



J.P.Morgan

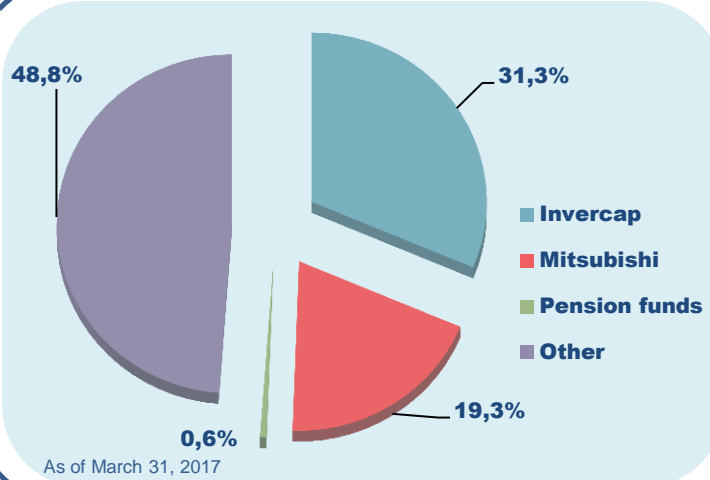


Southern Cone & Andean Opportunities Conference
April 2017 – Santiago, Chile

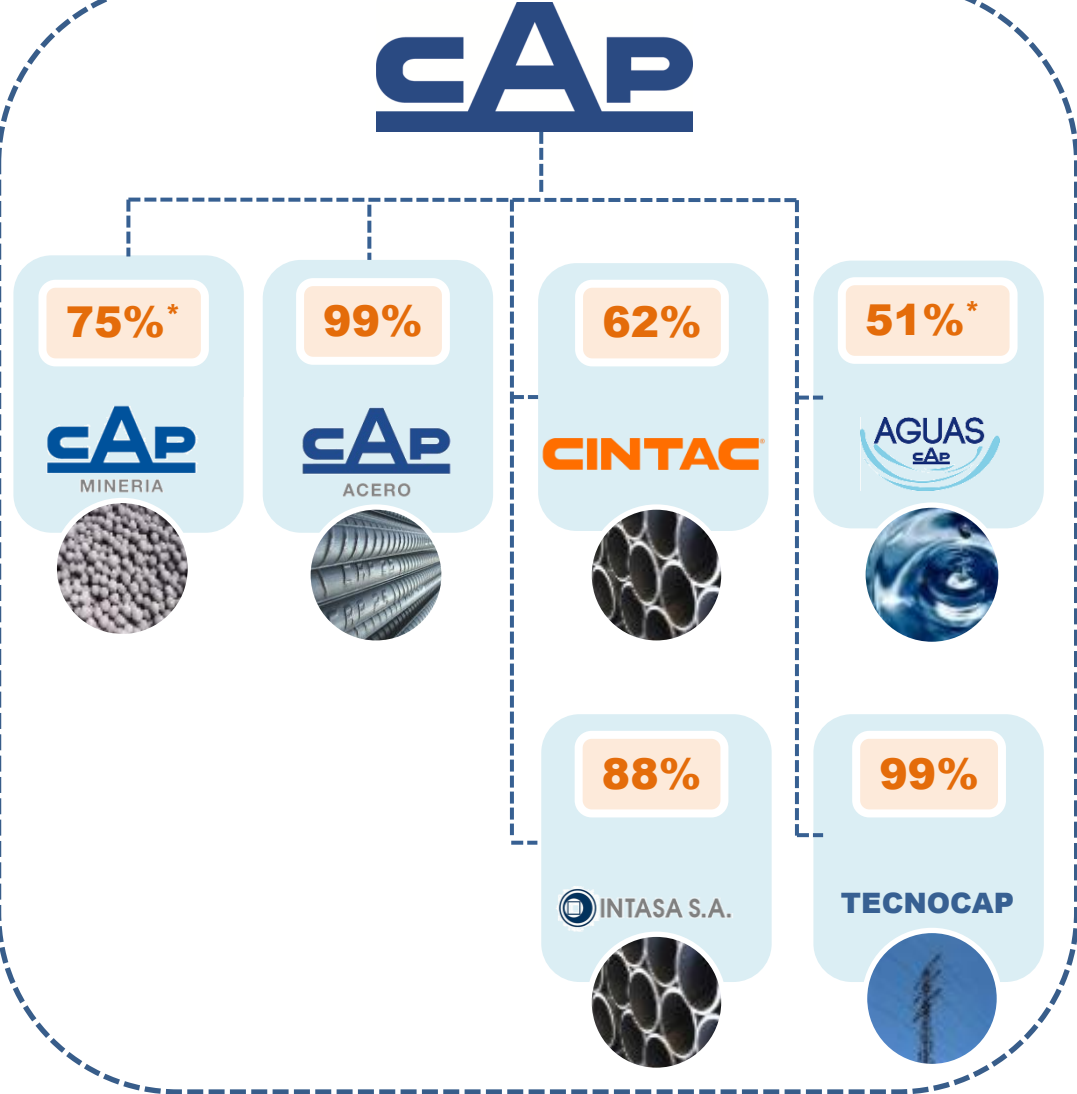
CAP at a glance



Ownership structure



Holding structure



* Mitsubishi owns 25% of CAP Minería, and 49% of Aguas CAP



**Los Colorados mine
Atacama region
Chile**

Iron ore mining

Mining sites

CAP Mining has **three different areas of operation** in the north of Chile, located around the cities of **Copiapó**, **Vallenar** and **La Serena**



Copiapo Valley: Punta Totoralillo port



Copiapo Valley: Desalination plant



Copiapo Valley: Magnetite plant



Copiapo Valley: Cerro Negro Norte mine



Huasco Valley: Guacolda II port



Huasco Valley: Pellets plant



Huasco Valley: Los Colorados mine





Elqui Valley: El Romeral mine

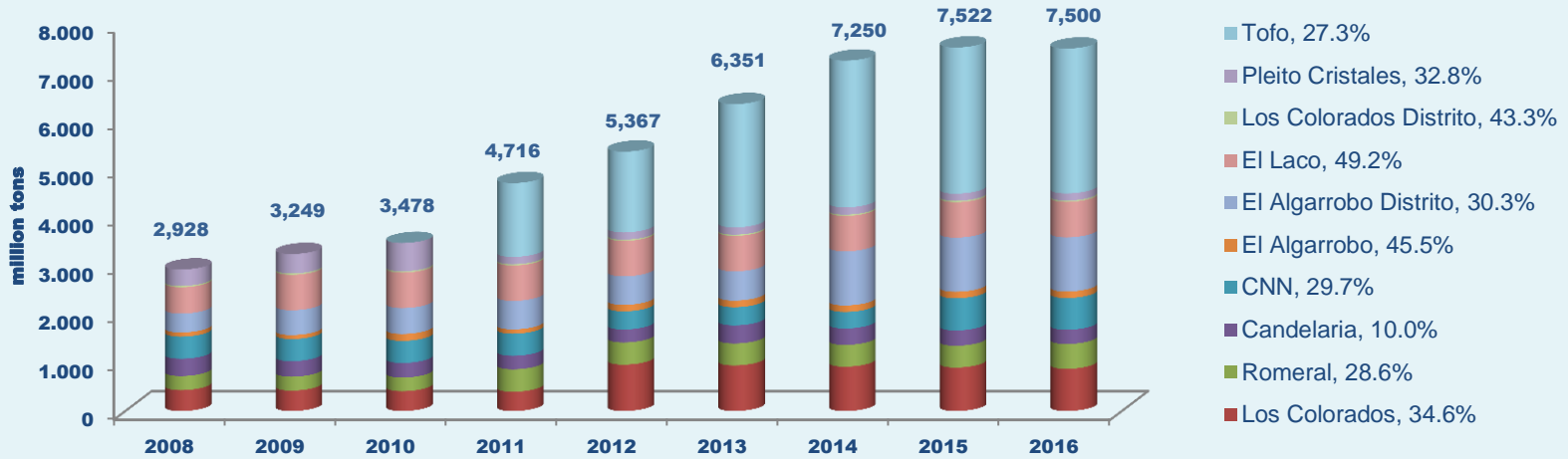


Elqui Valley: Guayacán port



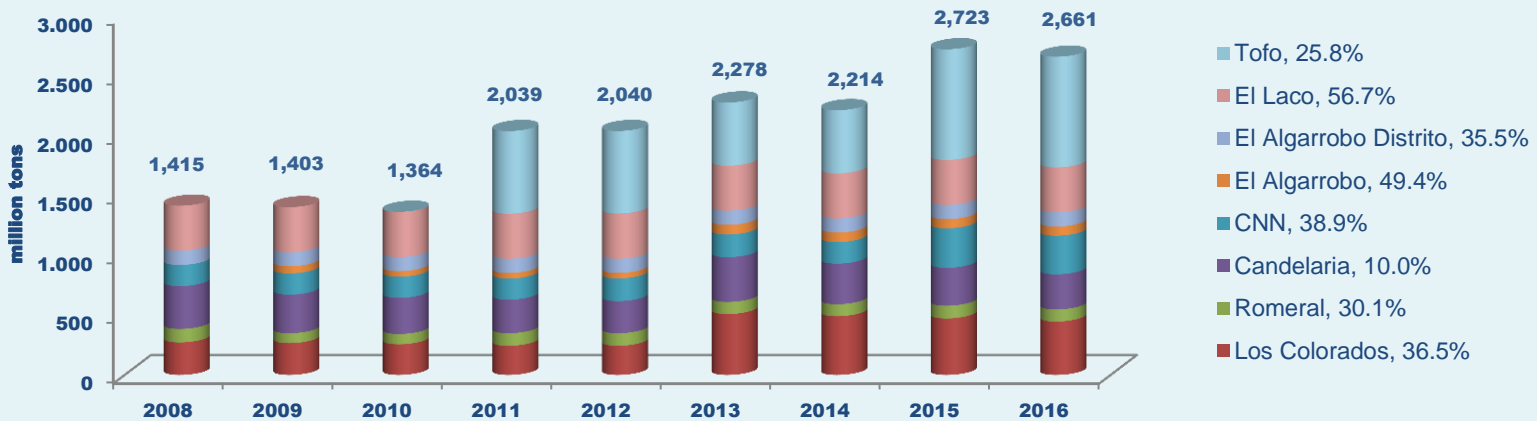
Resources and reserves of magnetic ore

Mineral resources (1)



(1) Minerals measured on a geological content feasible of being mined

Reserves (2)



(2) Minerals measured on a geological content feasible of being mined economically



