

**SOUTHERN COPPER CORPORATION**

**Moderator: Raul Jacob**  
**July 22, 2009**  
**9:00 am CT**

Operator: Good morning and welcome to Southern Copper Corporation's second quarter 2009 earnings conference call. With us this morning we have Southern Copper Corporation, Mr. Genaro Guerrero, Chief Financial Officer; and Mr. Raul Jacob, Manager of Financial Planning and Investor Relations, who will discuss the results of the company for the second quarter and answer any questions that you might have.

The information discussed on today's call may include forward-looking statements regarding the company's results and prospects, which are subject to risk and uncertainty.

Actual results may differ materially and the company cautions do not place undue reliance on these forward-looking statements.

Southern Copper Corporation undertakes no obligation to publicly update, to revise any forward-looking statement, whether as a result of new information, future events or otherwise. All results are expressed in full U.S. GAAP.

Now I will pass the call onto Mr. Raul Jacob.

Raul Jacob: Thank you very much, (Marlene), and thank you everyone again for joining us for the second quarter 2009 Southern Copper earnings conference call.

Participating in today's conference are Mr. Oscar Gonzalez Rocha, the company's CEO, and Mr. Genaro Guerrero, Southern Copper's CFO. Mr. Guerrero will now lead the conference.

Genaro Guerrero: Good morning, everyone, and welcome to our conference. Today I will cover Southern Copper's production, sales, operating cost, financial results and capital spending program. After that, we will open the session for questions.

During the second quarter 2009, we have seen a partial recovery in the prices of copper, molybdenum, zinc and silver, which are the most important commodities produced by Southern Copper.

The LME 2009 second quarter average copper price was \$2.12 per pound, 45 percent lower than the \$3.83 per pound average for the same quarter of 2008, but 36 percent higher than the prior quarter.

A major driver for the better copper prices in the second quarter '09 has been the significant demand recovery of China. We think that this process will be reinforced with more positive news regarding economic growth from China as well as other emerging economies. As you know, economic growth in these economies results in higher metal demand growth due to the intensity of their metal use.

We believe that there are initial signals of end of the recession for the U.S. and European economies.

An encouraging sign regarding to the copper market is the availability of metal inventories when compared to copper consumption. Currently, there are about eight days of consumption covered by copper inventories at the major LME and Comex warehouses of London, Shanghai and the USA. This figure was 32 days, four times higher, in the 2001/2002 recession.

We believe that when demand recovers, supply will underperform and it did in recent years, giving support to prices over \$2 in fourth quarter '09 and 2010.

Southern Copper's second quarter '09 mine copper production was 119,000 tons, 2 percent higher than the second quarter of 2008. It is important to note that, excluding 3K tons of Cananea production from the 2Q08, all other Southern Copper operating units have increased their production in the second quarter 2009.

La Caridad and IMMSA copper production increased by 9 percent and 5 percent respectively.

The Peruvian operations of Cuajone and Toquepala increased copper production by 3 percent.

Smelting production was 2 percent higher this quarter than in the second quarter 2008. It is worth mentioning that during the second quarter 2009, the Ilo smelter copper concentrate throughput was 298,146 tons, the highest smelted production obtained in a quarter. This was achieved because in June 2009, the concentrate throughput reached a monthly record of 114,375 tons.

At this point, we are changing our guidance for 2009 to 490,000 tons of copper sold in 2009.

Molybdenum prices averaged \$9.10 per pound for the second quarter 2009, 72 percent lower than the second quarter 2008 and 4 percent higher than the first quarter 2009.

Molybdenum production was 4,400 tons in the second quarter '09 compared with the 3900 tons in the comparable 2008 period. The increase of 13 percent was due to higher ore grade and recovery at La Caridad mine, whose production increased by 44 percent, and higher recovery at Cuajone mine, where production increased by 8 percent.

The company maintains its production and sales guidance of 18,000 tons for 2009.

Regarding zinc in the second quarter '09, the LME price averaged 67 cents per pound, 30 percent lower than the second quarter 2008 but 26 percent higher than the first quarter 2009.

Zinc mine production remained stable in the second quarter '09. Refined zinc production increased by 6 percent to 25,900 tons compared with 24,500 tons in the second quarter 2008. The refined production increase was the result of the improved performance of the San Luis Potosi zinc refinery.

The company is increasing its 2009 estimated sales for zinc from 101,000 to 105,000 tons.

Silver COMEX prices in the second quarter 2009 averaged \$13.75 per ounce, 20 percent lower than the second quarter '08, but 9 percent higher than the first quarter in '09.

