CAP S.A. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

IN THOUSANDS OF UNITED STATES DOLLARS

This document consists of the following sections:

- **Consolidated Financial Statements**
- **Notes to the Consolidated Financial Statemets**

CAP S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION, CLASSIFIED
AS OF DECEMBER 31, 2013 AND 2012.
(FIGURES IN THOUSANDS OF US DOLLARS)

Assets	Note	31.12.2013 ThUS$	31.12.2012 ThUS$
Current assets			
Cash & cash equivalents	6	111,193	295,297
Other financial assets, current	6	197,832	416,036
Other non-financial assets, current	12	30,748	43,031
Trade and other current receivable	7	463,202	450,607
Accounts receivable from related entities, current	8	4,032	6,509
Inventories	9	418,499	416,162
Current tax assets	11	130,207	78,268
Total current assets other than assets or disposal groups classified as held for sale or held for distribution to owners		**1,355,713**	**1,705,910**
Total current assets		**1,355,713**	**1,705,910**
Non-current assets			
Other non-current financial assets	6	37,350	1,567
Other non-financial assets, non-current	12	25,647	7,066
Non-current receivables	7	6,050	7,243
Investments accounted for using equity method	14	11,183	11,401
Intangible assets other than goodwill	15	813,266	855,005
Goodwill		1,767	1,767
Property, plant & equipment	16	3,426,843	2,560,258
Deferred tax assets	17	14,148	12,626
Total non-current assets		**4,336,254**	**3,456,933**
Total assets		**5,691,967**	**5,162,843**

The accompanying Notes form an integral part of these consolidated financial statements

CAP S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION, CLASSIFIED
AS OF DECEMBER 31, 2013 AND 2012.
(FIGURES IN THOUSANDS OF US DOLLARS)

Equity and liabilities	Note	31.12.2013 ThUS$	31.12.2012 ThUS$
Liabilities			
Current liabilities			
Other financial liabilities, current	18	136,148	156,480
Trade and other current payables	20	586,467	485,405
Accounts payable to related entities , current	8	76,774	116,587
Other short-term provisions	21	21,355	21,558
Current tax liabilities	11	10,769	24,840
Current provisions for employee benefits	23	38,160	46,637
Other current non-financial liabilities	22	4,315	5,773
Total current liabilities other than liabilities included in disposal groups classified as held for sale		**873,988**	**857,280**
Total current liabilities		**873,988**	**857,280**
Non-current liabilities			
Other non-current financial liabilities	18	795,383	562,205
Other long-term provisions	21	15,287	13,920
Deferred tax liabilities	17	350,838	366,133
Non-current provisions for employee benefits	23	115,212	158,800
Other non-current non-financial liabilities	22	301,600	96,095
Total non-current liabilities		**1,578,320**	**1,197,153**
Total liabilities		**2,452,308**	**2,054,433**
Equity			
Issued capital	24	379,444	379,444
Retained earnings (accumulated losses)	24	1,562,797	1,477,114
Other reserves	24	(17,856)	(18,745)
Equity attributable to owners of parent		**1,924,385**	**1,837,813**
Non-controlling interest	25	1,315,274	1,270,597
Total equity		**3,239,659**	**3,108,410**
Total equity & liabilities		**5,691,967**	**5,162,843**

The accompanying Notes form an integral part of these consolidated financial statements

CAP S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE RESULTS, BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(FIGURES IN THOUSANDS OF US DOLLARS)

Income statement		01.01.2013 31.12.2013 ThUS$	01.01.2012 31.12.2012 ThUS$
Profit (Loss)			
Revenues	26	2,296,562	2,470,003
Cost of sales	9	(1,594,257)	(1,762,294)
Gross profit		**702,305**	**707,709**
Other income, by function	26	18,779	16,673
Distribution Costs		(28,680)	(24,935)
Administrative expenses		(116,336)	(119,504)
Other expenses, by function	26	(134,878)	(78,228)
Other gains (losses)	26	(789)	15,175
Profit (loss) from operating activities		**440,401**	**516,890**
Financial income	27	13,444	51,846
Financial costs	28	(40,560)	(49,529)
Share of profit (loss) of associates and joint ventures	14	(1,070)	(351)
Exchange differences	35	(7,305)	(1,128)
Results for indexation units	35	525	333
Profit (loss) before tax		**405,435**	**518,061**
Income tax expense	17	(122,717)	(187,310)
Profit (loss) from continuing operations		**282,718**	**330,751**
Profit (loss) from discontinued operations		-	-
Profit (loss)		**282,718**	**330,751**
Profit (loss) attributable to:			
Profit (loss), attributable to owners of the parent	24	183,526	233,699
Profit (loss), attributable to non-controlling interests	25	99,192	97,052
Profit (loss)		**282,718**	**330,751**
Earnings per share			
Basic earnings (loss) per share from continuing operati		US$	US$
Basic earnings (loss) per share from continuing operations		1.228025	1.563747
Basic earnings (loss) per share		**1.228025**	**1.563747**

The accompanying Notes form an integral part of these consolidated financial statements

CAP S.A. AND SUBSIDIARIES
STATEMENTS OF OTHER COMPREHENSIVE RESULTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(FIGURES IN THOUSANDS OF US DOLLARS)

Statement of other comprehensive income	Note	01.01.2013 31.12.2013 ThUS$	01.01.2012 31.12.2012 ThUS$
Profit (loss)		**282,718**	**330,751**
Other comprehensive income			
Components of other comprehensive income is not reclassified to profit or loss of period, before tax:			
Other comprehensive income, before tax, gains (losses) on defined benefit plans		4,270	(3,648)
Other comprehensive income is not reclassified to profit or loss of period, before tax		**4270**	**(3,648)**
Components of other comprehensive income is not reclassified to profit or loss of period, before tax:			
Exchange difference on translation			
Gains (losses) on exchange differences on translation, before tax		(969)	1,105
Other comprehensive income, before tax, echange differences on translation		**(969)**	**1,105**
Financial Assets avalaible for sale			
Cash Flow hedge			
Gains (losses) on cash flow hedges, before tax		(2,134)	9,838
Other comprehensive income, before taxes, cash flow hedges		**(2,134)**	**9,838**
Hedges of net investments in foreign operations			
Other comprehensive income is reclassified to profit or loss, before tax		(3,103)	10943
Other components of other comprehensive income, before tax		**1,167**	**7,295**
Income tax relating to components of other comprehensive income is not reclassified or loss			
Income tax relating to new measurements of defined benefit plans of other comprehensive income		(854)	730
Income tax relating to components of other comprehensive income is not reclassified to profit or loss		**(854)**	**730**
Income tax relating to components of other comprehensive income is reclassified to profit or loss			
Income tax relating with cash flow hedges of other comprehensive income		427	(1,968)
Income tax relating to components of other comprehensive income is reclassified to profit or loss		**427**	**(1,968)**
Other comprehensive income		**740**	**6,057**
Total comprehensive income		**283,458**	**336,808**
Comprehensive income attributable to			
Comprehensive income, attributable to owners of parent		184,266	239,756
Comprehensive income, attributable to non-controlling interests		99,192	97,052
Total comprehensive income		**283,458**	**336,808**

The accompanying Notes form an integral part of these consolidated financial statements

CAP S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS, DIRECT,
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(FIGURES IN THOUSANDS OF US DOLLARS)

Statement of cash flows	Note	01.01.2013 31.12.2013 ThUS$	01.01.2012 31.12.2012 ThUS$
Cash flows from (used in) operating activities			
Classes of cash receipts from operating activities:			
Receipts from sales of goods and rendering of services		2,542,272	2,647,300
Other cash receipts from operating activities		25,192	7,544
Classes of cash payments			
Payments to suppliers for goods and services		(1,334,318)	(1,244,385)
Payments to and on behalf of employees		(284,202)	(256,708)
		948,944	1,153,751
Interest received		7,933	15,094
Income tax refund (paid)		(141,329)	(170,648)
Other inflows (outflows) of cash		(38,757)	(19,206)
Net cash flow from (used in) operating activities		776,791	978,991
Cash flows from (used in) investing activities			
Cash flows used in acquisitions of non- controlling interests		(15,065)	(809)
Other payments for acquiring equity or debt instruments of other entities		(20,889)	-
Proceeds of sales of property, plant & equipment		262	484
Purchases of property, plant & equipment		(974,791)	(777,379)
Cash advances and loans to third		(1,803)	(10,604)
Payments derived from contracts of future, to term, of options and of financial barter		(9,630)	(9,705)
Collections proceeding from contracts of future, to term, of options and of financial operations		5,487	18,253
Interest received		308	385
Other inflows (outflows) of cash	6	205,983	324,906
Net cash flow from (used in) investment activities		(810,138)	(454,469)
Cash flows from (used in) financing activities			
Proceeds from issuing shares		25,223	5,672
Proceeds of long-term loans		135,050	45,000
Proceeds from short-term borrowings		117,134	179,290
Repayments of borrowings		(175,102)	(296,660)
Payments of finance lease liabilities		(1,015)	(2,434)
Dividends paid		(229,794)	(265,229)
Interest paid		(23,115)	(27,395)
Other inflows (outflows) of cash		277	(2,033)
Net cash flow from (used in) financing activities		(151,342)	(363,789)
Net increase (decrease) in cash and cash equivalents before the effect of exchange rate changes		(184,689)	160,733
Effects of exchange rate change on cash and cash equivalents			
Effects of exchange rate change on cash and cash equivalents		585	1,097
Net increase (decrease) in cash and cash equivalents		**(184,104)**	**161,830**
Cash and cash equivalents at beginning of period		295,297	133,467
Cash & cash equivalents at end of period	6	**111,193**	**295,297**

The accompanying Notes form an integral part of these consolidated financial statements

CAP S.A. AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(FIGURES IN THOUSANDS OF US DOLLARS)

To December 31, 2013	Note N°	Changes in capital	Changes in other reserves								
		common shares capital in shares ThUS$	Translation reserves ThUS$	Hedging reserves ThUS$	Gains or losses Reserves ThUS$	Other Reserves ThUS$	Total Reserves ThUS$	Changes in retained earnings ThUS$	attributable to dominant company ThUS$	Changes in minority participations ThUS$	Total equity ThUS$
Opening balance at 01.01.2013	**24**	**379,444**	**3,898**	**(19,092)**		**342**	**(14,852)**	**1,473,221**	**1,837,813**	**1,270,597**	**3,108,410**
Increase (decrease) from changes in accounting policies		-	-	-	(3,893)	-	(3,893)	3,893	-	-	-
Increase (decrease) for bug fixes		-	-	-	-	-	-	-	-	-	-
Beginning Balance Restated		**379,444**	**3,898**	**(19,092)**	**(3,893)**	**342**	**(18,745)**	**1,477,114**	**1,837,813**	**1,270,597**	**3,108,410**
Changes in equity											
Comprehensive income											
Profit (loss)								183,526	183,526	99,192	282,718
Other comprehensive income			(969)	(1,707)	3,416		740		740		740
Comprehensive income									184,266	99,192	283,458
Dividends paid	**24**							(97,843)	(97,843)	(78,476)	(176,319)
Increase (decrease) through transfers and other changes, equity						149	149		149	23,961	24,110
Total Changes in equity		**-**	**(969)**	**(1,707)**	**3,416**	**149**	**889**	**85,683**	**86,572**	**44,677**	**131,249**
Closing balance To December 31, 2013	**24**	**379,444**	**2,929**	**(20,799)**	**(477)**	**491**	**(17,856)**	**1,562,797**	**1,924,385**	**1,315,274**	**3,239,659**

The accompanying Notes form an integral part of these consolidated financial statements

CAP S.A. AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(FIGURES IN THOUSANDS OF US DOLLARS)

		Changes in capital	Changes in other reserves								
To December 31, 2012	**Note N°**	**common shares capital in shares ThUS$**	**Translation reserves ThUS$**	**Hedging reserves ThUS$**	**Gains or losses Reserves ThUS$**	**Other Reserves ThUS$**	**Total Reserves ThUS$**	**Changes in retained earnings ThUS$**	**attributable to dominant company ThUS$**	**Changes in minority participations ThUS$**	**Total equity ThUS$**
Opening balance at 01.01.2012	**24**	**379,444**	**2,793**	**(26,962)**	**-**	**-**	**(24,169)**	**1,368,803**	**1,724,078**	**1,246,348**	**2,970,426**
Increase (decrease) from changes in accounting policies		-	-	-	(975)	-	(975)	975	-	-	-
Increase (decrease) for bug fixes		-	-	-	-	-	-	-	-	-	-
Beginning Balance Restated		**379,444**	**2,793**	**(26,962)**	**(975)**	**-**	**(25,144)**	**1,369,778**	**1,724,078**	**1,246,348**	**2,970,426**
Changes in equity											
Global results											
Earnings (loss)								233,699	233,699	97,052	330,751
Other comprehensive results			1,105	7,870	(2,918)		6,057		6,057		6,057
Total global results									239,756	97,052	336,808
Dividends paid	**24**							(126,363)	(126,363)	(72,803)	(199,166)
Increase (decrease) through transfers and other changes, equity						342	342		342		342
Total Changes in equity		-	**1,105**	**7,870**	**(2,918)**	**342**	**6,399**	**107,336**	**113,735**	**24,249**	**137,984**
Closing balance To December 31, 2012	**24**	**379,444**	**3,898**	**(19,092)**	**(3,893)**	**342**	**(18,745)**	**1,477,114**	**1,837,813**	**1,270,597**	**3,108,410**

The accompanying Notes form an integral part of these consolidated financial statements

CONTENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Contenido

1. General information

The Company was constituted in Chile by public deed dated April 27, 1946 with the name Compañía de Acero del Pacífico S.A., being declared legally operative by Finance Decree 3,418. Later, in February 1981, it became known as Compañía de Acero del Pacífico S.A. de Inversiones and in May 1991 adopted its current name of CAP S.A.

CAP S.A. is an open corporation, with tax number 91.297.000-0, registered in the Securities Register of the Chilean Superintendency of Securities and Insurance (SVS) under No.0131 and its legal domicile is Gertrudis Echeñique 220, Las Condes, Santiago, Chile.

The largest shareholder in CAP S. A. is Invercap S. A., with a 31.32% shareholding, which gives it a position to exercise a significant influence but not control over the investment by not being exposed nor having right to the variable returns of involvement in the investment and not being able to affect the returns on the investment.

For the purposes of the definition contained in Chapter XV of Law 18.045, it is concluded that Invercap S.A. qualifies as the controller of CAP S.A.

2. The business

The principal activity of the Company is to invest capital in any kind of incorporeal assets such as shares, bonds, debentures, savings and capitalization plans, quotas or rights in companies or mutual funds and any kind of titles or securities, and to manage these investments.

The Company's specific objects are to promote, organize and constitute companies of any kind and object, buy and sell shares and corporate rights; provide managerial services, financial and legal advice, engineering, auditing, and others necessary for the better performance of the companies in which it is a shareholder or partner, or of other companies; coordinate the management of the companies in which it is a shareholder or partner to obtain the highest levels of productivity and profitability.

CAP S.A. is the parent company of the following direct and indirect subsidiary companies which are registered with the Superintendency of Securities and Insurance (SVS):

Direct subsidiaries registered in the Special Register of Reporting Companies:

Compañía Siderúrgica Huachipato S.A.
Compañía Minera del Pacífico S.A.

Direct subsidiarys registered in the Securities Register:

Intasa (in 2013)

Indirect subsidiaries registered in the Securities Register:

Cintac S.A.
Intasa S.A. (in 2012)

CAP S.A. is also the parent of the following direct subsidiaries not registered with the SVS:

Puerto Las Losas S.A.
Port Investments Limited N.V.
Cleanairtech Sudamérica S.A.
Novacero S.A.

Tecnocap S.A.
Abastecimientos CAP S.A.
Ecocap S.A. (in 2013)

The objective of **CAP S.A.** is to consolidate its position in the steel business by efficiently managing its three business areas: **iron-ore mining (CAP Mining), steel production (CAP Steel) and CAP steel solutions**, using the best available technologies, being competitive in its costs and complying with strict safety and environmental protection measures where it carries on its activities.

CAP Mining carries on its business through the subsidiary Compañía Minera del Pacífico S.A. (CMP) and its subsidiaries, (Sociedad de Ingeniería y Movimiento de Tierra del Pacífico S.A., Cía. Distribuidora de Petróleos del Pacífico S.A., Manganesos Atacama S.A., Minera Hierro Atacama S.A., CMP Services Asia Limited and Pacific Ores and Trading N.V.), whose main objects are to evaluate, develop and exploit mine deposits; process and sell their products; develop complementary, derivative and secondary industries or suppliers of raw materials, inputs or services, or related directly or indirectly to these objects; provide geological and mining research, engineering, mechanical and industrial maintenance, construction and earth-movement services; and create and establish companies for the carrying out of any of these objects.

CAP Mining is the largest producer of iron ore and pellets on the Pacific coast, with ample known resources and reserves and in constant expansion through exploration programs in order to guarantee the continuity of operations for many decades.

Cía. Minera del Pacífico S.A. is organized into four principal units for management purposes:

- **Huasco Valley**: Comprises the activities of the Pellets Plant, Los Colorados (formerly Compañía Minera Huasco S.A.), El Algarrobo Mines and Guacolda II Port.

- **Elqui Valley**: Comprises the activities of El Romeral Mine and Guayacán Port.

- **Copiapó Valley**: Comprises the activities of the Magnetite Plant and Totoralillo Port.

- **Others**: Comprises the general administration of the company and the results of the subsidiaries.

CAP Steel carries on its business through the subsidiary Compañía Siderúrgica Huachipato S.A. (CSH) which has its installations in the city of Talcahuano in Chile's Eighth Region.

CSH is an integrated steel business which produces cast iron for reduction of the mineral in the blast furnaces. It then transforms this cast iron into liquid steel in the steel mill to obtain continual-cast plates and slabs (semi-finished products) which are then rolled to supply the market with greater value-added products like bars and hot-rolled sheets. In 2012, this subsidiary temporarily closed down the cold-rolling, zinc-alum and tin plate plant. As of December 31, 2013, the management decided to write-down the assets corresponding to these production lines as their products are not included in the future business plan. At the same time, the hot-rolled sheet line and a blast furnace were also shut down but it is expected to restart the business in the future under the plan mentioned.

In June 2013, due to the situation that the subsidiary had to face as a result of the over-production of steel that has affected the global steel industry, it was decided to focus the business on the manufacture of long products, i.e. bars for mining and construction, which are the segments with the best prospects in the market given the characteristics of the domestic demand for steel.

The subsidiary complies with all the legal conditions to which it is subject, shows normal production conditions and is currently operating at two-thirds of installed capacity. The gradual implementation of cost-reduction measures and the operating strategy will allow the subsidiary to ensure the continuity of its profitable operations in the short term and, through its parent CAP S.A., have the ability to access the financial system to finance its operations which, in the management's opinion, determines its capacity to

continue as a going concern, as established in the accounting standards under which these financial statements are issued.

CSH sells its products to steel distributors and construction companies, processors and industries, manufacturers of metallic containers, wire drawers, manufacturers of pipes and profiles, workshops and mining.

CAP Steel Solutions carries on its business through Intasa S.A. and subsidiaries (Tubos Argentinos S.A. and Steel House do Brasil Comercio Ltda.) and Novacero S.A. and subsidiaries: Cintac S.A. and subsidiaries (Instapanel S.A., Centroacero S.A. and Tubos y Perfiles Metálicos S.A.). Its principal object is the manufacture, distribution, trading, representation, import and export all kinds of steel and metallurgical products; the carrying out of civil works, house building, installation and making of special products in which the company's products are used, the organization of transport complementing these objects, the trading, import and export of all kinds of movable assets that complement its activities.

This group has solutions in its product range for the most varied market needs, serving Chile's many economic sectors like construction, housing, industrial, commercial, roads and mining.

In Argentina, CAP Steel Solutions has the subsidiary Tubos Argentinos S.A. whose principal activities are the cutting of coils, the pressing of cold, hot and galvanized rolled sheet and the manufacture and sale of seamed steel pipes, and steel pipes and profiles for dry construction. The company has two plants, one at Talar de Pacheco in the province of Buenos Aires and the other at Justo Daract in the province of San Luis.

In view of the current exchange control regulations in Argentina affecting access to US dollars, Intasa S.A. and its subsidiary are implementing ways to transfer funds to Intasa S.A. with respect to dividends and other payments.

It also has the subsidiary Tubos y Perfiles Metálicos S.A. (Tupemesa) in Lima, Peru which operates successfully in the market for tubular steel products, with a broad range of products to high quality standards.

In Brazil, the subsidiary Tubos Argentinos S.A. together with Intasa S.A. formed the company Steel House Do Brasil Comercio Ltda., headquartered in the city of Porto Alegre, which began operations in January 2010. The principal business of this company is the commercialization of galvanized products for dry construction, produced by the San Luis plant in Argentina, in the south of Brazil under the STEEL HOUSE brand name.

The incorporation of the steel solutions group into the traditional businesses of the CAP Group has permitted the promotion of steel consumption in Chile and an improvement in consolidated returns as a result of the participation in the whole steel value chain.

3. Summary of principal accounting policies applied

Accounting principles

These consolidated financial statements are shown in thousands of United States dollars and have been prepared from the accounting records of CAP S.A. and its subsidiaries (the "Group" or "Company") and in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), and approved by the board at its meeting held on January 31, 2014.

These consolidated financial statements faithfully reflect the financial position of CAP S.A. and subsidiaries as of December 31, 2013 and 2012 and the results of its operations, changes in equity and cash flows for the years ended December 31, 2013 and 2012.

Responsibility for the information and estimates made

The management of CAP S.A. and its subsidiaries is responsible for the information contained in these consolidated financial statements.

The preparation of these consolidated financial statements in accordance with IFRS requires the use of estimates and assumptions by the management of CAP S.A. and its subsidiaries. These estimates are based on the management's best knowledge of the amounts reported, events or actions, at the date of these consolidated financial statements. However, it is possible that future events may cause these to be modified (up or downward) in following periods, which would be done prospectively in accordance with IAS 8, booking the effects of the change in estimates in the corresponding future consolidated financial statements. The detail of the significant estimates and accounting criteria is contained in Note 5.

3.1 Principal Accounting Policies Adopted

The following are the principal accounting policies adopted in the preparation of these consolidated financial statements. These policies have been defined based on the IFRS current as of December 31, 2013, and have been applied uniformly in all the periods shown in these consolidated financial statements.

(a) Periods covered – These consolidated financial statements of CAP S.A. and subsidiaries comprise the statements of financial position and of changes in equity as of December 31, 2013 and 2012, and the statements of comprehensive results and of cash flows for the years ended on those dates.

(b) Preparation – These consolidated financial statements have been prepared in accordance with international financial reporting standards (IFRS) and the requirements and options issued by the Chilean Superintendency of Securities and Insurance (SVS), and represent the full, explicit and unreserved adoption of these international standards. In addition, the regulations and circulars issued by the SVS with respect to the preparation and presentation of the financial statements in IFRS, as issued by the International Accounting Standard Board ("IASB"), have also been considered.

These consolidated financial statements have been prepared from the accounting books maintained by the parent company and the other entities forming part of the CAP Group.

The financial statements have been prepared on the historic-cost basis. Historic cost is generally based on the fair value of the consideration for the goods and services. Fair value is the price that would be received on the sale of an asset or paid for transferring a liability in an orderly transaction between market participants on the date of measurement, whether such price is observable or estimated using other valuation techniques. The Company considers the characteristics of the assets and liabilities if market participants take those characteristics when fixing the price of the asset or liability on the date of measurement. The fair value for measurement purposes and/or disclosure in these financial statements is determined in this way except for measurements that have some similarities to the market value but which are not fair value, such as the net realization value per IAS 2 or the value in use per IAS 36.

(c) Consolidation – The consolidated financial statements incorporate the financial statements of the Parent Company and the companies controlled by it. Control is achieved when the Company:

- Has control over the investment,
- It is exposed or has the right to the variable returns of involvement in the investment, and
- It has the capacity to use its control to affect investment returns.

The Company evaluated its control based on all the facts and circumstances and the conclusion is re-evaluated if there is an indication that there are changes to at least one of the three elements stated above.

When the Company has at least a majority of the voting rights of an investment, it achieves control when the voting rights are sufficient in practice to have the ability to direct the relevant activities of the

investment unilaterally. The Company considers all the facts and circumstances in evaluating whether the voting rights in an investment are sufficient to provide control, including:

- The size of the participation of the voting rights of the Company in relation to the size and dispersal of the other voting rights,
- Potential voting rights of the Company, other holders or other parties,
- Rights deriving from contractual agreements, and
- Any additional event and/or circumstance that indicates that the Company has or not the ability to direct the relevant activities when the decisions need to be made, including previous voting patterns.

The consolidation of a subsidiary begins when the Company obtains control over it and end when the Company loses control. Specifically, the revenue and expenses of a subsidiary acquired or sold during the year are included in the statement of comprehensive results from the date on which the Company obtains control to the date when it no longer controls the subsidiary.

The results and every component of other comprehensive results are attributed to the owners of the Company and the non-controller participations. The total comprehensive result of the subsidiaries is attributed to the owners of the Company and the non-controller participations even though the non-controller participations have a negative balance.