BF and DR Pellets

65% to 67% Fe content

Subject to pellet premium and premium per 1% Fe



Lumps

62% Fe content

Subject to lump premium



Pellet feed

66% to 69% Fe content

Subject to premium per 1% Fe



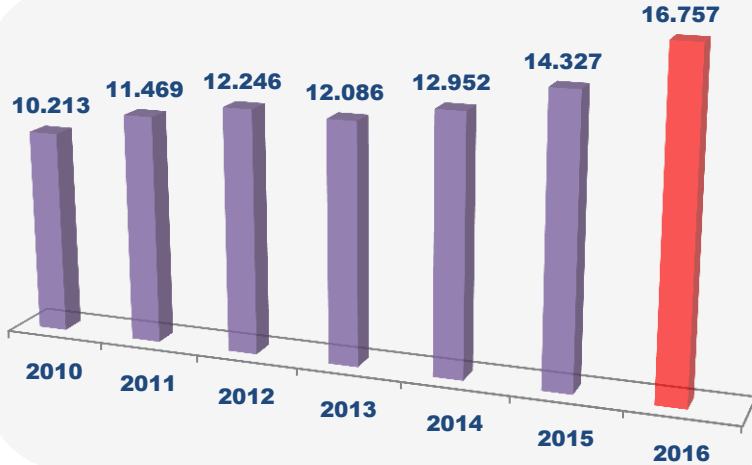
Fines

62% to 63% Fe content

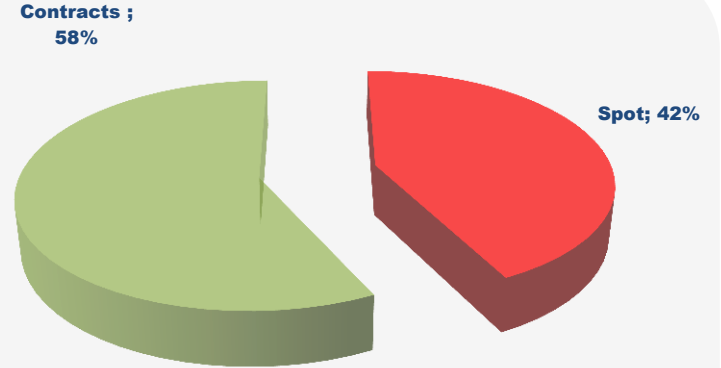
Subject to premium per 1% Fe

Iron ore shipments and markets

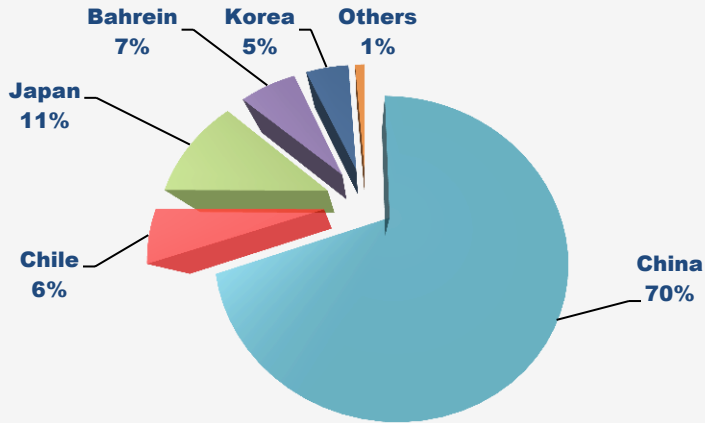
Shipments (th. Tons)



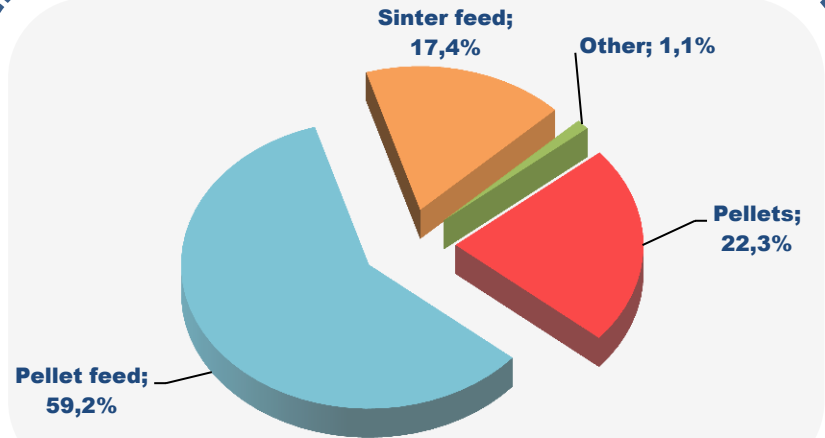
Spot sales vs contracts 2016



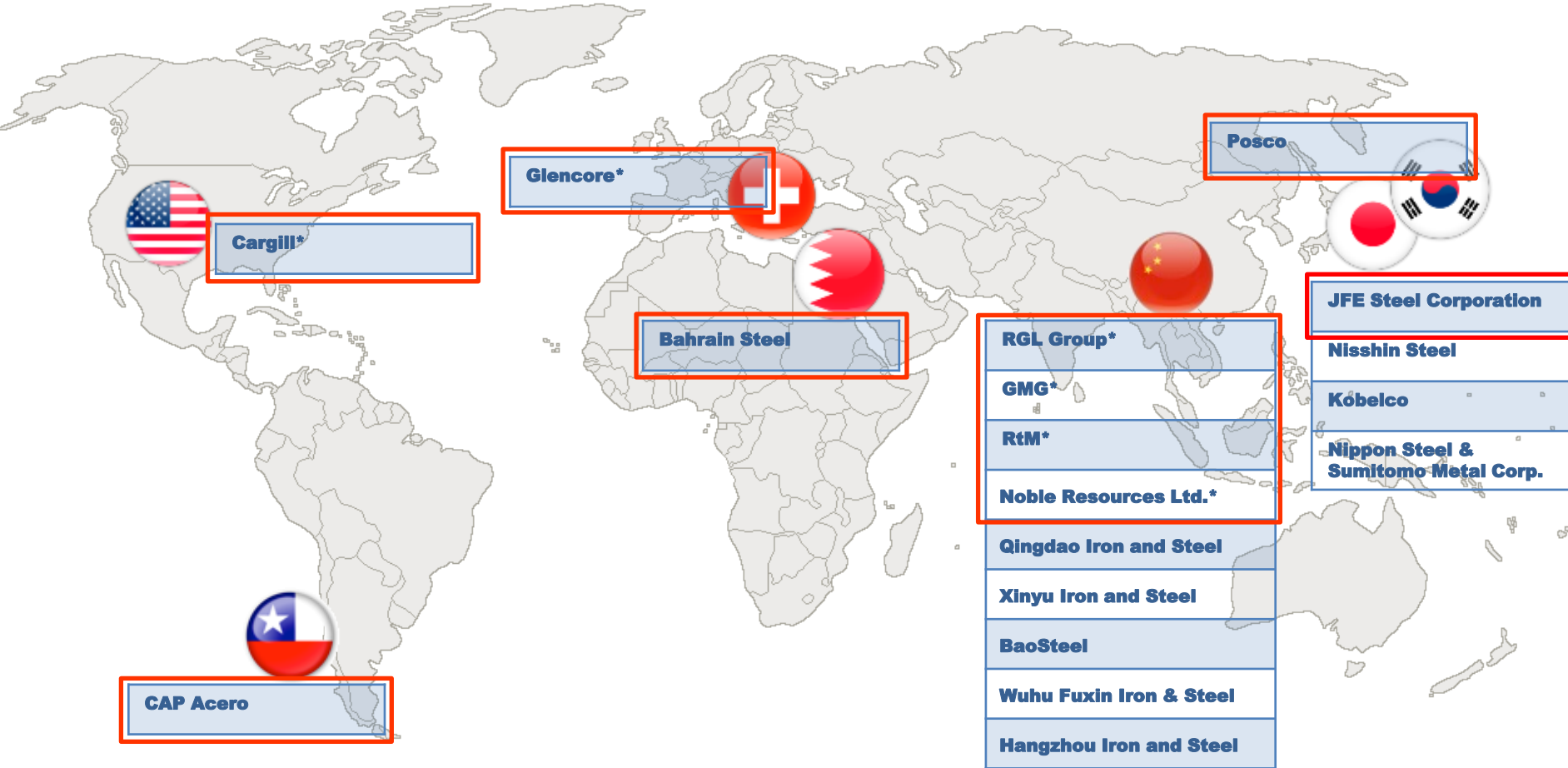
Shipments by market 2016



Product mix 2016



Main clients



Top ten clients in 2016, by volume

* Acts as trader



Steel production

**Huachipato steel mill
Talcahuano, Bio-Bio region
Chile**

Focus on long steel products

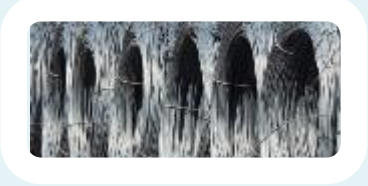
- Steel business reorganization to produce 700 kt/y, with one blast furnace
- Strong adjustment in its industrial processes and workforce lowering costs and expenses
- Sustainable growth in long products demand mainly due to the need of grinding media supply to the mining sector



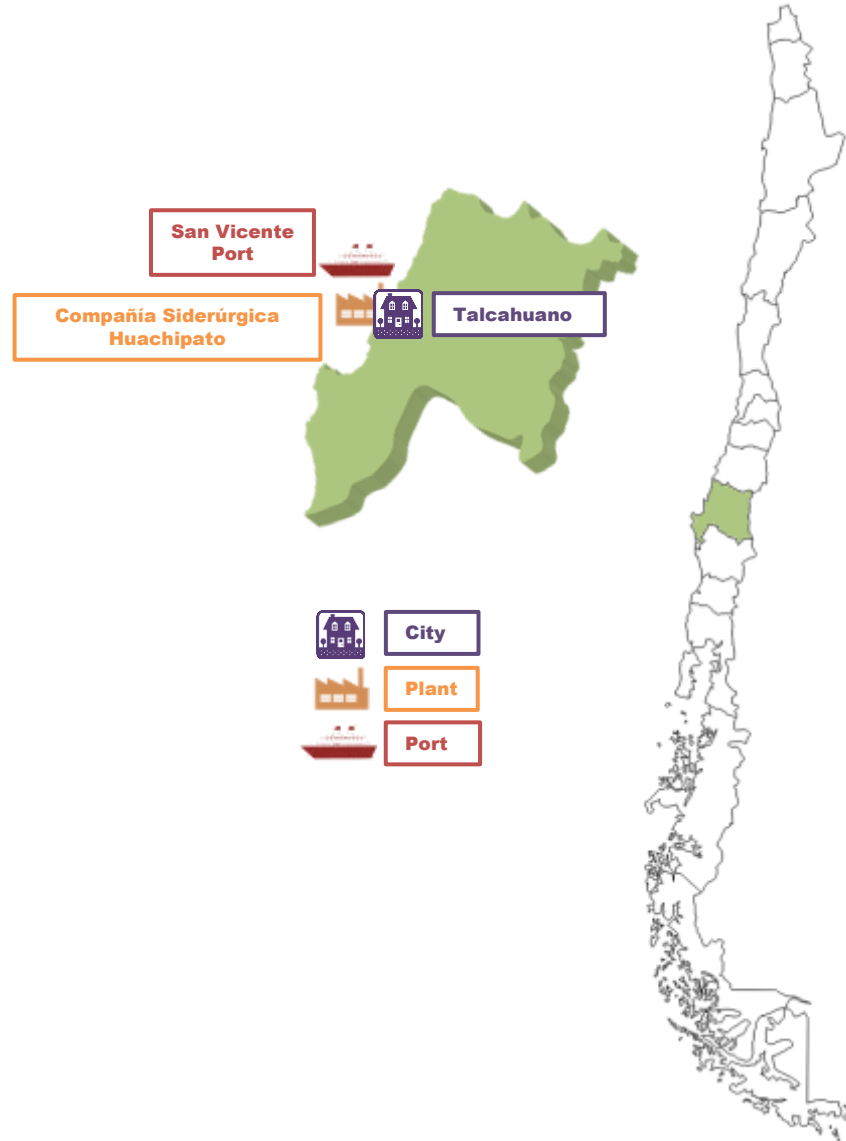
Grinding bars
For high quality grinding balls in the mining industry