Silver mine production in the second quarter '09 increased 9 percent to 3.4 million ounces, compared with the second quarter 2008. Refined silver production for the second quarter '09 was 3.5 million ounces, 33 percent higher than in the second quarter 2008 due to the better performance of the La Caridad and IMMSA refineries.

The company is maintaining its silver sales of 17 million ounces for this year.

Net sales for the second quarter were \$825 million compared to the \$1,462 million for the second quarter of 2008 and \$622 million for the first quarter 2009.

Copper sales volume increased by 7 percent when compared second quarter '09 with its 2008 equivalent. Molybdenum sales volume increased by 13 percent compared to its second quarter '08 level and by 10 percent when compared to the first quarter 2009.

Silver and zinc volume sold increased by 26 percent and 2 percent respectively when compared to second quarter 2008 volumes.

During the second quarter of 2009, we have had no material adjustment related to provisionally priced sales.

Total operating cost and expenses for the second quarter 2009 was \$521 million. This figure compares favorably with \$669 million in the second quarter 2008.

The cost reduction of \$148 million between this quarter and the second quarter 2008 includes:

Fuel cost reduction of \$11 million.

\$44 million reduction in Power cost tariffs.

Lower labor costs of \$7 million.

Workers participation decreased by \$58 million.

Mine royalties decreased by \$7 million.

Selling, administrative and exploration cost decreased by \$13 million

And depreciation as well as other costs and expenses reductions explain the remaining difference.

As a result of the mentioned sales and operating cost variances, the second quarter 2009 EBITDA was \$380 million or 46 percent of sales. This figure compares with the \$225 million in the first quarter in '09.

The company's second quarter '09 cash cost per band of copper produced before byproducts credit was \$1.50 per pound, 35 cents lower than the \$1.85 per pound for the same period of 2008.

Southern Copper operating cash cost including the benefit of byproduct credits was 51 cents per pound in the second quarter of 2009, 13 cents lower than the 64 cents registered at the first quarter 2009, a 20 percent reduction.

The very competitive cash cost achieved during the second quarter 2009 is mainly the result of higher byproduct credits. Higher volume of by products sold due to operational efficiencies, explained 4 cents of the 13 cents cost reduction. Better metal prices account for the remaining 9 cents difference.

The net earnings in the second quarter 2009 were \$175 million or diluted earnings per share of 21 cents compared with the \$548 million or diluted earnings per share of 62 cents in the second quarter 2008.

Southern Copper's capital spending programs have continued in the second quarter 2009. The company is currently is using internal funds for capital expending and carefully monitoring the use of resources to preserve cash.

The Tia Maria project, which includes the Tia Maria and the La Tapada deposits in the Peruvian region of Arequipa, is expected to produce 120,000 tons of SX/EW copper cathodes per year. The approved budget for the project is \$934 million. Through June 30, 2009, \$187.2 million has been spent on this project. The basic engineering works have been completed. Current work on the project includes the development of the detailed engineering, the commencement of fabrication of the main equipment and the environmental impact assessment, which was completed in June 2009 and presented to the Peruvian authorities for approval.

As of June 30, 2009, the company has expended \$72.8 million on the Toquepala concentrator expansion. Detailed engineering works are scheduled to start in the third quarter for this year and environmental impact study is currently being conducted and is expected to be completed in the fourth quarter of 2009.

Other capital project is the byproduct treatment plant at La Caridad metallurgical complex. This project is at 85 percent completion and it has been spent \$13.4 million. The first stage of the project to treat smelter dusts and effluents is in operation and the total completion of this facility is planned for September 2009.

The lime plant at Agua Prieta, which is 100 kilometers north of La Caridad, has been fully modernized to comply with environmental regulations and to meet the lime requirements of the Mexican operations. The new furnace will reduce the consumption of natural gas to 1/3 of its current level and cost will

be reduced by 45 percent. The operation is scheduled to start up in August 2009 with a total investment of \$20.8 million.

El Arco project, a world class copper deposit in the north part of Baja California peninsula, with estimated resources of over 1.3 billion tons of mineral. This project is expected to produce 190,000 tons of copper and 105,000 ounces of gold annually. Based on the approval of the Board of Directors, the company has contracted the basic engineering and is proceeding with the environmental study and land acquisition for this project.