All significant intercompany transactions and balances have been eliminated in the consolidation, and recognition has been given to the non-controller interest that corresponds to third parties' percentage participations in the subsidiaries, which is shown separately in the consolidated equity of CAP S.A.

Subsidiaries – A subsidiary is an entity over which the Group exercises direct or indirect control, as defined above. Entities are consolidated by this method in which, despite not having this percentage participation, it is understood that its activities are carried out for the benefit of the Company, this being exposed to all the risks and benefits of the dependent entity.

When evaluating whether the Company controls another entity, the existence and effect of the potential voting rights which are being exercised are taken into account. The subsidiaries are consolidated from the date on which control is transferred to the Group and are excluded on the day this ceases.

The following table shows the detail of the direct and indirect subsidiaries that have been consolidated by the CAP Group:

Tax No.	Company	Address	Relationship	Shareholding percentage			
				31.12.2013			31.12.2012
				Direct	Indirect	Total	Total
94637000-2	Compañía Siderúrgica Huachipato S.A.	Chile	Direct subsidiary	99.999	0.000	99.999	99.999
94638000-8	Compañía Minera del Pacífico S.A.	Chile	Direct subsidiary	74.999	0.000	74.999	74.999
79942400-2	Compañía Distribuidora de Petróleos del Pacífico Ltda.	Chile	Indirect sub.	0.000	74.999	74.999	74.999
79807570-5	Sociedad de Ingeniería y Movimientos de Tierra del Pacífico Ltda.	Chile	Indirect sub.	0.000	74.999	74.999	74.999
0-E	Pacific Ores & Trading N.V.	Dutch Antilles	Indirect sub.	0.000	74.999	74.999	74.999
0-E	Pacific Ores & Trading B.V.	Holland	Indirect sub.	0.000	74.999	74.999	74.999
90915000-0	Manganesos Atacama S.A.	Chile	Indirect sub.	0.000	74.184	74.184	74.184
76498850-7	Puerto Las Losas S.A.	Chile	Direct subsidiary	51.000	0.000	51.000	51.000
76800010-7	Minera Hierro Atacama S.A.	Chile	Indirect sub.	0.000	74.999	74.999	74.999
0-E	CMP Services Asia Limited	Hong Kong	Indirect sub.	0.000	100.000	100.000	0.000
94235000-7	Abastecimientos CAP S.A.	Chile	Indirect sub.	50.000	43.750	93.750	93.750
76369130-6	Tecnocap S.A.	Chile	Indirect sub.	60.000	34.999	94.999	94.999
76399380-9	Ecocap S.A.	Chile	Indirect sub.	99.731	0.268	99.999	95.000
76399400-7	Cleanairtech Sudamérica S.A.	Chile	Indirect sub.	51.000	0.000	51.000	51.000
0-E	P.O.R.T. Investments Ltd. N.V.	Antillas Holandesas	Indirect sub.	100.000	0.000	100.000	100.000
0-E	P.O.R.T. Finance Ltd. N.V.	Antillas Holandesas	Indirect sub.	0.000	100.000	100.000	100.000
96925940-0	Novacero S.A.	Chile	Indirect sub.	52.682	0.000	52.682	52.682
99503280-5	Intasa S.A.	Chile	Indirect sub.	57.787	16.101	73.888	56.536
0-E	Tubos Argentinos S.A. (Argentina)	Argentina	Indirect sub.	0.000	73.888	73.888	56.536
0-E	Steel House Do Brasil Comercio Ltda.	Brasil	Indirect sub.	0.000	73.888	73.888	56.536
92544000-0	Cintac S.A.	Chile	Indirect sub.	11.031	26.832	37.863	37.863
0-E	Steel Trading Co. Inc. (Bahamas)	Bahamas	Indirect sub.	0.000	37.863	37.863	37.863
96919030-3	Conjuntos Estructurales S.A.	Chile	Indirect sub.	0.000	37.863	37.863	37.863
0-E	Tubos y Perfiles Metálicos S.A. (Perú)	Perú	Indirect sub.	0.000	37.863	37.863	37.863
96705210-8	Cintac S.A. (ex Acero Cintac S.A.)	Chile	Indirect sub.	0.000	37.863	37.863	37.863
96859640-3	Instapanel (ex Varco Pruden Chile S.A.)	Chile	Indirect sub.	0.000	37.863	37.863	37.863
76721910-5	Inmobiliaria Cintac S.A.	Chile	Indirect sub.	0.000	37.863	37.863	37.863
99537280-0	Tecnoacero S.A.	Chile	Indirect sub.	0.000	37.863	37.863	37.863
99553700-1	Tecnoacero Uno S.A.	Chile	Indirect sub.	0.000	37.863	37.863	37.863
76734400-7	Centroacero S.A. ex Nueva Centroacero S.A.	Chile	Indirect sub.	0.000	37.863	37.863	37.863

All the companies have the US dollar as their functional currency.

Non-controller participations – A controller shows non-controller participations in the consolidated statement of financial position under equity, separate from the equity of the owners of the controller.

Changes in the participation held by a controller in a subsidiary that does not result in a loss of control are equity transactions. The book value of the Company's participation and the non-controller participations are adjusted to reflect the change in their relative participations in the subsidiaries. Any difference between the amount by which the non-controller participations are adjusted and the fair value of the consideration paid or received is booked directly to equity and is attributed to the owners of the Company.

Associates and joint ventures An associate is an entity over which the Company is in a position to exercise a significant influence. Significant influence is the power to participate in decisions over operative and financial policies, but not control or joint control over those policies.

A joint venture is a joint agreement whereby the parties that have joint control of the agreement have the right to the net assets of the joint agreement. Joint control is the contractual agreement to share control of an agreement, which only exists whern decisions over important activities require the unanimous consent of the parties sharing the control.

The results, asset and liabilities of associates and/or joint ventures are included in these financial statements using the participation method, except when the investment is classified as held for sale in which case it is booked in accordance with IFRS 5, Non-current assets held for sale and Discontinued operations. This requires the booking of investments in associates and/or joint ventures initially at cost and then, in later periods, they are adjusted as a function of the changes made following the acquisition, for the portion of the

net assets of the associate corresponding to the Company, less any impairment in value of the individual investments.

When the Group's participation in the losses of an associate or joint venture exceeds its participation in these, the entity ceases to book its participation in the additional losses. The participation in an associate or joint venture is the book value of the investment in the associate or joint venture as determined under the participation method, together with any long-term participation that in essence forms part of the net investment of the entity in the associate or joint venture.

An investment in an associate and/or joint venture is booked using the participation method from the date on which it becomes an associate or joint venture. At the time of the acquisition of the investment, any difference between the cost of the investment and the entity's participation in the net fair value of the identifiable assets and liabilities of the acquired entity, is booked as goodwill and is included in the book value of the investment. Any excess of the participation of the entity in the net fair value of the identifiable assets and liabilities of the acquired entity over the investment cost, after making a re-evaluation, is booked immediately in the results for the period in which the investment was acquired.

The Company's participations in joint ventures:

	Percentage participation	
	31.12.2013	31.12.2012
Armacero Industrial y Comercial S.A.	50%	50%

(d) Combinations of businesses – Combinations of businesses are booked using the purchase method. This involves showing the identifiable assets (including intangible assets not previously booked) and liabilities (including contingent liabilities and excluding future restructurings) of the business acquired at fair value. If these combinations of businesses imply acquiring control of an investment in which the Company has significant influence or joint control, such prior participation is booked at fair value showing the effect in results.

(e) Currency – The Company's functional currency has been determined as the currency of the principal economic environment in which it operates. Transactions other than those carried out in the functional currency are translated at the exchange rate on the date of the transaction. Monetary assets and liabilities expressed in currencies other than the functional currency have been translated at the closing exchange rate. Gains and losses on the translation have been included in the earnings or losses for the year under exchange differences.

The Group's currency of presentation is the US dollar. In the consolidation, items of the statement of comprehensive results corresponding to entities with a functional currency other than the US dollar are translated to the latter at the average exchange rates. Items in the statement of financial position are translated at the closing exchange rates. Exchange differences deriving from the translation of the net assets of these entities are taken to equity and shown as a separate translation reserve.

(f) Currency translation - Transactions in a currency other than the functional currency are considered as foreign currency transactions and are booked in the functional currency at the exchange rate current on the date of the transaction. Assets and liabilities in Chilean pesos, Argentine pesos, Peruvian soles and Unidades de Fomento are translated to US dollars at the exchange rates on the closing date of the financial statements, as follows:

	31.12.2013	**31.12.2013**
Chilean pesos per dollar	524.61	479.96
Argentine pesos per dollar	6.521	4.918
Unidad de Fomento (pesos)	23,309.56	22,840.75
Peruvian soles per dollar	2.80	2.55

(g) Offsetting of balances and transactions – As a general rule, neither assets and liabilities nor revenues and expenses are offset in the financial statements except in cases where offsetting is required or permitted by some regulation and this presentation is a reflection of the basis of the transaction.

Revenues and expenses arising from transactions that contractually or according to law contemplate the possibility of offset and the Group has the intention of settling for the net amount or realizing the asset and paying the liability simultaneously are shown net in the comprehensive results account.

(h) Property, plant and equipment – Property, plant and equipment are shown at cost, excluding periodic maintenance costs, less accumulated depreciation and losses for impairment.

The cost of elements of property, plant and equipment comprises the acquisition price plus all costs directly related to the location of the asset and its preparation for use as forecast by the management and the initial estimate of any cost for dismantling and retirement of the element or its physical relocation.

It also includes as the cost of the elements of property, plant and equipment, interest costs for the financing directly attributable to the acquisition or construction of assets that require a substantial period of time before being ready for use or sale.

The costs of expansion, modernization or improvements that represent an increase in productivity, capacity or efficiency or an increase in the useful life, are capitalized by increasing the value of the assets.

Repair, preservation and maintenance costs are charged to comprehensive results for the year in which they are incurred. Some elements of the Group's property, plant and equipment require periodic revisions. In this case, the elements to be replaced are shown separated from the rest of the assets and with a level of separation that enables them to be amortized in the period between the present and the following repair.

At the date of closing or whenever there is an indication that there may be impairment of the assets, the recoverable amount is compared with the net book value. Any booking or reversal of a loss of value arising as a result of the comparison is shown as a charge or credit to comprehensive results.

This heading also includes investments made in assets acquired under leasing agreements having a purchase option, thus meeting the conditions of a financial lease in accordance with IAS 17. These assets do not legally belong to the Company until the purchase option has been exercised.

The gain or loss on the disposal or retirement of an asset is calculated as the difference between the disposal proceeds and the book value, the charge or credit being taken to comprehensive results for the period

(i) Depreciation - The elements of property, plant and equipment are depreciated using the straight-line method, through the distribution of acquisition costs of the assets less the residual value expected over the estimated years of useful life of the assets.

The residual value and useful life of elements of property, plant and equipment are revised annually and depreciation starts when the assets are ready for use.

Land is shown separately from the buildings or installations that may be placed on it. It is understood that its useful life is indefinite and is not therefore subject to depreciation. Other assets, which include balances of works in progress, are depreciated from their placement in use according to their nature.

The useful life of property, plant and equipment used in mining works is determined based on technical studies prepared by internal and external specialists. These studies are also used for new acquisitions of

property, plant and equipment or when there are indications that the useful lives of these assets should be changed.

The studies take into account certain factors for the determination of the useful life of certain assets, including:

- Expectations of production units or volumes,
- Quality of additions to the production process, and
- Method of extraction and processing.

(j) Mine development - The costs incurred during the execution of a project and until its start-up are capitalized and amortized in relation to the future production of mineral. These costs include the extraction of sterile topsoil, the construction of mine infrastructure and works prior to the normal operational work.

(k) Cost of removal for accessing mineral – The costs of the removal of sterile material in open-pit deposits that are in a production stage, incurred in order to access ore deposits, are booked in Property, plant and equipment provided they comply with the following criteria set out in IFRIC 20:

- It is probable that the future economic benefits related to the removal activities will result in cash flow for the Company.
- It is possible to identify the components of the ore body to be accessed as a result of the removal activities
- The cost associated with the removal activities can be measured reasonably.

The amounts booked in Property, plant and equipment are amortized according to the production units extracted from the ore body related specifically to the respective removal activity that generated such amount.

(l) Goodwill – Goodwill represents the positive difference between the acquisition cost and the fair value of the identifiable assets, liabilities and contingent liabilities of the entity acquired. Goodwill is initially measured at cost and later at cost less any loss for impairment.

Goodwill is revised annually to determine whether there are indicators of impairment or more often if events or changes in circumstances indicate that the book value might have deteriorated. Impairment is determined for the goodwill by evaluating the amount recoverable of the cash-generating unit (or group of cash-generating units) to which the goodwill is related. When the amount recoverable from the cash-generating unit (or group of cash-generating units) is less than the book value of the cash-generating unit to which the goodwill has been assigned, a loss for impairment is booked. A loss for impairment related to goodwill cannot be reversed in future periods.

(m) Intangible assets – Intangible assets with a finite useful life acquired separately are measured initially at cost. They are then shown at cost less any accumulated amortization and any accumulated loss for impairment

(n) Impairment of non-financial assets – Intangible assets with an indefinite useful life and reduced values are not amortized but are subjected annually to tests for losses through impairment.

Assets subject to amortization are tested for impairment losses provided there is objective evidence that as a result of one or more events occurring after the initial booking, the book value may not be recoverable.

For the purposes of evaluating losses for impairment, assets are grouped together at the lowest level for which there are identifiable separate cash flows (cash generating units).

A loss for impairment is booked when the book value of an asset exceeds its recoverable amount. The recoverable amount is the greater of the fair value of an asset less sale costs and its value in use. In evaluating the latter, estimated future cash flows are discounted to their present value using a discount rate

before tax that reflects current market appraisals of the value of money over time and the specific risks of the asset, for which no estimates of future cash flows have been adjusted.

If it is believed that the recoverable amount of an asset or cash generating unit is less than its book value, the latter is reduced to the recoverable value. Impairment is booked immediately to results. If impairment is reversed later, the book value rises to the revised estimate of the value recoverable, but up to the point where it does not exceed the book value that had been determined had no prior impairment been booked. A reversal is immediately shown as a reduction in the charge for depreciation.

Non-financial assets other than goodwill that have suffered a loss through impairment are revised at each date of the statement of financial position in case reversals of the loss have occurred.

Assets subjected to the above methodology are:

- Investments in subsidiary companies
- Investments in associate companies
- Investments in joint ventures

In the case of mine properties, estimated future cash flows are based on estimates of the amounts of proven and probable reserves, and on assumptions about future production levels, future commodity prices, future production costs and investment projects. IAS 36 "Impairment of assets" includes a series of restrictions on the future cash flows that may be booked with respect to future restructurings and improvements related to the expenses. In calculating the value in use, it is also necessary for these to be based on current exchange rates at the time of the appraisal. As of December 31, 2013, the impairment tests made indicate that there is no observable impairment.

(ñ) Estimated useful economic lives of assets and mineral reserves

i. Useful economic life of assets – The useful lives of Property, plant and equipment used for calculating depreciation are determined based on technical studies prepared by internal specialists. These studies are also used for new acquisitions of Property, plant and equipment or when there are indications that the useful lives of these assets should be changed.

The studies take into account the following factors in determining the useful lives or certain assets, including:

- Expectations of production units or volumes
- Quality of inputs into the production process and
- Method of extraction and processing.

ii. Iron ore reserves – Estimates of mineral reserves are based on the estimates of the mineral resources and reflect the management's estimates with respect to the volume of resources that could be recovered and sold at prices that exceed the total cost associated with the extraction and processing. Estimates of reserves are produced internally, using methods that are standard in the mining industry and which are supported by historic experience and management assumptions with respect to the cost of production and market prices.

The management makes judgments in determining the probable exploitable resources, so possible changes in these estimates could significantly impact on net revenues as a result of a change in the useful lives of certain assets and the booking of certain dismantling and restoration costs that need to be re-evaluated.

(o) Financial assets – Financial assets are classified in the following categories:

- Financial assets at fair value through results.
- Investment held to maturity.
- Financial assets available for sale.
- Loans and accounts receivable.

The classification depends on the nature and purpose of the financial assets and is determined at the time of the initial booking.

- **Financial assets at fair value through results –** Their characteristic is that they are mainly held to be sold in the near future in order to obtain gains and liquidity. These instruments are shown at fair value and variations in their value are shown in results at the time they occur.

- **Financial assets held to maturity –** These **r**elate to non-derivative financial assets with known payments and fixed maturities that the Group's management has the intention and capacity to hold until their maturity. Should the Group sell a significant amount of the financial assets held to maturity, the complete category is reclassified as available for sale.

These financial assets are included in non-current assets except for those whose maturity is less than 12 months from the date of the statement of financial position.

- **Financial assets available for sale –** These are non-derivative financial assets specifically designated in this category or which are not classified in any of the above categories. These financial assets are included in non-current assets unless the management intends to dispose of the investment within 12 months of the date of the statement of financial position

- **Loans and accounts receivable –** These are shown at their amortized cost, basically the cash disbursed less repayments of principal made, plus interest accrued but not collected in the case of loans and the present value of accounts receivable. They are included in current assets, except for maturities of over 12 months from the date of the statement of financial position, which are classified as non-current assets. Loans and accounts receivable are included in Trade debtors and other accounts receivable in the statement of financial position.

Effective interest rate method - Method for calculating the amortized cost of a financial asset and the assignment of interest income over the whole corresponding period. The effective interest rate relates to the rate that exactly discounts the estimated net future cash flows receivable (including all the charges and income received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), over the expected life of the financial asset.

Acquisitions and disposals of financial assets are shown on their trading date, i.e. the date on which the Group is committed to acquire or sell an asset.

Impairment of financial assets – Financial assets, other than those valued at fair value through results, are evaluated at the date of each statement of financial position to establish the presence of indicators of impairment. Financial assets are impaired when there is objective evidence that the estimated future cash flows of the investment will be affected as a result of one or more events occurring after the initial booking.

In the case of financial assets valued at amortized cost, the loss for impairment is the difference between the book value of the asset and the present value of the estimated future cash flows discounted at the original effective interest rate of the financial asset. As of December 31, 2013, impairment tests carried out indicate that no impairment has been observed.

Retirements of financial assets- The Company retires a financial asset when the contractual rights to the cash flows have expired or when substantially all the risks and benefits inherent in the ownership of the financial asset are transferred to another entity. If the Company retains substantially all the rights and benefits of ownership of the financial asset, the asset will continue to be booked as well as a liability booked for the cash flows received.

(p) Financial liabilities – Financial liabilities are classified either as at fair value through results or as Other financial liabilities.

- **Financial liabilities at fair value through results –** Financial liabilities are classified at fair value through results when they are held for trading or are designated at fair value through results.

- **Other financial liabilities –** Other financial liabilities, including loans, are valued initially at the amount effectively received net of transaction costs. They are later valued at amortized cost using the effective interest-rate method, showing the interest cost on the basis of the effective return.

- **Effective interest-rate method -** Method for calculating the amortized cost of a financial liability and of the assignment of interest income over the whole related period. The effective interest rate relates to the rate that exactly discounts the estimated net future cash flows payable over the expected life of the financial liability, or when appropriate, a shorter period when the related liability has a prepayment option that it is believed will be exercised.

As of the close of these consolidated financial statements, the effective interest rate does not differ significantly from the nominal interest rate of the financial liabilities. Financial loans are shown at their net value, i.e. after deducting associated issue costs.

The Group writes down financial liabilities only when the obligations are paid, cancelled or have expired. Modifications to the conditions of a financial loan are booked as the extinction of a financial liability only when such modifications are substantial.

- **Classification as debt or equity –** Debt and equity instruments are classified either as financial liabilities or equity according to the substance of the contractual agreement.

- **Equity instruments –** An equity instrument is any contract that demonstrates a residual participation in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Group are shown at the amount of the consideration received, net of direct issue costs. The Group currently has only issued shares of the one series.

Capital increases in the form of assets and liabilities received other than in cash and cash equivalents are shown at their fair value.

(q) Derivative and hedging financial instruments - Derivative contracts signed by the Group to cover risks related to exchange and interest-rate fluctuations relate mainly to forward currency contracts and currency and interest-rate swaps. All relate to hedge contracts so the effects of changes in the fair value of this type of instrument are shown in hedge assets and liabilities to the extent that the hedge of the item has been declared as effective according to its purpose. A hedge is considered to be highly effective when changes in the fair value or in the underlying cash flows attributable to the risk hedged are compensated by changes in the fair value or cash flows of the hedge instrument, with an effectiveness in the range of 80% - 125%. The corresponding gain or loss is shown in comprehensive results for the year only in those cases where the contracts are liquidated or cease to meet the characteristics of a hedge contract; otherwise they are shown in equity.

Derivatives are booked initially at fair value at the time of signing the derivative contract and are later again valued at fair value on the date of each closing. The fair value of forward currency contracts is calculated with reference to current forward exchange rates for similar maturities.

The total fair value of hedge derivatives is classified as a non-current asset or liability if the remaining maturity is over 12 months and as a current asset or liability if the remaining maturity is less than 12 months

Cash-flow hedges – The effective portion of the changes in fair value of derivative instruments that are denominated and qualify as cash-flow hedge instruments are deferred in equity in a reserve called Cash-flow hedges. The gain or loss related to the ineffective portion is shown immediately in the statement of comprehensive results, in the line Other gains or losses. The amounts deferred in equity are shown as gains

or losses in the periods in which the item hedged is booked in gains or losses, on the same line of the statement of comprehensive results where the item hedged was booked. However, when the foreseen transaction hedged results in the booking of a non-financial asset or liability, the gains and losses previously deferred are transferred from equity and are included in the initial valuation of the cost of that asset or liability.

Hedge accounting is discontinued when the Company cancels the hedge relationship, when the hedge instrument matures or is sold, terminated or exercised, or no longer qualifies for booking as a hedge. Any deferred gain or loss in equity at that time is maintained in equity and is booked when the foreseen transaction is finally booked in gains or losses. When it is no longer likely that a foreseen transaction will occur, the accumulated gain or loss that was deferred in equity is immediately shown in gains or losses.

Implicit derivatives – The Company and its subsidiaries have established a procedure for evaluating the existence of implicit derivatives in financial and non-financial contracts. Should there be an implicit derivative, and if the principal contract is not booked at fair value, the procedure determines whether its characteristics and risks are closely related to the principal contract; if not, a separate booking is required.

The procedure consists of an initial characterization of each contract in order to identify those in which there might be an implicit derivative. In this case, the contract is analyzed in greater depth. If such evaluation determines that the contract contains an implicit derivative that needs to be booked separately, this is valued and the movements in their fair value are shown in the comprehensive results account in the consolidated financial statements.

The analyses made to date indicate that there are no implicit derivatives in the contracts of the Company and its subsidiaries that need to be booked separately.

(r) Inventories – Inventories are shown at cost using the following methods:

- **Finished products and those being processed:** at the average monthly production cost which includes the depreciation of fixed assets and the amortization of mine properties.

- **Raw materials, supplies and consumption spares:** at average cost.

- **Stockpiled ore:** the lower of the average monthly extraction cost and the recoverable value.

- **Raw materials and supplies in transit:** at cost.

The cost assigned to inventories does not exceed their net realization value.

The cost price includes direct materials costs and any handling costs, the indirect costs incurred in transforming the raw materials into finished products and general expenses incurred in transforming the raw materials into finished products, plus general expenses incurred in transferring inventories to their location and present condition.

The net realization value represents the estimated sale price less all estimated termination costs and the costs that will be incurred in the commercialization, sales and distribution processes.

(s) Statement of cash flows – The Group has defined the following for the purposes of preparation of the statement of cash flows:

Cash and cash equivalents include cash, time deposits with credit entities, mutual fund quotas and other very-liquid and easily-realizable short-term investments with a low risk of changes in value and an original term of up to three months. In the statement of position, bank overdrafts are classified as outside resources in current liabilities.

- **Operating activities:** Activities that are the Group's principal source of ordinary revenue, plus other activities that cannot be classified as for investment or financing.

- **Investment activities:** The acquisition, disposal or disposition by other means of long-term assets and other investments not included in cash and its equivalents.

- **Financing activities:** Activities that produce changes in the size and composition of equity and liabilities of a financial nature.

(t) Income tax – The Company and its Chilean subsidiaries determine their taxable income and calculate their income tax obligations in accordance with current legislation. Its foreign subsidiaries do so under the regulations of their respective countries.

Deferred taxes originating from timing differences and other events that create differences between the financial and tax treatment of assets and liabilities are shown in accordance with IAS 12 "Income taxes".

The subsidiary Compañía Minera del Pacífico S.A. similarly books timing differences arising between tax and financial items that result from the determination of the operating taxation result for the purposes of calculating the specific mining tax.

Corporate taxes are booked in the comprehensive results account or equity accounts in the statement of financial position depending on where the resultant gains or losses have been booked. Differences between the book value of assets and liabilities and their fiscal base generate balances of deferred tax assets and liabilities that are calculated using the fiscal rates expected to be in effect when the assets and liabilities are liquidated.

Variations produced in deferred tax assets and liabilities in the period are shown in the results account of the consolidated statement of comprehensive results or directly in the equity accounts of the statement of financial position, as the case may be.