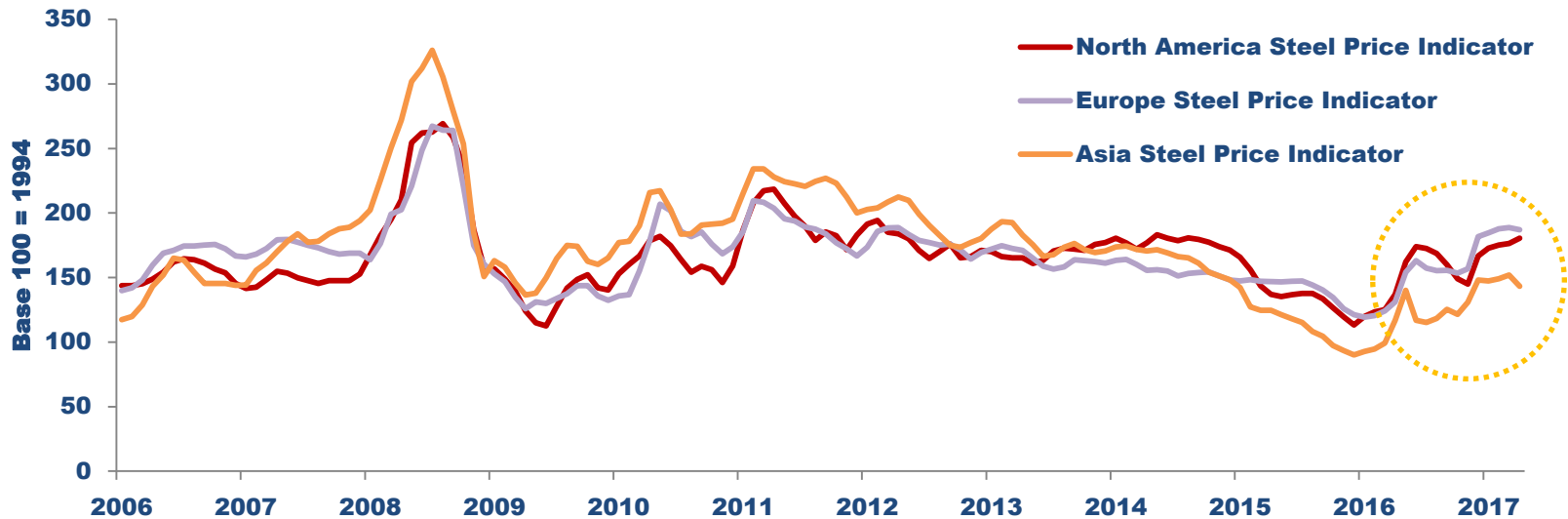
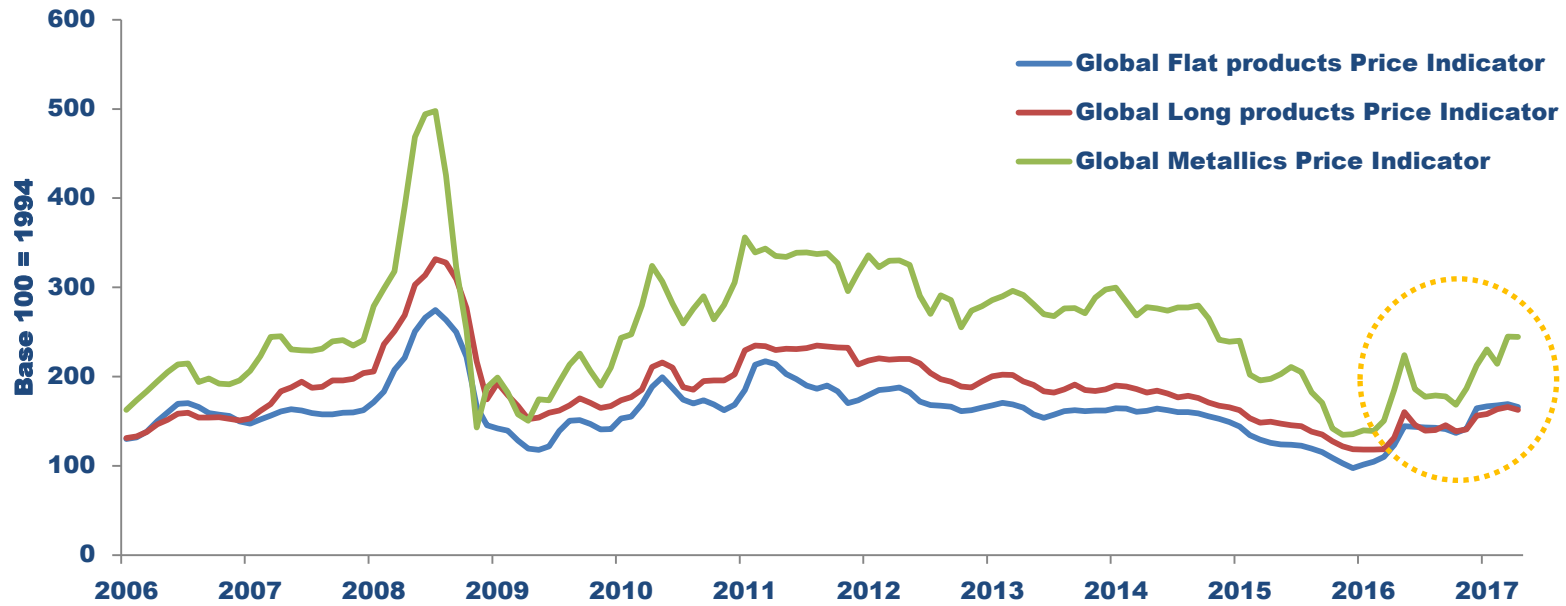
Reinforcing bars
Coils or straight bars for construction, earthquake resistant



Wire rod
Mesh and drawing quality



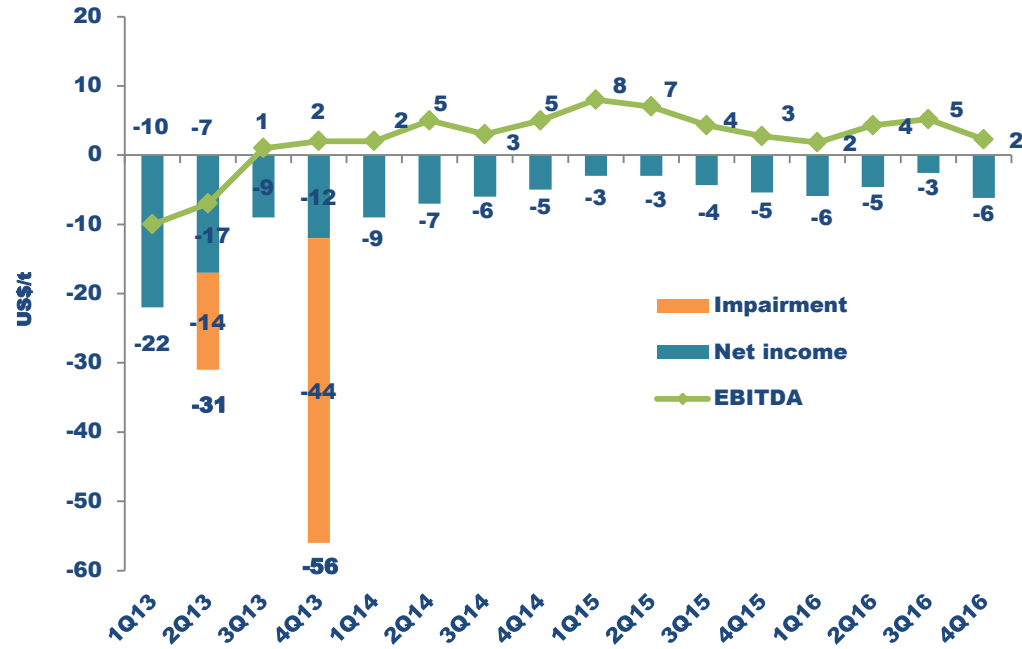
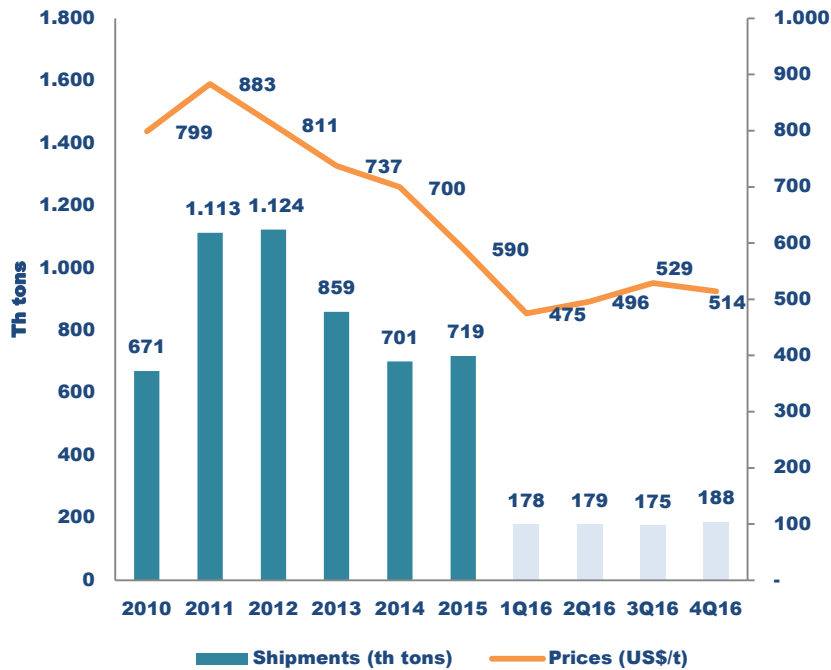
Global steel prices evolution



Recovery of cash generation (EBITDA)



- Even though steel prices have shown a slight recovery during 2016, Compañía Siderúrgica Huachipato has not been able to show profits
- The steel company has managed to generate positive cash flow over the last 14 quarters due to the reorganization and adjustment in industrial processes, but the lack of protection in the Chilean market is not only impacting prices but also the steel volumes, deteriorating margins



Steel safeguards and antidumping duties

Due to the openness of the Chilean economy, CAP Acero is competing with international steel prices, highly influenced by Chinese imports at prices well below market benchmarks



- **Chilean authorities imposed an antidumping duty of 38.0% for Chinese wire rod for a period of one year, starting in April 2017. Wire rod represents 20% of CSH's production**



- **Additionally, in November 2016 an antidumping duty of 9.8% for Mexican rebar was granted by Chilean authorities for a period of 1 year. Rebar accounts for 30% of CSH's production**



- **In January 2017, CAP Acero filed the necessary information to raise the case for Chinese grinding bars antidumping duties. Grinding bars are 50% of CSH's production**



- Strategic location and logistics at San Vicente Bay in the VIII region of Chile



- Large extension of land of 400 ha where the steel mill operates and 300 ha of forest available for real estate use