In respect of Cananea strike, on April 14, 2009, the Mexican Federal Labor Court issued a resolution based on a force majeure, approving the termination of Cananea's labor relationships with individuals and unionized employees as well as the termination of its collective bargaining agreement with its employees and with the National Mining and Metal Workers Union. This ruling has been challenged before federal tribunals and it is expected that it will be resolved during the month of August.

The company, the state of Sonora and the Mexican federal government are working together to restore the necessary legal and safety conditions to resume operations at Cananea.

Regarding dividends, I would like to state again that it is the company's policy to review at each board meeting the capital investment plan, cash resources and expected future cash flow generation from operations in order to determine the appropriate quarterly dividend. Accordingly, on July 15, 2009, our Board of Directors authorized a dividend of 10 cents per share, approximately 50 percent of earnings per share. This dividend will be paid on September 2, 2009 to shareholders of record as of August 6, 2009.

I thank you very much, ladies and gentlemen, and now we would like to open the forum for questions. Thank you.

Operator: At this time, I would like to remind everyone in order to ask a question, please press star, then the number 1 on your telephone keypad. We'll pause for just a moment to compile the Q&A roster.

Your first question comes from the line of (George Beristain) from Deutsche.

George Beristain: Good morning...

Operator: Your line is open.

George Beristain: Good morning, gentlemen, it's George Beristain from Deutsche Bank. Just had a question related to your molybdenum output. We've seen quite a nice rally in moly prices lately and I just wanted to understand in speaking with other producers, they've said that they have the ability to deflect up their operation and get a little bit more moly out in the second half and I was wondering if you would also see a supply response from your company to the improvement in moly prices.

Raul Jacob: Hello, George, good morning. This is Raul Jacob.

George Beristain: Hi.

Raul Jacob: We are not increasing our molybdenum production. We are holding to the guidance that we have made. In general terms, we never reduced our plans when low prices came in.

We're seeing a better market for molybdenum for the coming months, but basically, we're sticking to our initial plan and as you know, our goal is to produce 18,000 tons of molybdenum for 2009.

George Beristain: Okay, and then you do comment on this in your press release, but we're still in a waiting pattern, then, to see the response of the appeal to the Mexican Labor panel regarding the Cananea strike? Is there any further color you could give us on when the expected date of the ruling is there in August?

Genaro Guerrero: Well, George, good morning. I will pass this to our counselor, Armando Ortega, and probably he - well, I'm sure that he can elaborate a little bit more in respect of Cananea and in respect of these legal procedures.

Armando Ortega: Yes, good morning. As having stated, this position by this Mexican Federal Labor Court has been challenged both by individual workers and by the union as an entity before different federal tribunals.

When we put in our press release the August month, it is just an expectation. I mean, as you know, this is up to the tribunals themselves and is our best estimation. It could happen that it could be later.

This is what I would say an informed estimation and we consider that the main ruling will come from a so-called collegiate tribunal which is handling the challenge by the union itself. And legally speaking, once this case presented by the union is solved, it will give direction to the rest of the challenges because as I would say, the substantive of the main litigation.

So this right now what we can share with you and we are expecting the tribunals to perform their duties. We consider that the basis upon which these

Mexican Federal Labor Court rendered its ruling is pretty sound and we are confident that we will prevail.

George Beristain: Okay, thank you.

Armando Ortega: You're welcome.

Operator: Your next question comes from the line of (Gloria Santalo) from Santander.  
Your line is open.

(Victoria Santaella): This is (Victoria Santaella) from Santander. Good morning, gentlemen. I have two questions; the first one is if you can give us some indication of how is demand from the North American market, which I understand is your largest one, including Mexico and the U.S.

And the second one is if you can talk a little about inventory for like other mining companies where we've seen inventories coming down significantly, I see yours being maintained, basically at the same levels as last year. So if you can give us some idea on that. Thank you.

Raul Jacob: Yes, (Victoria), regarding the North American market, we're seeing a very slow recovery. Please keep in mind that the American market has been very slow in moving copper consumption since 2006 when the housing bubble start to burst. So we're basically seeing a very slow market but recovering somehow.

(Victoria Santaella): So you don't see it declining even further? You don't see a strong recovery, but you don't see it collapsing?

Raul Jacob: No.

(Victoria Santalo): Okay. Perfect.

Raul Jacob: Well, maybe some other producers are having higher - more trouble than us to sell their copper, but that is not the case for us.

And you asked a question regarding inventory, just...

(Victoria Santaella): Correct.

Raul Jacob: Yes, well, basically we try to sell as much as we can each quarter and each month, of course. Usually we ship the very last day of production at the end of the quarter, so that's why we have a very stable inventory in copper. And we have reduced our copper in process by about 10 percent in the last few months and that's something that is helping us as well.