Deferred tax assets are shown only when the Group expects to have sufficient future taxable earnings to recover the deductions for timing differences.

Non-monetary tax assets and liabilities determined in Chilean pesos or the corresponding local currency are translated to the company's functional currency at the exchange rate at the end of each period. Exchange rate changes give rise to timing differences.

(u) Provisions – Provisions are booked when the Company has a present obligation (whether legal or constructive) as a result of a past event, it is probable that the Company will have to cancel the obligation, and the amount of the obligation can be estimated reliably.

The amount booked as provision should be the best estimate of the disbursement necessary to cancel the present obligation at the end of the period being reported, taking into account the risks and uncertainties relating to the obligation. When a provision is measured using the estimated cash flow for canceling the present obligation, its book value represents the present value of such cash flows (when the effect of the temporary value of the money is significant).

When some or all the economic benefits required for canceling a provision are expected to be recovered from a third party, an account receivable is booked as an asset if it is practically certain that the reimbursement will be received and the amount of the account receivable can be measured reliably.

(v) Employee benefits - Employment terms stipulate the payment of a severance indemnity for years of service when a work contract expires. Normally this corresponds to the proportion of a month for each year of service, based on the final wage. This has been defined as a long-term benefit.

The Company and some of its subsidiaries have also agreed a long-service bonus with some of their employees, which is paid on the basis of a percentage increase in wage according to a defined table. This has been defined as a long-term benefit.

Provisions for severance payments and long-service bonuses are calculated based on valuations prepared by an independent actuary using the projected credit-unit method, which are updated periodically. The obligation shown in the statement of financial position represents the present value of the obligation for severance payments and long-service bonuses. Actuarial gains or losses are shown immediately in the statement of comprehensive results.

The costs of employee benefits relating to services provided by employees during the year are charged to comprehensive results in the corresponding period.

The management makes assumptions for determining the best estimate of these benefits. This expectation, and the assumptions, are established jointly with the Company's external actuary, and include an annual discount rate, expected increases in remunerations, future permanence, etc.

The amount of the net actuarial liabilities accrued to the end of the period is shown in Provisions for employee benefits, current and non-current, in the consolidated statement of financial position.

(w) Contingent liabilities – Contingent liabilities are obligations arising from past events whose information is subject to the occurrence of events outside the control of the Company, or present obligations arising from past events whose amount cannot be estimated reliably or in whose settlement there is unlikely to be an outflow of funds.

The Company does not book contingent assets or liabilities except those deriving from contracts of an onerous nature which are booked as a provision and reviewed on the date of each statement of financial position to adjust them to show the best estimate.

(x) Provisions for dismantling and restoration costs - An obligation for dismantling and restoration costs arises when an alteration to the environment is produced caused by the development or production of a mining property. The costs are estimated based on a formal closure plan and are subject to periodic revision.

Costs arising from the installation of a plant or other project for the preparation of its location, discounted to their net present value, are provisioned and capitalized at the start of each project, when the obligation to incur these costs originates. These dismantling costs are charged to comprehensive results over the life of the mine by means of the depreciation of the asset and amortization or deduction from the provision. Depreciation is included in the operating costs while amortization is treated as a financing cost.

Restoration costs due to damages in the location, which are generated progressively during production, are provisioned at their net present values when the damage is caused, and charged to comprehensive results for the period as extraction progresses.

Provisions for dismantling and restoration and environmental provisions are made at present value at the time the obligation is known. Environmental costs are estimated using also the work of an external specialist and/or internal experts. Management uses its judgment and experience in provisioning and amortizing these estimated costs over the useful life of the mine.

(y) Booking of revenue – Revenue is booked as soon as it is probable that the economic benefits will flow to the Company and can be measured reliably. The following specific criteria should also be met before booking revenue:

- **Sale of goods –** Revenue from the sale of goods is booked when the risks and significant benefits of ownership of the goods have been transferred to the buyer; this normally happens with the dispatch of the goods.

- **Provision of services** – Ordinary revenue related to the provision of services is booked considering the progress of these at the date of closing, provided the result of the transaction can be estimated reliably.

- **Interest income –** Income is booked as interest accrues as a function of the principal outstanding and the applicable interest rate.

- **Revenue generated by industrial promotion –** The indirect subsidiary Tubos Argentina S.A. has booked as operating revenue the effects of an industrial promotion scheme, granted through fiscal credit certificates by the Argentine Federal Administration of Public Revenues.

(z) Earnings per share – Basic earnings per share is calculated as the relationship between the earnings (loss) for the period attributable to the Company and the weighted average number of its common shares in circulation during that period.

The Company has not carried out any kind of operation with a potentially diluting effect that suggests that diluted earnings per share might be different to basic earnings per share.

(aa) Dividends - The distribution of dividends to shareholders is booked in the financial statements as a liability at the end of each period as a function of the dividend policy agreed by the ordinary shareholders' meeting, which corresponds to 50% of distributable earnings, determined as shown in Note 24.

(ab) Leases – There are two kinds of leases:

- **Financial leases –** These are where the lessor transfers substantially all the risks and benefits inherent in the ownership of the asset leased. The ownership of the asset may or may not be transferred.

When Group companies act as lessees of an asset under a financial lease, the cost of the assets leased is shown in the consolidated statement of financial position according to the nature of the asset concerned, and is simultaneously booked as a liability in the consolidated statement of financial position for the same amount. This amount will be the lesser of the fair value of the asset leased and the sum of present value of the amounts payable to the lessor plus, if applicable, the price for exercising the purchase option.

These assets are amortized following criteria similar to those applied to the whole of the property, plant and equipment for its own use.

Financial expenses deriving from the financial updating of the liability booked are charged to Financial costs in the consolidated comprehensive results.

- **Operative leases –** These are leases in which the ownership of the asset leased and substantially all the risks and benefits related to the asset remain with the lessor.

(ac) Classification of balances as current and non-current – Balances in the consolidated statement of financial position are classified as a function of their maturities, i.e. current being those maturing within twelve months, and non-current being those maturing beyond that period. Should there be obligations maturing at less than twelve months but whose long-term refinancing is assured under committed available loan agreements with long-term maturities, these may be classified as non-current liabilities at the discretion of the Company.

(ad) The environment – The Group adheres to the principles of sustainable development which balance economic development with care for the environment and the safety and health of its personnel.

The Company recognizes that these principles are key to the wellbeing of its personnel, care for the environment and the success of its operations.

3.2 New accounting pronouncements

a) The following new standards and interpretations have been adopted in these financial statements:

New IFRS	Date of obligatory application
IFRS 10, Consolidated Financial Statements IFRS 10 changes the definition of control, which includes three elements: power over an investment, exposure or rights to variable returns on the investment, and the capacity to use the power over the investment to affect the investor's returns. These three criteria should be met by the invedstor to have control over the investment. Before, control was defined as the power to govern the operational and financial policies of an entity to obtain the profits on its activities. This standard replaces those sections of IAS 27, Consolidated and Separate Financial Statements, that cover when and how an investor should prepare consolidated financial statements and replaces SIC-12 Consolidation – Special Purpose Entities.	Annual periods starting on January 1, 2013.
IFRS 11, Joint Agreements IFRS 11 classifies joint agreements in 2 kinds of agreements based on the rights & obligations of the parties to the agreement, and considering the structure, legal form of the agreement, the contractual terms and, if relevant, other events & circumstances: 1) joint operations (the parties have control of the operations, rights over the assets & obligations for liabilities related to the agreement) and 2) joint venture (the parties have control over the agreement & rights over the net assets of the joint venture entity). The standard eliminates the proportional consolidation for joint ventures and only permits the proportional value method. This standard replaced IAS 31, Interests in Joint Ventures & SIC-13, Entities under Joint Control.	Annual periods starting on January 1, 2013.
IFRS 12, Disclosures of Participations in Other Entities IFRS 12 establishes disclosure objectives and specifies minimums that an entity should provide to meet the greater disclosures relating to participations in subsidiaries, joint agreements, associates & non-consolidated structured entities.	Annual periods starting on January 1, 2013.
IAS 27 (2011), Investments in Associates and Joint Ventures IAS 28 Investments in Associates was modified in line with the changes related to the issue of IFRS 10 & IFRS 11.	Annual periods starting on January 1, 2013.
IFRS 13, Measurement of Fair Value This standard establishes just one source of guidelines for measuring fair value & its disclosures, and applies to both financial & non-financial instruments measured at fair value, for which other IFRSs require or permit their measurement at fair value. IFRS 13 defines fair value as the price to be received on selling an asset or on paying for transferring a liability in a transaction under market conditions.	Annual periods starting on January 1, 2013.
IAS 19 Employee Benefits	Annual periods

On June 16, 2011, the IASB published modifications to IAS 19, Employee Benefits, which change the accounting of defined benefit plans & end benefits. The modifications require the recognition of changes in the obligation for defined benefits and in the plan's assets when those changes occur, eliminating the focus of the broker and accelerating the recognition of the costs of past services. The changes in the obligation of defined benefits and the plan's assets are segregated into 3 components: service costs, net interest on the net liabilities (assets) for defined benefits and remeasurements of the net liabilities (assets) for defined benefits. Net interest is calculated using a rate of return for top-quality corporate bonds. This could be less than the the rate currently used to calculate the expected return on the plan's assets, resulting in a reduction in the profits for the year. The modifications are effective for annual periods starting on or after January 1, 2013, and its application in advance is permitted. Certain exceptions have to be applied retroactively.	starting on January 1, 2013.

Amendments to IFRS	**Date of obligatory application**
IAS 1, Presentation of Financial Statements – Presentation of Components of Other Comprehensive Results Under these amendments, the "statement of comprehensive results" is renamed the "statement of profit or loss and other comprehensive results". The modifications maintain the option of presenting one statement of results and a statement of comprehensive results, whether in just one statement or in two individual consecutive statements. It is required that the components of other comprehensive results be grouped into those that will be and those that will not be reclassified later to losses and profits. It is required that the tax on other comprehensive results be assigned on the same basis. IAS 1, Presentation of Financial Statements The modification states that when a statement of financial position at the start of the previous period (third statement of financial position) and its notes are required to be presented. It specifies that this third statement is necessary when a) an entity applies an accounting policy retroactively, or makes a restatement, and b) the retroactive application, restatement or reclassification has a material effect.	Annual periods starting on January 1, 2013.
IFRS 7, Financial Instruments: Disclosures – Modifications to disclosures about the netting of financial assets and liabilities. IFRS 7, Financial Instruments: Disclosures was amended to request information on all the financial instruments booked that are being netted in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation. The amendments also require the disclosure of information on the financial instruments booked that are subject to master agreements requiring netting and similar agreements, even if they have been netted in accordance with IAS 32. The IASB considers that these disclosures will enable users of the financial statements to evaluate the effect or potential effect of agreements permitting netting, including netting rights associated with financial assets and financial liabilities booked by the entity in its statement of financial position.	Annual periods starting on January 1, 2013.

Annual improvements Cycle 2009 – 2011 IFRS 1 *First-time adoption of IFRS* - Application of IFRS 1 IFRS 1 *First-time adoption of IFRS* – Financing costs IAS 1 *Presentation of Financial Statements*- Clarification of requirements for comparative information IAS 16 *Property, Plant & Equipment*- Classification of service equipment IAS 32 *Financial Instruments: Presentation* – Tax effect of the distribution to holders of equity instruments IAS 34 *Intermediate Finanial Information* – Intermediate Financial Information and Information by Segments for all assets & liabilities	Annual periods starting on January 1, 2013.
IFRS 10, IFRS 11 and IFRS 12 – Consolidated Financial Statements, Joint Agreements and Disclosures of Participations in Other Entities – Guidelines for the transition. The amendments are intended to provide additional alleviation in the transition to IFRS 10, IFRS 11 & IFRS 12, by "limiting the requirement to provide adjusted comparative information for only one immediately preceding year". The amendments to IFRS 11 & IFRS 12 also eliminate the requirement to provide comparative information for periods prior to the immediately preceding period.	Annual periods starting on January 1, 2013.

New Interpretations	**Date of obligatory application**
IFRIC 20, Clearance Costs in the Production Phase of an Open Pit Mine IFRIC 20 applies to all types natural resources usinmg the open-pit mining process. The costs of clearance activities that improve access to minerals should be booked as a non-current asset ("clearance activity asset") when meeting certain criteria, while the costs of normal continuous clearance operations should be booked in accordance with IAS 2 Inventories. The clearance activity asset should initially be measured at cost and later at cost or its revalued amount less depreciation or amortization and impairment losses.	Annual periods starting on January 1, 2013.

The application of these standards and their impact on the amounts reported in these consolidated financial statements is described in letter (c) to this note.

b) The following new Standards and Interpretations have been issued but their date of application is not yet due:

New IFRS	**Date of obligatory application**
IFRS 9, Financial Instruments This standard introduces new requirements for the classification & measurement of financial assets and is effective for annual periods starting on or after January 1, 2015, permitting its application in advance. IFRS 9 specifies how an entity should classify & measure its financial assets at amortized cost or fair value. It requires that all the financial assets be classified on the basis of the business model of the entity for the management of financial assets and the characteristics of the contractual cash flows of the financial assets. The financial assets are measured either at amortized cost or fair value. Only financial assets classified as measured at amortize cost shall be tested for impairment.	Annual periods starting on January 1, 2015.

Amendments to IFRS	Date of obligatory application
IAS 32, Financial Instruments: Presentation – Clarification of requirements for netting financial assets and liabilities Modifies the accounting requirements & disclosures relating to the netting of financial assets & liabilities. It specifically clarifies the meaning of "currently has the enforceable legal right to net" and "simultaneous realization". It permits the application in advance.	Annual periods starting on January 1, 2014
Investment Entities – Amendments to IFRS 10, Consolidated Fimnancial Statements; IFRS 12 Disclñosures of Participations in Other Entities and IAS 27 Separate Financial Statements. Provides exemption for the consolidation of subsidiaries under IFRS 10 Consolidated Fimnancial Statements for entities that meet the definition of "investment entity", such as investment funds. In its place, such entities will measure their investments in subsidiaries at fair value through results in accordance with IFRS 9 Financial Instruments or IAS 39 Financial Instruments: Recognition & Measurement. The amendments also require the additional disclosure with respect to whether the entity is considered to be an investment entity, details of the non-consolidated subsidiaries of the entity, and the nature of the relationship and certain transactions between the investment entity and its subsidiaries. The amendments also require an investment entity to book its investment in a subsidiary in the same way in its consolidated financial statements as in its individual financial statements (or only provide individual financial statements if all he subsidiaries are non-consolidated).	Annual periods starting on January 1, 2014
Amendments to IAS 36 – Disclosures of the Amount Recoverable for Non-Financial Assets The publication of IFRS 13 Measurements of Fair Value modified some disclosure requirements in IAS 36 Impairment of Assets with respect to the measurement of the amount recoverable from impaired assets. However, one of the amendments resulted potentially in disclosure requirements that were broader tan originally intended. The IASB has rectified this with the publication of these amendfments to IAS 36. These amendments eliminate the requirement to disclose the amount recoverable of each cash-generating unit (group of units) for which the book value of the goodwill or intangible assets with undefined useful lives assigned to that unit (or group of units) is significant compared to the entity's total book value of the goodwill or intangible assets with undefined useful lives. The amendments require that an entity disclose the amount recoverable of an individual asset (including goodwill) or cash-generating unit for which the entity has booked or reversed an impairment during the period reported. An entity should disclose additional information about the fair value less sale costs of an individual asset, including goodwill, or a cash-generating unit for which the entity has booked or reversed an impairment during the period reported, including (i) the level of heirarchy of fair value (from IFRS 13) within which the measurement of fair value is categorized, (ii) the valuation techniques used to measure fair value less the costs of sale, and (iii) the key assumptions used in the measurement of fair value categorized within "Level 2" & "Level 3" of the hierarchy of fair value. An entity	Annual periods starting on January 1, 2014

should also disclose the discount rate used when an entity has booked or reversed a loss for impairment during the period reported and the amount recoverable is based on the fair value less sales costs using the present value valuation technique.	
Amendments to IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting This amendment permits the continuation of hedge accounting (under IAS 39 and the next chapter on hedge accounting in IFRS 9) when a derívate is novated to a central counterparty and meets certain conditions. A novation indicates an event where the original parties to a derivative agree that one or more compensation counterparties replace their original conterparty to become the new counterparty for each of parties. In order to apply the amendments and continue with hedge accounting, the novation to a central party should occur as a consequence of a law or regulation or the introduction of laws or regulations.	Annual periods starting on January 1, 2014

New Interpretations	**Date of obligatory application**
IFRIC 21, Levies This new interpretation provides guidelines on when to book a liability for a levy imposed by a government, both for those booked in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those whose timing and amount is uncertain. This interpretation defines a levy as "an outflow of resources that involve future economic benefits that are imposed by governments on entities in accordance with the legislation". Those imposed within the scope of IAS 12 Income Tax are excluded from the scope as also the fines and sanctions. Payments to governments for services or the acquisition of an asset under a contractual agreement also fall outside the scope. In other words, the levy should be a non-reciprocal transfer to a government when the entity that pays the encumbrance does not receive any specific goods or services in return. For the purposes of this interpretation, a "government" is defined in accordance with IAS 20 Accounting of Government Subsidies and Disclosures of Government Assistance. When an entity acts as an agent of a government for collecting a levy, the cash proceeds of the agency are outside the scope of the Interpretation. The Interpretation identifies the event that originates the obligation for the booking of a liability as the activity that triggers the payment of the levy in accordance with the pertinent legislation. The interpretation provides guidelines on the booking of a liability to pay levies: (i) the liability is booked progressively if the event originating the obligation occurs during a period of time; (ii) if an obligation is triggered to reach a minimum level, the liability is booked when the minimum level is reached..	Annual periods starting on January 1, 2014

The Company's management believes that the future adoption of the above standards and interpretations will have no significant impact on the Group's consolidated financial statements.

c) Effects of changes in standards and accounting policies.

The accounting policies adopted in the preparation of the consolidated financial statements are coherent with thos applied in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2012, except for the adoptionof new standards and interpretations effective from January 1, 2013, which are:

- IAS 19 – Employee Benefits (revised 2011) (IAS 19R)

The Company until December 31, 2012 booked the actuarial gains and losses in the results for the year. The revised version of this standard requires the booking of these actuarial results as part of Other comprehensive results and exclude them permanently from the profit and loss for the year.

Other amendments include new disclosures such as the quantative sensitivity of the variables used in the calculations of defined benefit liabilities.

The application of IAS 19R required the rectroactive application of the associated effects, which implied the restatement of previous years' financial statements.

The adoption of the new versión of this standard implied the reclassification in actuarial gains and losses from Accumulated gains (Losses) to the respective Other comprehensive results, modifying the figures in the statement of financial position as follows:

Effects as of January 1, 2012	**Accumulated gains (losses) ThUS$**	**Reserve for actuarial gains (losses) in defined benefits plans ThUS$**
Balance prior to the application of revised version IAS 19	1,368,803	
Adjustments following application of revised version IAS 19	975	(975)
Balance with application of revised version IAS 19	1,369,778	(975)

Effects as of December 31, 2012	**Accumulated gains (losses) ThUS$**	**Reserve for actuarial gains (losses) in defined benefits plans ThUS$**
Balance prior to the application of revised version IAS 19	1,473,221	
Adjustments following application of revised version IAS 19	3,893	(3,893)
Balance with application of revised version IAS 19	1,477,114	(3,893)

- IAS 1 – Presentation of elements of Other comprehensive results – Amendments to IAS 1

  The amendments require a distinction between items in Other comprehensive results that could be reclassified in the statement of comprehensive results in the future (e.g. the net results of cash-flow derivatves or foreign transaction translation differences) from those that the standard does not allow to be reclassified in results (e.g. actuarial gains and losses on benefit plans).

The amendment only affects the presentation of the statement of comprehensive results and has no impact on the Company's financial position.

- IFRS 10 – Consolidated Financial Statements and IAS 27 Separate Financial Statements

  The IFRS replaces the sections of IAS 27 "Consolidated and Separate Consolidated Statements" that refer to consolidated financial statements and SIC-12 "Consolidation – Special Purpose Entities". IFRS 10 changes the definition of control such that an investor controls a participated entity when it is exposed or has the right to variable returns on its participation and has the capacity to affect the returns through its power in the participated entity. The application of IFRS 10 had no impact on the determination of the existence of control nor the consolidation of the investments held by the Company.

- IFRS 11 - Joint Agreements

  IFRS 11 - replaces IAS 31 "Participations in joint ventures" and SIC-13 "Jointly-Controlled Entities – Non-monetary contributions of the participants". IFRS 11 eliminates the option to book jointly-controlled entities using proportional consolidation, leaving as the only option the participation method. The application of IFRS 11 had no impact on the Company's consolidated financial statements.

- IFRS 12 – Disclosures on Participations in Other Entities

  This standard establishes requirements for the information to be disclosed relating to the entity's interests in subsidiaries, joint agreements, associates and structured entities. The additional requirements are shown in Notes 13 and 14 and refer mainly to the summarized information on subsidiariers and significant associates.

- IFRS13 - Measurement of Fair Value

  IFRS 13 establishes one source for measurements of fair value. The standard provides guidelines on the way to measure fair value when IFRS requires or permits its use. Ther application of IFRS 13 has not affected materially the measurements made of fair value by the Company.

- IFRIC 20 – Removal costs in the production phase

  The accounting criteria established in IFRIC 20 indicates that the costs of removal of sterile material in open-pit mines which are in a production stage (production phase stripping), incurred in order to access mineral deposits, should be booked in Property, plant and equipment and amortized as a function of the production units extracted from the mineralized zone specifically related with the respective removal activity that generated that amount.

  The accounting treatment applied by the Company before the adoption of IFRIC 20 established principally, in contrast to that standard, a lineal amortization criterion of the capitalized removel costs mentioned.

  These consolidated financial statements are prepared using the precepts established in IFRIC 20 which were applied from January 1, 2013 and meant for the Company a change of accounting policy according to that defined in IAS 8 "Change in Accounting Policies, Estimates and Errors".

  The application of IFRIC 20 had no significant impact on the Company's consolidated financial statements.

Reclassifications

- In 2013, spares whose consumption is estimated at over 12 months are shown in Property, plant and equipment, which were included in inventories for ThUS$ 58,060 as of December 31, 2012.

- In the financial statements of the subsidiary Cintac as of December 31, 2012, the criterion of an open presentation of the balances of current and deferred tax assets and liabilities was changed to a net presentation, as required by IAS 12.

Concept	31.12.2012	
	Initial	Reclassified
	MUS$	MUS$
Current tax assets	18,227	17,841
Current tax liabilities	(2,994)	(2,608)
Deferred tax assets	6,354	2,957
Deferred tax liabilities	(6,218)	(2,821)

4. Financial risk management and hedge definitions

The following shows the definition of the risks faced by the Company and its subsidiaries including their nature and amounts, plus a description of the mitigation measures currently in use:

In the normal course of its businesses and financing activities, the Company is exposed to various financial risks that may significantly affect the economic value of its cash flows and assets, and thus its results. The risk management policies are approved and revised periodically by CAP S.A. and its subsidiaries.

4.1 Market risk

This is the possibility that fluctuations in market variables, such as interest and exchange rates, product prices, etc., produce losses due to the devaluation of cash flows or assets or the valuation of liabilities due to their denomination or indexation.

The Company has established policies for managing these risks, defining specific strategies as a function of periodic analyses of trends in the variables that influence exchange and interest rates.

- **Exchange risk** – The Group is exposed to exchange risk given the nature of its operations, which involve transactions in currencies other than the US dollar, principally in Chilean and Argentine pesos, these being of little significance as the Company's functional currency is the US dollar.

CAP Holding Company

The principal exposed items of the statement of financial position are the financial investments in time deposits in pesos and UF, and dividend payment obligations which are paid in Chilean pesos. The Group arranges hedges to mitigate the exchange risk on these items.

In order to mitigate these risks, CAP S.A. has signed forward and cross-currency swap contracts for the whole of its financial investments and dividend payments in currencies other than the dollar, whereby the Company pays to its counterparties cash flows in pesos and UF equal to the flows from its investments and dividend payments in those currencies, and receives from them cash flows in dollars, thus being freed from the exchange risk described.

CAP Mining

The subsidiary Compañía Minera del Pacífico S.A. is exposed to exchange risk because of the nature of its business, which involves transactions in currencies other than the US dollar, principally Chilean pesos.

The company's management has decided to carry out hedging operations to mitigate exchange risks on its operating expenses and financial investments.

The company has dollar/peso cash-flow hedge contracts to cover its operating and investment disbursements.

CAP Steel

The subsidiary Compañía Siderúrgica Huachipato S.A. is exposed to exchange risk due to the nature of its operations which involve transactions in currencies other than the dollar, mainly in Chilean pesos.

The principal exposed items in the balance sheet of CSH are its accounts receivable (mostly denominated in Chilean pesos) and financial liabilities contracted in local currency.

CAP Steel Processing

The principal exposed items of the statement of financial position for the subsidiary Cintac S.A. are accounts receivable (denominated mostly in Chilean pesos), financial investments in time deposits in Chilean pesos and financial debt in local currency.

The Company's management has decided to contract hedges to mitigate the exchange risk on accounts receivable.

