

**SOUTHERN COPPER CORPORATION**

**Moderator: Raul Jacob**  
**April 28, 2008**  
**10:00 am CT**

Operator: Good morning and welcome to the Southern Copper Corporation's First Quarter 2008 Results conference call

With us this morning we have Southern Copper Corporation's Mr. Genaro Guerrero, Financial Chief Officer and Mr. Raul Jacob, Head of Investor Relations who will discuss the results of the company for the first 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 risks and uncertainties.

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 or revise any forward-looking statement whether as a result of new information, future events or otherwise. All results are expressed in full US GAAP.

Now I will pass the call on to Mr. Genaro Guerrero.

Raul Jacob: Thank you very much, (Lisa). This is Raul Jacob and thank you everyone today for joining us for the first quarter 2008 Southern Copper Earnings conference call.

Participating in today's conference we have Mr. Genaro Guerrero and myself. Mr. Guerrero will now lead the conference. Genaro?

Genaro Guerrero: Thank you. Good morning everyone. So our agenda for today is we are going to try to cover prices, production, sales volume, and now - and then we are going to talk a little bit about our new reserves, and we are going to discuss our financial results, the labor situation in the company, the capital expenditures, dividends, and then we will be very glad to open up session of questions.

Then let us start with copper - we have continued enjoying a positive trend on copper prices. The London Metal Exchange first quarter of 2008, average copper price was \$3.54 per pound - jumped 32% from an average of \$2.69 per pound for the same quarter of 2007, 9% higher than the fourth quarter of 2007.

The first quarter copper market was characterized by a strong demand and a weekly supply response. Even though we have seen a weak U.S. market, the demand grew from emerging economies lead by China and India, maintained a copper demand at a strong pace.

On the supply side, the forecast for 2008 indicates our copper deficit due to the labor unrest and power shortages in Chile. As long as we have extremely

low inventories of copper in the market, we can expect these events to positively affect the short term copper prices.

Southern Copper's first quarter 2008 copper production was 282 million pounds, lower 25% than the first quarter of 2007 - about 2% higher than the fourth quarter of 2007.

The reduction of 96 million copper pounds in production quarter-to-quarter was mainly the result of the following: La Caridad mine production decreases by 14% or around 10 million pounds due to a planned temporary declining ore grade. We expect higher ore grades for second half of the year.

About Toquepala copper production, decreases in first quarter 2008 by 11% or around 11 million pounds, when compared with a first quarter of 2007, in accordance with our planned production ore grades.

At Cananea, well we continued - we have this stoppage that has decreased the production comparing first quarter 2008 with first quarter 2007 by 77 million pounds.

This production decrease has been partially offset by an increase in Cuajone's production of 6% which have improved grade and recovery in the first quarter of 2008.

Regarding our smelting and refining copper production, I am pleased to report that as a result of the Peruvian Ilo smelter operation that grew capacity, production has increased by 70% when comparing first quarter 2008 with first quarter 2007, and 19% when comparing to the fourth quarter 2007.

For refining, production has increased 3% and 20% for the same periods.

Now talking about molybdenum - the molybdenum prices were \$33.01 per pound for the first quarter 2008, 28% higher than the first quarter 2007 and 3% higher when compared to the fourth quarter 2007.

Comparing the first quarter 2008 with the same period of 2007, molybdenum production increased from 8.1 million pounds to 8.7 million pounds, a 7% increase resulting from higher recoveries at our mines.

The better molybdenum prices combined with the production increases contributed significantly to Southern Copper Corporation's profitability in the first quarter of 2008.

Talking about zinc, the zinc price in the first quarter of 2008 averaged \$1.10 per pound, 30% lower than the first quarter 2007. Mine zinc production decreases from 71 million pounds in the first quarter 2007 to 55 million pounds in the first quarter 2008.

This 23% decrease in production is the result of the strikes in San Martin and Taxco mines. Southern's refined zinc production improved 19% in quarter-over-quarter.

As reported to the market before, the San Luis Potosi zinc refinery resumed operations in October 2006 after an electrical fire that affected its capacity at the beginning of 2006.

Now going to the financial results. In relation to net sales, for the first quarter net sales were \$1.5 billion, \$140 million more than the same quarter 2007. This represents an increase of 10% over first quarter 2007.

The improvement in the results of higher metal - the improvement - sorry, the improvement is the result of higher metal prices and higher sales volume of molybdenum.