(Victoria Santaella): Thank you.

Operator: Your next question comes from the line of (Rudolfo Angelie) from JP Morgan. Your line is open.

(Rudolfo Angelie): Hi, good morning, everyone. I have a simple question; with the current prices of copper and also given that Cananea is still closed, do you plan on pushing your CapEx program anticipating some or can you just give an overall piece on what to expect, changes with your CapEx brand in the medium short, medium term?

Genaro Guerrero: Yes, (Rudolfo), good morning. Well, actually we are not changing our plans for capital expenditure program. As we mentioned, our ongoing project is Tia

Maria and Toquepala and we are analyzing and we are taking some steps in relation with other projects that I already mentioned during my presentation.

And for Tia Maria, we have \$363 million committed with the suppliers for this project and we have spent \$187 million since the beginning of the project. And well, again, we are trying to handle this capital expenditure program very carefully in order to try to preserve cash and continue with the project with enough resources to complete the project in the dates that we are planning.

Raul Jacob: Just as a reminder to our audience, our capital budget for 2009 is \$305 million.

(Rudolfo Angelie): Okay, thank you very much.

Operator: Your next question comes from the line of (Rodrigo Heredia) from IXE broker house. Your line is open. Your line is open.

(Rodrigo Heredia): Hi, good morning, everyone. Just two questions. I think I missed when you talked about the volume sales guidance for this year in terms of copper and zinc. Can you repeat that?

Genaro Guerrero: All right. Good morning, (Rodrigo). For the year 2009, we are increasing our guidance from 470,000 tons to 490,000 tons. For zinc, we are also increasing our guidance from 101,000 tons to 105,000 tons.

(Rodrigo Heredia): Okay, thanks, and the other one is do you have there the information about the cash cost without byproduct revenues for the second quarter?

Genaro Guerrero: Sure. Cash costs for the second quarter is without byproduct is \$1.50 per pound.

(Rodrigo Heredia): Great, thanks.

Operator: Your next question comes from the line of Anne Riley from American Metal Market. Your line is open.

Anne Riley: Hi, good morning. Good morning, thanks for taking my call. I was - wanted to ask a question about the Asarco settlement. Asarco said it's unlikely to keep its reinstated Southern Copper and has contacted a number of bidders and I'm wondering if you have any role in this process?

Also they talked about bringing in either a hedge fund or a private equity firm to buy up those shares. I'm wondering what kind of impact that could have on your operations.

Genaro Guerrero: We talk of course on behalf of Southern Copper. For Southern Copper, any settlement related to Asarco has no bearing, has no impact. At least no direct impact, so I don't think we have any opinion nor any comment for it.

Anne Riley: Okay, thank you.

Operator: Your next question comes from the line of (Tyler Gentry) from 4086 Advising. Your line is open.

(Tyler Gentry): ...how long would it take you to bring up full production there?

Raul Jacob: Excuse me, sir, we couldn't hear the first part of your question.

(Tyler Gentry): Oh, on Cananea, if you guys achieve a successful decision with the labor unions, how long do you think it would take you to bring up production at that mine?

Raul Jacob: Yes, we expect it to be between 3 and 6 months at Cananea after gaining control of the asset. Full production will be at about 180,000 tons per year.

Genaro Guerrero: This will happen gradually because some sections of the production are ready to start. I'm talking specifically about SX/EW plants. That would take us very short term in order to start up the production.

The other areas would take a little more longer, but in answering your questions, as Raul was mentioning, to reach full capacity, that would be the estimate of that we have as of today.

(Tyler Gentry): Okay, thank you. And you guys bond ratings are currently on low triple B. Do you see any impact if you were to fall to a low investment grade and do you remain committed to investment grade ratings?

Genaro Guerrero: No, we are not seeing any downgrading from the agencies. We are operating in a regular basis. We have not changed our capital structure, then we are not expecting any change.

(Tyler Gentry): I think you're on negative watch on both Moody's and S&P. Are you guys in communication with them and based upon...

Genaro Guerrero: Yes, the negative watch is more in relation with Asarco matter, but as Armando mentioned, we are not seeing or we are not expecting any impact in Southern Copper Corporation.

Man: I just want to clarify from Southern Copper's point of view. I mean what we're seeing is that the rating agents are seeing that there might be needed more debt in order to serve as what happened with the Asarco bankruptcy or the grounds of litigation.