**CINTAC's photovoltaic structures
SunEnerGreen project
Chile**

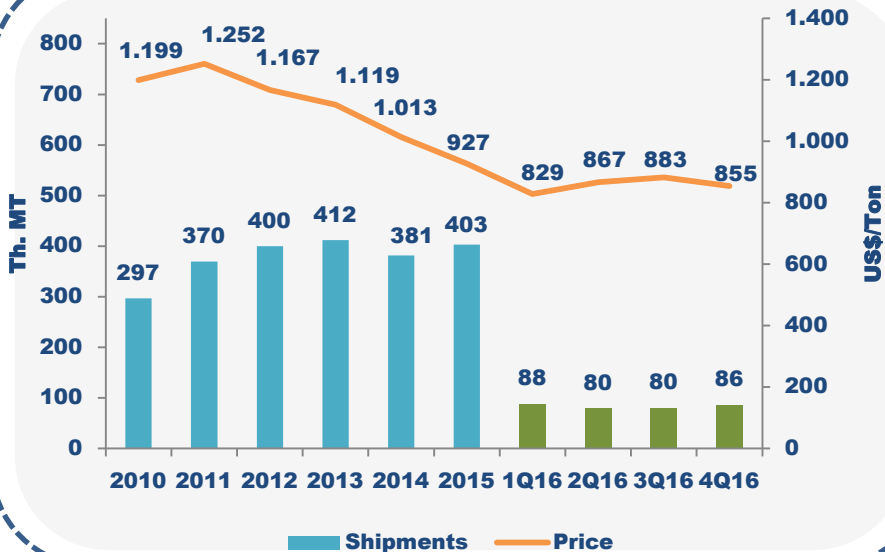
Steel processing

Steel processing

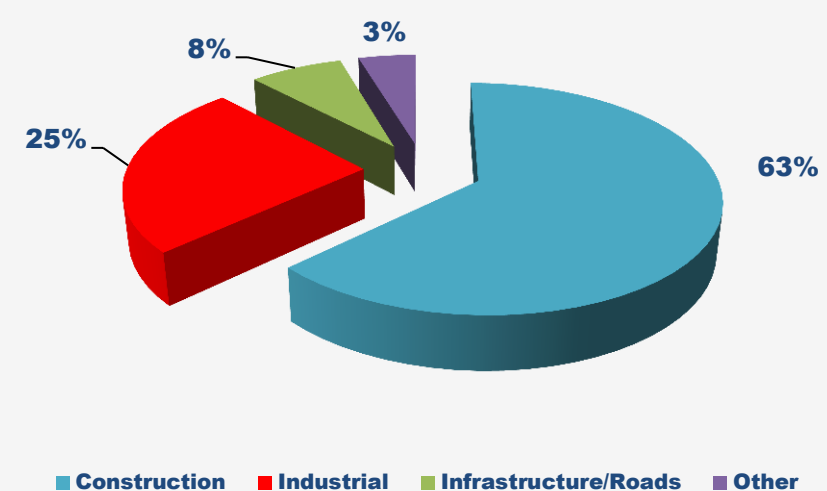
- Creates value-added solutions for the construction, industry and infrastructure sectors in Chile, Peru and Argentina
- Transition to innovative solutions for industrial (electricity self-generation through photovoltaic warehouse roof designs) and residential construction
- Chile is LATAM's most intensive user of steel in construction
- Main flat steel importer of the Pacific coast of South America



Shipments and prices



Shipments by market 2016



Adding value through steel processing



Vine stakes

Galvanized steel profiles to lead crops growth are structures strong enough to resist the mechanization process of harvests

Photovoltaic plant Cintac Maipú

The biggest "on roof" in South America



Steel structures for solar panels

Supplier of steel structures to mount solar panels in different photovoltaic plants in the country

Metalcon ®

The METALCON® construction system consists of galvanized steel profiles for various structural applications



- ❑ 8 MWp
- ❑ 12 GWh / year
- ❑ 90 thousand m2
- ❑ 5 thousand households with energy
- ❑ 4 thousand tons less of CO2 per year

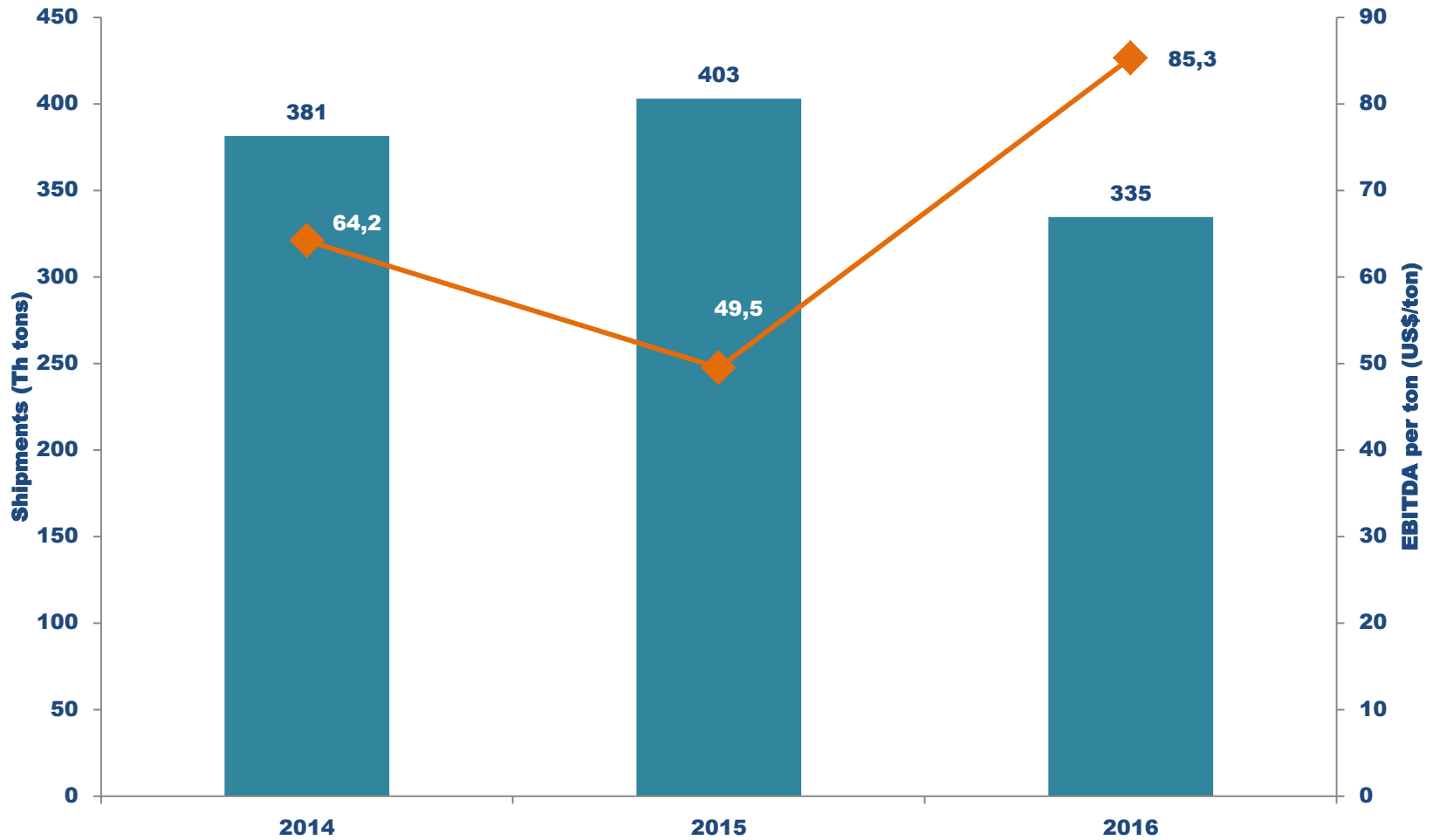


Adding value through steel processing



□ Certified highway protections

Lower volumes...higher margins



Average price (US\$/t)	2014	2015	2016
	1.015,5	927,3	857,5

■ Shipments (Th tons) ◆ EBITDA per ton (US\$/ton)



**Aguas CAP desalination plant
Caldera, Atacama region
Chile**

Infrastructure

Infrastructure business providing stable support to the CAP group

US\$ million	2015	2016
EBITDA	55,5	52,3
Net Income	8,8	14,0



Seawater desalination plant

Current desalination capacity of 400 l/s can be increased to 600 l/s

Delivers water to Cerro Negro Norte mine and the Magnetite plant (both owned by CAP Minería) and to the city of Caldera (on behalf of Caserones)

Power transmission line



220 kV power transmission line, with an extension of 140 km connecting Amanecer Solar CAP photovoltaic plant, Cerro Negro Norte mine, Punta Totalillo port, the desalination plant and the national grid

Las Losas port



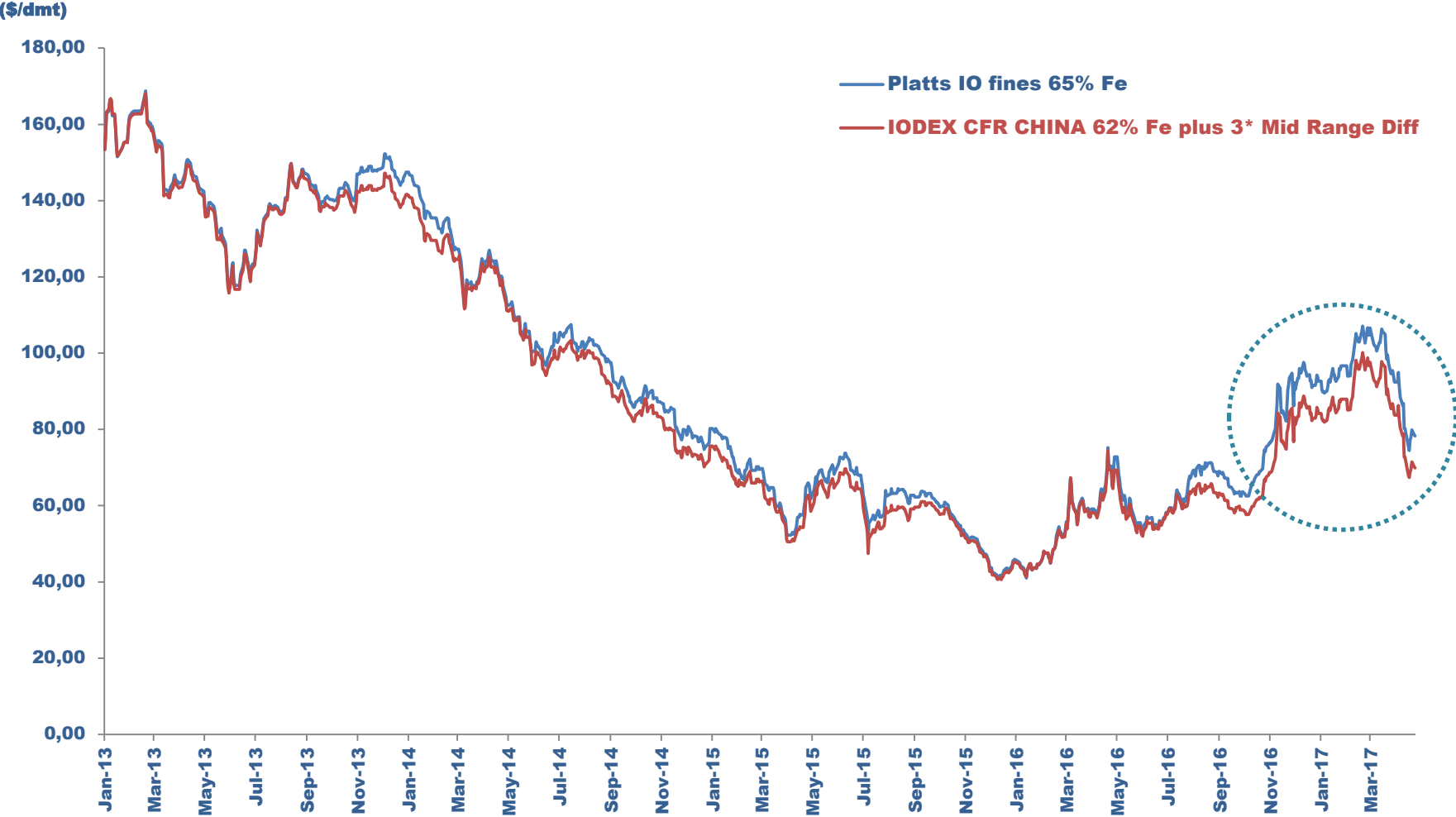
Owned 51% CAP and 49% Agrosuper, has a total capacity of 2 million tons per year, with a utilization rate of approximately 30%