The subsidiary Intasa S.A. is exposed to exchange risk due to the nature of its operations which involve transactions in currencies other than the dollar, mainly in Argentine pesos.

Cleanairtech Sudamérica S.A.

The subsidiary Cleanairtech Sudamérica S.A. is exposed to exchange risk due to the nature of its business which involves transactions in currencies other than the US dollar, specifically cash flows in UF (pesos) that have to be paid during the construction stage of the seawater desalination plant and aqueduct.

The company's management has decided to contract hedges to mitigate the exchange risks on its operating expenses and financial obligations.

The company has dollar/UF cash-flow hedge instrument contracts.

- **Interest-rate risk** – The Group's financing structure comprises a mixture of sources of funds at fixed and floating rates. The portion at floating rates, usually at 3 or 6-month LIBOR plus a spread, exposes the Company to changes in its financial expenses depending on fluctuations in LIBOR.

The policies for managing these risks define specific strategies as a function of periodic analyses of trends in the variables that influence exchange and interest rates.

CAP Holding Company

The Company has contracted an interest-rate swap to fix the rate applicable to its Series F domestic bonds for ThUS$ 171,480.

CAP Mining

Its financial debt consists mainly of financial lease transactions which are at fixed interest rates.

CAP Steel

The financing structure of Compañía Siderúrgica Huachipato S.A. mainly relates to financing provided by the Parent through operating current accounts, at LIBOR plus a spread of 2.5%. To a lesser extent, there are also financial lease contracts at fixed interest rates.

CAP Steel Processing

The financing structure of the CINTAC S.A. group is mainly subject to floating interest rates. The portion with floating rates consists of a 180-day LIBOR floating rate plus a spread for its dollar financing.

The financing structure of Intasa S.A. and subsidiaries consists of funding at fixed rates. Management policies for covering these risks are set by Intasa S.A. These define specific strategies depending on periodic analyses of trends in the variables that affect exchange and interest rates.

As of December 31, 2013, the interest rates on the financial debt of Intasa S.A. and subsidiaries are fixed contractually and there is therefore no variation between the flow of funds for the payment of interest and the amounts provisioned at the close of these consolidated financial statements. These rates are revised periodically by the management of the Company and its subsidiaries.

Cleanairtech Sudamérica S.A.

The subsidiary Cleanairtech Sudamérica S.A. has signed interest-rate swap contracts to cover the variable interest rate for 80% of the principal due during the term of the project financing. At the closing of these consolidated financial statements, the amount of the hedge is ThUS$ 131,526.

Consolidated financial debt

The total financial debt of the CAP S.A. group as of December 31, 2013, including accrued interest and hedge instruments, is summarized below, showing the amounts at fixed rates and those at floating rates:

	31.12.2013		
	Fixed rate ThUS$	**Variable rate ThUS$**	**Total ThUS$**
Short-term bank debt	17,145	80,130	97,275
Long-term bank debt	119,455	274,192	393,647
Financial overdraft	7,602	-	7,602
Financial leases	171,747	189	171,936
International bonds	63,610	-	63,610
Local bonds	164,373	-	164,373
Hedging instruments	33,088	-	33,088
Total	**577,020**	**354,511**	**931,531**

As of December 31, 2013, there is no significant variation in the Company's results due to changes in interest rates. At the end of the period, interest rates on the most significant financial debt are fixed contractually for a 6-month period so there is no variation between the flows for paying interest and the amounts provisioned at the closing date of these consolidated financial statements.

These rates are revised periodically by the Company's management.

4.2 Credit risk

This risk refers to the capacity of third parties to meet their financial obligations with CAP S.A. and subsidiaries. The items exposed to this risk fall into 3 categories:

- **Financial assets –** These consist of balances of cash and cash equivalents, time deposits and marketable securities in general. The Company's ability to recover these funds on their maturity depends on the solvency of the bank where they are deposited, so the credit risk to which cash and cash equivalents are exposed is limited as the funds are deposited with banks with high ratings granted by international credit rating agencies and limited by amount for each financial entity according to the Parent's current investment policy.

- **Trade debtors –** The risk of non-payment by the Group's trade debtors is significantly low and a provision is made to cover any doubtful accounts. The estimate of this provision contemplates certain debtors which show a history of overdue payments.

- **Derivative counterparty obligations** – These relate to the market value in favor of the Company under derivative contracts outstanding with banks.

To mitigate this risk, the Company follows a derivatives management policy that specifies credit-quality parameters that financial institutions must meet in order to be considered eligible as counterparties.

4.3 Liquidity risk

This risk relates to the CAP Group's capacity to amortize or refinance at reasonable market prices its financial commitments acquired and to carry out its business plans with stable sources of funding.

The Company believes that the generation of cash flows to meet its financial obligations is sufficient, permitting eventual distributions of dividends to its shareholders.

The Company also believes that the level of debt is adequate for covering its normal operating and investment requirements as established in its five-year plan.

The following table shows the maturity structure of principal and interest of the financial obligations of CAP S.A. and subsidiaries as of December 31, 2013:

	Expiration Year					
	2014	**2015**	**2016**	**2017**	**2018 & followings**	**Total**
	ThUS$	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**
Bank loans	97,275	139,579	94,049	42,452	117,567	490,922
Financial overdraft	7,602	-	-	-	-	7,602
Financial leases	15,036	25,904	119,208	-	-	160,148
International bonds	1,328	-	-	62,282	-	63,610
Local bonds	(1,178)	-	-	-	165,551	164,373
Hedging instruments	10,325	-	-	-	22,763	33,088
Total	**130,388**	**165,483**	**213,257**	**104,734**	**305,881**	**919,743**

4.4 Commodity price risk

The Group's operations are exposed to variations in commodity prices, principally those of coal, steel, iron and the inputs necessary for production (oil, energy, chemicals, etc.), whose levels are determined by supply and demand in the different markets.

4.5 Sensitivity analysis

i) Exchange risk

The following sensitivity analysis shows the impact of a variation in the US dollar / Chilean peso exchange rate on the Company's results. The impact on the results is produced as a consequence of the valuation of expenses in pesos and the re-conversion of the monetary financial instruments (including cash, trade creditors, debtors, etc.).

CAP S.A. has an asset book position with respect to currencies other than the US dollar (i.e. assets greater than liabilities denominated in currencies other than the US dollar), amounting to US$ 44.3 million, of which US$ 15.6 million are hedged by derivatives, leaving a net exposure of US$ 28.7 million. If the exchange rate (mainly Chilean pesos against the dollar) appreciates or depreciates by 10%, it is estimated that the effect on the Company's results would be a gain or loss of US$ 2.87 million.

ii) Interest-rate risk:

CAP S.A. follows a policy of hedging interest rates on its debt through derivative instruments, in order to reduce risks in the event of fluctuations in interest rates in the most probable expected rates scenario. The Company's financial investments are agreed at fixed interest rates, thus eliminating the risk of fluctuations in market interest rates.

CAP S.A. has financial debt at floating rates amounting to US$ 354.5 million. This amount is therefore exposed to variations in interest flows as a result of changes in market interest rates. In the event of an increase or decrease of 10% (on the average funding rate, equivalent to 1.95% p.a.), it is believed that the Company's annual financial expenses would rise or fall by US$ 0.76 million.

5. Management's estimates and assumptions in applying accounting policies

The application of IFRS requires the use of estimates and assumptions that will affect the amounts of assets and liabilities reported on the date of the financial statements and the amounts of revenue and expenses generated during the period reported. The Group's management will necessarily make judgments and estimates that will have a significant effect on the figures shown in the financial statements under IFRS, and changes in these assumptions and estimates could also have a significant impact on these.

The following is a detail of the estimates and judgments used:

5.1 Estimated economic useful lives of assets and mineral reserves – The useful life of property, plant and equipment used to calculate depreciation is based on technical studies prepared by internal and external specialists. The mineral reserves of CAP Group's mining properties have been estimated on a model based on the respective useful life of the mine using the production-unit method on proven and probable reserves. The assumptions valid for determining a mineral reserve can change depending on the availability of new information.

The depreciation of assets related directly to the production processes could be impacted by an expansion of present production in the future different to that established in the present production budget, based on proven and probable reserves. This could occur if there is any significant change in any factor or assumption used in estimating the mineral reserves.

These factors might include:

- Expectations of production units or volumes;
- Quality of inputs to the production process;
- Method of extraction and processing.

5.2 Asset impairment – At the close of each year, or on a date considered necessary, the Company revises the book value of its tangible and intangible assets to determine whether there is any indication that these assets might be impaired. In this evaluation, assets that do not generate cash flows independently are grouped into appropriate cash-generating units (CGU). The amount recoverable from these assets or CGUs is the greater of their recoverable value (discounted cash flow method) and their book value.

The management necessarily applies its judgment in the grouping of assets that do not generate independent cash flows and also in the estimate and frequency of the underlying cash-flow values in the calculation values and the interest rate used. Subsequent changes in the grouping of CGUs or the frequency of the cash flows and interest rates could affect the book values of the respective assets.

5.3 Costs of restoration, dismantling and environmental reclamation – The provisions for restoration, dismantling and environmental costs are made at present value as soon as the obligation is known. The costs incurred in dismantling associated to each project are capitalized and charged to comprehensive results over the useful life of the project through the depreciation of the assets and/or development of the discounted provision. Later restoration costs are valued at present value and charged to comprehensive results according to the progress of the damage caused by extraction. The costs are estimated using the work of an external specialist and/or internal experts. The management applies its judgment and experience in providing for and amortizing these estimated costs over the useful life of the mine.

5.4 Estimate of doubtful accounts and obsolete inventories – The Company has estimated the risk of non-payment of its accounts receivable and of inventory obsolescence, for which percentage allowances have been established for bands of maturities less the application of credit insurance taken, and the turnover of its products, respectively.

5.5 Provision for employee benefits – The expected costs of severance payments for years of service and other long-term benefits during the year are charged to results for the period. Any actuarial gain or loss, which can arise from differences between actual and expected results or changes in actuarial assumptions, is booked directly to Other comprehensixe results.

Assumptions referring to expected costs are made together with an external actuary of the Company, and include demographic assumptions, the discount rate and expected increases in remunerations. Although management believes that the assumptions used are appropriate, a change in these could significantly impact the Company's results.

5.6 Fair value of derivatives and other financial instruments – As described in Note 4, the management follows its criteria of selecting an appropriate valuation technique for instruments that are not quoted on an active market. These are techniques commonly used by market professionals. In the case of financial derivative instruments, assumptions are made based on rates quoted on the market, adjusted according to the specific characteristics of the instrument. Other financial instruments are valued using an analysis of the updating of cash flows based on assumptions supported, when possible, by observable market prices or rates.

5.7 Litigation and contingencies – The Company evaluates periodically the probability of loss on its litigation and contingencies according to estimates made by its legal advisers. No provisions are made when the Company's management and lawyers believe that favorable results will be obtained or the results are uncertain and the legal proceedings are still continuing.

5.8 Obsolescence.- The Company has estimated the risk of obsolescence of its inventories as a function of their condition and turnover and their net realization values.

6. Cash and cash equivalents and other current and non-current financial assets

6.1 Cash and cash equivalents

The detail of cash and cash equivalents and investments in financial instruments as of December 31, 2013 and 2012 is as follows:

	Current	
	31.12.2013 ThUS$	31.12.2012 ThUS$
Cash and banks	17,530	24,383
Time deposits	28,766	188,145
Mutual funds	55,887	82,769
Others	9,010	-
Total	111,193	295,297

- Time deposits classified as cash and cash equivalents mature within three months from the date of their placement and accrue interest at market rates for this type of investment.

- Mutual funds relate to peso and dollar fixed-income funds which are shown at the value of the respective quota on the date of closing of these consolidated financial statements. The fair value of these investments is the result of the number of quotas held times the latest price of the quota reported publicly to the market, for each of the mutual funds invested, which is also the redemption value of this investment. Changes in the fair value of other financial assets at fair value with changes to results are booked in Financial income in the consolidated statement of comprehensive results.

- The other investments of the subsidiary Cintac S.A. relate to highly-liquid instruments, quickly realizable into cash and with a low risk of change in their value.

- Cash and cash equivalents have no restrictions on their availability.

6.2 Information on the consolidated statement of cash flows

The following shows the detail of Other cash inflows (outflows)", under the heading "Investment activities":

	31.12.2013 MUS$	30.09.2012 MUS$
Rescue investments in time deposits	358,544	804,466
Investments in time deposits and other financial instruments	(136,288)	(450,137)
Other inflows (outflows) of cash	(16,273)	(29,423)
Total	205,983	324,906

(*) This relates mainly to checking account bank balances of the subsidiary Cleanairtech Sudamérica S.A., which are subject restrictions of the project financing agent banks.

6.3 Other financial assets, current and non-current

	Other Current Financial Assets financial instruments	
	31.12.2013 ThUS$	31.12.2012 ThUS$
Time deposits	135,759	352,035
Investments	-	42,166
Hedge assets (Note 10)	3,781	12,190
Others	58,292	9,645
Total	197,832	416,036

- Time deposits classified as other current financial assets mature in over three months but within twelve months from the date of their placement and accrue interest at market rates for this type of investment.

- Financial investments refer to investment instruments that mature in a term of over three months and less than one year from their date of acquisition and accrue market interest for this type of investment.

- Other financial assets refer to balances in checking accounts with commercial banks of the subsidiary Cleanairtech Sudamérica S.A. which are subject to restrictions by the project finance agent banks, as detailed in Note 18.

- The Company has made no investment and financing transactions that do not require the use of cash and cash equivalents.

	Other Non-current Financial Assets financial instruments	
	31.12.2013 ThUS$	31.12.2012 ThUS$
Investments in equity instruments of other companies (*)	15,699	920
Corporate bonds (**)	20,887	-
Other financial Assets	764	647
Total	37,350	1,567

(*) Investments in equity instruments of other companies relate to shares in the Australian company Hot Chili Limited, whose shares are traded on the Australian Stock Exchange. Its business is the acquisition and development of copper projects from products mined in Chile. The company is currently developing four important projects related to this product.

(**) The corporate bonds related to debt instruments with fixed interest rates. The average weighted interest rate of these securities is 4.47%. The bonds have maturities of between January 15, 2018 and October 7, 2019. The issuers comply with a minimum credit rating.

7. Trade debtors and other accounts receivable

Trade debtors and other accounts receivable

The detail of these as of December 31, 2013 and 2012 is as follows:

Type of debtors

a) The detail at the level of accounts is the following:

31.12.2013	Total current			Total non- current		
Trade debtors and other accounts receivable	Assets before provisions ThUS$	Provisions trade debtors ThUS$	Trade debtor assets, net ThUS$	Assets before provisions ThUS$	Provisions trade debtors ThUS$	Trade debtor assets, net ThUS$
Debtors for credit operations	451,088	(8,511)	442,577	-	-	-
Sundry Debtors	6,069	(496)	5,573	1,201	-	1,201
Sub total trade debtors	**457,157**	**(9,007)**	**448,150**	**1,201**	**-**	**1,201**
Advance payments	1,590	-	1,590	-	-	-
Other accounts receivable	13,579	(117)	13,462	4,906	(57)	4,849
Total	**472,326**	**(9,124)**	**463,202**	**6,107**	**(57)**	**6,050**

31.12.2012	Total current			Total non- current		
Trade debtors and other accounts receivable	Assets before provisions ThUS$	Provisions trade debtors ThUS$	Trade debtor assets, net ThUS$	Assets before provisions ThUS$	Provisions trade debtors ThUS$	Trade debtor assets, net ThUS$
Debtors for credit operations	432,772	(7,953)	424,819	-	-	-
Sundry Debtors	12,765	(496)	12,269	1,599	-	1,599
Sub total trade debtors	**445,537**	**(8,449)**	**437,088**	**1,599**	**-**	**1,599**
Advance payments	4,640	-	4,640	-	-	-
Other accounts receivable	9,020	(141)	8,879	5,872	(228)	5,644
Total	**459,197**	**(8,590)**	**450,607**	**7,471**	**(228)**	**7,243**

b) The following provides a detail of the balances as of December 31, 2013 and 2012 by term to maturity:

31.12.2013												
Ageing of accounts receivable	Current ThUS$	Overdue between 1 and 30 days ThUS$	Overdue between 31 and 60 days ThUS$	Overdue between 61 and 90 days ThUS$	Overdue between 91 and 120 days ThUS$	Overdue between 121 and 150 days ThUS$	Overdue between 151 and 180 days ThUS$	Overdue between 181 and 210 days ThUS$	Overdue between 211 and 250 days ThUS$	Overdue more than 251 days ThUS$	Total Current ThUS$	Total non-current ThUS$
Gross Trade Receivables	408,858	24,796	5,276	1,851	566	501	87	372	337	9,371	452,015	-
Provision for impairment	(610)	(881)	(174)	(71)	(93)	(318)	(66)	(173)	(161)	(6,461)	(9,007)	-
Other accounts receivable, gross	19,211	27	-	-	-	-	-	-	-	1,073	20,311	6,107
Provision for impairment	-	-	-	-	-	-	-	-	-	(117)	(117)	(57)
Total	427,459	23,942	5,102	1,780	473	183	21	199	176	3,866	463,202	6,050

31.12.2012

Ageing of accounts receivable	Current ThUS$	Overdue between 1 and 30 days ThUS$	Overdue between 31 and 60 days ThUS$	Overdue between 61 and 90 days ThUS$	Overdue between 91 and 120 days ThUS$	Overdue between 121 and 150 days ThUS$	Overdue between 151 and 180 days ThUS$	Overdue between 181 and 210 days ThUS$	Overdue between 211 and 250 days ThUS$	Overdue more than 251 days ThUS$	Total Current ThUS$	Total non-current ThUS$
Gross Trade Receivables	391,259	26,049	6,564	1,426	436	274	249	188	103	6,703	433,251	-
Provision for impairment	(762)	(1,082)	(273)	(89)	(165)	(210)	(180)	(122)	(64)	(5,502)	(8,449)	-
Other accounts receivable, gross	25,358	-	-	-	-	-	1	-	-	587	25,946	7,471
Provision for impairment	-	-	-	-	-	-	-	-	-	(141)	(141)	(228)
Total	415,855	24,967	6,291	1,337	271	64	70	66	39	1,647	450,607	7,243

The Company has made a provision for doubtful accounts based on the solvency of the debtors and the collection times of invoices. The estimate of this provision contemplates debtors showing certain indications of payment difficulties at the period-end.

The fair values of trade debtors and other accounts receivable correspond to their commercial values.

c) The following is an analysis of past-due and unpaid accounts receivable by type of portfolio:

31.12.2013

	Portfolio not restructured		Portfolio restructured		Total portfolio, gross	
Ageing of accounts receivable, by type of portfolio	Number Customers	Gross Amount ThUS$	Number Customers	Gross Amount ThUS$	Number Customers	Gross Amount ThUS$
Current	1,200	428,069	-	-	1,200	428,069
Due between 1 and 30 days	758	24,823	-	-	758	24,823
Due between 31 and 60 days	370	5,276	-	-	370	5,276
Due between 61 and 90 days	227	1,851	-	-	227	1,851
Due between 91 and 120 days	432	566	-	-	432	566
Due between 121 and 150 days	49	501	-	-	49	501
Due between 151 and 180 days	41	87	-	-	41	87
Due between 181 and 210 days	43	372	-	-	43	372
Due between 211 and 250 days	28	337	-	-	28	337
Overdue more than 251 days	435	10,444	-	-	435	10,444
Total	3,583	472,326	-	-	3,583	472,326

31.12.2012

	Portfolio not restructured		Portfolio restructured		Total portfolio, gross	
Ageing of accounts receivable, by type of portfolio	Number Customers	Gross Amount ThUS$	Number Customers	Gross Amount ThUS$	Number Customers	Gross Amount ThUS$
Current	1,712	416,617	-	-	1,712	416,617
Due between 1 and 30 days	1,165	26,049	-	-	1,165	26,049
Due between 31 and 60 days	460	6,564	-	-	460	6,564
Due between 61 and 90 days	279	1,426	-	-	279	1,426
Due between 91 and 120 days	343	436	-	-	343	436
Due between 121 and 150 days	79	274	-	-	79	274
Due between 151 and 180 days	54	250	-	-	54	250
Due between 181 and 210 days	40	188	-	-	40	188
Due between 211 and 250 days	39	103	-	-	39	103
Overdue more than 251 days	481	7,290	-	-	481	7,290
Total	4,652	459,197	-	-	4,652	459,197

As of the close of these consolidated financial statements, CAP S.A. and its subsidiaries have no accounts receivable relating to refinanced debt.

d) The following shows protested debts and those under judicial recovery:

Portfolio protested and in judical recovery	31.12.2013		31.12.2012	
	Number Customers	Amount ThUS$	Number Customers	Amount ThUS$
Protested notes receivable	12	235	17	265
Documents in legal recovery	195	2,703	189	2,343
Total	**207**	**2,938**	**206**	**2,608**

e) The movement in provisions for accounts receivable was as follows:

31.12.2013	Total current		Total non- current	
Provisions and write-offs	Number of Operations	Amount ThUS$	Number of Operations	Amount ThUS$
Provision non-restructured portfolio	3,961	(8,590)	73	(228)
Increase in the period	82	(1,092)	-	-
Write-offs in the period	(2)	(844)	-	-
Recoveries in the period	251	1,402	(228)	171
Total	**4,292**	**(9,124)**	**(155)**	**(57)**

31.12.2012	Total current		Total non- current	
Provisions and write-offs	Number of Operations	Amount ThUS$	Number of Operations	Amount ThUS$
Provision non-restructured portfolio	4,311	(9,948)	69	(201)
Increase in the period	(306)	(83)	-	-
Provision restructured portfolio	(44)	1,354	-	-
Write-offs in the period	-	-	-	-
Recoveries in the period	-	-	4	(27)
Currency translation difference	-	87	-	-
Total	**3,961**	**(8,590)**	**73**	**(228)**

8. Balances and transactions with related entities

8.1 Shareholders – The largest shareholders of the Company as of December 31, 2013 are:

Shareholder	Number of shares	Participation %
Invercap S.A.	46,807,364	31.32%
Mitsubishi Corporation	28,805,943	19.27%
Banco de Chile por Cuenta de Terceros	7,662,245	5.13%
Banco Itau por cuenta de Inv. extranjeros	6,412,923	4.29%
Banco Santander-Chile para inv. Extranjeros	3,932,093	2.63%
Fundación CAP	3,288,069	2.20%
Banchile Corredores de Bolsa S.A.	3,281,511	2.20%
Larrain Vial S.A. Corredora de Bolsa	2,956,601	1.98%
A.F.P. Capital S.A. Fondo tipo C	1,370,426	0.92%
A.F.P. Habitat S.A. Fondo tipo C	1,367,824	0.92%
South Pacific Investments S.A.	1,317,580	0.88%
BTG Pactual Chile S.A. Corredores de Bolsa	1,291,759	0.86%
Various	40,953,774	27.40%
Total	149,448,112	100.00%

The number of shareholders of the Company as of December 31, 2013 and 2012 is 4,476 and 4,522 respectively.

Principal controller

In accordance with the concepts defined in IFRS 10, consolidated financial statements, the Company has no controller. As indicated in Note 1, for the purposes of the definition given in Chapter XV of Law 18.045, Invercap S.A. has the nature of controller of CAP S.A.

8.2 Balances and transactions with related entities

Accounts receivable

				31.12.2013	
				Total current	
Company	Tax No.	Type relationship	Country of Origin	Less than 90 days	Total
Armacero Industrial y Comercial S.A.	78.170.790-2	Joint venture	Chile	1,733	1,733
Ultramar Agencia Marítima Ltda.	80.992.000-3	In Common Director	Chile	172	172
Empresa Eléctrica Guacolda S.A.	79.866.800-5	In Common Director	Chile	1.00	1.00
Mitsubishi Corporation	O-E	Shareholder	Japón	2,126	2,126
Invercap S.A.	96.708.470-0	Shareholder	Chile	0	0
Total				**4,032**	**4,032**

Company	Tax No.	Type relationship	Country of Origin	31.12.2012 Total current Less than 90 days	Total
Armacero Industrial y Comercial S.A.	78.170.790-2	Joint venture	Chile	2,153	2,153
Ultramar Agencia Marítima Ltda.	80.992.000-3	In Common Director	Chile	112	112
Mitsubishi Corporation	O-E	Shareholder	Japón	4,182	4,182
Invercap S.A.	96.708.470-0	Shareholder	Chile	62	62
Total				**6,509**	**6,509**

The account receivable from Armacero Industrial y Comercial S.A. relates to business transactions, payable within its terms.

The account receivable from Ultramar Agencia Marítima Ltda. arises from business transactions, accrues no interest and is payable monthly.

The account receivable from Mitsubishi Corporation relates principally to the sale of minerals, accrues no interest and is payable monthly.

The account receivable from Empresa Eléctrica Guacolda S.A. originates from services, generates no interest and is payable monthly.

There are no accounts receivables from related entities classified as non-current as of the close of these consolidated financial statements.

No collateral has been provided or received for accounts receivable from related entities, and payment of these is made in cash. As of the close of these consolidated financial statements, there is no evidence of non-payment of balances of accounts receivable outstanding with related entities, so the Company has made no estimates of doubtful debts nor booked any related expenses in this respect during the period.

