



Southern Copper Corporation September, 2014





I. Introduction



Management Presenter

Presenter

Title

Raul Jacob

▶ Vice President, Finance & CFO

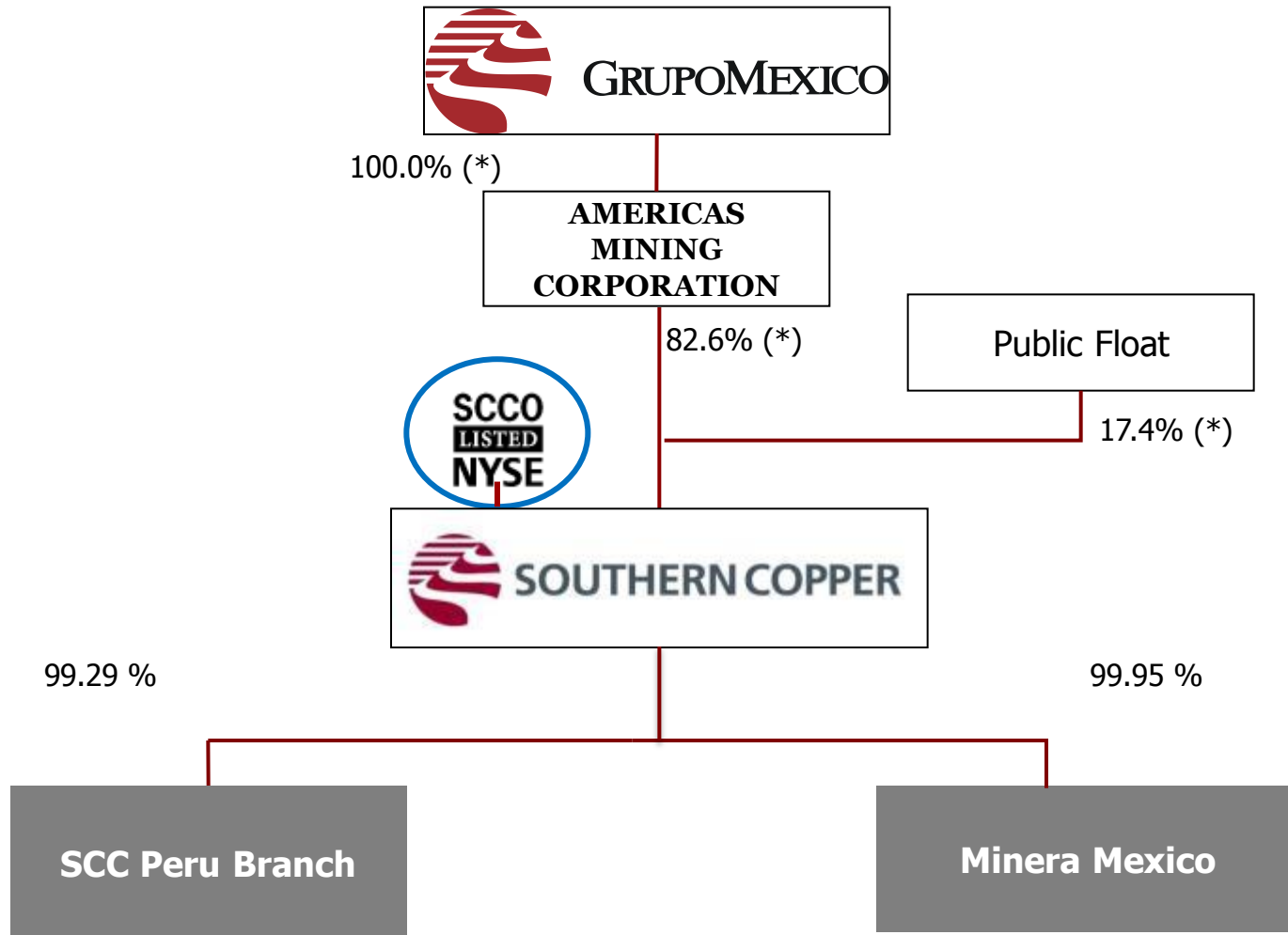
Victor Pedraglio

▶ Financial Planning Manager & IR

Safe Harbor Statement

This presentation contains certain statements that are neither reported financial results nor other historical information. These estimates are forward-looking statements within the meaning of the safe-harbor provisions of the Mexican securities laws. These forward-looking estimates are subject to risk and uncertainties that could cause actual results to differ materially from the expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond Grupo Mexico's ability to control or estimate precisely, such as future market conditions, commodity prices, the behavior of other market participants and the actions of governmental regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Grupo Mexico does not undertake any obligation to publicly release any revision to these forward-looking estimates to reflect events or circumstances after the date of this presentation.