During first quarter of 2008, the company entered into corporate derivative contract to protect 395.6 million pounds for the period of March-December 2008.

This corporate derivative contract covers approximately 30% of our planned 2008 production and were mainly zero cost (collars) with average floor prices of \$3.40 and average ceiling prices of \$4.23.

Talking about our new reserves - as were disclosed in our 10-K annual report, we want to note to the market that the company has increased the ore reserves we use for purposes of internal mine - that we use for purposes of internal mine and operating plans.

In prior years, Southern Copper has used some metal price assumption of \$0.90 per pound of copper and \$5 per pound of molybdenum for calculation of ore reserve quantities.

Based on the latest economic and market developments, the company changed its long term price assumption to \$1.20 per pound for copper and \$9 per pound of molybdenum.

As a result, the company recalculated its ore reserves and mine plans. The new sulfide ore reserves as of December 31, 2007 were (7019.3) million tons with an average copper rate of 0.549% and the new leachable reserves were 4988 million tons with an average copper grade of 0.212%.

These reserves represent an increase in copper content of 28.7% when compared with our ore reserves as of December 31, 2006.

Now let's talk about costs. Our operating costs and expenses for the first quarter 2008 was \$634 million. This figure compares with a cost of 571 million in the first quarter 2007 or 663 million in the fourth quarter of 2007.

Cost of sales in the first quarter 2008 increased by 54 million when compared to the same period of 2007. The main variances are the following: \$20 million of higher fuel, power and labor cost partially offset by lower cost due to the Cananea stoppage; 23 million exchange rate losses from currency appreciation in both Mexico and Peru; and higher mining royalties in Peru for around \$5 million.

Now our depreciation, amortization and depletion was \$8 million higher due to the capitalization of the Ilo smelter modernization project and higher amortization of leach material costs.

Our cash cost - the company's cash cost per pound of copper produced in the first quarter of 2008, before subtracting byproduct revenues was \$1.51 per pound, \$0.28 higher than the \$1.23 per pound for the same period of 2007, and \$0.06 lower than the \$1.57 per pound in the fourth quarter of 2007.

Including the benefits of the byproducts, the company cash cost was negative \$0.15 per pound in the first quarter of 2008. This figure compares with a positive cash cost of \$0.05 per pound for the same period of 2007.

Talking about operating income and EBITDA for the first quarter of 2008, EBITDA increased by \$84 million to \$945 million, equivalent of 63% of sales

compared to an EBITDA of \$861 million - also 62% of net sales for the same period of 2007.

Net sales increased by 10%, and operating cost and expenses by 11%, yielding an operating income increase of 10%. The company's operating income amounted to \$865 million in the quarter, which compares favorably with last year first quarter operating income of \$787 million, and with fourth quarter 2007 operating income of \$631 million.

The net income for the first quarter of 2008 was \$565 million, 2% higher than the \$552 million achieved in the same period of 2007. Earnings per share amounted to \$1.92 per fully diluted share, compared to \$1.87 per fully diluted share for the first quarter of 2007.

Now about our labor situation - in the first quarter of 2008, as we informed during the last conference call Cananea is started ramping up its operations, reaching at the end of the first quarter approximately 48% of its total capacity.

But on April 11, the mine entered a labor stoppage that will stop production again. After assessing the situation, the Board of Directors of Mexicana de Cananea have decided to offer all employees a severance payment in accordance with bargaining agreement and applicable law.

This is so far in order to award the employees with a significant severance payment that we allow them to choose the labor alternative that is the best for each of them.

The company is committed to resume operations, once labor stability is reached to produce with efficiency and competitiveness.

Our capital expenditures including exploration expenses amounted \$58 million during the first quarter, a decrease of \$33 million, when compared to the \$91 million expended in the first quarter 2007.

The decrease is largely related to the completion of the Ilo Smelter Modernization in January 2007. The company has an investment program that will increase total copper production by 270,000 tons by 2011. This 39% increase in production capacity will be achieved at a capital cost of \$2.1 billion.

As previously announced, the program is focusing on a group of projects in Peru, and allow me to give you an update on this projects. The most significant one is Tia Maria project located in Arequipa region of Peru, which is approximately 100 kilometers north of our Ilo facilities.

We are expecting completion date in the fourth quarter of 2010. This project will produce 120,000 tons of SX/EW copper cathodes per year for around 18 years.

As part of the \$934 million total capital budget for this project, during the first quarter of this year, the company has committed \$388 million on equipment and engineering recruitment and construction management contracts.