Accounts payable

Company	Tax No.	Type relationship	Country of Origin	31.12.2013 Current Less than 90 days	Over 90 days	Total Current
Agrocomercial As Ltda.	77.805.520-1	Related through subsidiary	Chile	0	1,080.00	1,080
Naviera Ultranav Ltda.	92.513.000-1	In Common Director	Chile	0	-	0
BHP Billiton Mitsubishi Alliance	O-E	Related to Mitsubishi shareholder through	Australia	10,399	10,115	20,514
Mitsubishi Corporation	O-E	Shareholder	Japón	10,625	-	10,625
Invercap S.A.	96.708.470-0	Shareholder	Chile	18,810	-	18,810
M.C. Inversiones Ltda.	79.866.800-5	Related through subsidiary	Chile	25,745	-	25,745
Total				**65,579**	**11,195**	**76,774**

Company	Tax No.	Type relationship	Country of Origin	31.12.2012 Current Less than 90 days	Over 90 days	Total Current
Empresa Eléctrica Guacolda S.A.	96.635.700-2	In Common Director	Chile	14	-	14
Agrocomercial As Ltda.	77.805.520-1	Related through subsidiary	Chile	1,038	-	1,038
Sociedad Naviera Ultragas Ltda.	80.927.500-0	In Common Director	Chile	522	-	522
BHP Billiton Mitsubishi Alliance	O-E	Related to Mitsubishi shareholder through	Australia	23,892	12,027	35,919
Mitsubishi Corporation	O-E	Shareholder	Japón	21,453	-	21,453
Invercap S.A.	96.708.470-0	Shareholder	Chile	37,009	-	37,009
M.C. Inversiones Ltda.	79.866.800-5	Related through subsidiary	Chile	20,632	-	20,632
Total				**104,560**	**12,027**	**116,587**

There are no accounts payable to related entities classified as non-current as of the close of these consolidated financial statements.

The balance payable to BHP Billiton Mitsubishi Alliance, related through the shareholder Mitsubishi Corporation, corresponds to coal imports and accrues interest at an average rate of 1.38% annually.

The account payable to Mitsubishi Corporation relates to the provision for dividends payable by CAP for the years 2013 and 2012.

The account payable to Empresa Eléctrica Guacolda S.A. originates from services, generates no interest and is payable monthly.

The account payable to Invercap S.A. relates to the provision for dividends payable by CAP and Novacero for 2013 and 2012.

The current account payable to MC Inversiones Ltda. relates to the provision for dividends payable for the years 2013 and 2012 by CMP.

In September 2012, the subsidiary CMP signed an electricity sale contract with the company Guacolda S.A. whereby the latter commits to sell and deliver to the subsidiary the electricity it consumes in its mine-industrial installations and services related to its production process, preferably located inn the regions of Atacama and Coquimbo. Supplies will be made between January 1, 2016 and December 31, 2027.

The other current accounts receivable and payable relate to business transactions payable within the terms established for each of them.

No collateral has been provided or received for accounts payable to related entities, and payment of these is made in cash.

Most significant transactions and their effects on results

Company	Tax No.	Country of origin	Relationship Type	Currency	Accumulated 31.12.2013 Amount ThUS$	Accumulated 31.12.2013 Effect on results (charge) credit ThUS$	Accumulated 31.12.2012 Amount ThUS$	Accumulated 31.12.2012 Effect on results (charge) credit ThUS$
Ultramar Agencia Maritima Ltda.	80.992.000-3	Chile	Services sold	Dollar	623	523	511	429
			Services purchased	Dollar	218	(183)	245	(206)
Empresa Eléctrica Guacolda S.A.	96.635.700-2	Chile	Services sold	Dollar	33	28	5	4
			Services purchased	Dollar	-	-	14	(12)
Naviera Ultranav Ltda	92.513.000-1	Chile	Purchase of products & services	Dollar	8,155	(3,721)	18,200	-
			Sales of service	Dollar	7	6	8	7
Armacero Industrial y Comercial S.A.	78.170.790-2	Chile	Sale of products	Dollar	12,212	10,262	16,639	13,982
Agrocomercial As Ltda.	77.805.520-1	Chile	Loan	Dollar	1,080	-	1,038	-
			Interest	Dollar	10	(10)	16	(16)
			Sales of service	Dollar	-	-	1,300	1,093
Invercap S.A.	96.708.470-0	Chile	Sales of service	Dollar	63	59	68	59
			Received Consulting	Dollar	120	(120)	120	(120)
			Fund Transfer	Dollar	(9)	-	291	-
			Interest	Dollar	14	(14)	-	-
			Dividends Paid	Dollar	48,277	-	56,779	-
Mitsubishi Corporation	O-E	Japan	Sales	Dollar	157,604	157,604	144,327	144,327
			Services sold	Dollar	9,887	(9,887)	9,843	(9,843)
			Purchase of coal	Dollar	3,553	-	4,355	(862)
			Purchase of products	Dollar	9	(9)	53	(53)
			Dividends Paid	Dollar	29,711	-	34,943	-
MC Inversiones Ltda.	79866800-5	Chile	Sales of service	Dollar	102	102	197	197
			Purchase of services	Dollar	36	(36)	-	-
			Dividends Paid	Dollar	73,365	-	77,062	-
BHP Billiton Mitsubishi	O-E	Australia	Purchase of products	Dollar	53,165	-	76,285	-
			Interest	Dollar	495	(495)	1,140	(1,140)
Cintac S.A.	92.544.000-0	Chile	Dividends Paid	Dollar	1,395	-	4,190	-
Novacero S.A.	96.925.940-0	Chile	Dividends Paid	Dollar	1,736	-	5,213	-

8.3 Directors and senior management

The members of the senior management and other persons involved in the management of CAP, and the shareholders or persons or entities representing them, have not participated in any unusual and/or relevant transactions of the Company as of December 31, 2013 and 2012.

The Company is administered by a board of directors of 7 members, elected for a period of 3 years with the possibility of being re-elected.

8.4 Directors' Committee

In accordance with article 50 bis of the Corporations Law 18,046, CAP S.A has a Directors' Committee of 3 members who have the powers contemplated in that article.

8.5 Remuneration and other benefits

In accordance with article 33 of the Corporations Law 18,046, the ordinary shareholders' meeting sets each year the remuneration of the directors of CAP S.A. In April 2013, the meeting set the directors' remuneration for the period May 2013 to April 2014 at 0.75% of the earnings for 2013. The meeting also set the remuneration of the members of the Directors' Committee.

The amounts paid in the periods January to December 2013 and 2012 to the directors of CAP were as follows:

		Accumulated 31.12.2013			Accumulated 31.12.2012		
Name	**Position**	**Board of CAP** ThUS$	**Board of subsidiaries** ThUS$	**Directors' Committee** ThUS$	**Board of CAP** ThUS$	**Board of subsidiaries** ThUS$	**Directors' Committee** ThUS$
Sr. Roberto de Andraca	Chairman	468	131	-	855	161	-
Sr. Sven Von Appen (3)	Vice chairman	192	-	12	427	-	23
Sr. Akira Kudo (2)	Director	-	-	-	368	-	-
Sr. Fernando Reitich (4)	Director	220	-	19	427	-	23
Sr. Eddie Navarrete	Director	234	69	-	427	96	4
Sr. Tokuro Furukawa	Director	234	17	-	427	17	-
Sr. Rodolfo Krause (1)	Director	29	-	7	368	-	7
Sr. Osamu Sasaki	Director	234	-	-	59	-	-
Sr. Hernán Orellana	Director	234	-	23	59	-	16
Total		1,845	217	61	3,417	274	73

(1) Remplaced by Hernán Orellana in April 2012.
(2) Remplaced by Osamu Sasaki in April 2012.
(3) Remplaced by Rodolfo Krause in September 2013.
(4) Resigned as directoron October 15, 2013 to become president of CAP S.A.

- **Board advisory expenses –** The board incurred no advisory expenses in the years ended December 31, 2013 and 2012.

- **Remuneration of senior management who are not directors –** The members of the senior management of the Company and its subsidiaries, president and managers reporting directly to the president, have received a total remuneration of ThUS$ 3,496 and ThUS$ 3,777 to December 31, 2013 and 2012 respectively.

- **Accounts receivable and payable and other transactions** – There are no accounts receivable and/or payable between the Company and its directors and managers.

- **Other transactions –** There are no other transactions between the Company and its directors and managers.

- **Guarantees by the Company in favor of the directors –** The Company has not carried out this type of operation during the years 2013 and 2012.

- **Incentive plans for the principal executives and managers –** The Company has no incentive plans for its executives and managers. However, the management at its discretion may grant benefits to some executives depending on the earnings reported in the respective financial period.

- **Indemnities paid to senior executives and managers –** Severance payments of ThUS$ 3,965 have been made during 2013 of which ThUS$ 1,698 relate to CAP, ThUS$ 2.014 to Compañía Siderurgica Huachipato S.A. and ThUS$ 253 to Cintac S.A

- **Guarantee clauses, directors and management of the Company –** The Company has agreed no guarantee clauses with its directors and management.

- **Incentive plans linked to the share price –** The Company does not carry out this type of operation.

9. Inventories

9.1 The detail of these is as follows:

	Total current	
	31.12.2013 ThUS$	**31.12.2012 ThUS$**
Materials, raw materials and spare parts	210,785	191,539
Mining products	19,472	40,607
Finished goods	117,281	114,543
Goods in process	40,443	51,792
Other products	34,524	25,389
Obsolescence provision	(4,006)	(7,708)
Total	418,499	416,162

The management of the Company and subsidiaries believes that the inventories will be realized within one year. The Company has also estimated the risk of obsolescence of its inventories as a function of their condition and turnover.

Finished products include steel products which contain an adjustment to net realization value in results amounting to ThUS$ 1,435 as of December 31, 2013 and ThUS$ 8,822 as of December 31, 2012.

The subsidiary Tubos Argentinos S.A. has granted a floating pledge over its inventories in favor of Siderar S.A.I.C. to guarantee commercial operations for ThUS$2,150.

There are no other inventories charged to cover debt compliance as of December 31, 2013.

9.2 Inventory cost booked as expense

The following are the inventories booked as expense in the cost of sales during the years ended December 31, 2013 and 2012:

	Accumulated	
	01.01.2013 31.12.2013 ThUS$	**01.01.2012 31.12.2012 ThUS$**
Materials, raw materials and spare parts	96,936	76,533
Finished products	1,496,825	1,684,422
Goods in process	-	654
Others	496	685
Total	1,594,257	1,762,294

The inventory cost includes depreciation for the period.

10. Derivative instruments

The Company and its subsidiaries, following the financial risk management policy described in Note 4, contracts financial derivatives to hedge its exposure to variations in interest and exchange rates.

Interest-rate derivatives are used to fix the floating interest rate on financial debt and relate to an interest-rate swap (IRS).

Currency derivatives are used to fix the exchange rate of the dollar against the peso (CLP) and Unidad de Fomento (UF), resulting from investments or existing obligations in currencies other than the dollar. These instruments relate mainly to forwards and cross-currency swaps.

As of December 31, 2013, the Company and its subsidiaries classify all their derivative instruments as cash-flow hedges.

As of December 31, 2013 the parent Company CAP has dollar/peso hedge instruments for a total of ThUS$ 100,000, which have monthly maturities from January 2014 to April 2014. These hedges are to cover cash flows to meet future dividend payments.

As of December 31, 2013 the subsidiary CMP has dollar/peso hedge instruments for a total of ThUS$ 150,000, which have monthly maturities from January 2014 to March 2014. These hedges are to cover operating and investment cash flows.

As of December 31, 2013 the subsidiary Cleanairtech Sudamérica S.A. books cash-flow hedges to cover flows in (UF) pesos, for up to a total amount of ThUS$ 206 for Phase I of the water desalination plant project and ThUS 17,181 for Phase II of the project, to cover cash flows in (UF) pesos that have to be paid during the construction stage of the seawater desalination plant, which at the close of these financial statements show a net asset position of ThUS$ 260 for Phase I, while the net value for Phase II is zero. In addition, Cleanairtech Sudamerica S.A. has signed IRS contracts to cover the variable interest-rate risk for 80% of the principal due during the term of the project financing signed with Credit Agricole. The amount hedged for Phase I is ThUS$ 84.858 and for Phase II ThUS$$ 46,668. These contracts as of the end of the year show a net asset position of ThUS$ 3,158.

The subsidiary Cintac S.A. has booked all its hedge instruments during 2013 as cash-flow hedges, As of December 31, 2013, the company booked dollar/peso hedge instruments for a sum of ThUS$ 15,641 with monthly maturities running from January 2014 to March 2014. These hedges are to cover flows of receivables; it has a net liability position of ThUS$ 37 as of December 31, 2013.

The detail of hedge instruments as of December 31, 2013 and 2012, with their valuation on those dates, is as follows:

	31.12.2013		31.12.2012	
Hedge assets	**Current**	**Non-current**	**Current**	**Non-current**
	ThUS$	ThUS$	ThUS$	ThUS$
Exchange rate hedge				
Cash flow hedge	-	-	12,190	-
Rate hedge interest rate				
Cash flow hedge	3,781	-	-	-
Total	3,781	-	12,190	-

	31.12.2013		31.12.2012	
Hedge liabilities	**Current**	**Non-current**	**Current**	**Non-current**
	ThUS$	ThUS$	ThUS$	ThUS$
Exchange rate hedge				
Cash flow hedge	8,849	-	3,996	-
Fair value hedges		-		-
Interest rate hedge				
Cash flow hedge	1,476	22,763	3,451	33,240
Total	10,325	22,763	7,447	33,240
Net position	(6,544)	(22,763)	4,743	(33,240)

The detail of the hedge instruments of CAP S.A. and its subsidiaries is as follows:

	Fair value hedge instruments				
Hedge instrument	**31.12.2013**	**31.12.2012**	**Items hedged**	**Risk covered**	**Type of hedge**
	ThUS$	ThUS$			
Forward	(4,160)	4,351	Payment of dividends	Exchange rate	Cash Flow
Forward	(4,652)	7,839	Financial investments	Exchange rate	Cash flow
Cross Currency Swap	-	(3,421)	Financial investments	Exchange rate	Cash flow
Cross Currency Swap	(37)	(576)	Investments Flows	Exchange rate	Cash flow
Interest Rate Swap	(24,239)	(34,128)	Bonds payable (Bonds)	Interest rate	Cash flow
Interest Rate Swap	3,781	(2,562)	Financial Liabilities	Interest rate	Cash flow
Total	(29,307)	(28,497)			

As of December 31, 2013, the CAP Group has booked to results a loss of ThUS$ 2,823 due to the ineffectiveness of its cash-flow hedging operations. There was no such effect on results as of December 31, 2012.

The following shows the fair value and detail by maturity of the notional or contractual values of the derivative instrument operations of the CAP Group as of December 31, 2013 and 2012.

31.12.2013

Types of coverage	Fair Value ThUS$	Period expected to be held in cash flows					
		Notional Value					
		0 to 90 days ThUS$	91 to 365 days ThUS$	1 to 3 years ThUS$	3 to 5 years ThUS$	More 5 years ThUS$	Total ThUS$
Exchange rate hedge	**(8,849)**	**(5,830)**	**(964)**	**-**	**-**	**-**	**(6,794)**
Cash flow hedge	(8,849)	(5,830)	(964)	-	-	-	(6,794)
Exchange rate hedge	**(20,458)**	**(4,840)**	**(9,434)**	**(34,088)**	**(6,579)**	**(12,944)**	**(67,884)**
Cash flow hedge	(20,458)	(4,840)	(9,434)	(34,088)	(6,579)	(12,944)	(67,884)
Total	**(29,307)**	**(10,669)**	**(10,397)**	**(34,088)**	**(6,579)**	**(12,944)**	**(74,678)**

31.12.2012

Types of coverage	Fair Value ThUS$	Period expected to be held in cash flows					
		Notional Value					
		0 to 90 days ThUS$	91 to 365 days ThUS$	1 to 3 years ThUS$	3 to 5 years ThUS$	More 5 years ThUS$	Total ThUS$
Exchange rate hedge	**8,194**	**12,307**	**(3,505)**	**-**	**-**	**-**	**8,802**
Cash flow hedge	8,194	12,307	(3,505)	-	-	-	8,802
Exchange rate hedge	**(36,691)**	**-**	**(7,047)**	**(21,161)**	**(10,542)**	**-**	**(38,750)**
Cash flow hedge	(36,691)	-	(7,047)	(21,161)	(10,542)	-	(38,750)
Total	**(28,497)**	**12,307**	**(10,552)**	**(21,161)**	**(10,542)**	**-**	**(29,948)**

The effects of these operations will be booked to results of the year in which the expected cash flows are realized.

Valuation levels

The fair value of financial instruments booked in the statement of financial position has been determined in the following order, according to the entry data used for making the valuation.

Level 1: Fair value measurement methods through quoted prices (without adjustments) in active markets for identical assets and liabilities.
Level 2: Fair value measurement methods through market quotations, not included in Level 1, that are observable for the assets and liabilities valued, whether directly (prices) or indirectly (price derivatives).
Level 3: Fair value measurement methods through valuation techniques which include data on the assets and liabilities values that are bot based on observable market data.

As of December 31, 2013 and 2012, the calculation of the fair value of all the financial instruments subject to valuation has been determined based on Level 2 above.

11. Current tax assets and liabilities

Current tax assets and liabilities as of December 31, 2013 and 2012 are as follows:

Assets

	Total current	
	31.12.2013	**31.12.2012**
	ThUS$	ThUS$
Monthly provisional payments	160,855	8,067
VAT fiscal credit & other recoverable taxes	88,351	53,590
Income tax	(102,690)	(343)
Provisional payments for absorbed earnings	7,774	16,038
Specific tax on mining activities	(34,136)	-
Residual Income Tax	10,053	916
Total	**130,207**	**78,268**

Liabilities

	Total current	
	31.12.2013	**31.12.2012**
	ThUS$	ThUS$
Monthly provisional payments	-	(143,930)
VAT fiscal debit & other taxes payable	4,813	686
Income tax	5,956	129,022
Specific tax on mining activities	-	40,847
Others	-	(1,785)
Total	**10,769**	**24,840**

12. Other non-financial assets, current and non-current

The detail of other non-financial assets, current and non-current, as of December 31, 2013 and 2012 is as follows:

	Total current		Total non-current	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
	ThUS$	**ThUS$**	**ThUS$**	**ThUS$**
Payments in advance to Supliers (proyects)	6,840	22,616	-	-
Advanced Insurance	2,200	1,953	-	-
Advanced rents	245	365	-	-
Personnel bonus	1,138	2,790	941	-
Other prepaid expenses	17,826	10,572	16,459	4,341
Others	2,499	4,735	8,247	2,725
Total	30,748	43,031	25,647	7,066

13. Investment in subsidiaries

The consolidated financial statements include the financial statements of the Parent Company and the controlled companies (Note 3). The following is detailed information on the subsidiaries as of December 31, 2013 and 2012:

	31.12.2013					
Company	Current assets ThUS$	Non-current assets ThUS$	Current liabilities ThUS$	Non-current liabilities ThUS$	Ordinary revenues ThUS$	Net earnings (loss) attributable to controller ThUS$
Compañía Minera del Pacífico S.A.	442,035	3,022,035	516,983	776,476	1,430,557	402,329
Compañía Siderúrgica de Huachipato S.A.	356,376	719,571	450,534	140,693	657,521	(117,679)
Novacero S.A.	230,943	148,697	148,657	47,374	360,778	1,162
Puerto Las Losas S.A.	2,025	52,256	5,779	2,596	2,049	(2,862)
Abastecimientos CAP S.A.	5,164	1	-	-	-	(15)
Tecnocap S.A.	13,311	61,110	1,288	73,057	2,692	491
Port Investments Ltd.	147	15,699	18	15,774	-	(21)
Cleanairtech Sudamérica S.A.	105,084	287,461	118,623	152,014	1,158	(1,440)
Intasa S.A.	29,760	10,056	18,377	4,021	99,963	(49)
Ecocap S.A.	432	-	-	-	-	(31)

	31.12.2012					
Company	Current assets ThUS$	Non-current assets ThUS$	Current liabilities ThUS$	Non-current liabilities ThUS$	Ordinary revenues ThUS$	Net earnings (loss) attributable to controller ThUS$
Compañía Minera del Pacífico S.A.	665,872	2,283,598	424,868	433,364	1,405,931	354,497
Compañía Siderúrgica de Huachipato S.A.	365,686	816,837	386,402	198,524	920,178	(66,851)
Novacero S.A.	270,920	152,374	185,896	49,276	466,852	6,853
Tecnocap S.A.	8,087	53,529	24,877	44,029	-	333
Abastecimientos CAP S.A.	5,180	-	-	-	-	(15)
Puerto Las Losas S.A.	3,289	54,269	5,328	3,462	2,804	(1,531)
Port Investments Ltd.	88	5,835	18	810	-	35
Cleanairtech Sudamérica S.A.	75,606	73,181	32,078	47,495	-	559

Unrealized Income

CAP S.A. booked unrealized income as of December 31, 2013 and 2012 in proportion to its percentage participation, for inventories of products sold by Compañía Siderúrgica Huachipato S.A. and which are in the inventories of Armacero Industrial y Comercial S.A.

CAP S.A. has also booked unrealized income of ThUS$ 15,791 from the sale of "Desalination plant Phase I" project to its subsidiary Cleanairtech Sudamérica S.A. and of ThUS$ 727 for interest and services related to that project.

In addition, CAP S.A. has booked unrealized income of ThUS$ 2,635 with Tecnocap S.A., for interest and sales related to the functioning of the electricity transmission line.

Information on foreign investments

Neither the Company nor its subsidiaries have contracted debt to hedge their foreign investments as of December 31, 2013 and 2012.

The subsidiary Compañía Minera del Pacífico S.A. temporarily discontinued in 2008 the operations of its subsidiaries Pacific Ores and Trading N.V. and Pacific Ores and Trading B.V., which operated as sales agents.

These companies have no significant movement nor are their assets significant in the context of these consolidated financial statements.

Additional Information

- On May 25, 2009, the production activities of the CMP subsidiary Manganesos Atacama S.A. were suspended due to lack of demand for its products. Its accumulated stocks are sufficient to meet its commitments over the next 2 years. The future business plan of this subsidiary is currently being analyzed. This subsidiary's assets are not significant in the context of these consolidated financial statements.

- At the board meeting of December 12, 2012, it was agreed to constitute a company in Hong Kong in which Compañía Minera del Pacifico S.A. would hold 100% of the capital amounting to US$10,000. The name of the company is CMP Services Asia Limited and its main object is to support the commercialization and sales management of Compañía Minera del Pacífico S.A. in Asia. This company is still in the process of formation and therefore does not present financial statements.

- The extraordinary shareholders' meeting of Puerto Las Losas S.A., held on March 22, 2011, agreed to increase the company's capital by US$ 6,037,575.14 through the issue of 368,733 shares, of no par value, for payment. Of these CAP S.A. subscribed 188,054 shares for a value of US$ 3,079,166.11 and Agrocomercial AS Ltda. subscribed 180,679 shares for a value of US$ 2,958,409.03. As of December 31, 2012, the shareholders had paid in all the capital increase.

- The extraordinary shareholders' meeting of Cleanairtech Sudamérica S.A held on December 7, 2012 agreed to increase the capital in order to finance phase II of the desalination plant to permit the expansion of capacity from 200 liters to 400 liters per second and the construction of related aqueducts, mainly in order to meet the consumption needs of Cía. Minera del Pacífico and other mining projects that require desalinized water. The capital was increased from US$59,314,011.88, which is fully paid, to US$119,791,491.88 divided into 60,000,000 ordinary and nominative shares, of equal and no par value, through the issue of 30,000,000 new shares for payment, to be subscribed at a minimum of US$2.015961 per share. The shareholders agreed unanimously that the new shares be placed at that value, payable in cash, and be fully subscribed and paid within 3 years from December 7, 2012. The present shareholders attending the meeting promised to subscribe and pay by December 31, 2012 for the following number of shares: Mitsubishi Corporation subscribed and paid for 2,813,663 shares for a total of US$5,672,109 and CAP S.A. subscribed and paid for 2,928,507 shares for a total of US$5,903,623. During 2013, this capital increase continued to be paid in, with which Mitsubishi paid the sum of US$23,961,857 corresponding to 11,886,337 shares and CAP S.A. paid US$24,939,889 corresponding to 12,371,493 shares.

  As of December 31, 2013, the complete capital increase is paid and the ownership of Cleanairtech Sudamérica S.A. is held by: Mitsubishi Corporation with 29,400,000 shares, equivalent to a 49% shareholding and CAP S.A. with 30,600,000 shares, equivalent to a 51% shareholding, and the capital remained at ThUS$ 119,791 divided into 60,000,000 ordinary and nominative shares of the one series and of no par value.