Located in Huasco, this multi purpose port has potential to handle cargoe such as iron ore, limestone, copper, fruit and spare parts and equipment



Global industry update

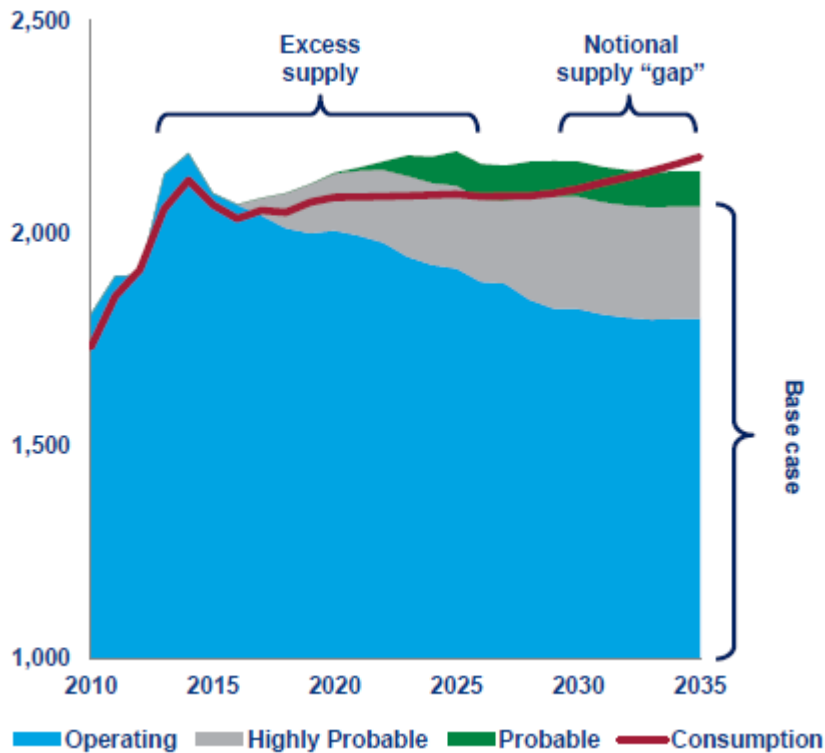
Iron ore price evolution



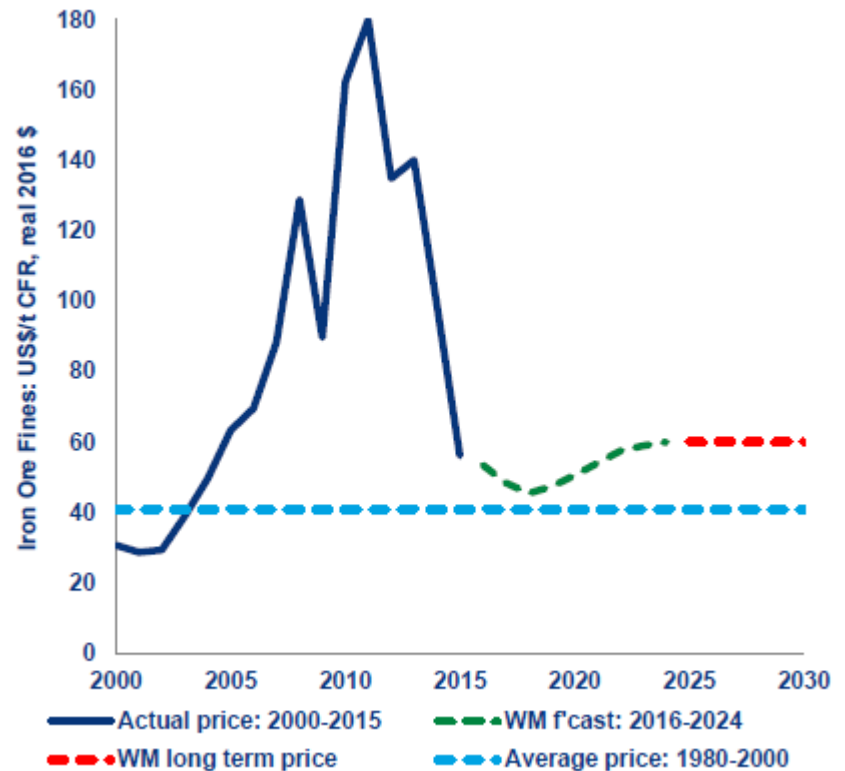
Source: Platts, April 2017

Iron ore long term trade balance and price forecast

No new supply needed for at least 10 years.



Price f'cast: it gets worse before it gets better!



International iron ore price adjustment and CMP's cost reduction (2014)

PLATTS DAILY IRON ORE PRICE ASSESSMENTS				
Platts daily iron ore assessments, December 29				
	\$/dmt	Midpoint	Change	% Chg
IODEX 62% Fe CFR North China	67.50-68.50	68.00	0.50	0.74
63.5/63% Fe CFR North China	69.00-70.00	69.50	0.50	0.72
65% Fe CFR North China	76.00-77.00	76.50	0.50	0.66
58% Fe low Al CFR North China	59.00-60.00	59.50	0.50	0.85
58% Fe* CFR North China	55.50-56.50	56.00	0.75	1.36
52% Fe CFR North China	37.00-38.00	37.50	0.75	2.04
*Al = 4.0% max				
Per 1% differentials (Range 60-63.5% Fe), \$/dmt				
	Within Min-Max	\$/dmt	Change	
Per 1% Fe	60-63.5% Fe	1.30	0.00	
Per 1% Alumina	1-2.5% Al ₂ O ₃	0.50	0.00	
Per 1% Silica	4.5-6.5% SiO ₂	1.50	0.00	
	6.5-9% SiO ₂	1.75	0.00	

Source: Platts, December 2014

	2013	2014
CMP's cash cost (US\$/t)	57,4	49,2

International iron ore price adjustment and CMP's cost reduction (2015)

PLATTS DAILY IRON ORE ASSESSMENTS, DECEMBER 31

	\$/dmt	Midpoint	Change	% Chg
IODEX 62% Fe CFR North China	42.75-43.75	43.25	0.20	0.46
63.5/63% Fe CFR North China	43.65-44.65	44.15	0.20	0.46
65% Fe CFR North China	45.45-46.45	45.95	0.20	0.44
58% Fe low Al CFR North China	38.35-39.35	38.85	0.20	0.52
58% Fe* CFR North China	34.85-35.85	35.35	0.20	0.57
52% Fe CFR North China	26.40-27.40	26.90	0.20	0.75

*Al = 4.0% max

PER 1% DIFFERENTIALS (Range 60-63.5% Fe), \$/dmt

	Within Min-Max	\$/dmt	Change
Per 1% Fe	60-63.5% Fe	0.70	0.00
Per 1% Alumina	1-2.5% Al ₂ O ₃	0.30	0.00
Per 1% Silica	4.5-6.5% SiO ₂	0.10	0.00
	6.5-9% SiO ₂	0.30	0.00
Per 0.01% Phosphorus	0.09-0.12% P	0.35	0.00

Source: Platts, December 2015

	2015
CMP's cash cost (US\$/t)	33,2

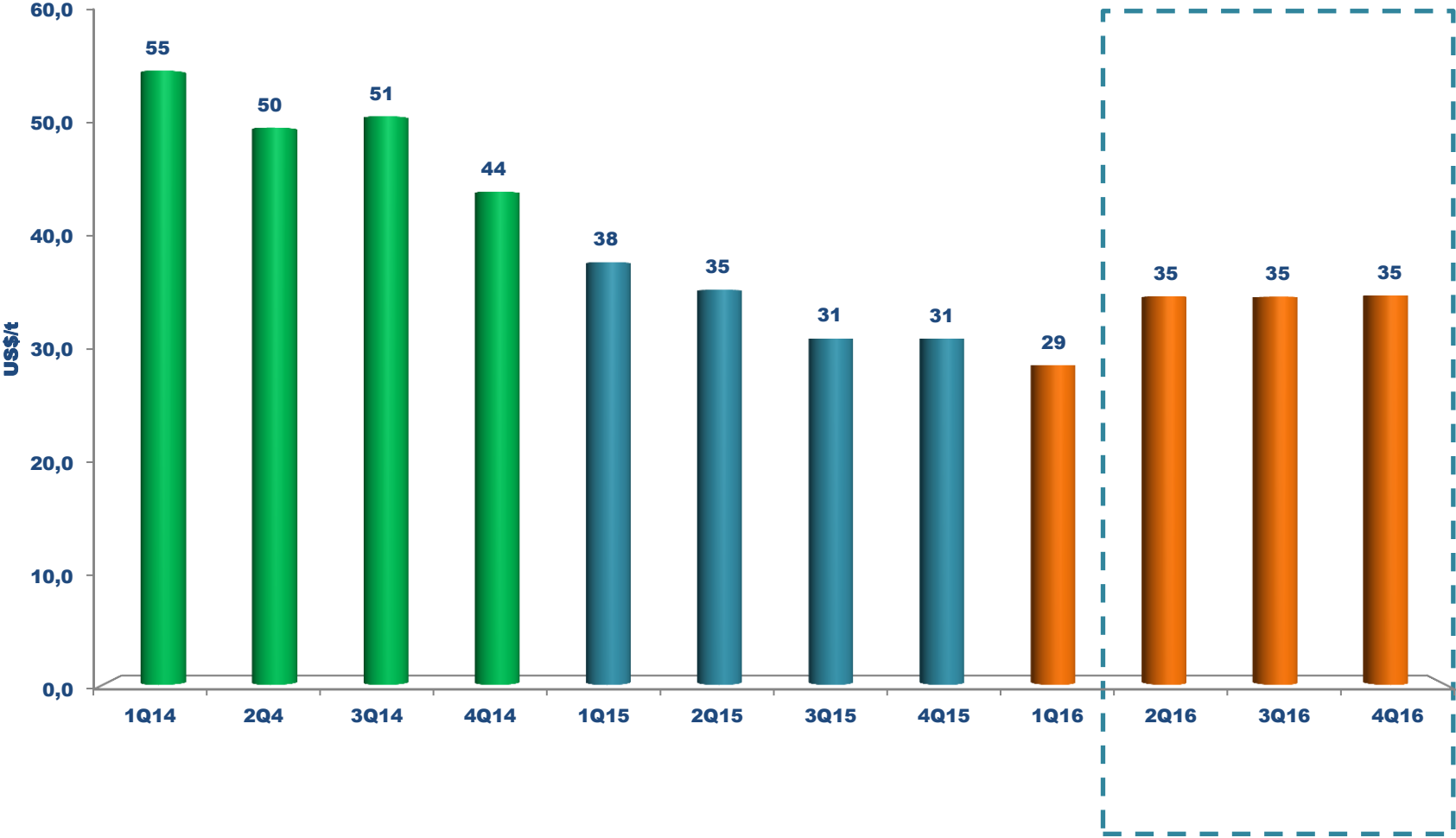
CMP's costs and expenses reduction efforts