The main equipment acquired is 20 trucks, 240 tons capacity, two 63cubic yard shovels, the auxiliary equipment, primary, secondary and tertiary crushers, 8.6 kilometers overland conveyers and spreaders and reclaim systems.

Now regarding the expansions for the Toquepala and Cuajone mines, the company has signed agreements for major mine equipment and have complete

technical and environmental studies which are expected to conclude by November 2009.

In parallel, we will continue with the engineering and procurement process. Also subject to the satisfactory resolution of social issues and the acquisition of the necessary governmental permits and subject to approval of our Board of Directors, Southern Copper Corporation plan to invest approximately \$1.2 billion in the Los Chancas project, this project is a copper-molybdenum property in the Southern part of Peru.

This is an addition to the \$2.1 billion previously announced for our other Peruvian projects. We expect this project will increase our annual copper production by 80,000 tons by the year 2013.

Now about our payment of dividends, it is the company 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, the company declared a quarterly dividend of \$1.70 per common share to be paid on June 3, 2008 to common shareholders of record at the close of business on May 14, 2008.

Well with this, I will conclude my comments and discussions and thank you very much for joining us. And we will like to open up the forum for questions, thank you.

Operator: At this time I would like to remind everyone if you would like to ask a question, press star then the number 1 on your telephone keypad. If you would like to withdraw your question, please press the pound key.

We'll pause for a moment to populate the Q&A roster. Your first question comes from (Carlos de Alba). Your line is open.

(Carlos de Alba): Good morning Raul, just two questions. Could you update us on your guidance for copper production and mine production in 2008? That will be the first question.

And the second question is how feasible it is under the labor Mexican laws to shut down an operation that you saw on strike that has been ruled as legal by the Mexican court system? Thank you.

Operator: Ladies and gentlemen, if you could hold for just a moment. We are having technical difficulties. We will be back with you in just one moment, please. There he is. He's back in there.

Raul Jacob: (Lisa)?

Operator: Yes sir.

Raul Jacob: Hi. We lost the connection.

Operator: It looks like you had lost your connection. Just a moment. Now I'll have Mr. (de Alba) ask his question again for you. Okay?

Raul Jacob: Yes please.

Operator: Thank you. Mr. (de Alba), are you there? We are going to go ahead and move on to the next person. (Oscar Cabrera).

(Oscar Cabrera): Hi. Good morning everybody. I'll leave the same question for (Carlos) to ask but can you please remind us what the break down in the Mexican production as in terms of SX/EW and concentrate production in Cananea and Caridad?

And I'll follow up with the question after that, please.

Genaro Guerrero: The break down?

Raul Jacob: Okay, for 2008 our plan for Cananea was to produce in total 135,000 tons. We didn't budget any production for the beginning of the year, meaning by this of course the first quarter.

As I tell, our plan was 135,000 tons for the whole operation. On that about 40 - little bit more, 45,000 SX/EW production and the rest is the mine production for 2008, (Oscar).

(Oscar Cabrera): Okay. And are these nameplates up partially or this is what you - I mean, I understand that there were, it didn't matter all that, but what's your nameplate capacity over there?

Genaro Guerrero: Its 180,000 tons per year.

(Oscar Cabrera): Okay. Now the follow-up on that is, you have as a matter in Caridad versus about, call it, contain 220,000 tons of copper concentrate. Do you expect to buy third party copper?

Are you running the smelter i.e. reduce capacity. What are your plans for the smelter in Caridad?

Genaro Guerrero: Yes, that would be if the market were made off in good terms by corporate concentrates in order to try to pull, feel our Caridad, we will do that. It depends on the market conditions but we are able to do that.

(Oscar Cabrera): So, okay. Rephrasing that question. What kind of capacity utilization do you have right now to carry that smelter?

Raul Jacob: It's about 50% of capacity at this point, (Oscar).

(Oscar Cabrera): Right. And are you concerned at all that you need to declare force majeure in any of the upcoming months, if the Cananea situation continues?

Genaro Guerrero: No, for 2008 we have considered this situation, and we have not committed a long-term contract with our customers. Then we don't need to declare any force majeure as we declared during 2007, when we just got the work stoppage in Cananea.

(Oscar Cabrera): Okay. One more, if I may, and then I'll leave the floor for the next person. When you went through the same process in Caridad, it took you a little bit over two months after the - an agreement had been - you had come to an agreement with the labor unions.

How do you foresee the negotiations with the labor union and the process to restart the Cananea mine?

