



## 2. Southern Copper Corporation

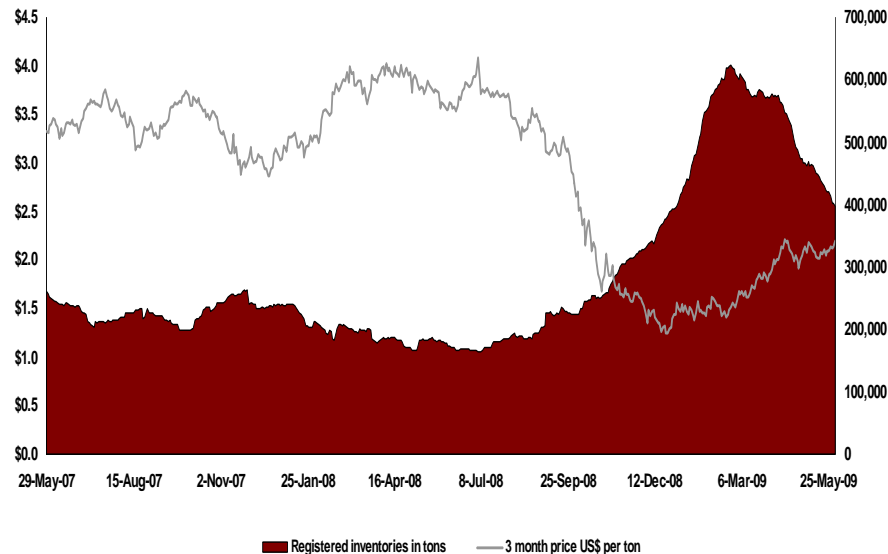


# Metal Market

## Copper

- Strong Chinese demand growth allied with gradually global economic recovery.
- Further Industrialization & Urbanization of Asian countries will lead to higher demand.
- Inventories under pressure at low levels.
- Underlying fundamentals of Copper business remain positive.

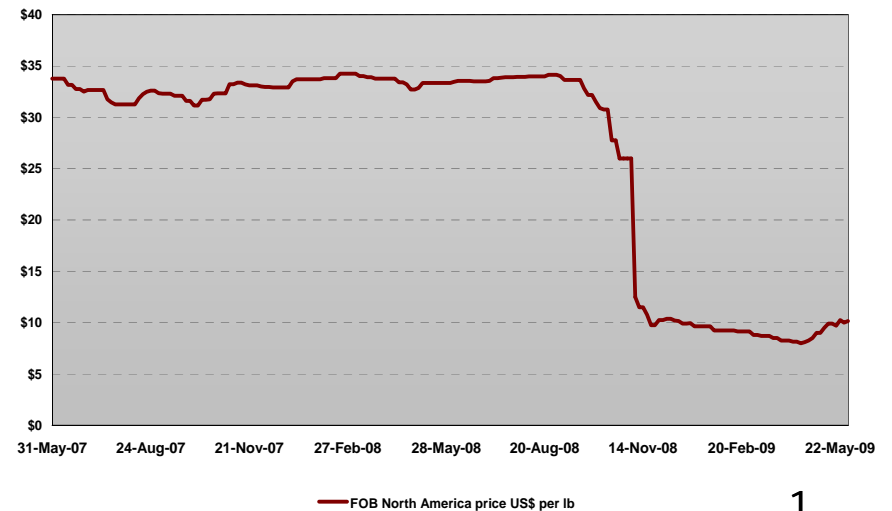
LME, Comex & Shanghai Copper Cash Price vs. Inventories



## Molybdenum

- Important by-product of the copper mining industry used principally as an alloy in stainless steels.
- Cyclical weakness in demand but strong underlying consumption growth in stainless steel expected.
- Production cuts have put a floor around USD 10/lb