Cash cost = Cost of sales – Depreciation & Amortization

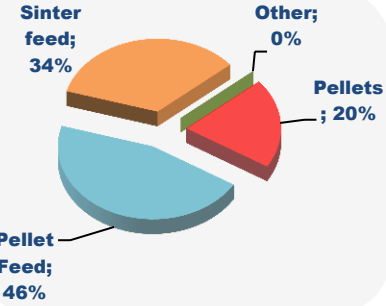
Cost of sales = Operational cost (excl. SG&A)

Cash cost per quarter

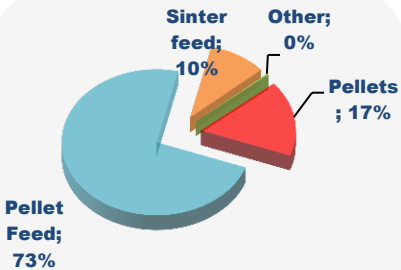


Flexibility of CMP's product mix

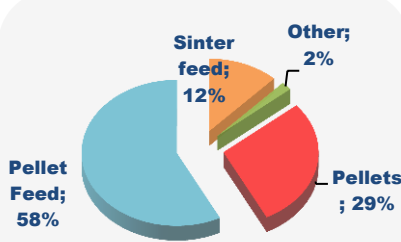
Product mix 1Q16



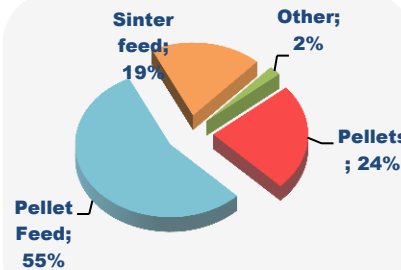
Product mix 2Q16



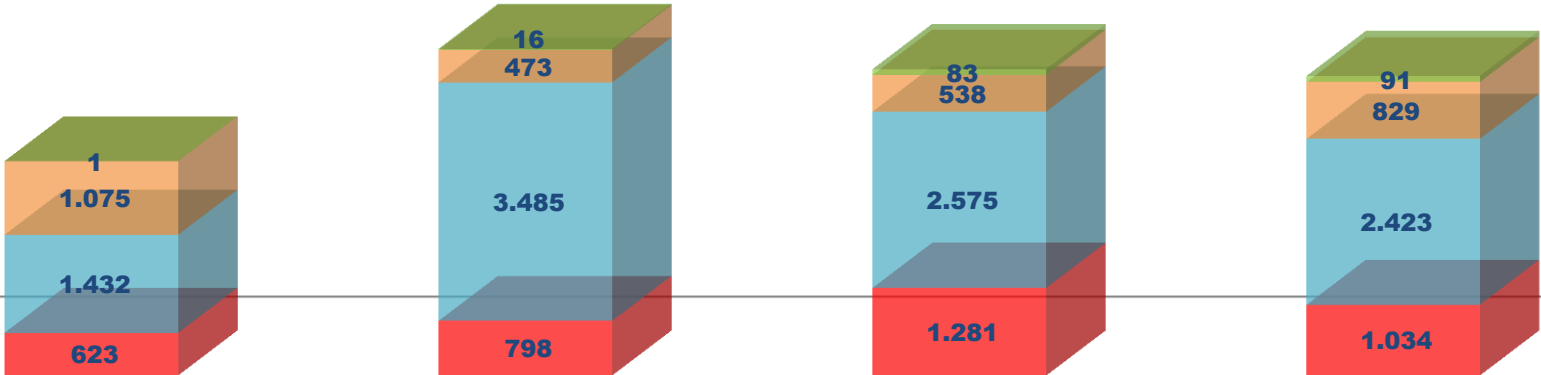
Product mix 3Q16



Product mix 4Q16



Thousand tons



1Q16

2Q16

3Q16

4Q16

Platts 62% Fe CFR China (US\$/t)
 Platts 65% - Platts 62% (US\$/t)

48,20	55,84	58,62	70,88
2,68	4,48	7,17	11,61

■ Pellets ■ Pellet Feed ■ Sinter feed ■ Other

Recovery of international iron ore prices and CMP's cost kept at low levels (2016)

PLATTS DAILY IRON ORE ASSESSMENTS, DECEMBER 30

	\$/dmt	Midpoint	Change	% Chg
IODEX 62% Fe CFR North China	79.15-80.15	79.65	-1.10	-1.36
65% Fe CFR North China	91.15-92.15	91.65	-2.10	-2.24
58% Fe low Al CFR North China	68.40-69.40	68.90	-1.10	-1.57
58% Fe* CFR North China	48.40-49.40	48.90	-1.10	-2.20

*Al = 4.0% max

PER 1% DIFFERENTIALS (Range 60-63.5% Fe), \$/dmt

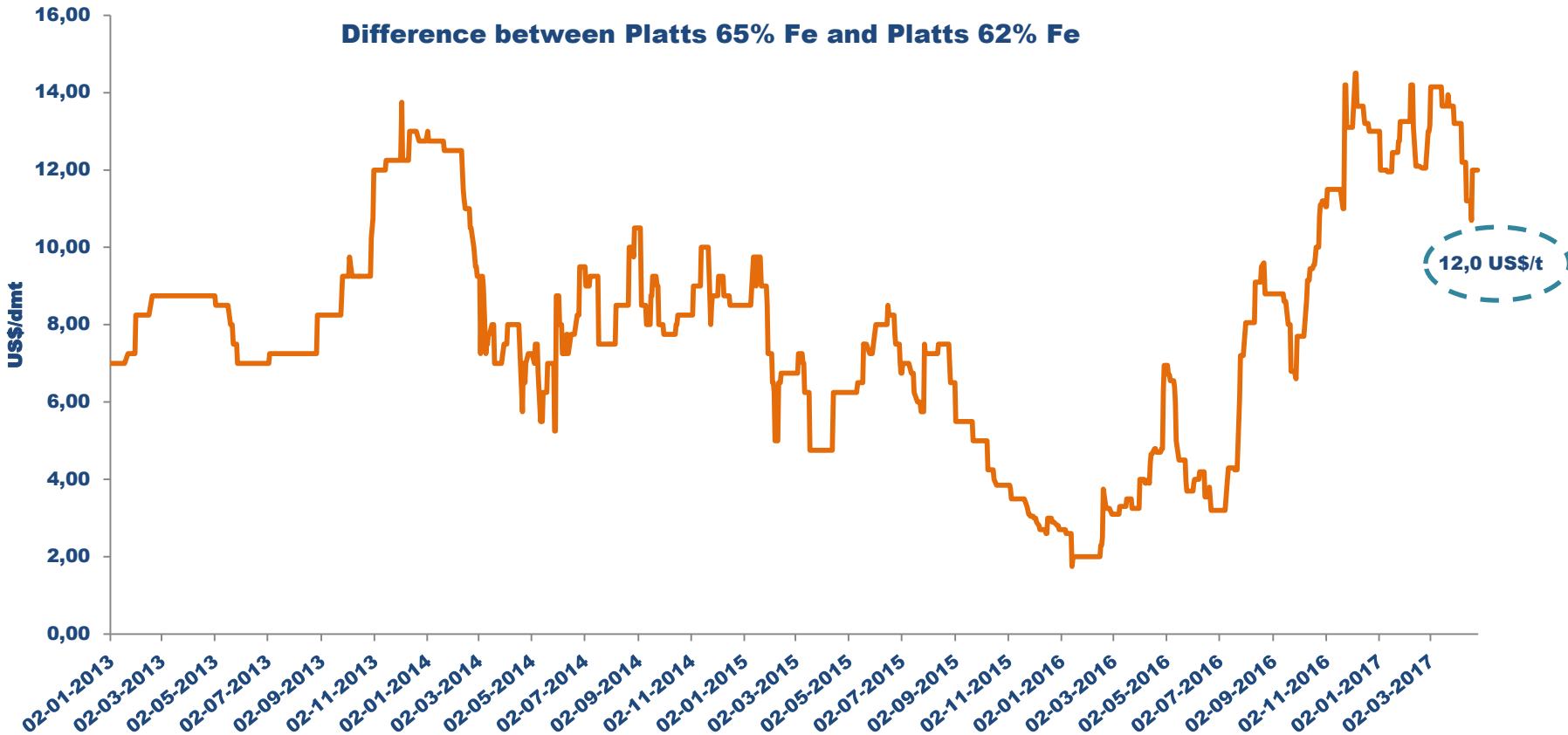
	Within Min-Max	\$/dmt	Change
Per 1% Fe	60-63.5% Fe	1.50	0.00
Per 1% Alumina	1-2.5% Al ₂ O ₃	0.35	0.00
Per 1% Silica	4.5-6.5% SiO ₂	1.50	0.00
	6.5-9% SiO ₂	1.90	0.00
Per 0.01% Phosphorus	0.09-0.12% P	0.30	0.00