Genaro Guerrero: Well, that is very difficult to define at this point of time, (Oscar). Well this announcement was made last Thursday. The problem - I would say that the problem here is different than the Caridad.

The situation is different, the times are different, and we will speculate if we determine any time for the resolution for this labor situation. It's very difficult to define at this moment.

(Oscar Cabrera): Okay, great. Thank you very much for the answers.

Genaro Guerrero: No problem. Thank you.

Operator: The next question is from (Jorge Beristain). Your line is open sir.

(Jorge Beristain): Good morning, gentlemen. It's (Jorge Beristain) with Deutsche Bank. Just I had I guess two questions. One is regarding your latest potential project that you are saying is still pending board approval, but the Los Chancas project at \$1.2 billion that would imply roughly \$6.80 per cash cost or CAPEX cost per pound of new copper production and that is roughly double what you are currently quoting us under current \$1.2 billion package of CAPEX.

Are you taking a significantly different long-term view on the long-term price of copper that would justify that or is this project expected to have much lower operating expenses than the current generation expansion? That's my first question.

Raul Jacob: (Jorge), this is Raul Jacob. I think that in this case the project has certain characteristics that considering the concentrate production plus a SX/EW facility after a few years of operating the concentrator we arrived to the \$1.2 billion cost that we indicated for CAPEX.

Certainly the company has been looking into the market, the copper market and the molybdenum market and what we're seeing is that there is higher

support from say, two years ago, there is higher support for longer copper price - for higher and longer copper price in the coming years.

That has been taken into consideration while doing the pre-feasibility study on Los Chancas that we finished last year. We are currently doing the feasibility study on this project and some other projects as well, and we think that figures for CAPEX will change as we move on into the initial development of this project.

(Jorge Beristain): Okay my second question and actually to follow up to one of the question made earlier. What is the full year volume guidance now for Southern in light of the fact that, that Cananea does not seem to be restarting and what is the current in the second quarter the projected output for Cananea?

Genaro Guerrero: Well I will say, (Jorge) that the guidance is still the same, but of course we should subtract Cananea. But I see some uncertain how long Cananea is going to be out of operations. It is difficult to figure out our guidance right now.

Cananea - we can say that Cananea should produce 15,000 metric tons a month then we tell from - on when resume Cananea, that would be our guidance.

(Jorge Beristain): Okay. Thank you.

Operator: Thank you, sir. Again, ladies and gentlemen, I would like to remind you if you need to ask a question, please press star and the number 1 on your telephone keypad.

Your next question is from (Christopher Buck). Sir, your line is open.

(Christopher Buck): I am just wondering...

Operator: Sir your line is open.

(Christopher Buck): Can you hear me?

Genaro Guerrero: Yes clearly.

(Christopher Buck): Yes, I am just wondering if you can give us some more information regarding your structure and whether there is any plans to issue any debt or is there plan in terms of capital structure? Thank you.

Raul Jacob: At this point we have \$1.5 billion in total debt; in terms of net debt the company has no debt. As you obviously can conclude, this is an under utilized balance sheet, and we think that therefore the development of the two-point one billion dollar program and some other investments that may arise and be financed with debt. We will consider the use of debt and that will certainly improve our long term capital structure.

(Christopher Buck): Great, thank you.

Operator: Your next question is from (Jordy Dominguez). You are open sir.

(Jordy Dominguez): Hello, good morning. My question relates to the hedging provisions you've put in place for copper production, I would like to know if there is a plan to put similar provision in place for 2009 and what level of production if any would you target? Thank you.

Genaro Guerrero: (Jordy), yes we don't think that this is going to go to 2009, I would - we think that these would be resolved this year.

(Jordy Dominguez): So you don't plan to put any hedging for copper in place for next year at the current moment?

Genaro Guerrero: No, at the current moment no.

(Jordy Dominguez): Okay, thanks.

Raul Jacob: I believe that we misunderstood part of your question (Jordy Dominguez). Let me mention that the company is approaching hedge activity on a short term basis. We usually don't have any hedge positions for next year.

Other than what we may have at the end of the fourth quarter regarding initial part of the next year. So I guess that, that answers your concern.

(Jordy Dominguez): In for 2008 will you stay at the current hedging levels or will you track- or you're satisfied at the current position?

Genaro Guerrero: Well, I don't know this is continuously analyzed would be depend on the market. We are - now we are seeing that the first as a really strong support and then we are seeing a deficit - a little bit of deficit for this year in terms of copper then it's a matter to wait a little bit and see how the market is performing and also there is a lot of volatility.