Corporate Structure



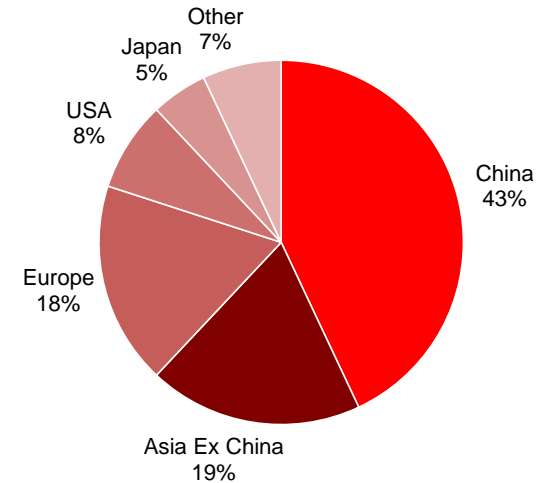
(*) As of August 1, 2014

Copper – The Best Fundamental Story in Commodities

Solid Fundamentals

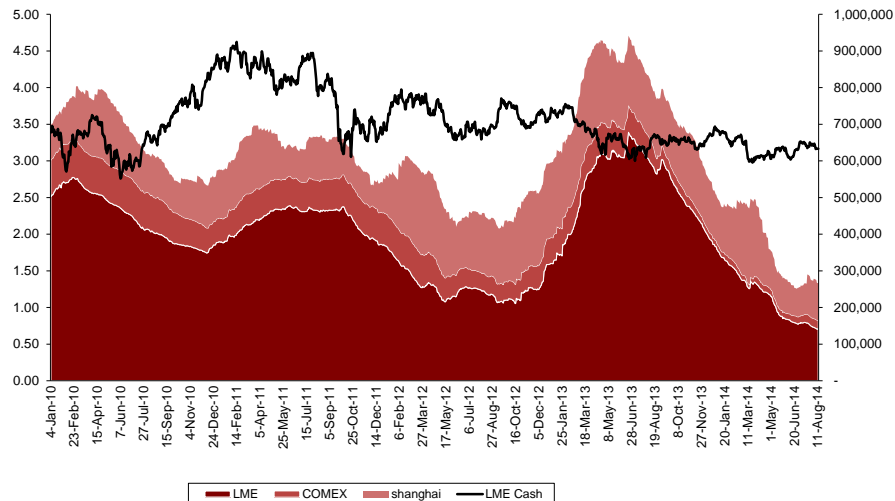
- ▶ Copper has the best fundamentals in the basic materials space:
 - Asia represents over 60% of world demand (China=41% and could reach 45% in 5 years)
 - China and EM countries will continue growing, at a lesser pace, but still substantial.
 - Additional production expected 2014-2015, will be partially offset by restocking in US and Europe, ore grade decay and scrap scarcity.
 - Macroeconomic tailwind due to synchronized growth of US, EU and Japan. Together, they represent over 54% of world's economy and 31% of direct copper demand.

Copper Consumption by Region

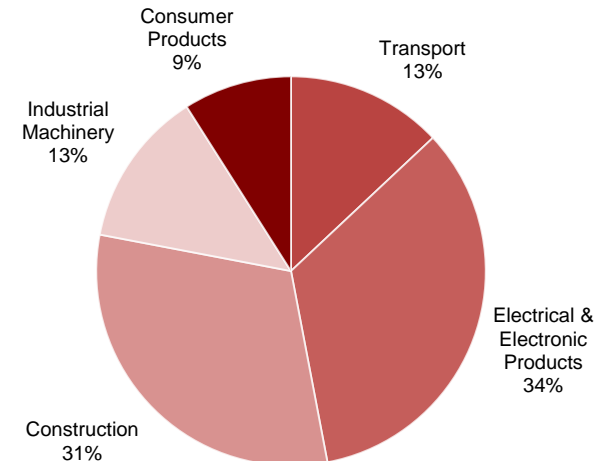


CRU Jan 2014

LME Copper Cash Price vs. Inventories



Copper Consumption by End-use



Brook Hunt Dec. 2012

Southern Copper Strengths

- ▶ Highest copper reserves of the industry
- ▶ Excellent organic growth projects
- ▶ Low cost, fully integrated operations
- ▶ Experienced management team
- ▶ Strong financial performance / investment grade
- ▶ Outstanding dividend history
- ▶ Good long-term copper & molybdenum fundamentals



II. Overview of Operations



Company Overview

Copper Reserves ¹: 67.6 mmt

2013 Cash Cost: \$ 1.00/lb.

2014 Estimates:

Copper Production: 672 kt

Sales: \$ 6.3 B

EBITDA: \$ 3.2 B

50% of Sales

1H 2014 Cash Cost \$ 0.97/Lb.