Source: Platts, December 2016

	2016
CMP's cash cost (US\$/t)	33,6

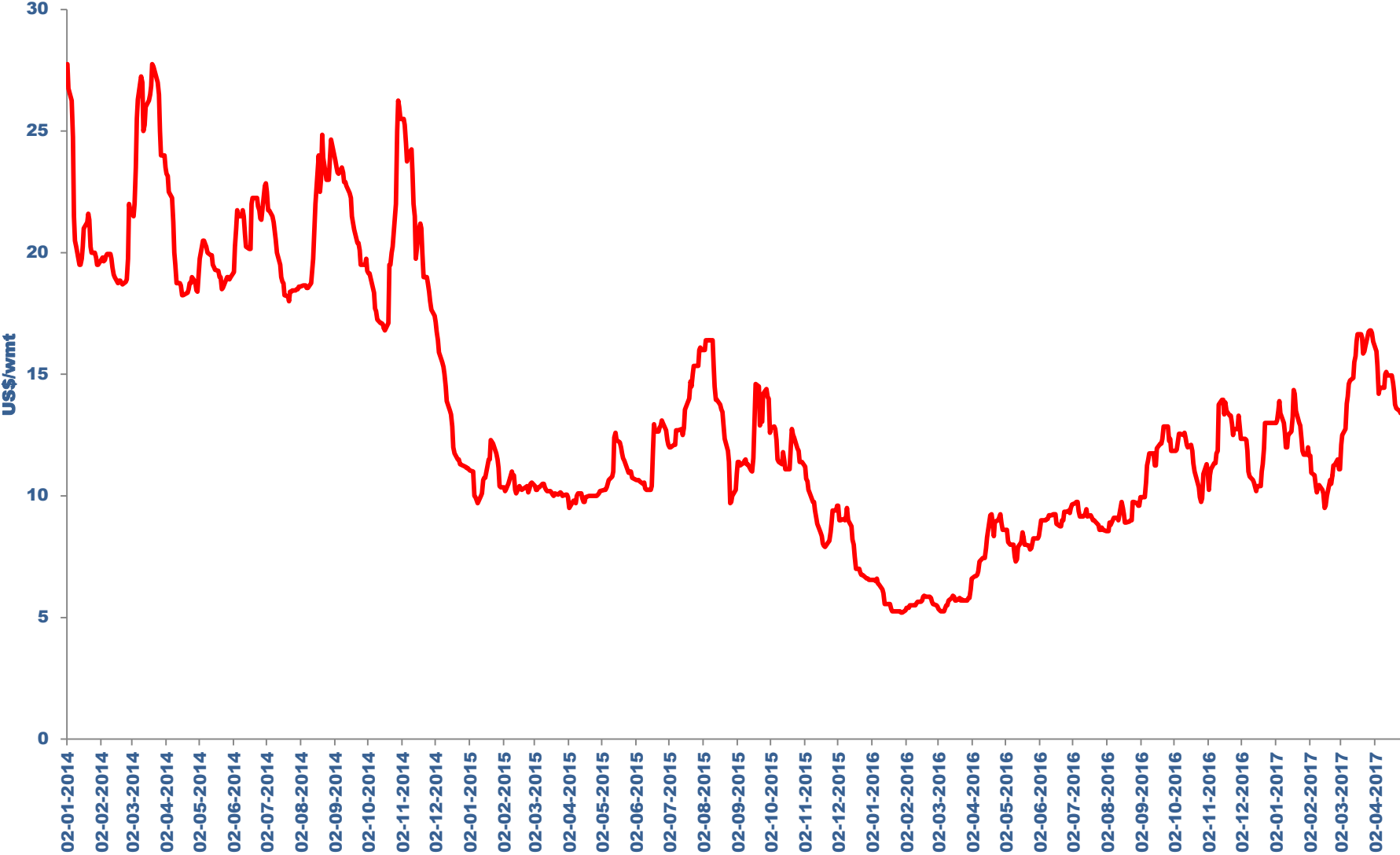
Quality premiums are back

- Premiums for higher quality are reflected by the increase in the difference between Platts 65% Fe and Platts 62% Fe
- The 1% Fe premium currently is at a level of US\$ 1.20 per ton
- The pellet premium of US\$32 per ton in 2016 is projected up to US\$ 45 per ton in 2017



Source: Platts, April 2017

Freight rates Brazil - China



Source: Platts, April 2017



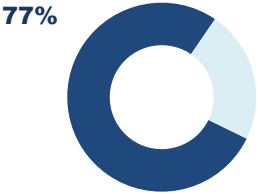
Financial performance

Main figures

EBITDA contribution

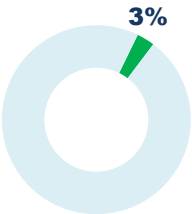
Mining business

Sales: US\$ 949 million
Gross margin: US\$ 224 million
EBITDA: US\$ 342 million
EBITDA margin: 36.0%



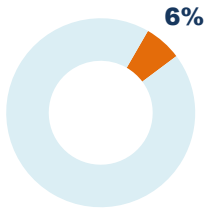
Steel business

Sales: US\$ 403 million
Gross margin: US\$ 11 million
EBITDA: US\$ 14 million
EBITDA margin: 3.4%



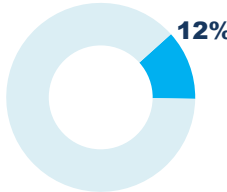
Steel processing business

Sales: US\$ 289 million
Gross margin: US\$ 52 million
EBITDA: US\$ 29 million
EBITDA margin: 9.9%



Infrastructure business

Sales: US\$ 77 million
Gross margin: US\$ 36 million
EBITDA: US\$ 53 million
EBITDA margin: 68.3%



CAP - Financial evolution



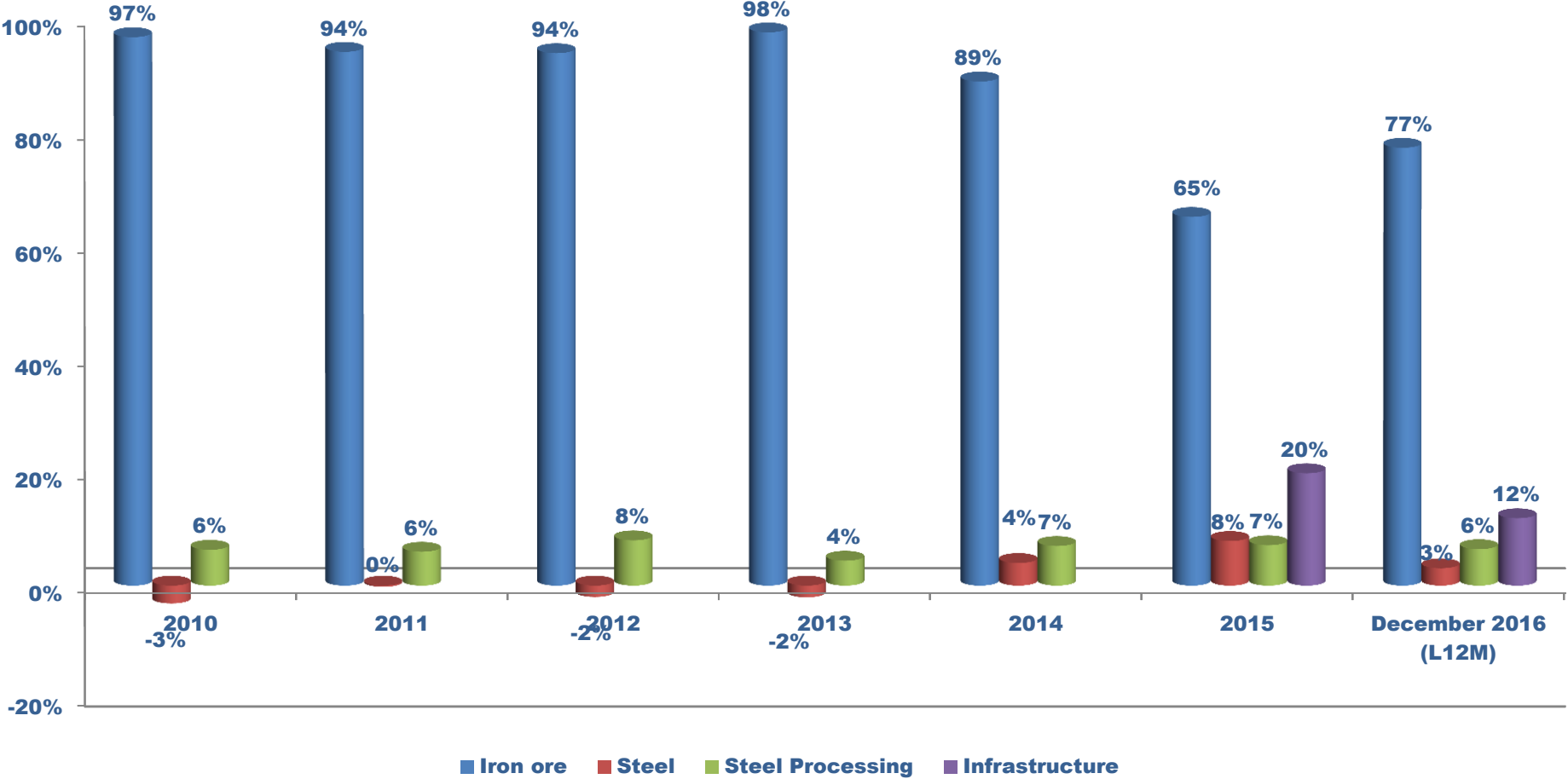
USD Million	2010	2011	2012	2013	2014	2015	2016
Sales	1.994	2.787	2.470	2.297	1.790	1.475	1.635
EBITDA (L12M)	740	1.184	764	708	381	287	442
EBITDA Margin	37,1%	42,5%	30,9%	30,8%	21,3%	19,4%	27,1%
Net Income	590	442	234	184	56	2	60
Cash	981	883	711	309	348	668	786
Gross Financial debt	1.001	628	719	932	1.270	1.479	1.357
Net Financial debt	20	(255)	8	623	922	811	571
Capex	207	282	777	975	450	60	58
Net Financial Debt/EBITDA	-	-	-	0,88	2,42	2,83	1,29
Iron Ore Shipments (Th tons)	10.213	11.469	12.246	12.086	12.952	14.327	16.757
Platts 62% Fe CFR China (US\$/t)	146,82	169,37	130,08	135,13	96,77	55,41	58,47

CMP - Financial evolution

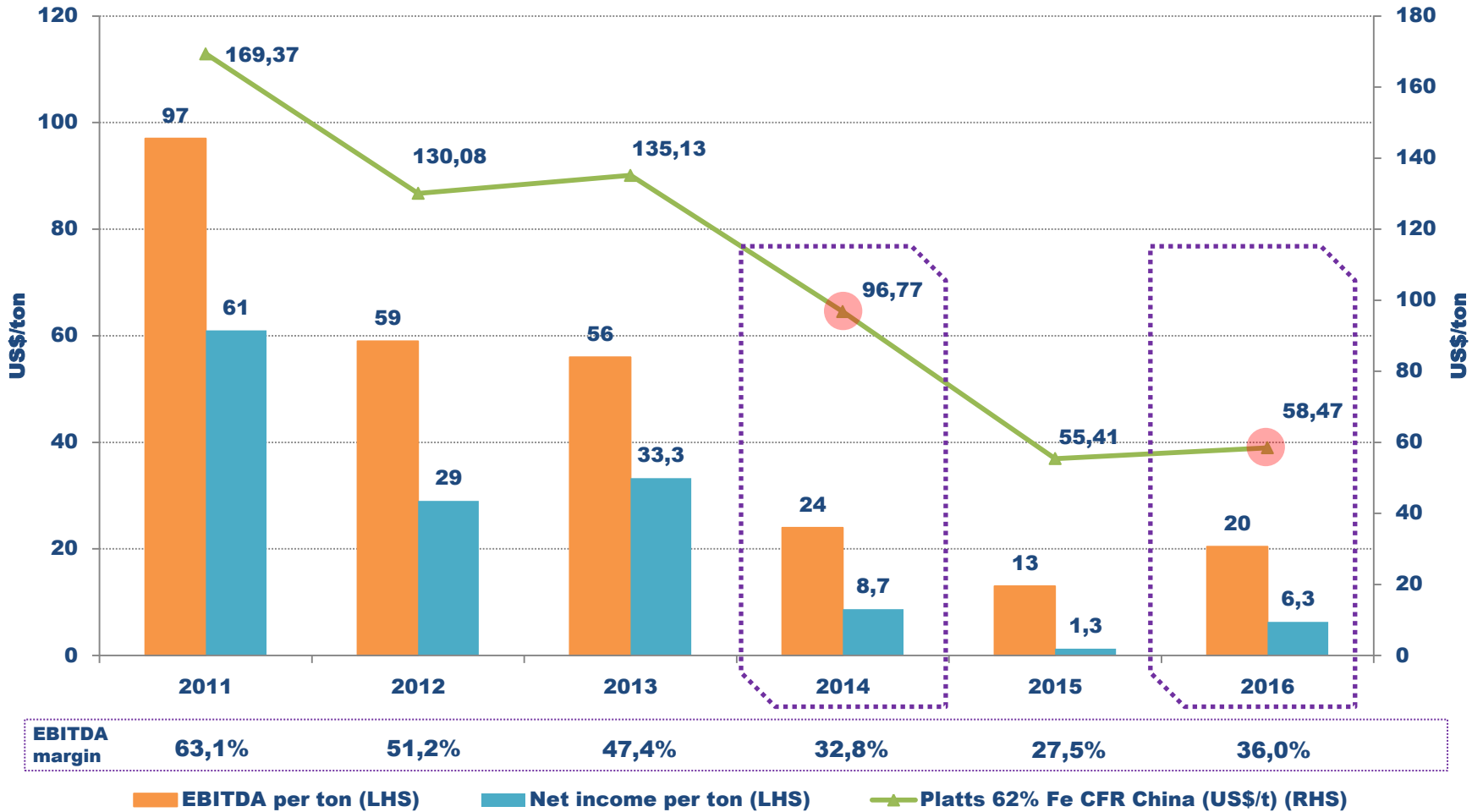


USD Million	2010	2011	2012	2013	2014	2015	2016
Sales	1.271	1.770	1.406	1.431	942	662	949
EBITDA (L12M)	782	1.116	720	678	309	182	342
EBITDA Margin	61,5%	63,1%	51,2%	47,4%	32,8%	27,5%	36,0%
Net Income	902	700	355	402	113	19	106
Cash	558	501	205	46	50	177	180
Gross Financial debt	-	-	-	159	483	709	535
Net Financial debt	(558)	(501)	(205)	113	433	532	354
Capex	121	222	655	911	299	31	18
Net Financial Debt /EBITDA	-	-	-	0,17	1,40	2,92	1,04
Iron Ore Shipments (Th tons)	10.213	11.469	12.246	12.086	12.952	14.327	16.757
Platts 62% Fe CFR China (US\$/t)	146,82	169,37	130,08	135,13	96,77	55,41	58,47