Then we will continuously analyze and follow the market in order to determine if we can increase a little bit our progress.

(Jordy Dominguez): Thank you.

Operator: Your next question is from (Alonso Aramburu). Sir your line is open.

(Alonso Aramburu): Hi, thanks good morning. A couple of questions, first if you could remind us what was your official guidance for copper production at the beginning of the year and second what is your expectation for moly production this year?

Genaro Guerrero: Well, our guidance at the beginning of the year was 25 million (fast) copper, 635,000 tons sorry. 635,000 tons of copper, and molybdenum is around 15,000 tons.

(Alonso Aramburu): Great. And just one final question do you have a expiration date on the offer you made to the Cananea workers?

Genaro Guerrero: No we don't have any expiration date for that.

(Alonso Aramburu): Okay great. Thanks.

Operator: Your next question is from (Alexander Hacking). Sir your line is open.

(Alexander Hacking): Hi this is (Alex Hacking) from Citigroup. I am going to re-ask Carlos' question, can you give us an update on the legal situation at Cananea and also give us an idea of what the timeline looks like in terms of planning future legal decision?

Genaro Guerrero: Well more or less the legal situation is the following. Cananea got a rule from the judge and we have not seen it- the judge or the court has not been informed the company about the strike but then we are waiting for that.

But even that the workers are making this as stoppage and now well the operations have been shutdown. And if that is more or less then the situation,

we are waiting for the authorities in order to be informed about the official legal situation for the striking Cananea.

(Alexander Hacking): Just to clarify the last ruling about the strike is legal is that right?

Genaro Guerrero: That is - excuse me, what was the question?

(Alexander Hacking): That the last ruling from the court, is that the strike is legal?

Genaro Guerrero: Well that is exactly the point that we have not received official notification about that.

(Alexander Hacking): Okay thank you.

Operator: Your next question is from (Joey Marthlov). Sir your line is open.

(Joey Marthlov): Yes hello, couple of questions on production, guidance could you please first of all confirm again what was the production out of Cananea this year so far?

Genaro Guerrero: Well during the first quarter, Cananea produced around 12,000 tons of copper.

(Joey Marthlov): And what about subsequent months?

Genaro Guerrero: Subsequent for direct of the year, well that would depend on when the labor situation is resolved.

(Joey Marthlov): I understand. What about April?

Genaro Guerrero: April is - well, it's 3063 tons of copper.

(Joey Marthlov): Okay and if we exclude Cananea out of your guidance, how much production do you expect to generate this year in the remaining four mines and how much production will you have next year as well excluding Cananea?

Genaro Guerrero: Well, we made - we figure out the number here and is around 520,000 metric tons for the year, for 2008.

(Joey Marthlov): Okay and the same will be for 2009, I presume Cananea does not come into production over the next years that will be the level of production?

Raul Jacob: (Joey), I don't think that we have that forecast. We want to start operations in Cananea, as soon as we can. We are offering this as a solution for our workers, the severance payment that the company has announced.

It's a solution for - that is certainly creating very difficult situation to the workers of the company and their families. We actually want to keep operating in Cananea, but obviously if there is this kind of labor situation, we can't.

So our transport, as you said we should finish this problem through 2009 - 2008 I'm sorry and operating 2009 that full capacity in Cananea.

(Joey Marthlov): And with a severance package, is it possible for you to disclose roughly the value of this package? Or the impact your severances package is going to have on labor cost?

Genaro Guerrero: It's approximately - it's \$60 million. Of course this - the company is working in order to figure out this amount. But we have this approximation because this needs to be calculated in and depends on the situation on each of the quarters.

(Joey Marthlov): And at the moment while strike goes on you don't pay any salaries or bonuses to this people? Is that correct?

Genaro Guerrero: That's correct.

(Joey Marthlov): Okay and if an individual takes this package then you take him off the payroll effectively?

Genaro Guerrero: Yes.

(Joey Marthlov): Okay and the final question about moly production, again the guidance going forward, is that going to be around 15 to 16,000 tons or how do you describe that?

Genaro Guerrero: Its 15,000 tons.

(Joey Marthlov): In 2009 as well?

Raul Jacob: At this point we don't know how much is going to be in 2009. The driver of our mining plans - it's the copper production and molybdenum concentrates that I told.

However, if you see our last year's production, we have been very comfortable over 14,000 or even 16,000 tons per year.