#1 copper company by reserves ²

#6 copper producer ³

#12 copper smelter ³

#9 refinery ³

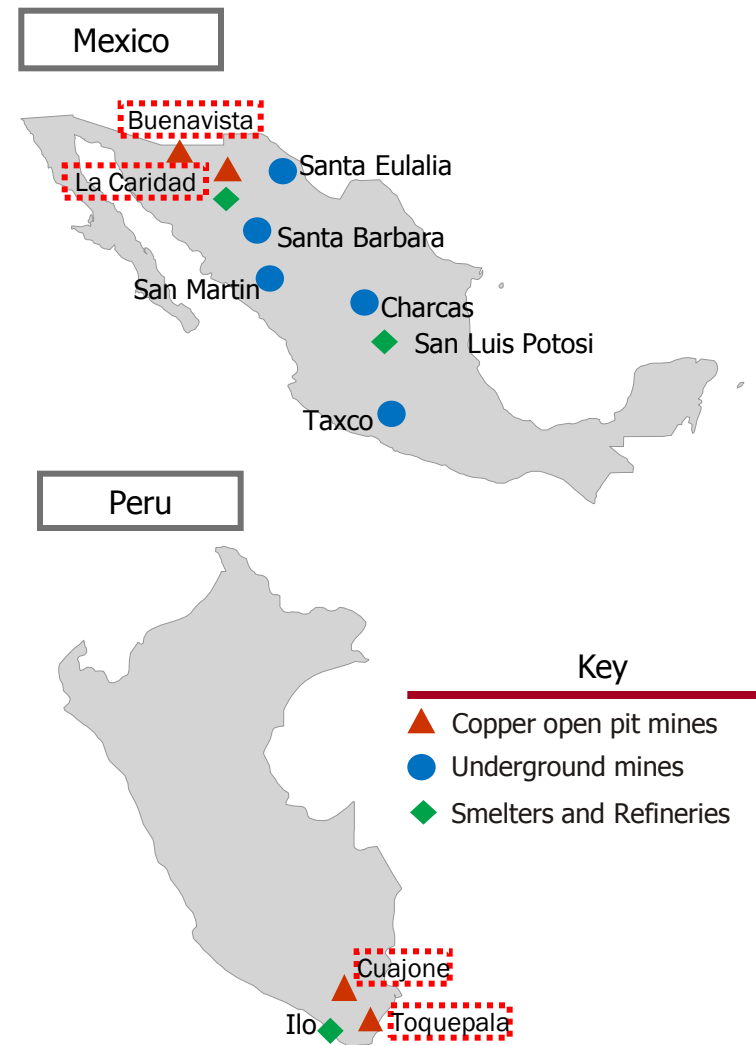
Source: Company Filings

Notes:

1 Copper contained in reserves based on US\$2.00 per pound of copper as of December 31, 2013

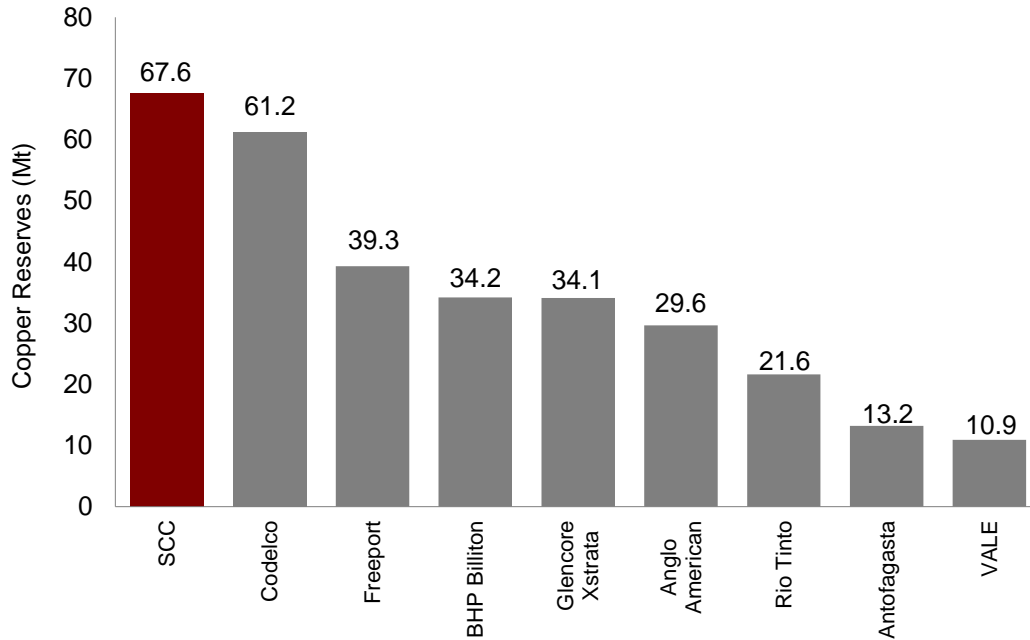
2 Based on available companies reports

3 Wood Mackenzie Limited 2013



World's Largest Copper Reserves

Copper Reserves as Reported

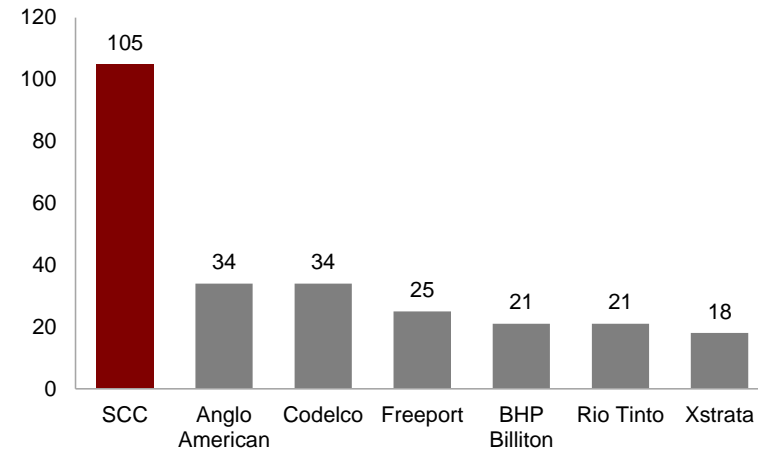


Source	10K	Annual Rep.	10K	20F	Reserve Rep.	Annual Rep.	Annual Rep.	20F	Annual Rep.
Period	Dec.31, 2013	Dec.31, 2013	Dec.31, 2013	Jun.30, 2013	Dec. 31, 2013	Dec.31, 2013	Dec. 31, 2013	Dec. 31, 2013	Dec. 31, 2013
Cu Price	\$2.00	N/A	\$2.00	\$3.68	N/A	N/A	N/A	\$3.00	\$3.64

SCC Highlights

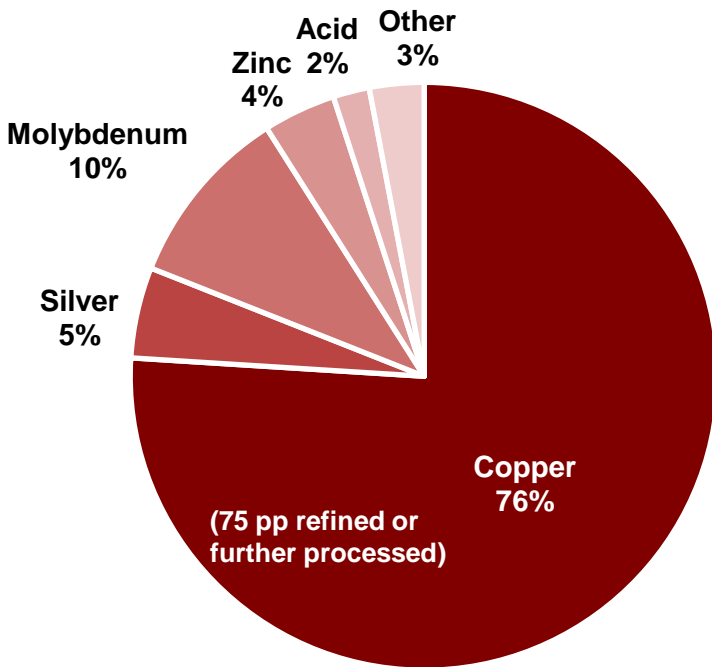
- ▶ #1 mine life among copper producers
- ▶ #6 world's largest producer of mined copper
- ▶ Highly diversified geographical presence
- ▶ Four large-scale open-pit mines