EBITDA contribution per business



CMP – Continuous optimization and flexibility leads to improved results in spite of significantly lower prices





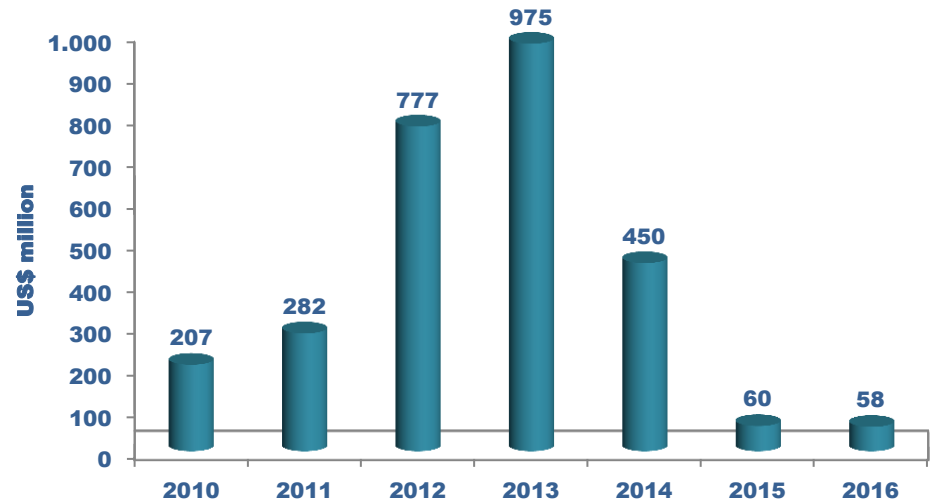
Business outlook

Protecting CAP's cash flow and liquidity levels



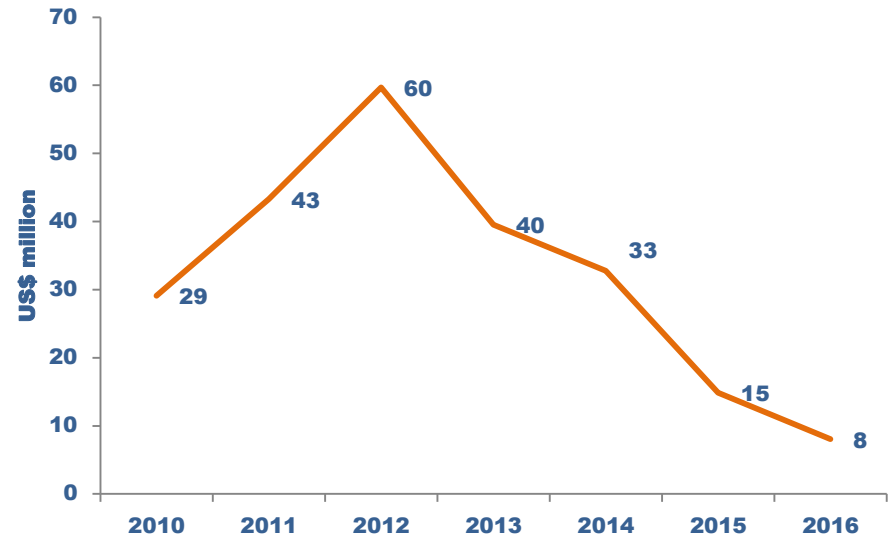
Investment rate has followed a slower pace for the last two years, reaching **US\$60 million in 2015 and US\$58 in 2016**, mainly related to maintenance CAPEX

Capex for 2017 would reach an amount of approximately US\$120 million, explained by the addition to maintenance Capex of investments in port infrastructure to handle copper shipments



Drilling and exploration expenses reduction

- Expenses have averaged US\$30 million per year during the last 5 years.
- As of December 2016, this concept amounted to approximately US\$ 8 million



Growth potential in ports



Value creation in Las Losas port

Las Losas port is a **multi purpose port located in Huasco**. It has a capacity of 2 million tons per year.

Its management has been looking for new businesses to improve the utilization rate, signing contracts with **fruit producers to ship their products to USA**, and with **power companies to unload wind mill towers** for their projects in Chile.

Las Losas will be also available to **give services to copper projects** that don't have access to ports and need to export their mineral to China and other destinations.

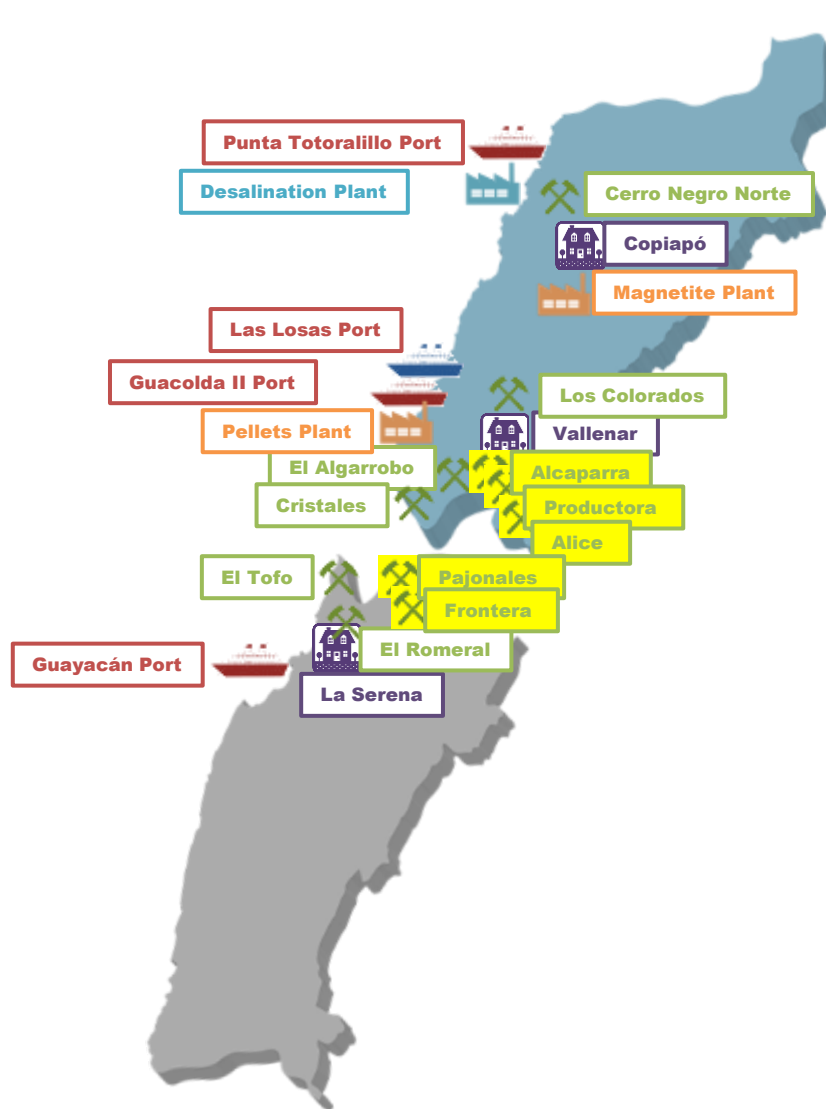


Value creation in Punta Totoralillo port

- Punta Totoralillo is an iron ore automatized port, which provides services to Cerro Negro Norte mine and the Magnetite plant located around the city of Copiapó. It has a capacity of 12 million tons per year.
- A **take-or-pay contract with Caserones copper mine** was recently signed in November 2016 for **handling and shipping its copper production**, thus, investments are on its way to develop the capabilities of the port towards copper shipments



Efforts for growth and value creation – Diversifying to copper



Productora

- Pre feasibility study underway

Alice

- Broadening scope together with Productora

Pajonales/Frontera

- Future prospects

Under current market conditions, the protection of the company's cash flow and liquidity levels continues to be of the utmost importance. However, the stronger financial position achieved by CAP allows for the consideration of new investment opportunities

Cost reduction initiatives and productivity improvements continue to be at the center of management efforts

- **CAP Mining**

- Efficiency plans have resulted in significant cash cost reductions, which together with a high quality product mix are maintaining healthy margins
- Despite the potential volatility in the global environment, the company's improved operational productivity allows for the maintenance of a positive long term view

- **CAP Steel**

- Positive cash generation achieved, continuous cost cutting efforts applied towards profitability
- Antidumping duties attained from government authorities after providing evidence of unfair competition

- **CAP Steel Processing**

- Largest (and growing) flat steel processor in the Pacific coast of South America
- Transition to value added innovative solutions for industrial (electricity self-generation through photovoltaic warehouse roof designs) and residential construction

- **CAP Infrastructure**

- Stable business supported by long term contracts
- Growth in the port business

This information material may include certain forward-looking statements and projections provided by CAP S.A. (the “Company”) with respect to the financial condition, results of operations, cash flows, plans, objectives, future performance, and business of the Company. Any such statements and projections reflect various estimates and assumptions by the Company concerning anticipated results and are based on the Company’s expectations and beliefs concerning future events and, therefore, involve risks and uncertainties. Such statements and projections are neither predictions nor guarantees of future events or circumstances, which may never occur, and actual results may differ materially from those contemplated (expressed or implied) by such forward-looking statements and projections. No representations or warranties are made by the Company or any of its affiliates as to the accuracy of any such statements or projections. Whether or not any such forward looking-statements or projections are in fact achieved will depend upon future events, some of which are not within the control of the Company. Accordingly, the recipient of this material should not place undue reliance on such statements. Any such statements and projections speak only as of the date on which they are made, and the Company does not undertake any obligation, and expressly disclaims any obligation, to update or revise any such statements or projections as a result of new information, future events, or otherwise



J.P.Morgan



Southern Cone & Andean Opportunities Conference
April 2017 – Santiago, Chile