insurance or by other administrative authorities during the 2009 and 2008 periods, to the Company or its subsidiaries or to its directors or managers acting as such.

33.- Subsequent events

As resolved by the ordinary shareholders meeting of CAP S.A. held on April 13, 2009, final dividend No.98 for Ch\$ 49.41 per share, equivalent to ThUS\$ 13,759, was paid on October 27, 2009.

On October 27, 2009, Cía. Minera Huasco S.A. paid to the subsidiary Cía. Minera Del Pacífico S.A. a dividend of ThUS\$ 6,446.

There have been no other significant events between October 1 and 30, 2009, the date of issue of these consolidated financial statements, that might affect them.

34.- The Environment

Items and amounts disbursed to September 30 each year with respect to improvements and/or investments in processes are as follows:

	2009 ThUS\$	2008 ThUS\$
Expenses incurred by Compañía Siderúrgica Huachipato S.A.		
San Vicente Bay environmental vigilance & cleaning plan	49	124
Environmental management expenses	310	859
Improvements to interior roads	78	2,520
External de-sulfurization of cast iron	0	1,018
Forestation & garden maintenance program	172	220
Phenols biological treatments	56	177
Water treatment & neutralization system	67	491
Lime plant noise mitigation	258	0
Interconnection discharges 1, 2, 3 & 4	0	13
Thermal plant	37	0
Air quality monitoring	143	0
Waste handling, emissions, control, groundwater monitoring & other minor expenses	234	463
Total operation	1,404	5,885
Expenses incurred by Compañía Minera del Pacífico S.A.		
Supervision & analysis	354	156
Consultancies & improvement projects	749	2,113
Total	1,103	2,269
Expenses incurred by the Cintac S.A. group		
Regulation of installations	0	0
Liquid waste treatment	39	66
Steam extraction	0	0
Total	39	66
Global Total	2,546	8,220
Forthcoming disbursements on environmental projects		
		ThUS\$
In Compañía Siderúrgica Huachipato S.A.		679
In Compañía Minera del Pacífico S.A.		1,391
In Cintac S.A. group of companies		12
Total committed disbursements		2,082

35.- Adoption of International Financial Reporting Standards

As is public knowledge, Chile is committed to developing a convergence plan for fully adopting the International Financial Reporting Standards (IFRS). In accordance with the instructions in this respect issued by the Chilean Institute of Accountants and the Superintendency of Securities and Insurance through its Circular 427 of December 28, 2007, the Company and its subsidiaries will adopt these standards as from January 1, 2010. Consequently, there will be changes to the balances of equity on that date and the results of future years will be affected. In 2010, the financial statements for the year 2009 must be presented for comparison purposes in accordance with the new regulations, which could differ from those presented herein.