Molybdenum Prices

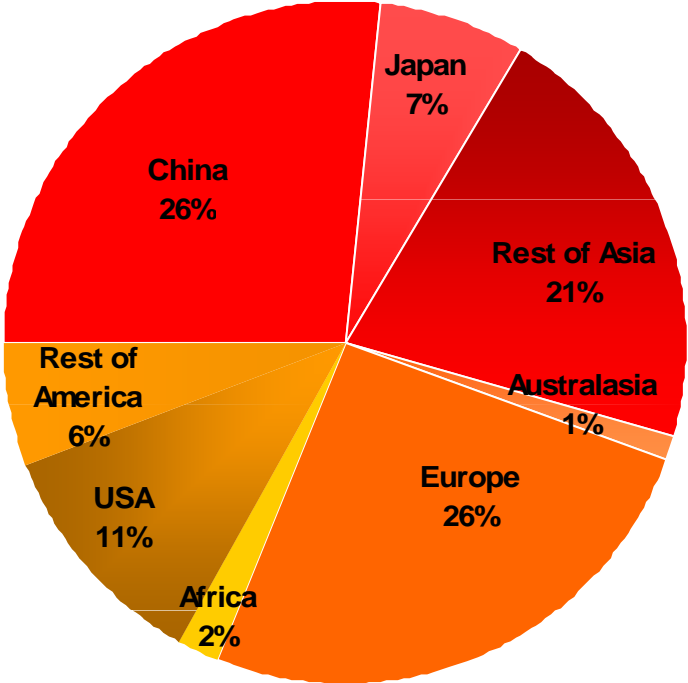


# Copper Plays Strong Role in Infrastructure

## 2008 World Copper Consumption by Region

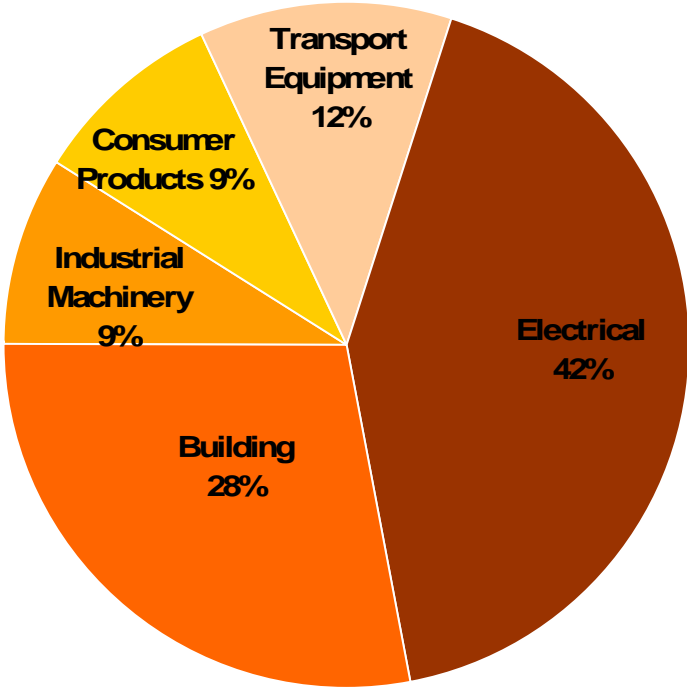
(000 Tonnes)

World Consumption: 18,157  
World Production: 18,077  
Balance: (81)