Mine Life

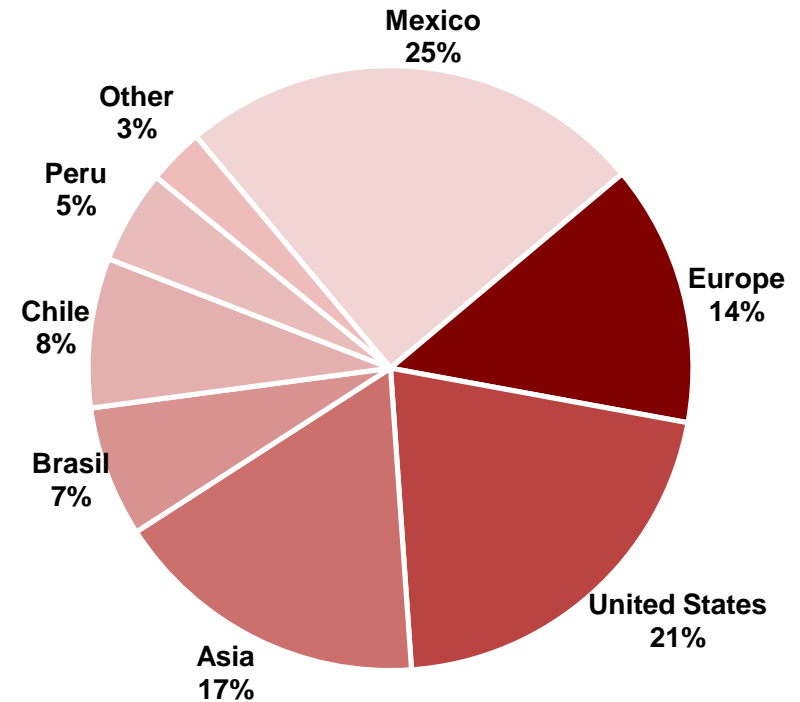


Geographic Footprint & Product Diversification

1H 2014 Revenue by Product

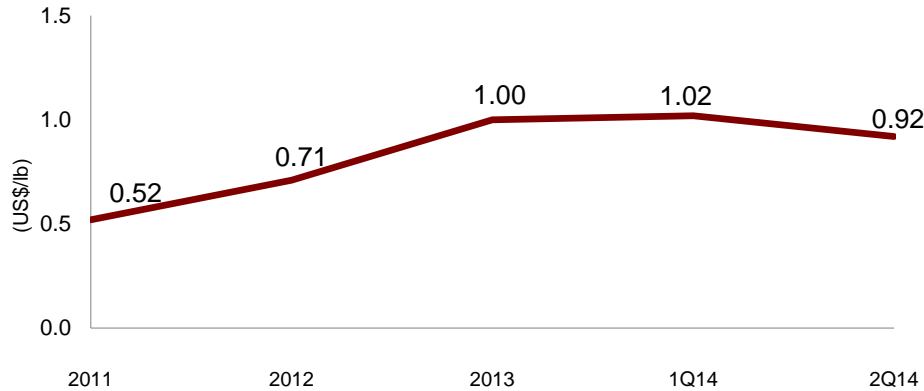


1H 2014 Revenue by Market

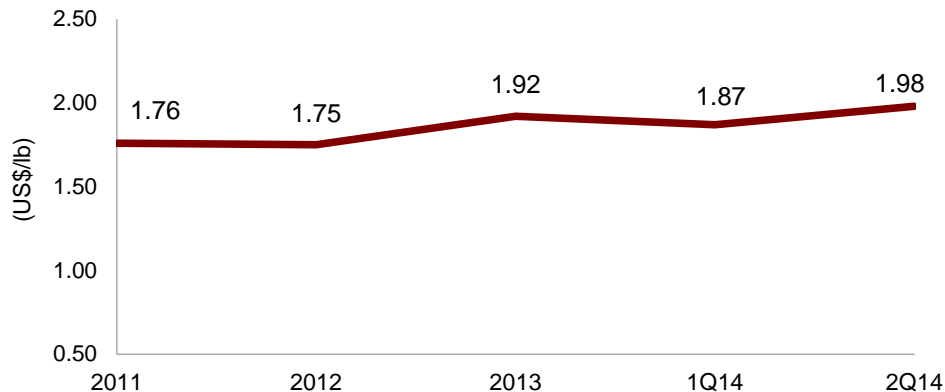


Low Cost Operations

Cash Cost per Pound of Copper Produced Net of By-Products



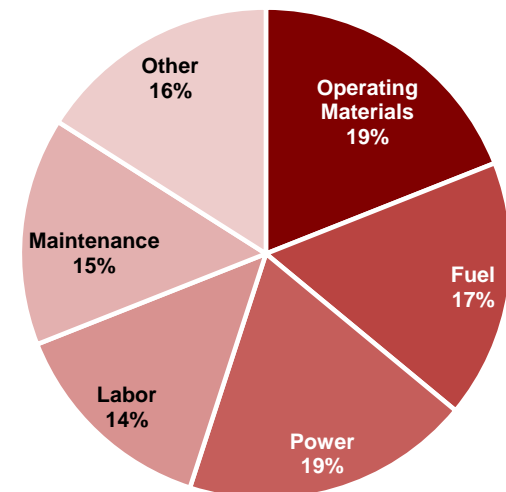
Operating Cash Cost per Pound of Copper Produced



Low Cost Drivers

- ▶ Fully integrated low cost operations
- ▶ World class assets
- ▶ Significant SX-EW production
- ▶ Strong by-product credits
- ▶ Management focus on cost efficiency

Cost Structure ⁽¹⁾



(1) 1H 2014



III. Financial Overview



SCC Financial Summary

(US\$ MM)	2012	2013	LTM 2014	1H 2014
Copper Price (LME) US\$ per pound	3.61	3.32	3.18	3.13
Income Statement:				