- The extraordinary shareholders' meeting of Ecocap S.A., a direct subsidiary of Tecnocap S.A., held on December 30, 2013, agred to increase the company's capital from US$19,719.98 divided into 10,000 shares, to US$7,339,195.88 divided into 3,725,347 ordinary and nominative shares of the same no par value, through the issue of 3,715,470 new shares for payment, to be subscribed at a minimum cost of US$ 1.97 per share. The shareholders of Ecocap, (Tecnocap S.A. and Abastecimientos CAP S.A.) renounced

their pre-emptive rights to subscribe these new shares in favor of CAP S.A.. As of December 31, 2013 therefore, CAP S.A. has subscribed and paid the total of this share issue for an amount of US$7,319,475.09, remaining with a 99.73% shareholding in Ecocap S.A..

- An extraordinar shareholders' meeting of Intasa S.A., direct subsidiary of Novacero S.A., held on September 13, 2013, agreed to increase its capital from US$ 6,029,127.83 divided into 350,817,195 shares, to US$12,529,127.83 through the issue of 233,812,950 ordinary and nominative shares for payment, of the same series and of no par value. The share price would be US$0.0278 and all the shares issued would be offered pro rata exclusively to the shareholders of Intasa. The objective of this capital increase was to take part in the capital increase to be made by its subsidiary Tubos Argentinos S.A. in order for the latter to repay a large part of its financial debt due during 2013 and extended for a short time, and this reduce the risks related to exchange rate variations and their indirect effect on the results of Intasa S.A. This new share issue is to be subscribed and paid within 180 days of this meeting.

  As of December 31, 2013, CAP S.A. subscribed and paid US$6,494,972 for 233,632,070 shares. Novacero S.A. did not take part in this new share issue, leaving CAP S.A. with a 57.79% shareholding in Intasa S.A.

Combinations of business

The board of CAP S.A. resolved the following on February 9, 2010:

i) Approve a transaction to accept the offer of M.C. Inversiones Limitada ("MCI") to become a shareholder of Compañía Minera del Pacífico S.A. (CMP) by means, in the first place, of the merger by absorption of Compañía Minera Huasco S.A. (CMH) in which it is currently the holder of 50%, and receiving 15.9 % of the share capital of CMP, and later, subscribing and paying in cash US$ 401,000,000 in a capital increase of CMP, with which MCI would increase its direct shareholding to 25% of CMP.

ii) This transaction assumed the total economic value of the equity of CMH at US$ 1,046,000,000 and that the whole equity of CMP had an economic value of US$ 2,771,000,000. In all, considering the contribution of 50% of CMH for US$ 523,000,000, plus the capital increase of US$ 401,000,000, MCI's offer equated to US$ 924,000,000 for 25% of CMP.

iii) The transaction is subject to the signing of a shareholders' agreement and a framework agreement establishing that, subject to the ratification referred to in iv) below, the merger will be effective once the transaction is approved by the Chinese free-competition authorities, among other conditions precedent.

iv)Call an extraordinary shareholders' meeting for March 10, 2010 to ratify this transaction.

v) Appoint Celfin Capital Servicios Financieros S.A., solely for compliance with number 5 of article 147 of Law 18,046, as independent evaluator to report of the conditions of the transaction, its effects and its potential impact for the Company and its conclusions. The report of the independent evaluator will be made available to shareholders at the corporate offices and on the Company's web site on the business day next following its receipt.

vi) Similarly and at the same time, shareholders will be provided with the report of the president that the board took into consideration for adopting its resolution approving the transaction, which includes the valuation made by the investment bank JP Morgan and refers to the fairness opinion prepared by that bank with respect to the transaction.

On March 10, 2010 the extraordinary shareholders' meeting of CAP S.A., with the consenting vote of 80.85% of the shares issued with voting rights, agreed to ratify the resolution adopted by the board of the Company.

On April 9, 2010, the board of the subsidiary Cía. Minera del Pacífico S.A. (CMP) agreed to call an extraordinary shareholders' meeting for April 27, 2010 to consider the following:

a. The merger by absorption or incorporation of CMH into the subsidiary CMP. The subsidiary CMP would absorb CMH, acquiring all its assets and liabilities, and replacing it in all its rights and obligations in accordance with Chapter IX, article 99 of Law 18,046. The merger would be effective from April 30, 2010 or at the date the meeting may decide.

All the equity and shareholders of CMH would be incorporated into the subsidiary CMP, and CSH would be dissolved without the need for its liquidation. With respect to the termination of business of CMH, and as established in article 69 of the tax code, it will not be necessary to give notice provided the subsidiary CMP is fully liable, in the merger deed, for all the taxes due by CMH. Nevertheless, CMH should prepare a termination of business balance sheet at the date of its extinction and/or termination and the subsidiary CMP pay the income taxes determined, within the two months following the termination of its activities and the other taxes within the legal terms, notwithstanding its liability for other taxes that may be due.

The approval of the merger by the meeting would grant dissident shareholders the right to withdraw from the subsidiary CMP against the payment by it of the value of the shares at the date of the meeting. Dissident shareholders may only exercise their right to withdraw within 30 days of the date of the meeting and only for all the shares held registered in the shareholders register of CMP at the beginning of the meeting. A dissident shareholder is that which at the meeting opposes the merger agreement adopted by it or, not having attended the meeting, shows their dissidence in writing to CMP within the stated term. The payment of the share price to the dissident shareholders should be made within the 60 days following the date of the meeting approving the merger.

Discuss and approve the following information that would serve as the basis for the above merger:

i. Expert report on the absorption of CMH by CMP, prepared by Jorge Quiroz C. Consultores Asociados S.A.
ii. Balance sheet of CMP as of February 28, 2010 audited by Deloitte, and balance sheet of CMH as of February 28, 2010 audited by Deloitte

b. Discuss and approve the exchange of approximately 0.6331047619 shares of the subsidiary CMP for each share of CMH, held by shareholders other than CMP.

c. Increase the capital to comply with and carry out this merger, in an amount equivalent to the subscribed and paid capital of CMH on the effective date of the merger, deducting the amount corresponding to the percentage holding of CMP in CMH on that date, through the issue of 664,760 new ordinary and registered shares of the one series and of no par value, to be paid in full to the shareholders of CMH, except for CMP, in the proportion corresponding to exchange referred to in the previous paragraph.

d. Adopt all the agreements necessary for carrying out the above merger, as well as the powers believed convenient for legalizing, materializing and carrying out the merger agreed by the shareholders, especially those that permit the transfer of all the assets and liabilities of the company absorbed.

e. Increase the capital, following the capitalization of the accumulated earnings of the merged company, by US$ 401,003,152 through the issue of 508,954 ordinary and registered shares for payment of the one series and no par value, which should be subscribed for a minimum value of approximately US$ 787.8966 each within a maximum term of three years from the date of the meeting.

f. Adopt all the agreements necessary for carrying out the capital increase, as well as the powers believed convenient for legalizing, materializing and carrying out the capital increase agreed by the shareholders.

g. Amend the bylaws and establish a restated text that reflects the following matters:

i) The company shall have an indefinite life.
ii) The company's capital increase in the terms stated above.
iii) The board to comprise 7 members and their respective alternates.
iv) The quorum for constitution of the board shall be the absolute majority of the directors established in the bylaws and that resolutions be adopted by the simple majority of the directors present.
v) The participation in board meeting by technological means.
vi) Amend the powers and obligations of the board.
vii) Amend the clause relating to matters for the ordinary shareholders meeting.
viii) Amend the clause relating to matters for the extraordinary shareholders meeting.
ix) Amend the clause relating to the shares that can participate in the meetings.
x) Amend the quorum for constitution of meetings.
xi) Incorporate certain restrictions on share transfers in the company.
xii) Establish that the company should always appoint external auditors.
xiii) Establish that differences arising between the shareholders as such or between them and the company or its administrators, be submitted to an arbitrator appointed jointly by the parties or, in the absence of agreement, by the Arbitration and Mediation Center of the Santiago Chamber of Commerce from among its members.
xiv) Amend the first transitory clause and eliminate the other transitory clauses.

h. Revoke and renew the whole board of directors of the company, due to the amendment to the Company's bylaws.

14. Investments in associates booked by the participation method

Participation method

The following are the principal investments in associates and joint ventures booked under the participation method as of December 31, 2013 and 2012:

As of December 31, 2013

Company	Relationship	Number of shares ThUS$	Participation to 31.12.2013 %	Balance at 01.01.2013 ThUS$	Additions ThUS$	Write downs ThUS$	Participation in earnings / (loss) ThUS$	Reversal of dividends ThUS$	Equity reserve ThUS$	Total al 31.12.2013 ThUS$
Minera Hierro Antofagasta S.A. (1)	Associated	212,766	17.54	1	-	-	(125)	-	-	-
Armacero Industrial y Comercial S.A.	Joint Venture	3,877,633	50	11,380	-	-	(946)	-	729	11,163
Inmobiliaria y Constr. San Vicente Ltda.	Associated	-	0.49	20	-	-	1	-	(1)	20
Total				11,401	-	-	(1,070)	-	728	11,183

As of December 31, 2012

Company	Relationship	Number of shares ThUS$	Participation to 31.12.2012 %	Balance at 01.01.2012 ThUS$	Additions ThUS$	Write downs ThUS$	Participation in earnings / (loss) ThUS$	Dividends ThUS$	Equity reserve ThUS$	Total al 31.12.2012 ThUS$
Minera Hierro Antofagasta S.A. (1)	Associated	212,766	17.54	60	-	-	(73)	-	14	1
Armacero Industrial y Comercial S.A.	Joint Venture	3,877,633	50	10,555	-	-	(277)	-	1,102	11,380
Inmobiliaria y Constr. San Vicente Ltda.	Associated	-	0.49	20	-	-	(1)	-	1	20
Total				10,635	-	-	(351)	-	1,117	11,401

1) On February 4, 2010, the subsidiary CMP acquired 212,766 shares in Minera Hierro Antofagasta S.A. for ThUS$5.000, equivalent to 17.54% of its share capital, through the payment of a capital increase by that company. As a result of this investment, the subsidiary CMP booked goodwill of ThUS$4,125.

On May 3, 2011 the subsidiary CMP announced its decision not to proceed with the mine exploration stages of that company, being released from its obligation to increase the capital paid to date.

Financial information on investments in associates and joint ventures

	31.12.2013					
Company	**Current assets** ThUS$	**Non-current assets** ThUS$	**Current liabilities** ThUS$	**Non-current liabilities** ThUS$	**Ordinary revenues** ThUS$	**Profit (Loss)** ThUS$
Inmobiliaria y Construct San Vicente Ltda.	1,620	3,205	306	563	154	137
Minera Hierro Antofagasta S.A.	499	265	1,515	-	-	(716)
Armacero Industrial y Comercial S.A.	23,114	24,105	21,209	3,684	48,765	(1,892)
Total	25,233	27,575	23,030	4,247	48,919	(2,471)

	31.12.2012					
Company	**Current assets** ThUS$	**Non-current assets** ThUS$	**Current liabilities** ThUS$	**Non-current liabilities** ThUS$	**Ordinary revenues** ThUS$	**Profit (Loss)** ThUS$
Inmobiliaria y Construct San Vicente Ltda.	1,675	3,334	315	659	318	(172)
Minera Hierro Antofagasta S.A.	530	283	851	-	-	(417)
Armacero Industrial y Comercial S.A.	19,625	18,326	14,954	237	63,672	(554)
Total	21,830	21,943	16,120	896	63,990	(1,143)

15. Intangible assets

15.1 The detail of intangible assets is as follows:

	31.12.2013				
	Proprietary	Finalization or Total consumption assets	Gross value ThUS$	Accumulated amortization/ impairment of value ThUS$	Net value ThUS$
Mining property	CMP S.A.	12-2028	957,255	(148,148)	809,107
Water rights	CMP S.A.	12-2028	2,681	(151)	2,530
Software	CSH S.A.	10-2015	377	(31)	346
Easements	CMP S.A.	12-2028	1,041	(245)	796
Others	PLL S.A.	06-2018	428		428
Others	Cintac SAIC	12-2013	59		59
Total			969,136	(155,870)	813,266

	31.12.2012				
	Proprietary	Finalization or Total consumption assets	Gross value ThUS$	Accumulated amortization/ impairment of value ThUS$	Net value ThUS$
Mining property	CMP S.A.	12-2028	957,255	(106,744)	850,511
Software	CSH S.A.	06-2013	3,378	(2,956)	422
Software	CAP S.A.	06-2013	1,367	(1,196)	171
Water rights	CMP S.A.	12-2028	2,681	(113)	2,568
Software licenses	CMP S.A.	12-2012	2,550	(2,548)	2
Easements	CMP S.A.	12-2028	1,041	(197)	844
Others	PLL S.A.	06-2018	428	-	428
Others	Cintac SAIC	12-2013	59	-	59
Total			968,759	(113,754)	855,005

15.2 Movements in identifiable intangible assets to December 31, 2013 and 2012 were as follows:

As of December 31, 2013

	Water rights ThUS$	Software, net ThUS$	Software licenses, net ThUS$	Easements ThUS$	Others ThUS$	Mining Properties ThUS$	Total ThUS$
Initial balance at January 1, 2013	2,568	593	2	844	487	850,511	855,005
Additions	-	-	377	-	-	-	377
Amortization	(38)	(593)	(33)	(48)	-	(41,404)	(42,116)
Total movement	(38)	(593)	344	(48)	-	(41,404)	(41,739)
Closing balance at 31.12.2013	2,530	-	346	796	487	809,107	813,266

As of December 31, 2012

	Water rights ThUS$	Software, net ThUS$	Software licenses, net ThUS$	Easements ThUS$	Others ThUS$	Mining Properties ThUS$	Total ThUS$
Initial balance at January 1, 2012	2,606	1,780	214	892	493	890,149	896,134
Amortization	(38)	(1,187)	(212)	(48)	(6)	(39,638)	(41,129)
Total movement	(38)	(1,187)	(212)	(48)	(6)	(39,638)	(41,129)
Closing balance at 31.12.2012	2,568	593	2	844	487	850,511	855,005

Additional information

- In 2010 the subsidiary CMP produced an addition of ThUS$ 957,255 which mainly related to the incorporation of mine deposits belonging to Compañía Minera Huasco S.A. (CMH) and which, as indicated in Note 13, were acquired through the merger of CMP and CMH. The amounts were obtained from the report determining the fair value of Compañía Minera Huasco S.A. as of April 30, 2010 prepared by Jorge Quiroz C. Consultores Asociados S.A.. This mine deposit is amortized in line with the extraction of its reserves.

- The monthly amortization of the mine deposits is made based on the proportion of monthly feed of ore to the plant, estimating that existing reserves will last until 2028, according to the Company's present estimates.

- The amortization of water rights and easements is made monthly in equal installments as a function of the useful life of the principal asset they provide, in this case the estimated useful life is until 2028.

- The other intangible assets relate mainly to maritime concessions of the subsidiary Puerto las Losas S.A. (PLL).

The Company has no intangible assets with restrictions and/or granted as security for liabilities, neither does it have commitments to acquire new intangible assets. As of December 31, 2013 there are no fully-amortized intangible assets still in use.

16. Property, plant and equipment

16.1 Classes of property, plant and equipment

The net and gross values by class of property, plant and equipment as of December 31, 2013 and 2012 are as follows:

Property, plant and equipment, net

	31.12.2013 ThUS$	31.12.2012 ThUS$
Ongoing construction	1,430,538	920,630
Land	347,045	348,082
Constructions and infrastructure	388,179	347,492
Plant, machinery & equipment	1,001,163	759,205
Furniture & office machinery	918	1,908
Information Technology Equipment	54	39
Mining reserves	182,978	94,879
Vehicles	3,132	2,604
Other property, plant & equipment	72,836	85,419
Total property, plant & equipment	3,426,843	2,560,258

Property, plant and equipment, gross

	31.12.2013 ThUS$	31.12.2012 ThUS$
Ongoing construction	1,430,538	920,630
Land	347,045	348,082
Constructions and infrastructure	783,666	720,907
Plant, machinery & equipment	2,375,427	2,055,875
Furniture & office machinery	5,492	5,827
Information Technology Equipment	996	959
Mining reserves	463,393	368,768
Vehicles	8,181	6,741
Other property, plant & equipment	178,017	183,947
Total property, plant & equipment	5,592,755	4,611,736

Restrictions through fixed assets granted in guarantee

Cleanairtech Sudamérica S.A

The subsidiary Cleanairtech Sudamérica S.A. signed a loan agreement on April 18, 2012 with Crédit Agricole CIB, Corpbanca and Mizuho Corporate Bank, Ltd., for the project financing of the first phase of the seawater desalination plant being developed by the company. Together with the first drawing of the loan from these banks, all the assets of Phase I of Cleanairtech Sudamérica S.A. were charged in guarantee. As of December 31, 2013 the amount of fixed assets so charged is ThUS$ 168,343.

The subsidiary Cleanairtech Sudamérica S.A. signed a loan agreement on September 10, 2013 with Crédit Agricole CIB (agent bank), Mizuho Corporate Bank, Ltd., Banco Itaú Chile and Banco de Crédito e Inversiones S.A., Miami Branch, for the project financing of the second phase of the seawater desalination

plant being developed by the company. As for Phase I, together with the first drawing of the loan from these banks, all the assets of Phase II of Cleanairtech Sudamérica S.A. were charged in guarantee. As of December 31, 2013 the amount of fixed assets so charged is ThUS$ 118,933.

The Company as of December 31, 2013 has not charged any other specific fixed assets as security for its obligations.

The accumulated depreciation by class of property, plant and equipment is as follows:

Accumulated depreciation	**31.12.2013 ThUS$**	**31.12.2012 ThUS$**
Constructions and infrastructure	(395,487)	(373,415)
Plant, machinery & equipment	(1,374,264)	(1,296,670)
Furniture & office machinery	(4,574)	(3,919)
Information Technology Equipment	(942)	(920)
Mining reserves	(280,415)	(273,889)
Vehicles	(5,049)	(4,137)
Other property, plant & equipment	(105,181)	(98,528)
Total accumulated depreciation	(2,165,912)	(2,051,478)

Fully depreciated fixed assets still in use

There are no significant fully-depreciated fixed assets as of December 31, 2013 that are still in use.

16.2 Movement:

The accounting movement of property, plant and equipment, net, in the years 2013 and 2012 was as follows:

To December 31, 2013

Property, plant & equipment, net	**Ongoing construction ThUS$**	**Land ThUS$**	**Contructions and infrastructure ThUS$**	**Plant, machinery & equipment ThUS$**	**Furniture & office machinery ThUS$**	**Information technology equipment ThUS$**	**Vehicles ThUS$**	**Mining Reserves ThUS$**	**Others ThUS$**	**Total ThUS$**
Initial balance at January 1, 2013	920,630	348,082	347,492	759,205	1,908	39	2,604	94,879	85,419	2,560,258
Additions	616,335	53	1,702	355,129	212	37	462	94,625	251	1,068,806
Reclassifications spare parts	-	-	-	(2,284)	-	-	-	-	(4,834)	(7,118)
Reclassifications	(106,225)	-	69,412	35,760	(854)	-	978	-	929	-
Retirements & write downs	(202)	-	-	(282)	(86)	-	-	-	-	(570)
Write-off stoppage lines	-	(1,090)	(2,163)	(45,146)	-	-	-	-	-	(48,399)
Write-off spare parts				(6,627)						(6,627)
Charge for depreciation	-	-	(21,861)	(79,226)	(262)	(22)	(912)	(6,526)	(6,986)	(115,795)
Asset impairment	-	-	(6,403)	(15,366)	-	-	-	-	(1,231)	(23,000)
Other increases (decreases)	-	-	-	-	-	-	-	-	(712)	(712)
Closing balance at December 31, 2013	**1,430,538**	**347,045**	**388,179**	**1,001,163**	**918**	**54**	**3,132**	**182,978**	**72,836**	**3,426,843**

To December 31, 2012

Property, plant & equipment, net	Ongoing construction ThUS$	Land ThUS$	Contructions and infrastructure ThUS$	Plant, machinery & equipment ThUS$	Furniture & office machinery ThUS$	Information technology equipment ThUS$	Vehicles ThUS$	Mining Reserves ThUS$	Others ThUS$	Total ThUS$
Initial balance at January 1, 2012	289,414	333,625	350,519	714,026	1,603	33	2,115	94,550	55,378	1,841,263
Additions	708,976	14,990	449	31,156	437	27	1,023	63,788	12,083	832,929
Reclassifications spare parts	-	-	-	37,856	-	-	-	-	20,204	58,060
Reclassifications	(76,911)	(533)	17,185	52,210	333	-	59	-	7,657	-
Retirements & write downs	(849)	-	(140)	(1,167)	-	-	(14)	-	(25)	(2,195)
Charge for depreciation	-	-	(20,521)	(75,203)	(465)	(21)	(594)	(63,459)	(9,903)	(170,166)
Other increases (decreases)	-	-	-	327	-	-	15	-	25	367
Closing balance at December 31, 2012	**920,630**	**348,082**	**347,492**	**759,205**	**1,908**	**39**	**2,604**	**94,879**	**85,419**	**2,560,258**

16.3 Loss through write-off and impairment booked during the period

In June 2013, the subsidiary Compañía Siderúrgica Huachipato S.A adopted the policy of focusing its production on long products for mining and construction. The result of this change in September 2013 was the temporary suspension of the operation of one of the blast furnaces and the closure of hot-rolled sheet production, a measure taken in addition to others like the permanent stoppage of the cold-rolled sheet, tin plate, zinc alum and Rengo laminator production lines

This decision implied the booking as of December 31, 2013 of a write-off of US$ 39.7 million net of taxes for the units not expected to be operated in accordance with the current five-year business plan. A provision net of tax was also made for asset impairment of US$ 18.4 million to reflect the financial imapct of the productive restructuring contained in that plan. All the above implied a total charge of US$ 58.1 million net of tax in the financial statements as of December 31, 2013, including US$ 13.6 million net of tax that had already been provisioneds at June 30, 2013.

The cold-rolled sheet, tin plate, zinc alum and Rengo laminator production lines had a book value of US$ 55.0 million, including related spare parts. As a result of the write-off, a recoverable value of US$ 5.3 million was established, according to a valuation made by the companies Casey Equipment Co. and Traders International Ltd., which amount is shown in Other non-financial assets, non-current. The amount of the write-off has been shown in Other expenses by function in the statement of comprehensive results by function and deducted from Property, plant and equipment in the classified statement of financial position.

In the determination of the impairment of assets, their value in use has been calculated based on the effective future cash flows expected to be obtained according to the five-year business plan, approved by the board of CSH on December 20, 2013. The discount rate used in the calcualtion was 9.59%. The total amount of this adjustment is shown in Other expenses by function in the statement of comprehensive results by function and deducted from Property, plant and equipment in the classified statement of financial position.

16.4 Additional information

The fixed assets mainly comprise land, buildings, infrastructure, machinery and mining equipment, pellets plant, mineral loading ports, steel mill and mooring, in Compañía Siderúrgica Huachipato S.A. and Compañía Minera del Pacífico S.A. They also include the industrial plants of the subsidiaries Cintac, Centroacero, Instapanel and Tecnoacero in Chile and those of Tupemesa in Lima, Peru, and Tasa in Argentina.

Buildings and infrastructure also include assets relating to the electricity transmission line of Tecnocap S.A.

- **Properties and buildings booked at fair value**

As part of the IFRS first-adoption process, the Group decided to book certain plots of land at fair value as the attributed cost on the transition date of January 1, 2009. The fair values of land amounted to ThUS$ 305,572, as determined by an external specialist in the Group's industry.

- **Temporarily idle assets**

As of December 31, 2013, the subsidiary Compañía Siderúrgica Huachipato S.A. maintains the temporary suspension of one of the blast furnaces and the production of cold-rolled sheets, but their future restart is contemplated in the company's business plan. They will therefore continue to be depreciated in accordance with IAS 16.

The company has been concerned to protect the above-mentioned production line so that it does not lose its production capacity. Meanwhile, business has been generated in processing coated steel rolls for third parties, producing revenues for the Company by partially using the cold roller installations.

The board, at its meeting held on December 20, 2013, was informed of these measures and approved the annual budget 2014 and the five-year business plan.

The precaution has been taken to preserve these assets in order not to lose their production capacity.

- **Additions**

As of December 31, 2013 the subsidiary Compañía Siderurgica Huachipato S.A. holds spares relating to fixed assets and forming part of additions to machinery nand equipment amounting to ThUS$ 35,572 and ThUS$ 36,306 as of December 31, 2013 and 2012.

- **Mine development**

"Mine Development", in the subsidiary Compañía Minera del Pacifico S.A., relates mainly to the movement of material prior to the mine's exploitation phase. Its depreciation is based on the proportion of monthly feed of ore to the plants.

- **Costs of capitalized loans during the year**

As stated in Note 3.1 (h), the subsidiary Cleanairtech Sudamérica S.A. has included interest expenses from the desalination plant project financing in the cost of property, plant and equipment.

As of December 31, 2013 and 2012, the accumulated amounts forming part of the asset for this concept are ThUS$ 5,280 and ThUS$ 978 respectively. Capitalized interest during 2013 and 2012 amount to ThUS$ 4,302 and ThUS$ 978 respectively.

The rate of capitalization of interest mentioned above relates to 100% of the costs incurred for this concept during the desalination plant's construction stage.

- **Construction in progress**

Construction in progress as of December 31, 2013 and 2012 amounts to ThUS$ 1,430,538, and ThUS$ 920,630 respectively. These are directly related to the Company's operating activities, including the acquisition of equipment and buildings.