Source: CRU Feb 2009

## 2008 World Refined Copper Consumption by End-use

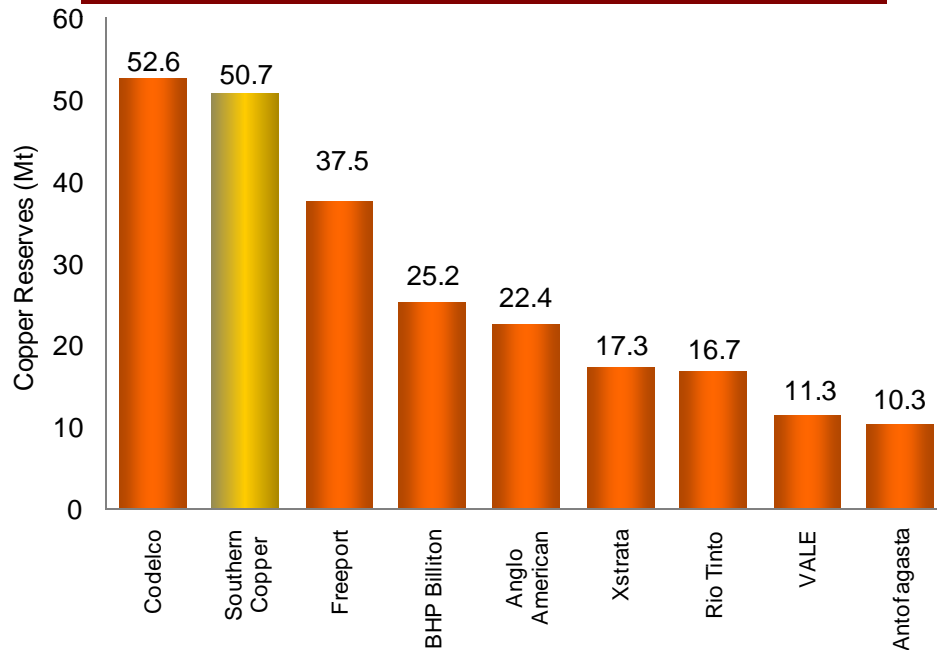


Source: AME, Brook Hunt & Calyon Estimates

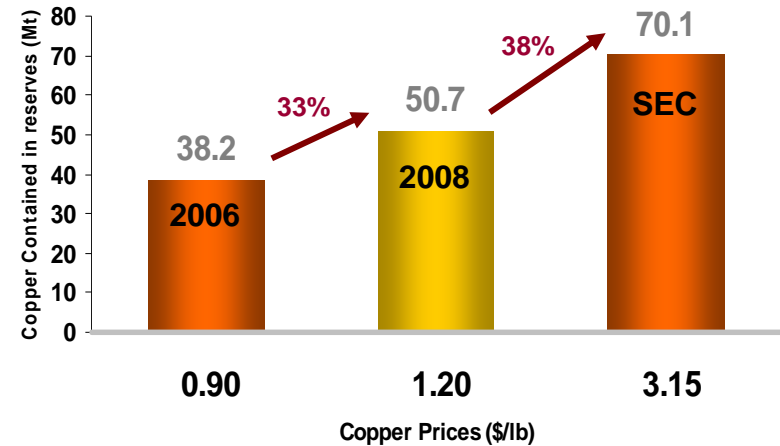
# Long Life Reserves

- ▶ **World's largest copper reserves of any publicly traded company**
- ▶ **Strong capacity expansion plans**
  - Lower capital needs for reserve replenishment will translate into additional capital to fund growth

## Main Copper Reserves



## SCC Copper Reserves



Source	Annual Rep.	10K	10K	20F	Annual Rep.	Reserve Rep.	20F	Annual Rep.	Annual Rep.
Period	08/12/31	08/12/31	08/12/31	08/06/30	08/12/31	08/06/30	08/12/31	08/12/31	08/12/31
Cu Price	\$1.68	\$1.20	\$1.60	\$2.00	\$1.15	N/A	\$3.01	N/A	\$1.90

# Geographic Footprint & Product Diversification

## Southern Copper

### Mexico



### Peru

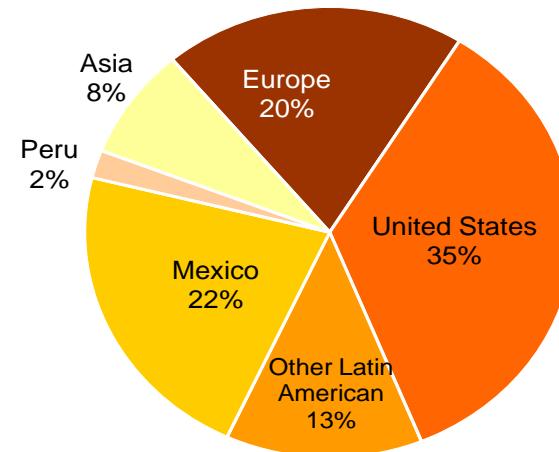
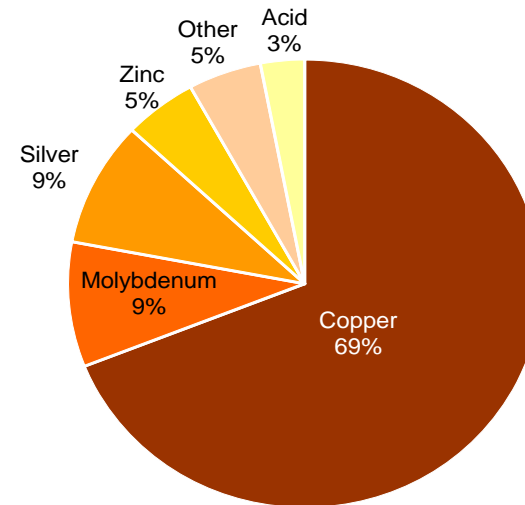