I mean for Southern Copper Corporation, I mean we feel the capital structure is very adequate and that on the (peel), that's something that you (realize is) of this litigation, there'll be absolutely no impact. And we are not of the (understanding or thinking) of that.

(Tyler Gentry): Okay, thank you.

Operator: Your next question comes from the line of Alex Hacking from Citigroup. Your line is open.

Alex Hacking: Thanks, hi, thank you for taking my call. Just a quick follow up question on Cananea. Do you have an estimate on the amount of any physical damage at the mine and also estimate of the total one-time cost to repair the mine and get it back up to full capacity? Thank you. Hello?

Genaro Guerrero: Yes, Alex, it's about \$50 million. It's about \$50 million for us and but we are going to be sure of that number until we get the facilities and we evaluate how or what is the damage that is at that mine or the facilities or equipment has suffered.

Alex Hacking: Thanks.

Genaro Guerrero: That is our estimate of \$50 million.

Alex Hacking: Okay, great, thanks.

Operator: Your next question comes from the line of (Alonso Aramburu) from Santander, your line is open.

(Alonso Aramburu): Morning. Just a follow up on the Cananea questions. If the resolution is either positive or negative in August hopefully, can that be appealed? That would be my first question.

And my second question regarding the projects; if you can tell us what the thinking is on the company regarding Los Chancas and the Cuajone expansion and whether or not El Arco is taking priority over those projects?

Genaro Guerrero: With regard to the Cananea question, I mean, you never know with federal tribunals, but in principle, if our legal system works, that ruling, in particular the ruling derived from the challenge put forward by the union, should be a definitive ruling.

It could happen, it could happen that rather than answering to resolve the substantive challenge, the court could, for example, find procedural or formal violations during the process.

It'd be a little awkward, but it could happen. Then rather than having or counting with a definitive ruling, then this court would give back the file to the Mexican Federal Labor Court and order it to purge to correct some of these formal violations. But this is in a scenario that in my (base) in the opinions, in the company's opinion is it's an unlikely scenario.

We are confident that this federal tribunal would render a definitive ruling. And once it renders this definitive ruling, the rest of the challenges of the (Amparos) should be solved in accordance with this decision.

Oscar Gonzalez: About the projects of La Chancas and Cuajone, in the Chancas we are starting in the fourth quarter the basic engineering in order to proceed with that project. And if everything works fine, we'll be ready by the end of 2013, like we mentioned some times before.

And about Cuajone, we are increasing the cutting grade from 0.4 to 0.5 in order to maintain the production. (Unintelligible) will define and we will do an expansion to 105,000 as we mentioned before. That is the status of the two projects that you ask.

(Alonso Aramburu): Great, thank you. I just want one final question on the cash costs. The cash costs this quarter before byproducts were actually higher than the previous quarter, \$1.50 versus \$1.40. Can you comment on that, on what your expectation for the next several quarters?

Genaro Guerrero: Yes, the first quarter '09, cash cost was \$1.40 and the second quarter '09 was \$1.50. That is as a result of the - well, first, we have a negative effect for conversion between peso and dollars. The peso (rebel weight) and we have a conversion effect.

The other is the cost of metals that we are purchasing, the prices increased, that is another item. And I would say that more volume is producing is a little bit of more cost. That was the main reasons. And but as always we are working in order to try to reduce cost and we are expecting that the next quarter will be regularized.

(Alonso Aramburu): And when you meant regularized, is \$1.50 or \$1.40?

Genaro Guerrero: Around \$1.40.

(Alonso Aramburu): Great, thank you.

Genaro Guerrero: And yes.

Operator: Your next question comes from the line of (Anne Milne) from Deutsche Bank.  
Your line is open.

(Anne Milne): Good morning. Several of my questions have already been answered. One final one; could you just refresh us on your expected timing of the Tia Maria project and when would be the earliest and perhaps a range of when this would be completed?

Oscar Gonzalez: Yes, Tia Maria, we are expecting by the middle of 2011, mainly because we are still waiting for the delivery of the power by the government with the 500 megawatts line that they are constructed from the central part of the country to the south where we are established.

And that is the main reason and the revision that we did of our project in order to see that the course will be maintained or reduced with the engineering (firms). That is the reason and we expected to have production at the middle of 2011 if everything go fine.

(Anne Milne): Okay, and what is the current status of the power line that you're talking about? It is under construction?

Oscar Gonzalez: Yes, it's under construction and is on a schedule to be finished in the first quarter of 2011.