(Joey Marthlov): And sorry, just a final follow-up. If Cananea is taken out of the equation again, how would that affect moly production?

Raul Jacob: Cananea doesn't produce any moly.

(Joey Marthlov): Okay. Well, thank you very much for your answers.

Genaro Guerrero: No problem.

Operator: The next question is from (Rodrigo Heredia). Sir, your line is now open.

(Rodrigo Heredia): Thank you. Good morning everybody. I think I missed the question probably. Where are you planning to closing the Cananea mine?

Raul Jacob: Yes. Let me ask Mr. (Armando Ortega) with us today to answer your question, (Rodrigo).

Man: He's the General Counsel of the company.

(Armando Ortega): (Rodrigo), first clarification. It is not the company that is closing Cananea. Stock purchase and closing before have come from workers and from the union in particular.

Based upon this circumstance, is that we are going through the route of the severance payment that has been explained by my colleagues. So that is the first clarification.

Raul Jacob: Is that clear, (Rodrigo)?

(Rodrigo Heredia): Yes. Well, my question points to the fact that where are you going to stop producing in Cananea?

(Armando Ortega): Why, excuse me - excuse me. Could you repeat, (Rodrigo)? I couldn't capture your question clearly?

(Rodrigo Heredia): Okay. I want to know when are you starting to produce in Cananea?

(Armando Ortega): Look, Cananea is not producing at this moment.

(Rodrigo Heredia): Okay. Okay.

Raul Jacob: They stop producing in April 11 after shut down by the national union.

(Rodrigo Heredia): Okay. Thank you.

Raul Jacob: Thanks (Rodrigo).

Operator: Your next question is from (Jorge Beristain). Sir, your line is open.

(Jorge Beristain): I just have quickly two follow-ups. What is the number of workers at Cananea that would be involved in this potential settlement package?

Genaro Guerrero: It's 1300 workers.

(Jorge Beristan): Okay. So you are talking about a potential payout package of roughly \$46,000 per head?

Genaro Guerrero: Yes.

(Jorge Beristan): Okay. The other question was just the actual moly production that you generated this quarter based on your full year guidance, would seem to imply that the coming quarters would be a bit lower, probably 3600 a quarter or 3600 tons per quarter.

Is that a correct assumption or are you now purposing mining high-grade moly copper specifically?

Raul Jacob: No, not really (Jorge). What happens is that molybdenum comes in our mineral as traces and its hard to define exactly how much molybdenum are you going to get, given this specific mining plan.

During the first quarter, if we see our internal plan, we were over our plan in the Peruvian and Mexican operations basically in the three mines that have molybdenum plants.

We are maintaining our guidance, but actually we should increase a little bit may be for 16,000 tons if we consider what's happened in the first quarter. In this case we want to be conservative regarding our molybdenum production because of what I explained at the beginning of this comment.

(Jorge Beristain): Okay. Thank you.

Operator: Again, ladies and gentlemen, if you would like to ask a question, please press star and the number 1 on your telephone keypad.

Genaro Guerrero: Okay, if there is no more questions...

Operator: We do have another question, sir, from (Daniel Altman).

Genaro Guerrero: Okay.

Operator: Mr. (Altman), your line is available.

(Daniel Altman): Hi, good morning. It's (Daniel) (unintelligible). Just a question on your CAPEX budget. I see you have some pretty substantial projects. Obviously the first quarter was at very well number in terms of outlays.

I wonder if you have guidance for 2008 and 2009 in terms of what you think your CAPEX outlays could be?

Raul Jacob: Yes, (Daniel), how are you? As we indicated during the first quarter, we have to spend not that much capex, but we have made several commitments for the Tia Maria and the other Toquepala and Cuajone expansions.

In total as we mentioned about \$400 million have been committed and that money will be spent - start spending at the end of this year and in 2009. For this year our current guidance is our budget for the year which is \$530 million for 2008, for 2009 our guidance is \$1.1 billion of capex.

(Daniel Altman): Okay do you still - given the first quarter number, do you think those are still realistic as per CAPEX?

Raul Jacob: Yes we do.

(Daniel Altman): Okay great. Thanks a lot.

Genaro Guerrero: Thank you.

Operator: Sir at this time your queue is empty. There are no more questions.

Genaro Guerrero: Okay well thank you very much for joining us. Thank you everyone. Have a good day.

Operator: Ladies and gentlemen, at this time your conference has concluded, you may now disconnect.

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