For the LTM March 2009  
Copper Production: 481 kt

#### Key

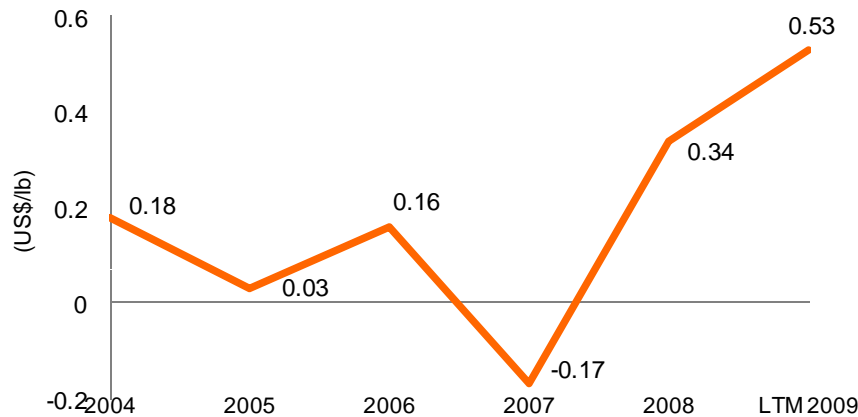
- ▲ Mines
- ◆ Smelters and Refineries
- Projects