The most important works in progress include the following:

1) In Compañía Minera del Pacífico S.A., for ThUS$ 1,117,155 as of December 31, 2013 (ThUS$ 760,067 as of December 31, 2012), directly related to the acquisition of equipment and buildings for the operation, principally relating to the Cerro Negro Norte and Huasco Valley Expansion projects.

2) In Compañía Siderúrgica Huachipato S.A., for ThUS$ 15,851 as of December 31, 2013 (ThUS$ 24,468 as of December 31, 2012), whose most important investments are energy efficiency, mooring and raw materials handling, roller rectification, road improvement, tree planting, access, green areas and other minor projects..

3) In Cintac S.A., for ThUS$ 7,834 as of December 31, 2013 (ThUS$ 11,782 at December 31, 2012), mainly in the acquisition of installations and machinery.

4) In Intasa S.A. for ThU$ 255 as of December 31, 2013 (ThUS$ 33 as of December 31, 2012) mainly in the acquisition of equipment and buildings.

5) In CAP S.A. for ThUS$ 2,167 as of December 31, 2013 (ThUS$1,083 as of December 31, 2012), principally construction and renovation projects.

6) In Cleanairtech Sudamerica S.A. for ThUS$ 287,276 as of December 31, 2013 (ThUS$ 69,669 as of December 31, 2012), for the construction of the desalination plant and aqueduct.

7) In Tecnocap S.A. has no construction in progress as of December 31, 2013 (ThUS$ 53,528 as of December 31, 2012).

   During the second half of 2013, work was started on the electricity transmission line planned to supply energy for the projects of the subsidiares Compañía Minera del Pacifico S.A. (Cerro Negro Norte), Cleanairtech Sudamérica S.A. (seawater desalination plant) and Punta Totoralillo Port. Its estimated useful life is 20 years.

Policy for estimating dismantling and restoration costs

Obligations arise for dismantling and restoration expenses when the environment is affected by the preparation of the location and erection of an installation and/or carrying out some work or task. These costs are estimated at the start of the project based on a formal works closure plan originating them, and are subject to periodic revision.

The estimated costs arising from the obligation to dismantle an installation are updated to present value and incorporated in fixed assets, having a provision as the cross-entry. These dismantling costs are charged to results over the life of the work together with the depreciation of the asset and form part of the cost of sales, and the use of the respective provision is made at the time the dismantling takes place.

Restoration costs are estimated at the start of the works at their present value, making a provision against results. The provision is used when the restoration works expenses are incurred.

The effects of updating the provisions, due to the effect of the discount rate or passage of time, are booked as a financial expense.

The work of an external specialist and internal experts, plus the judgment and experience of the Company's management, are used to estimate dismantling and restoration costs.

- **Assets under financial leases**

Other property, plant and equipment include the following assets acquired under financial leases:

	31.12.2013 ThUS$	31.12.2012 ThUS$
Land under financial leases, net	3,408	1,808
Buildings under financial leases, net	21,258	11,625
Machinery & equipment under financial leases, net	16,033	8,955
Plant & equipment under financial leases, net	163,602	16,740
Motor vehicles under financial leases, net	3	62
Total	204,304	39,190

Leased land and buildings include the value of the corporate building acquired under a leasing agreement with purchase option with Banco Crédito e Inversiones. This contract has monthly payments and final maturity in 2016. The machinery and equipment acquired under a financial lease corresponds to Babcock & Wilcox boiler acquired from Precisión S.A., with 28 monthly payments starting in February 2013, plus purchase option.

Machinery and equipment acquired under financial leases includes computer equipment and industrial tools. The contracts are denominated in UF and their term varies between 1 and 3 years.

Financial leases of plant and equipment include various contracts for vehicles and mining equipment acquired by the subsidiary CMP. The average annual interest rate on these contracts is 3.76% and their maturities are up to 7 years.

The present value of future payments due under financial leases is as follows:

	31.12.2013			31.12.2012		
	Gross ThUS$	Interest ThUS$	Present value ThUS$	Gross ThUS$	Interest ThUS$	Present value ThUS$
Less than one year	25,470	(4,674)	20,796	8,615	(921)	7,694
Between one and five years	129,263	(14,452)	114,811	15,021	(2,364)	12,657
More than five years	37,485	(1,156)	36,329	-	-	-
Total	**192,218**	**(20,282)**	**171,936**	**23,636**	**(3,285)**	**20,351**

Insurance

The Group has insurance policies covering the possible risks to which the various elements of property, plant and equipment are exposed, plus possible claims that may be made in the course of its business. These policies adequately cover these risks.

Accident at Punta de Totoralillo port

On December 18, 2011, the loading conveyer belt transfer tower of Punta Totoralillo port caught fire, making it impossible to load ships. Repairs have now been completed and the port has been operating since the end of March 2012. As of December 31, 2012 the subsidiary Compañía Minera del Pacifico S.A. books an insurance claim receivable of ThUS$ 6,767, which is shown in Sundry debtors (Note 7).

The final indemnity was received from the insurance company during January 2013, amounting to ThUS$ 6,767. The loss for the company was ThUS$ 500, corresponding to the respective deductible.

- **Depreciation charge**

The depreciation of the assets is calculated on a straight-line basis over their corresponding useful lives.

The useful life has been determined based on the expected natural deterioration, technical or commercial obsolescence deriving from changes and/or improvements in production, and changes in market demand for the products obtained from the operation of these assets.

Regarding the item "Mine Development" of the subsidiary CMP, its depreciation is based on the proportion of monthly mineral feed to the plants. As of December 31, 2013 and 2012, the depreciation booked to results (operating costs) is ThUS$ 4,516 and ThUS$ 61,449 respectively. The reduced depreciation in 2013 compared to 2012 is due to the termination of depreciation of phase IV of El Romeral Mine.

The estimated useful lives by classes of asset are as follows:

	Minimum average useful life years	**Maximun average useful life years**	**Weighted average useful life years**
Constructions and Infrastructure	20	67	44
Plant, machinery & equipment	5	66	36
Information Technology Equipment	3	8	6
Vehicles and others	9	19	14
Other property, plant & equipment	16	30	23

The residual value and useful life of the assets are revised and adjusted if necessary, at each closing of the financial statements.

The charge to comprehensive results for depreciation of fixed assets included in the cost of sales and administrative expenses is as follows:

	Accumulated	
	01.01.2013 31.12.2013 ThUS$	**01.01.2012 31.12.2012 ThUS$**
In cost of sales	106,750	162,206
In administrative & selling expenses	1,996	1,001
Other expenses by function	103	79
Total	108,849	163,286

	Accumulated	
	01.01.2013 31.12.2013 ThUS$	**01.01.2012 31.12.2012 ThUS$**
Depreciation of projects (*)	6,946	6,880
Total	6,946	6,880

(*) This concept relates to depreciation from the start-up of certain equipment and machinery belonging to investment projects in a development stage as of the close of these financial statements.

17. Income tax and deferred taxes

17.1 Income tax shown in results for the year

Income tax booked in results during the periods ended December 31, 2013 and 2012 is as follows:

	Accumulated	
	01.01.2013 31.12.2013 ThUS$	**01.01.2012 31.12.2012** ThUS$
Income tax income (expense)	(108,646)	(129,143)
Current tax income (expense)	(34,136)	(40,847)
Other Current tax income (expense)	(1,769)	(2,027)
Total Current tax income (expense), net	(144,551)	(172,017)
Deferred income taxes income (expense)		
Income (expense) due to deferred taxes related to the creation and reversal of temporary differences	24,409	(5,482)
Credit (charge) for deferred taxes for the temporary tax loss difference	497	(1,047)
Tax benefit for tax losses	-	7,946
Other charges	-	1,551
Income (expense) due to deferred taxes on temporary differences of fixed assets	(3,072)	(18,261)
Total income (expense) due to deferred taxes, net	21,834	(15,293)
Total income (expense) due to income tax	(122,717)	(187,310)

17.2 Reconciliation of accounting result and tax result

The following is the reconciliation of the legal tax rate current in Chile and the effective rate applicable to the Group:

Reconciliation accounting result and fiscal result

	Accumulated	
	01.01.2013 31.12.2013	**01.01.2012 31.12.2012**
	ThUS$	ThUS$
Anual profit (loss) before taxes	405,435	518,061
Legal Tax rate	20%	20%
Tax (expense) income using the statutory rate	(81,087)	(103,612)
Tax effect of non-taxable revenue	(480)	1,449
Tax benefit of tax losses	499	-
Effect of taxes specific to mining	(34,136)	(40,847)
Tax effect of income without credit	(9,723)	-
Effect of temporary differences of taxes specific to mining	2,180	6,002
Tax effect of nondeductible from tax expenses	(2,713)	(2,682)
Provision valuation	-	-
Tax effect of change in tax rates	-	(46,039)
Other increase (decrease) in statutory tax charge	2,743	(1,581)
Total adjustment to tax expense using statutory rate	(41,630)	(83,698)
Tax (Expense) Income using the effective rate	(122,717)	(187,310)

Reconciliation between Legal Tax Rate and Effective Tax Rate

Legal Tax rate	20.00%	20.00%
Effect of taxes specific to mining	7.88%	6.78%
Tax effect of income without credit	2.40%	0.00%
Tax effect of change in tax rates	0.00%	8.96%
Other increase (decrease) in statutory tax charge	(0.01%)	0.55%
Total adjustment to legal tax rate (%)	10.27%	16.29%
Effective Tax rate (%)	30.27%	36.29%

The tax rate used for the reconciliation as of December 31, 2013 and 2012 corresponds to a corporate tax rate of 20% payable on taxable income under current tax regulations. The specific tax rate applicable to mining activities as of December 31, 2013 is 5.72% (6.26% in 2012).

During September 2012, Law 20.630 was published which modified certain aspects of the tax law in Chile. These included raising the income tax rate to 20% from 2012. At the date of publication of the law, the effect of this increase resulted in a higher tax charge of ThUS$ 53,959, comprising ThUS$ 45,247 for deferred taxes and ThUS$ 8,712 for current income tax, which amounts were included in the consolidated financial statements as of December 31, 2012.

With respect to the specific tax applicable to mining activities, contained in Law 20,469, which establishes that Chilean companies like CMP may accept a system of a fixed tax rate similar to that provided in DL600 for foreign investment, CMP decided not to opt for the fixed rate permitted under that law.

The indirect subsidiary Tubos Argentina S.A. has a corporate income tax rate of 35%.

17.3 Deferred taxes

The detail of deferred tax assets and liabilities as of December 31, 2013 and 2012 is as follows:

Deferred tax assets booked relating to:	**31.12.2013 ThUS$**	**31.12.2012 ThUS$**
Provision for doubtful accounts	1,847	1,262
Obsolescence provision	1,512	614
Holiday Provision	4,139	4,975
Provision seniority award	7,992	13,073
Lease payables	129	412
Liabilities for post-employment benefits	880	-
Property, plant & equipment	548	-
Impairment property, plant & equipment (*)	4,600	-
Write-off fixed asset stoppage lines (*)	9,936	
Fiscal losses	900	403
Derivative instruments and hedging	4,553	6,841
Others	30,603	19,649

Deferred tax liabilities booked relating to:	**31.12.2013 ThUS$**	**31.12.2012 ThUS$**
Property, plant and equipment	185,573	167,417
Compensation for years of service	3,468	5,390
Prepaid expenses	5,570	1,711
Inventories	4,610	9,486
Deferred charges, bonds and swaps	2,135	2,624
Intangible assets (**)	202,973	214,108
Total deferred tax liabilities	404,329	400,736

(*) Includes the effect of impairment of fixed assets booked by the subsidiary CSH, as detailed in Note 16.3“Impairment loss booked during the year”.
(**) Liabilities generated as a result of CMP’s merger with CMH during 2010.

Deferred taxes are shown in the statement of financial position as follows:

Detail:	31.12.2013 ThUS$	31.12.2012 ThUS$
Assets Not Current	14,148	12,626
Liabilities Not Current	(350,838)	(366,133)
Net	(336,690)	(353,507)

17.4 Balances of deferred taxes

Deferred tax assets/(liabilities) derive from the following movements:

Movement in deferred tax liabilities	31.12.2013 ThUS$	31.12.2012 ThUS$
Deferred tax assets (liabilities), opening balance	(353,507)	(327,410)
Effect on other comprehensive income	427	(1,968)
Effect on Income (Loss)	21,834	(24,790)
Others	(5,444)	661
Total increases and decreases in deferred tax	16,817	(26,097)
Ending balance of assets (liabilities) due to deferred taxes	(336,690)	(353,507)

18. Other financial debt, current and non-current.

The detail of interest-bearing loans as of December 31, 2013 and 2012 is as follows:

18.1 Obligations with financial entities:

Current	31.12.2013 ThUS$	31.12.2012 ThUS$
Loans from financial entities	97,939	133,196
Bonds payable	1,970	2,083
Overdrafts	7,602	8,872
Finance Leasing	20,796	7,381
Enabled Expenses related to loans	(2,484)	(2,499)
Hedge liabilities	10,325	7,447
Total	**136,148**	**156,480**

Non-current	31.12.2013 ThUS$	31.12.2012 ThUS$
Loans from financial entities	407,155	289,191
Bonds payable	235,305	238,110
Finance Leasing	151,140	12,362
Enabled Expenses related to loans	(20,980)	(10,698)
Hedge liabilities	22,763	33,240
Total	**795,383**	**562,205**

18.2 Capitalized expenses of financial debt.

The following is a detail of capitalized expenses as of December 31, 2013 and 2012:

Concepto	Company	Corriente		No Corriente	
		31.12.2013 ThUS$	31.12.2012 ThUS$	31.12.2013 ThUS$	31.12.2012 ThUS$
Bank of Tokio Mitsubishi syndicated credit	CAP	614	614	769	1,392
Serie F bond	CAP	1,749	1,750	5,929	7,679
Internacional tipo 144-A bond	CAP	71	71	1,543	1,614
Credit Agricole syndicated credit	Cleanairtech	-	-	12,589	-
Others	Cintac S.A.I.C	50	64	150	13
Totales		**2,484**	**2,499**	**20,980**	**10,698**

- In CAP, capitalized expenses relating to loans correspond mainly to placement expenses of the international bond type144-A and the Series F bonds. They also include legal expenses and commissions in obtaining the syndicated loan arranged with Bank of Tokyo Mitsubishi UFJ. These expenses are amortized under the effective interest rate method.

- In Cleanairtech Sudamérica S.A., capitalized expenses relating to loans correspond mainly to legal expenses and commissions in obtaining the syndicated loan arranged with Credit Agricole. These expenses are amortized under the effective interest rate method.

- In Cintac S.A.I.C., capitalized expenses relating to loans correspond mainly to expenses incurred in the arranging of financing through leases. These expenses are amortized under the effective interest rate method.

18.3 Maturities and currencies of obligations with financial entities:

The following shows the detail of loans from financial entities and overdrafts:

As of December 31, 2013

														31.12.2013			
											Current			Non-current			
Tax No. debtor	Debtor	Country of origin	Tax No. Creditor	Creditor	Country of origin	Currency	Effective interest rate	Rate	Nominal interest rate	Repayments	Less than 90 days	Over 90 days	Total	1 to 3 years	3 to 5 years	Over 5 years	Total Non current
91.297.000-0	CAP	Chile	59002220-9	The bank of Tokyo	USA	USD	1.62%	Variable	Libor 180 + 1,25	Semi annual	712	-	712	200,000	-	-	200,000
92.544.000-0	Cintac	Chile	97.032.000-8	Banco Bbva	Chile	US$	1.12%	Variable	Lib.3M + Spr.	Monthly	-	4,920	4,920	-	-	-	-
92.544.000-0	Cintac	Chile	97.949.000-3	Banco HSBC	Chile	US$	0.95%	Variable	Lib.3M + Spr.	Monthly	216	-	216	-	-	-	-
92.544.000-0	Cintac	Chile	97.030.000-7	Banco Estado	Chile	US$	0.92%	Variable	Lib.3M + Spr.	Monthly	13,471	-	13,471	-	-	-	-
92.544.000-0	Cintac	Chile	97.006.000-6	Banco Crédito Inversiones	Chile	US$	1.39%	Variable	Lib.3M + Spr.	Monthly	3,760	-	3,760	-	-	-	-
92.544.000-0	Cintac	Chile	76.645.030-K	Banco Itau	Chile	US$	1.46%	Variable	Lib.3M + Spr.	Monthly	5,661	10,965	16,626	-	-	-	-
92.544.000-0	Cintac	Chile	97.018.000-1	Banco Scotia	Chile	US$	1.12%	Variable	Lib.3M + Spr.	Monthly	17,808	-	17,808	-	-	-	-
92.544.000-0	Cintac	Chile	97.053.000-2	Banco Security	Chile	US$	1.29%	Variable	Lib.3M + Spr.	Monthly	2,371	-	2,371	-	-	-	-
92.544.000-0	Cintac	Chile	76.645.030-K	Banco Itau	Chile	US$	3.65%	Variable	Lib.3M + Spr.	Semi annual	-	3,350	3,350	10,038	-	-	10,038
92.544.000-0	Cintac	Chile	97.006.000-6	Banco Crédito Inversiones	Chile	US$	3.65%	Variable	Tab 6M +Spr.	Semi annual	-	3,350	3,350	10,037	-	-	10,037
92.544.000-0	Cintac	Chile	97.030.000-7	Banco Estado	Chile	US$	3.65%	Variable	Tab 6M +Spr.	Semi annual	-	3,351	3,351	10,037	-	-	10,037
92.544.000-0	Cintac	Chile	97.036.000-K	Banco Santander	Chile	US$	3.65%	Variable	Lib.6M + Spr.	Semi annual	-	3,350	3,350	10,038	-	-	10,038
76.498.850-7	Puerto Las Losas S.A.	Chile	97.006.000-6	Bco.Credito e Inversiones	Chile	USD	2.15%	Variable	2.15%	Monthly	1,745	868	2,613	2,596	-	-	2,596
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000661-3	Banco Patagonia	Argentina	ARS	24.00%	Fixed	24.00%	Monthly	2,780	-	2,780	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-58018941-1	Banco Itau	Argentina	ARS	33.50%	Fixed	33.50%	Monthly	900	-	900	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000319-3	Banco Frances	Argentina	ARS	26.00%	Fixed	26.00%	Monthly	191	-	191	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000173-5	Banco Galicia	Argentina	ARS	25.00%	Fixed	25.00%	Monthly	408	-	408	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000661-3	Banco Patagonia	Argentina	ARS	30.00%	Fixed	30.00%	Monthly	2,470	-	2,470	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-60473101-8	Banco Comafi	Argentina	ARS	24.50%	Fixed	24.50%	Monthly	367	-	367	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	33-53718600-9	Banco HSBC	Argentina	ARS	26.50%	Fixed	26.50%	Monthly	601	-	601	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000661-3	Banco Patagonia	Argentina	ARS	20.86%	Fixed	20.86%	Monthly	2,665	-	2,665	-	-	-	-
76.399.400-7	Cleanairtech Sudamérica S.A.	Francia	45-0566494	Credit Agricole	Chile	USD	3.10%	Variable	Libor 180 días + 2,75	Semi annual	1,489	-	1,489	34,254	27,401	102,754	164,409
Extranjero	Tupemesa	Perú	Extranjero	Banco Crédito del Perú	Perú	US$	3.10%	Variable	Libor 180 días + 2,75%	Monthly	8,476	9,298	17,774	-	-	-	-
										Total	**66,091**	**39,450**	**105,541**	**277,000**	**27,401**	**102,754**	**407,155**

As of December 31, 2012

											31.12.2012						
											Current			Non-current			
Tax No. debtor	Debtor	Country of origin	Tax No. Creditor	Creditor	Country of origin	Currency	Effective interest rate	Rate	Nominal interest rate	Repayments	Less than 90 days	Over 90 days	Total	1 to 3 years	3 to 5 years	Over 5 years	Total Non current
91.297.000-0	CAP	Chile	59002220-9	The bank of Tokyo	USA	US$	1.96%	Variable	Libor 180 + 1,25	Semi annual		814	814	100,000	100,000	-	200,000
92.544.000-0	Cintac	Chile	97.032.000-8	Banco Bbva	Chile	US$	1.67%	Variable	Lib.4M + Spr.	Monthly	8,021	4,921	12,942	-	-	-	-
92.544.000-0	Cintac	Chile	97.023.000-9	Banco Corpbanca	Chile	US$	2.34%	Variable	Lib.3M + Spr.	Monthly	9,829	-	9,829	-	-	-	-
92.544.000-0	Cintac	Chile	97.030.000-7	Banco Estado	Chile	US$	1.22%	Variable	Lib.3M + Spr.	Monthly	18,779	-	18,779	-	-	-	-
92.544.000-0	Cintac	Chile	97.006.000-6	Banco Crédito Inversiones	Chile	US$	1.50%	Variable	Lib.3M + Spr.	Monthly	5,801	-	5,801	-	-	-	-
92.544.000-0	Cintac	Chile	97.036.000-K	Banco Santander	Chile	US$	1.56%	Variable	Lib.3M + Spr.	Monthly	2,446	-	2,446	-	-	-	-
92.544.000-0	Cintac	Chile	76.645.030-K	Banco Itau	Chile	US$	1.58%	Variable	Lib.3M + Spr.	Monthly	21,305	-	21,305	-	-	-	-
92.544.000-0	Cintac	Chile	97.018.000-1	Banco Scotia	Chile	US$	1.69%	Variable	Lib.3M + Spr.	Monthly	11,594	-	11,594	-	-	-	-
92.544.000-0	Cintac	Chile	97.053.000-2	Banco Security	Chile	US$	1.79%	Variable	Lib.3M + Spr.	Monthly	6,838	3,235	10,073	-	-	-	-
92.544.000-0	Cintac	Chile	97.006.000-6	Banco Crédito Inversiones	Chile	CLP	3.81%	Variable	Tab 6M +Spr.	Semi annual	-	1,672	1,672	6,665	6,668	-	13,333
92.544.000-0	Cintac	Chile	97.030.000-7	Banco Estado	Chile	CLP	3.81%	Variable	Tab 6M +Spr.	Semi annual	-	1,671	1,671	6,665	6,668	-	13,333
92.544.000-0	Cintac	Chile	97.036.000-K	Banco Santander	Chile	US$	3.81%	Variable	Lib.6M + Spr.	Semi annual	-	1,671	1,671	6,666	6,668	-	13,334
92.544.000-0	Cintac	Chile	96.720.830-2	BCI Factorng SA	Chile	CLP	6.94%	Fixed	6.94%	Semi annual	14,413	-	14,413	-	-	-	-
76.498.850-7	Puerto Las Losas S.A	Chile	97.006.030-8	Bco. Credito e Inversiones	Chile	US$	3.46%	Fixed	3.46%	Monthly	-	2,194	2,194	2,598	864	-	3,462
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000661-3	Banco Patagonia	Argentina	US$	6.00%	Fixed	6.00%	Quarterly	807	-	807	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	97.006.030-8	Banco BCI	Chile	US$	4.73%	Fixed	4.73%	Quarterly	176	501	677	1,165	-	-	1,165
30-62286204-9	Tubos Argentinos SA	Argentina	97.006.030-8	Banco BCI	Chile	US$	4.81%	Fixed	4.81%	Quarterly	86	249	335	133	-	-	133
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000661-3	Banco Patagonia	Argentina	ARS	18.50%	Fixed	18.50%	Quarterly	3,660	-	3,660	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000661-3	Banco Patagonia	Argentina	ARS	18.50%	Fixed	18.50%	Quarterly	204	-	204	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000845-4	Banco Rio	Argentina	ARS	19.90%	Fixed	19.90%	Monthly	295	-	295	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-58018941-1	Banco Itau	Argentina	ARS	17.00%	Fixed	17.00%	Monthly	1,195	-	1,195	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000319-3	Banco Frances	Argentina	ARS	18.00%	Fixed	18.00%	Monthly	675	-	675	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000173-5	Banco Galicia	Argentina	ARS	16.00%	Fixed	16.00%	Monthly	593	-	593	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000661-3	Banco Patagonia	Argentina	ARS	16.00%	Fixed	16.00%	Monthly	3,495	-	3,495	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-60473101-8	Banco Comafi	Argentina	ARS	20.75%	Fixed	20.75%	Monthly	497	-	497	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	33-53718600-9	Banco HSBC	Argentina	ARS	16.50%	Fixed	16.50%	Monthly	797	-	797	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000661-3	Banco Patagonia	Argentina	ARS	16.16%	Fixed	16.16%	Monthly	1,284	-	1,284	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000319-3	Banco Frances	Argentina	ARS	17.25%	Fixed	17.25%	Monthly	41	-	41	-	-	-	-
76.399.400-7	Cleanairtech	Chile	45-0566494	Credit Agricole	Francia	US$	3.01%	Variable	Libor 180 días + 0,0275	Semi annual	280	-	280	9,703	11,090	23,565	44,358
Foreign	Tupemesa	Perú	Foreign	Banco Crédito del Perú	Chile	US$	2.70%	Variable	Lib. 6M + Spr	Monthly	12,029	-	12,029	73	-	-	73
										Total	**125,140**	**16,928**	**142,068**	**133,668**	**131,958**	**23,565**	**289,191**