Net Revenues	\$6,669	\$5,953	\$5,761	\$2,842
EBITDA	3,456	2,954	2,780	1,377
EBITDA Margin	52%	50%	48%	48%
Net Income	1,935	1,624	1,411	661
Dividends paid per share	4.06	0.68	0.46	0.22
Balance Sheet Statement:				
Cash & Equivalents	\$2,459	\$1,673	\$1,335	\$1,335
Total Assets	10,384	11,210	11,508	11,508
Total Debt ¹	4,214	4,205	4,205	4,205
Total Liabilities	5,595	5,649	5,531	5,531
Total Shareholders' Equity	4,765	5,534	5,947	5,947
Cash Flow Statement:				
Capital Expenditures	\$1,052	\$1,703	\$1,700	\$699
Free Cash Flow ²	952	154	(58)	(17)
Dividends paid to common shareholders	3,140	574	385	183
Total Debt / EBITDA	1.1x	1.4x	1.5x	1.5X

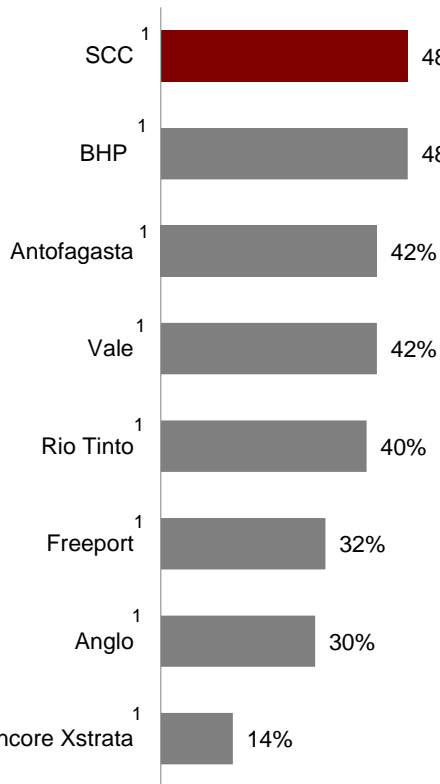
¹ Includes short-term and long-term debt

² Free Cash Flow defined as net cash from operating activities less capital expenditures.