## 1Q 2009 Revenue by Product & Market

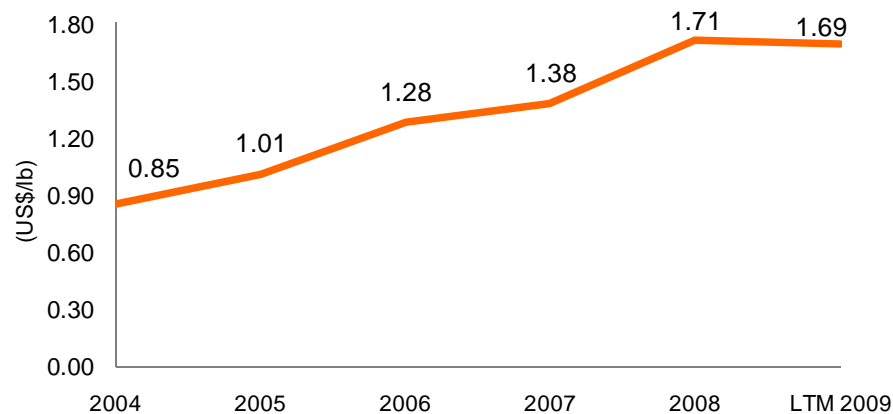


# Low Cost Operations

## Cash Costs per pound of Copper Produced Net of By-Products



## Operating Cash Cost per Pound of Copper Produced

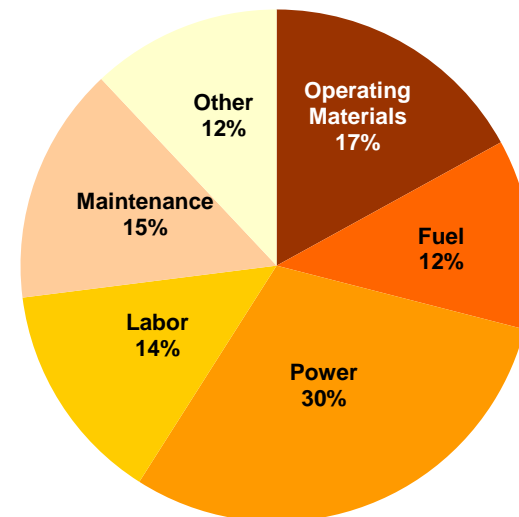


LTM as of March 31, 2009

## Low Cost Drivers

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

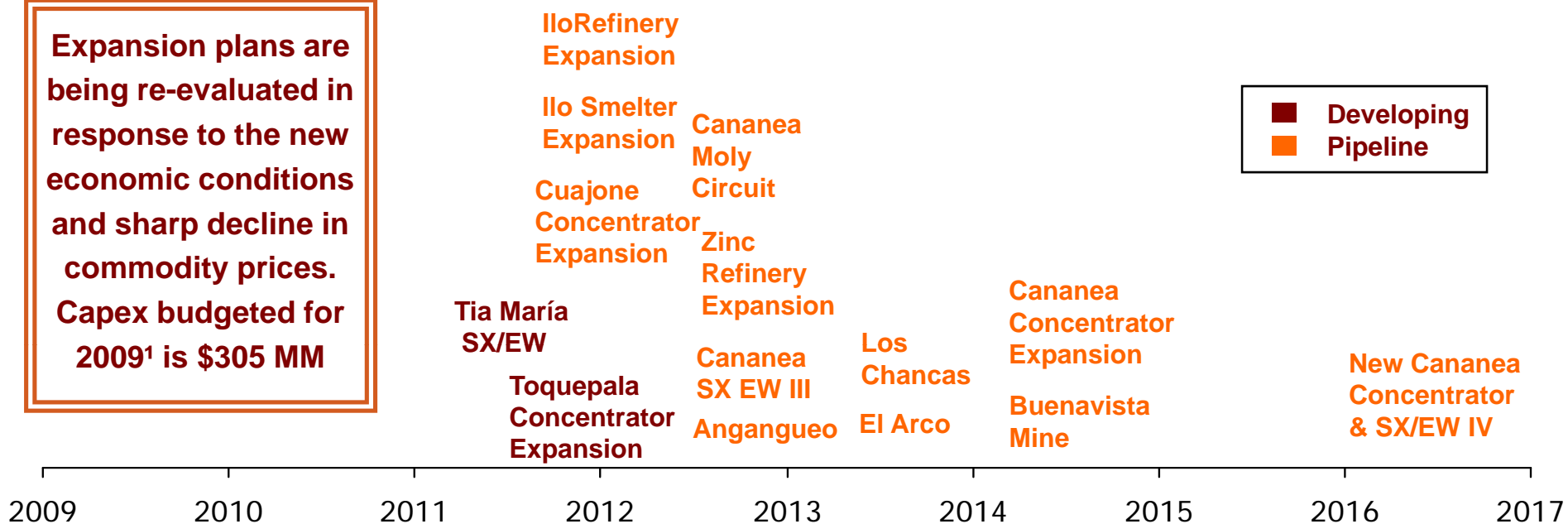
## Cost Structure



LTM as of March 31, 2009

# Expansion Projects

Expansion plans are being re-evaluated in response to the new economic conditions and sharp decline in commodity prices. Capex budgeted for 2009<sup>1</sup> is \$305 MM



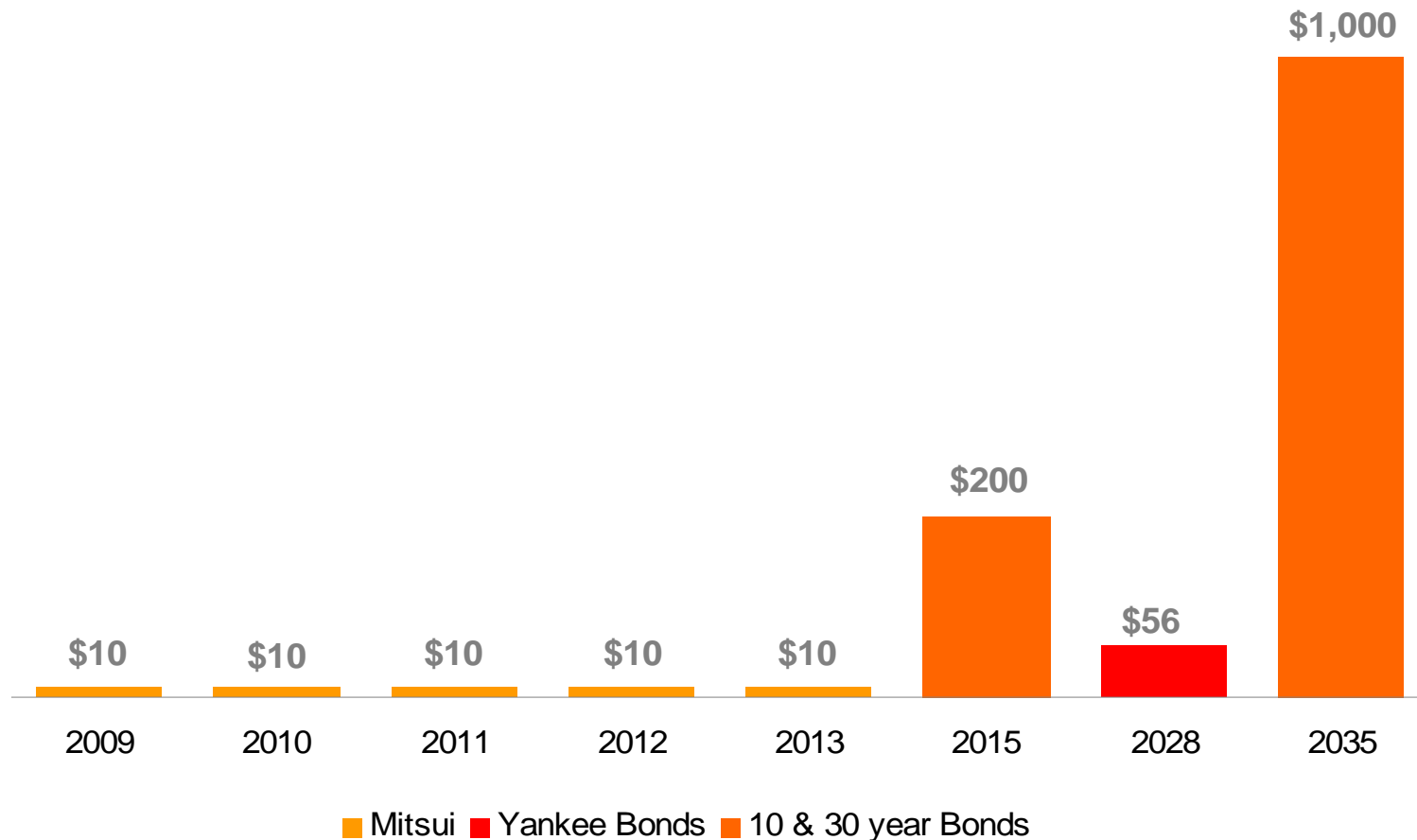
Projects Under Development			
Projects	Capex Investment (US\$MM)	Production Target Date	Production Capacity
Tía María SX EW	\$934	3Q-2011	Copper: 120 ktpy
Toquepala Concentrator Expansion	\$600	2Q 2012	Copper: 100 ktpy Moly: 3.1 ktpy