(Anne Milne): Okay, and if that were to be delayed, your project would be delayed, then, by the same amount of time?

Oscar Gonzalez: Yes, we plan it to be ready by the same first quarter of 2011. As soon as we get the power, we will test all the equipment and then we will start the production by the middle of the year.

(Anne Milne): Okay, excellent. Thank you very much.

Operator: Your next question comes from the line of (Christopher Bott) from Barclays Capital. Your line is open.

(Christopher Bott): Thank you, good morning. Your cash position is down considerably over the last couple of quarters and I'm just wondering if you can - if you have a long-term target for that or if you can just provide some information there. Thanks.

Genaro Guerrero: Yes, well, the cash position has been lower, as you're saying, and this is basically as a result of our capital investment and we have been paying a substantial amount of dividends. And we and probably you do remember that we exercise our share repurchase program during the last part of 2008, first part of this year. And that is basically the reason that cash position has been reduced.

(Christopher Bott): And do you see it staying at these levels for some time or where do you think it'll go?

Man: By the end of the year?

Genaro Guerrero: Can you repeat your question please? We couldn't copy.

(Christopher Bott): I'm just wondering if you're really comfortable with cash at the current level or do you hope to increase that moving forward and just where you - a long-term cash target of some sort?

Genaro Guerrero: Well, we feel comfortable with the current cash level and of course our budget for the rest of the year based on the current copper prices is going to give us a little bit of more excess cash that is going to permit us to continue with our capital investment programs and with our operations in a regular basis.

Man: We are analyzing how to finance the Tia Maria, the rest of the project through ECAs or similar structures.

(Christopher Bott): Okay, thank you.

Genaro Guerrero: Thank you.

Operator: Your next question comes from the line of (Alejandro Luciano) from Credit Suisse. Your line is open.

(Alejandro Luciano): Hi, thanks a lot for taking my call. I was wondering, just a quick follow up on that. Can you just repeat since you are looking to explore some financing for Tia Maria, is there any timing on that and or any amount that you're looking to finance

Man: Next year.

Genaro Guerrero: We are working with some financial institutions in this respect and we are thinking that for next year, we are going to start financing the Tia Maria project through this kind of credits or facilities.

(Alejandro Luciano): Thanks, and then just one more question. I just want to confirm, in terms of your debt, does any of it have covenants related to your investment grade rating?

Genaro Guerrero: No, we don't have any covenant in that respect.

(Alejandro Luciano): All right, thanks a lot.

Genaro Guerrero: Thank you.

Operator: Your next question comes from the line of (Rodrigo Heredia) from IXE broker house. Your line is open.

(Rodrigo Heredia): Thank you, my question has already been answered. Thank you.

Genaro Guerrero: Thank you, (Rodrigo).

Operator: Your next question comes from the line of (Dan Richman), an individual investor. Your line is open.

(Dan Richman): Thank you. Could you please tell us how many tons of copper you purchased in third party concentrate and the effect on cost per pound gross and net of third party concentrate?

Raúl Jacob: Certainly, Mr. (Richman). We bought in the second quarter 6,700 tons of copper from third party. That impacted our total cost per pound by 20.8 cents per pound.

(Dan Richman): Thank you very much.

Operator: Again, if you would like a question, please press star, then the number 1 on your telephone keypad. Your next question comes from the line of (Nick Idanoff) from Prudential. Your line is open.

(Nick Idanoff): Hello, I have a quick question on working capital cash needs for the first six months of this year. The increase in cash outflow - working capital cash outflow, is it due to the increase of copper prices, assuming that your inventories are more or less unchanged? Or something else?

Raul Jacob: Well, basically, as you had pointed out having higher copper prices made us to have to higher accounts receivable and that as you know increased the working capital. That's one of the reasons. Another we will get into more detail for this.

Genaro Guerrero: We are trying to find some numbers.

Raul Jacob: So the big - that's basically the main reason for the increment in working capital. The other one is that usually we end the year with some payment like taxes and worker's participations are due on the first part of the year and that also reduce our liability somehow.

And that also is the source of capital - working capital as well.

Genaro Guerrero: And we were trying to find the specific numbers for you but our not having that at this moment.

(Nick Idanoff): Thank you.

(Crosstalk)

Man: Trying to just, here are the...

Genaro Guerrero: Well, thank you very much, ladies and gentlemen, to listen our conference and we hope that you, again, will join us for the third quarter Southern Copper Corporation results conference call. Thank you very much, I appreciate it.

Operator: This concludes today's conference call, you may now disconnect.

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