Solid Financial Performance

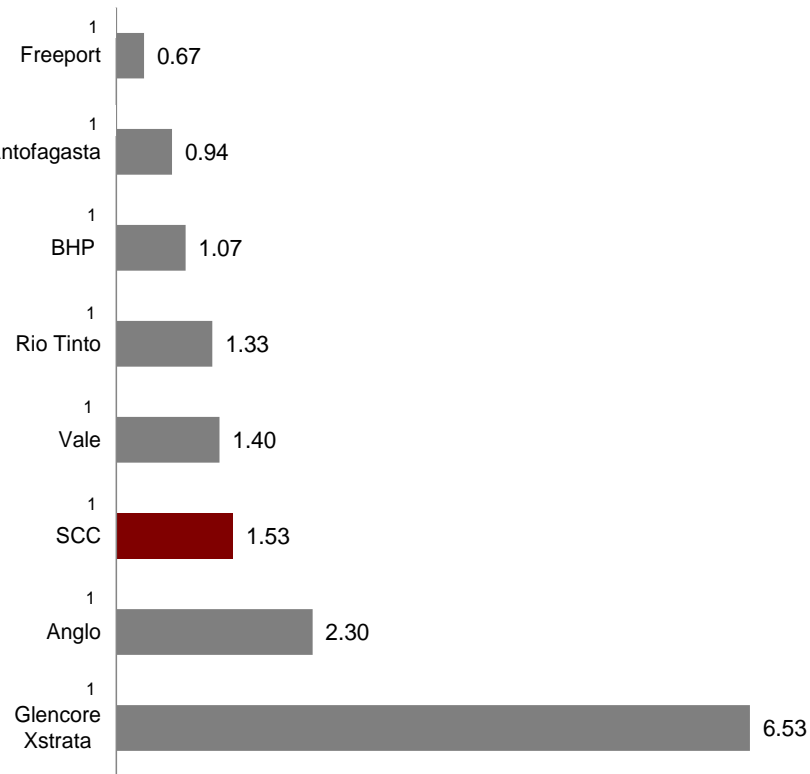
Top Tier Margins and Conservative Leverage for Increased Financial Flexibility

1H 2014 EBITDA Margin (%)



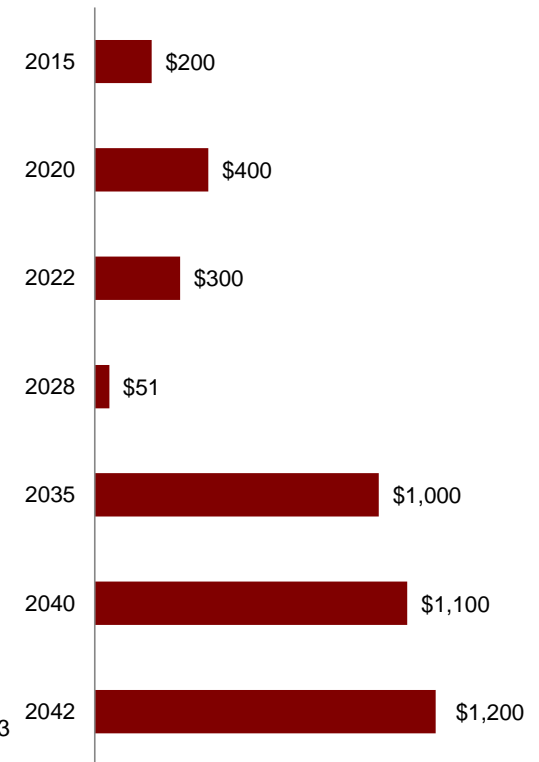
Source: Company Reports
1 1H 2014

1H 2014 Total Debt / EBITDA (x)



Source: Company Reports
1 1H 2014

No Amortizations Until 2015



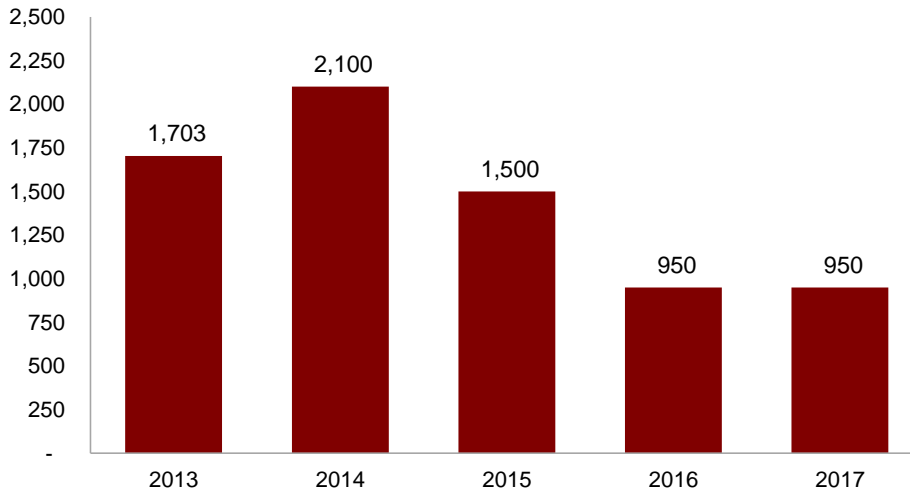
Investment Program to Significantly Increase Production