Notes:  
1. See Safe Harbor Statement.

# SCC Debt Amortization Schedule

Millions of USD as of December 31, 2008

**Strong liquidity & no significant amortizations due until 2015**





# SCC's Major Strengths

- ▶ **World-class reserves and exploration prospects**
  - Increase copper production, reserves and continue exploration
  - Growth financed with internal cash generation after optimizing the debt structure
- ▶ **Fully integrated low cost operations**
  - Strategic investments focused on cost reduction
  - Secure long term energy contracts at competitive prices
- ▶ **Flexible capital structure to undertake expansion projects**
- ▶ **Exposure to strong copper fundamentals and strong by-products credits**
- ▶ **Outstanding dividend history**

# SCC Financial Summary

(US\$ MM)	2006	2007	2008	LTM 2009 <sup>3</sup>
<b>Copper Price (LME) US\$ per pound</b>	<b>3.05</b>	<b>3.23</b>	<b>3.16</b>	<b>2.66</b>
<b>Income Statement:</b>				
Net Revenues	\$5,460	\$6,086	\$4,851	\$3,974
<b>EBITDA</b>	<b>3,316</b>	<b>3,766</b>	<b>2,546</b>	<b>1,830</b>
EBITDA Margin	61%	62%	52%	46%
Interest Expense	113	123	106	103
Net Income	2,038	2,216	1,407	920
Dividends paid per share	1.71	2.27	1.94	1.59
<b>Balance Sheet Statement:</b>				
Cash & Equivalents	\$1,023	\$1,409	\$717	\$291
Total Assets	6,376	6,581	5,764	5,364
<b>Total Debt<sup>1</sup></b>	<b>1,528</b>	<b>1,450</b>	<b>1,290</b>	<b>1,290</b>
Total Liabilities	2,696	2,716	2,369	2,059
Total Shareholders' Equity	3,667	3,848	3,381	3,291
<b>Cash Flow Statement:</b>				
Capital Expenditures	\$456	\$316	\$517	\$530
Free Cash Flow <sup>2</sup>	1,604	2,388	1,204	495
Dividends paid to common shareholders	1,509	2,002	1,711	1,398
<b>Key Ratios</b>				
<b>Net Debt / EBITDA</b>	<b>0.2x</b>	<b>0.01x</b>	<b>0.2x</b>	<b>0.5x</b>
<b>EBITDA / Interest Expense</b>	<b>29.3</b>	<b>30.6</b>	<b>24.0</b>	<b>17.8</b>

1 Includes short-term and long-term debt

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

3 Last twelve months as of March 31, 2009

# 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.