Board approved

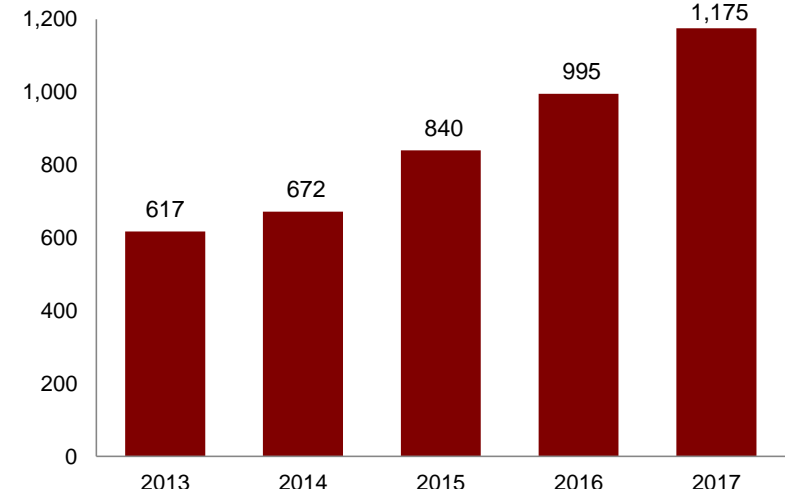
Other projects

Board approved		Other projects	
<p>2013-14</p> <p>Buenavista Molybdenum Plant 3Q13 - \$38M - 2K Tons Mo</p> <hr/> <p>Cuajone: Variable Cut-off Grade + HPGR 2H13 - \$158M - 22K Tons Cu, 0.7K Tons Mo</p> <hr/> <p>Buenavista SX/EW III 2Q14 - \$444M 120K Tons Cu</p>	<p>2015-16</p> <p>Buenavista:</p> <ul style="list-style-type: none"> - Concentrator Plant 1H15 - \$1.4B - 188K Tons Cu, 2.6K Tons Mo - Mine equipment \$505M <hr/> <p>Toquepala Concentrator Expansion 4Q16 - \$1.05B - 100K Tons Cu , 3.1K Tons Mo</p> <hr/> <p>Angangueo Polymetallic Mine – 1H15 - \$175M - 10.4K Tons Cu, 7K Tons Zn, 4K Tons Pb, 2.4M Oz Ag</p> <hr/> <p>Tía María SX/EW 4Q16 – \$1.4B - 120K Tons Cu</p>	<p>Buenavista Zinc Conc. 2016 - \$332M 16K Tons Cu - 55K Tons Zn</p> <hr/> <p>Los Chalchihuites 2016 - \$140M, 26K Tons Cu</p> <hr/> <p>El Arco Conc & SX/EW 2017 - \$2.6B – 190K Tons Cu, 105K Oz Au</p> <hr/> <p>Empalme Cu Smelter 2017 - \$812M – 350K Tons Cu Cont. Copper Refinery 2017 - \$318M 350K Tons Cu Cont. Zinc Refinery - \$600M – 120K Tons Zn</p>	<p>Los Chancas. - \$1.2B - 100K Tons Cu, 7.5K Tons Mo</p> <hr/> <p>Cuajone Concentrator Expansion - \$500M – 50K Tons Cu, 0.7 Tons Mo</p> <hr/> <p>Ilo Smelter & Refinery Expansion</p>

2013-2017 Capex Program Overview (MM)



2013-2017 Copper Production Forecast ('000 MT Cu)



SCC's Major Strengths

SCC is the Premier Copper Play

- **World class assets in investment grade countries**
- **#1 in reserves** of any company with various exploration prospects
 - Increasing copper production
- **Capacity to deliver projects through flexible capital structure and significant cash generation capability**
- **Fully integrated low cost operations**
 - Strategic investments focused on cost competitiveness
- **Outstanding dividend history**
- **Experienced management with proven track record**