18.4 The following is a detail of interest-bearing leases:

As of December 31, 2013

											31.12.2013						
											Current			Non-current			
Tax No. debtor	Debtor	Country of origin	Tax No. Creditor	Creditor	Country of origin	Currency	Effective interest rate	Rate	Nominal interest rate	Repayments	Less than 90 days	Over 90 days	Total	1 to 3 years	3 to 5 years	Over 5 years	Total Non current
94.638.000-8	CMP	Chile	97.030.000-7	Banco Estado	Chile	USD	3.76%	Fixed	3.76%	Monthly	-	13,043	13,043	41,112	44,266	31,115	116,493
94.638.000-8	CMP	Chile	97.032.000-8	Banco Bilbao Viscaya Argenta	Chile	USD	3.20%	Fixed	3.20%	Monthly	-	1,355	1,355	11,240	11,969	5,214	28,423
79.807.570-5	IMOPAC	Chile	97.006.000-6	Banco Crédito Inversiones	Chile	USD	5.73%	Fixed	5.73%	Monthly	118	360	478	-	164	-	164
94637000-2	CSH	Chile	97.006.000-6	Banco Crédito Inversiones	Chile	UF$	6.35%	Fixed	6.35%	Monthly	551	1,706	2,257	4,301	-	-	4,301
94637000-2	CSH	Chile	96.980.910-9	Precisión S.A.	Chile	US$	11.04%	Fixed	11.04%	Monthly	908	2,595	3,503	1,727	-	-	1,727
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000661-3	Banco Patagonia	Argentina	USD	12.00%	Fixed	12.00%	Monthly	3	-	3	-	-	-	-
Foreign	Tupemesa	Perú	Foreing	Banco Credito del Perú	Perú	USD	2.80%	Variable	2.80%	Monthly	46	111	157	32	-	-	32
										Total	**1,626**	**19,170**	**20,796**	**58,412**	**56,399**	**36,329**	**151,140**

As of December 31, 2012

											31.12.2012						
											Current			Non-current			
Tax No. debtor	Debtor	Country of origin	Tax No. Creditor	Creditor	Country of origin	Currency	Effective interest rate	Rate	Nominal interest rate	Repayments	Less than 90 days	Over 90 days	Total	1 to 3 years	3 to 5 years	Over 5 years	Total Non current
94.638.000-8	CMP	Chile	97.006.030-6	Banco Crédito Inversiones	Chile	US$	6.60%	Fixed	6,60%	Monthly	296	402	698	-	-	-	-
94.638.000-8	CMP	Chile	97.036.000-k	Banco Santander	Chile	US$	6.10%	Fixed	6,10%	Monthly	8	5	13	-	-	-	-
79.807.570-5	IMOPAC	Chile	97.006.030-6	Banco Crédito Inversiones	Chile	US$	5.73%	Fixed	5,73%	Monthly	112	345	457	643	-	-	643
94637000-2	CSH	Chile	97.006.000-6	Banco Crédito Inversiones	Chile	UF$	6.35%	Fixed	6.35%	Monthly	555	1,718	2,273	7,024	-	-	7,024
94637000-2	CSH	Chile	96.980.910-9	Precisión S.A.	Chile	US$	11.04%	Fixed	11.04%	Monthly	990	2,824	3,814	4,678	-	-	4,678
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000661-3	Banco Patagonia	Argentina	US$	12.00%	Fixed	12.00%	Monthly	18	44	62	4	-	-	4
Foreign	Tupemesa	Perú	Foreing	Banco Crédito del Perú	Perú	USD	2.80%	Variable	2.80%	Monthly	63	-	63	13	-	-	13
11.401.499/0001-65	Steel House do Brasil Co	Brasil	49.925.225/0001-48	Banco Itau	Brasil	Others	13.95%	Fixed	13.95%	Monthly	1	-	1	-	-	-	-
										Total	**2,043**	**5,338**	**7,381**	**12,362**	**-**	**-**	**12,362**

18.5 The detail of amounts due not discounted to present value (estimates of cash flows that the Group should disburse) of obligations with financial entities is as follows:

As of December 31, 2013

											31.12.2013						
											Current			Non-current			
Tax No. debtor	Debtor	Country of origin	Tax No. Creditor	Creditor	Country of origin	Currency	Effective interest rate	Rate	Nominal interest rate	Repayments	Less than 90 days	Over 90 days	Total	1 to 3 years	3 to 5 years	Over 5 years	Total Non current
91297000-0	CAP	Chile	59002220-9	The bank of Tokyo	USA	USD	1.62%	Variable	Libor 180 + 1,25	Semi annual	-	1,620	1,620	204,050	-	-	204,050
92.544.000-0	Cintac	Chile	97.032.000-8	Banco Bbva	Chile	US$	Lib.3M + Spr.	Variable	Lib.3M + Spr.	Monthly	-	4,938	4,938	-	-	-	-
92.544.000-0	Cintac	Chile	97.030.000-7	Banco Estado	Chile	US$	Lib.3M + Spr.	Variable	Lib.3M + Spr.	Monthly	13,500	-	13,500	-	-	-	-
92.544.000-0	Cintac	Chile	97.006.000-6	Banco Crédito Inversiones	Chile	US$	Lib.3M + Spr.	Variable	Lib.3M + Spr.	Monthly	3,762	-	3,762	-	-	-	-
92.544.000-0	Cintac	Chile	76.645.030-K	Banco Itau	Chile	US$	Lib.3M + Spr.	Variable	Lib.3M + Spr.	Monthly	5,671	11,050	16,721	-	-	-	-
92.544.000-0	Cintac	Chile	97.018.000-1	Banco Scotia	Chile	US$	Lib.3M + Spr.	Variable	Lib.3M + Spr.	Monthly	17,822	-	17,822	-	-	-	-
92.544.000-0	Cintac	Chile	97.006.000-6	Banco Crédito Inversiones	Chile	US$	Lib.6M + Spr.	Variable	Tab 6M +Spr.	Semi annual	-	3,795	3,795	10,650	-	-	10,650
92.544.000-0	Cintac	Chile	97.030.000-7	Banco Estado	Chile	US$	Lib.6M + Spr.	Variable	Tab 6M +Spr.	Semi annual	-	3,796	3,796	10,648	-	-	10,648
Foreign	Tupemesa	Perú	Foreign	Banco Crédito del Perú	Perú	US$	Lib.6M + Spr.	Variable	Lib.6M + Spr.	Monthly	10,804	6,970	17,774	-	-	-	-
92.544.000-0	Cintac	Chile	97.949.000-3	Banco HSBC	Chile	US$	Lib.3M + Spr.	Variable	Lib.3M + Spr.	Monthly	216	-	216	-	-	-	-
92.544.000-0	Cintac	Chile	97053000-2	Banco Security	Chile	US$	Lib.3M + Spr.	Variable	Lib.3M + Spr.	Monthly	2,373	-	2,373	-	-	-	-
92.544.000-0	Cintac	Chile	76.645.030-K	Banco Itau	Chile	US$	Lib.6M + Spr.	Variable	Lib.3M + Spr.	Semi annual	-	3,795	3,795	10,648	-	-	10,648
92.544.000-0	Cintac	Chile	97.036.000-K	Banco Santander	Chile	US$	Lib.6M + Spr.	Variable	Lib.6M + Spr.	Semi annual	-	3,794	3,794	10,650	-	-	10,650
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000661-3	Banco Patagonia	Argentina	ARS	24.00%	Fixed	24.00%	Monthly	2,786	-	2,786	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-58018941-1	Banco Itau	Argentina	ARS	33.50%	Fixed	33.50%	Monthly	925	-	925	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000319-3	Banco Frances	Argentina	ARS	26.00%	Fixed	26.00%	Monthly	195	-	195	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000173-5	Banco Galicia	Argentina	ARS	25.00%	Fixed	25.00%	Monthly	417	-	417	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000661-3	Banco Patagonia	Argentina	ARS	36.00%	Fixed	36.00%	Monthly	2,544	-	2,544	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-604731018	Banco Comafi	Argentina	ARS	24.50%	Fixed	24.50%	Monthly	374	-	374	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	33-53718600-9	Banco HSBC	Argentina	ARS	26.50%	Fixed	26.50%	Monthly	614	-	614	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000661-3	Banco Patagonia	Argentina	ARS	20.86%	Fixed	20.86%	Monthly	2,711	-	2,711	-	-	-	-
76.498.850-7	Puerto Las Losas S.A.	Chile	97.006.000-6	Bco.Credito e Inversiones	Chile	USD	3.40%	Fixed	3.40%	Monthly	1,747	941	2,688	2,728	-	-	2,728
76.399.400-7	Cleanairtech Sudamérica S.A.	Chile	45-0566494	Credit Agricole	Francia	USD	3.10%	Variable	Libor 180 + 2,75	Semi annual	1,545	2,824	4,369	48,825	35,535	116,934	201,294
										Total	**68,007**	**43,523**	**111,530**	**298,199**	**35,535**	**116,934**	**450,668**

As of December 31, 2012

											31.12.2012						
											Current			Non-current			
Tax No. debtor	Debtor	Country of origin	Tax No. Creditor	Creditor	Country of origin	Currency	Effective interest rate	Rate	Nominal interest rate	Repayments	Less than 90 days	Over 90 days	Total	1 to 3 years	3 to 5 years	Over 5 years	Total Non current
91.297.000-0	CAP	Chile	59.002.220-9	The bank of Tokyo	USA	US$	1.96%	Variable	Libor 180 + 1,25	Semi annual	1,960	1,960	3,920	107,350	101,470	-	208,820
92.544.000-0	Cintac	Chile	97.032.000-8	Banco Bbva	Chile	US$	1.67%	Variable	Lib.3M + Spr.	Monthly	8,050	4,944	12,994	-	-	-	-
92.544.000-0	Cintac	Chile	97.023.000-9	Banco Corpbanca	Chile	US$	2.34%	Variable	Lib.3M + Spr.	Monthly	9,869	-	9,869	-	-	-	-
92.544.000-0	Cintac	Chile	97.030.000-7	Banco Estado	Chile	US$	1.22%	Variable	Lib.3M + Spr.	Monthly	18,826	-	18,826	-	-	-	-
92.544.000-0	Cintac	Chile	97.006.000-6	Banco Crédito Inversiones	Chile	US$	1.50%	Variable	Lib.3M + Spr.	Monthly	5,808	-	5,808	-	-	-	-
92.544.000-0	Cintac	Chile	97.036.000-K	Banco Santander	Chile	US$	1.56%	Variable	Lib.3M + Spr.	Monthly	2,448	-	2,448	-	-	-	-
92.544.000-0	Cintac	Chile	76.645.030-K	Banco Itau	Chile	US$	1.58%	Variable	Lib.3M + Spr.	Monthly	21,332	-	21,332	-	-	-	-
92.544.000-0	Cintac	Chile	97.018.000-1	Banco Scotia	Chile	US$	1.69%	Variable	Lib.3M + Spr.	Monthly	11,600	-	11,600	-	-	-	-
92.544.000-0	Cintac	Chile	97053000-2	Banco Security	Chile	US$	1.79%	Variable	Lib.3M + Spr.	Monthly	6,847	3,258	10,105	-	-	-	-
92.544.000-0	Cintac	Chile	97.006.000-6	Banco Crédito Inversiones	Chile	CLP	3.81%	Variable	Tab 6M +Spr.	Semi annual	2,983	1,671	4,654	8,077	6,990	-	15,067
92.544.000-0	Cintac	Chile	97.030.000-7	Banco Estado	Chile	CLP	3.81%	Variable	Tab 6M +Spr.	Semi annual	2,983	1,671	4,654	8,077	6,993	-	15,070
92.544.000-0	Cintac	Chile	97.036.000-K	Banco Santander	Chile	US$	3.81%	Variable	Lib.6M + Spr.	Semi annual	-	1,671	1,671	8,077	6,989	-	15,066
92.544.000-0	Cintac	Chile	96.720.830-2	BCI Factomg SA	Chile	CLP	6.94%	Fixed	Fixed	Semi annual	14,521	-	14,521	-	-	-	-
76.498.850-7	Puerto Las Losas S.A.	Chile	97.006.000-6	Bco.Credito e Inversiones	Chile	US$	3.46%	Fixed	3.46%	Monthly	-	2,330	2,330	2,842	888	-	3,730
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000661-3	Banco Patagonia	Argentina	US$	6.00%	Fixed	6.00%	Quarterly	812	-	812	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	97.006.030-8	Banco BCI	Chile	US$	4.73%	Fixed	4.73%	Quarterly	189	501	690	1,165	-	-	1,165
30-62286204-9	Tubos Argentinos SA	Argentina	97.006.030-8	Banco BCI	Chile	US$	4.81%	Fixed	4.81%	Quarterly	89	249	338	133	-	-	133
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000661-3	Banco Patagonia	Argentina	ARS	18.50%	Fixed	18.50%	Quarterly	3,788	-	3,788	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000661-3	Banco Patagonia	Argentina	ARS	18.50%	Fixed	18.50%	Quarterly	212	-	212	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000845-4	Banco Rio	Argentina	ARS	19.90%	Fixed	19.00%	Monthly	300	-	300	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-58018941-1	Banco Itau	Argentina	ARS	17.00%	Fixed	17.00%	Monthly	1,212	-	1,212	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000319-3	Banco Frances	Argentina	ARS	18.00%	Fixed	18.00%	Monthly	685	-	685	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000173-5	Banco Galicia	Argentina	ARS	16.00%	Fixed	16.00%	Monthly	601	-	601	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000661-3	Banco Patagonia	Argentina	ARS	16.00%	Fixed	16.00%	Monthly	3,542	-	3,542	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-60473101-8	Banco Comafi	Argentina	ARS	20.75%	Fixed	20.75%	Monthly	506	-	506	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	33-53718600-9	Banco HSBC	Argentina	ARS	16.50%	Fixed	16.50%	Monthly	808	-	808	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000661-3	Banco Patagonia	Argentina	ARS	16.16%	Fixed	16.16%	Monthly	1,301	-	1,301	-	-	-	-
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000319-3	Banco Frances	Argentina	ARS	17.25%	Fixed	17.25%	Monthly	42	-	42	-	-	-	-
Foreing	Tupemesa	Perú	Foreing	Banco Crédito del Perú	Perú	US$	2.70%	Variable	Lib.6M + Spr.	Monthly	12,029	-	12,029	73	-	-	73
76.399.400-7	Cleanairtech Sudaméríca S.A.	Chile	45-0566494	Credit Agricole	Francia	US$	3.01%	Variable	Libor 180 + 0,0275	Semi annual	1,074	1,757	2,831	13,210	13,604	29,599	56,413
										Total	**134,416**	**20,012**	**154,428**	**149,004**	**136,934**	**29,599**	**315,537**

18.6 Leasing not discounted:

As of December 31, 2013

											31.12.2013						
											Current			Non-current			
Tax No. debtor	Debtor	Country of origin	Tax No. Creditor	Creditor	Country of origin	Currency	Effective interest rate	Rate	Nominal interest rate	Repayments	Less than 90 days	Over 90 days	Total	1 to 3 years	3 to 5 years	Over 5 years	Total Non current
94.638.000-8	CMP	Chile	97.030.000-7	Banco Estado	Chile	USD	3.76%	Fixed	3.76%	Monthly	-	16,099	16,099	48,296	48,296	32,196	128,788
94.638.000-8	CMP	Chile	97.032.000-8	Banco Bilbao Viscaya Argentaria	Chile	USD	3.20%	Fixed	3.20%	Monthly	-	1,587	1,587	12,696	12,696	5,289	30,681
79.807.570-5	Imopac	Chile	97.006.000-6	Banco de Crédito e Inversiones	Chile	USD	5.73%	Fixed	5.73%	Monthly	125	373	498	166	-	-	166
94637000-2	CSH	Chile	97006000-6	Banco Crédito Inversiones	Chile	UF$	6.35%	Fixed	6.35%	Monthly	650	1,949	2,599	4,547	-	-	4,547
94637000-2	CSH	Chile	96980910-9	Precisión S.A.	Chile	US$	11.04%	Fixed	11.04%	Monthly	1,132	3,396	4,528	2,381	-	-	2,381
30-62286204-9	Tubos Argentinos SA	Argentina	30-50000661-3	Banco Patagonia	Argentina	USD	12.00%	Fixed	12.00%	Monthly	3	-	3	-	-	-	-
Extranjero	Tupemesa	Perú	Extranjero	Banco Crédito del Perú	Perú	USD	2.80%	Variable	2.80%	Monthly	46	111	157	32	-	-	32
										Total	**1,956**	**23,515**	**25,471**	**68,118**	**60,992**	**37,485**	**166,595**

As of December 31, 2012

											31.12.2012				
											Current				
Tax No. debtor	Debtor	Country of origin	Tax No. Creditor	Creditor	Country of origin	Currency	Effective interest rate	Rate	Nominal interest rate	Repayments	Less than 90 days	Over 90 days	Total	1 to 3 years	Total Non current
94.638.000-8	CMP	Chile	97.006.030-6	Banco de Crédito e Inversiones	Chile	US$	6.60%	Fixed	6.60%	Monthly	306	407	713	-	-
94.638.000-8	CMP	Chile	97.036.000-k	Banco Santander	Chile	US$	6.10%	Fixed	6.10%	Monthly	8	5	13	-	-
79.807.570-5	Imopac	Chile	97.006.030-6	Banco de Crédito e Inversiones	Chile	US$	5.73%	Fixed	5.73%	Monthly	125	373	498	664	664
94637000-2	CSH	Chile	97.006.000-6	Banco Crédito Inversiones	Chile	UF$	6.35%	Fixed	6.35%	Monthly	696	2,087	2,783	7,654	7,654
94637000-2	CSH	Chile	96.980.910-9	Precisión S.A.	Chile	US$	11.04%	Fixed	11.04%	Monthly	1,132	3,396	4,528	6,230	6,230
30-62286204-9	Tubos Argentinos SA	Argentina	30-500000661-3	Banco Patagonia	Argentina	US$	12.00%	Fixed	12.00%	Monthly	18	44	62	4	4
Foreing	Tupemesa	Perú	Foreign	Banco Crédito del Perú	Perú	US$	2.80%	Variable	2.80%	Monthly	75	-	75	42	42
11.401.499/0001-65	Steel House do Brasil Comercio I	Brasil	49.925.225/0001-48	Banco Itau	Brasil	Others	13.95%	Fixed	13.95%	Monthly	1	-	1	-	-
										Total	**2,361**	**6,312**	**8,673**	**14,594**	**14,594**

18.7 The maturities and currencies of bonds payable are as follows:

As of December 31, 2013

31.12.2013															31.12.2013			
										Amortization	Term	Current			Non-current			
Tax No. debtor	Debtor	Country of origin	Identification	N° of Registry	Currency	Nominal interest rate	type of rate	payment of interest	Nominal value	of capital	(Years)	Less than 90 days	Over 90 days	Total	1 to 3 years	3 to 5 years	Over 5 years	Total Non current
91.297.000-0	CAP S.A.	Chile	Bond Series F	434	US$	Libo 180 + 2,25%	Variable	Semi-annual	171,480,000	At maturity	10	-	571	571	-	-	171,480	171,480
91.297.000-0	CAP S.A.	Chile	International bond type 144-A	External	US$	7.375%	Fixed	Semi-annual	63,825,000	At maturity	30	-	1,399	1,399	-	-	63,825	63,825
Issue & placement costs												-	-	(1,820)	-	-		(7,472)
													Total	150				227,833

As of December 31, 2012

31.12.2012															31.12.2012			
										Amortization	Term	Current			Non-current			
Tax No. debtor	Debtor	Country of origin	Identification	N° of Registry	Currency	Nominal interest rate	type of rate	payment of interest	Nominal value	of capital	(Years)	Less than 90 days	Over 90 days	Total	1 to 3 years	3 to 5 years	Over 5 years	Total Non current
91.297.000-0	CAP S.A.	Chile	Bond Series F	434	US$	Libo 180 + 2,25%	Variable	Semi-annual	171,480,000	At maturity	10	609	-	609	-	-	171,480	171,480
91.297.000-0	CAP S.A.	Chile	International bond type 144-A	External	US$	7.375%	Fixed	Semi-annual	66,630,000	At maturity	30	-	1,474	1,474	-	-	66,630	66,630
Issue & placement costs												-	-	(1,820)	-	-	-	(9,293)
													Total	263				228,817

18.8 Detail of maturities and currencies of bonds issued (cash flows not discounted):

As of December 31, 2013

31.12.2013																31.12.2013			
													Current			Non-current			
Tax No. debtor	Debtor	Country of origin	Identification	N° of Registry	Currency	Effective interest rate	Nominal interest rate	type of rate	payment of interest	Nominal value	Amortization of capital	Term (Yars)	Less than 90 days	Over 90 days	Total	1 to 3 years	3 to 5 years	Over 5 years	Total Non current
91.297.000-0	CAP S.A.	Chile	Bond Series F	434	US$	2.250%	Libo 180 + 2,25%	Variable	Semi-annual	171,480,000	At maturity	10	-	2,246	**2,246**	9,070	0	180,538	189,608
91.297.000-0	CAP S.A.	Chile	International bond type 144-A	External	US$	7.375%	7.375%	Fixed	Semi-annual	63,825,000	At maturity	30	-	4,773	**4,773**	9,559	7,140	149,804	166,503
												Total	**-**	**7,019**	**7,019**	**18,629**	**7,140**	**330,342**	**356,111**

As of December 31, 2012

31.12.2012																31.12.2012			
													Current			Non-current			
Tax No. debtor	Debtor	Country of origin	Identification	N° of Registry	Currency	Effective interest rate	Nominal interest rate	type of rate	payment of interest	Nominal value	Amortization of capital	Term (Yars)	Less than 90 days	Over 90 days	Total	1 to 3 years	3 to 5 years	Over 5 years	Total Non current
91.297.000-0	CAP S.A.	Chile	Bond Series E	434	US$	2.250%	Libo 180 + 2,25%	Fixed	Semi-annual	171,480,000	At maturity	10	5,110	-	**5,110**	30,660	20,440	176,590	227,690
91.297.000-0	CAP S.A.	Chile	International bond type 144-A	External	US$	7.375%	7.375%	Fija	Semi-annual	66,630,000	At maturity	30	-	2,512	**2,512**	12,450	9,966	156,389	178,805
												Total	**5,110**	**2,512**	**7,622**	**43,110**	**30,406**	**332,979**	**406,495**

Additional information

a. Amendment agreement of CAP S.A.

On April 15, 2011, the syndicated loan agreement was amended with The Bank of Tokyo- Mitsubishi UFJ Ltd., as the agent bank. The principal modifications were the following:

- Increase in the amount of the loan from ThUS$ 150,000 to ThUS$ 200,000.
- Semi-annual repayments are maintained but the dates changed, the first being on October 17, 2014 and the last on April 17, 2016.
- The guarantees of the subsidiaries Compañía Siderúrgica Huachipato S.A. (CSH) and Compañía Minera del Pacifico S.A. (CMP) were released.
- The table for calculating the applicable margin was modified, increasing the margin bands and reducing the applicable spread.

b. Loan agreement (project finance) of Cleanairtech Sudamérica S.A.

The subsidiary Cleanairtech Sudamérica S.A., on April 18, 2012, signed a loan agreement with Crédit Agricole CIB (agent bank), Corpbanca and Mizuho Corporate Bank, Ltd., to provide project financing for the first phase of the seawater desalination project being developed by this company. On October 12, 2012, an amendment was signed to this loan agreement, resulting in the following conditions:

- Loan amount: Up to ThUS$ 123,000
- Interest rate: Libor 180 days + 2.75% (years 1 to 10) and 3% (year 10 onward)
- All Cleanairtech's assets are charged in guarantee in favor of the creditor bank on receiving the first drawing.
- Any other debt acquired by the company shall be subordinated to the payment of the obligations under the project finance loan agreement
- Repayment: semi-annually from August 15, 2014.
- Final maturity: February 15, 2027.

On June 18, 2013, Banco Sumitomo Mitsui Banking Corporation bought 46% of the participation of the bank Crédit Agricole CIB (agent) under a private agreement between the parties.

On September 10, the company signed a loan agreement with Crédit Agricole CIB (agent bank) and Mizuho Corporate Bank, Ltd., Banco Itaú Chile and Banco de Crédito e Inversiones S.A., Miami Branch, to provide project financing for the second phase of the seawater desalination project, under the following conditions:

- Loan amount: Up to ThUS$ 130,000
- Interest rate: Libor 180 days + 3%
- All Cleanairtech's assets are charged in guarantee in favor of the creditor bank on receiving the first drawing.
- Any other debt acquired by the company shall be subordinated to the payment of the obligations under the project finance loan agreement
- Repayment: semi-annually from February 15, 2015.
- Final maturity: August 15, 2027.

Financing of Cintac S.A.

a. In September 2008, Cintac S.A. signed two loan agreements with Banco Santander, Madrid, for ThUS$ 30,000 for a term of 5 years, with 2 years grace, and with semi-annual repayments and interest at a rate of Libor 180 days plus a spread of 1.30% annually. Of this amount, approximately ThUS$ 21,409 was used to prepay short-term debt related to import letters of credit. The balance remained in cash and time deposits at the closing date of the financial statements. In December 2012, the company prepaid these loans and signed a new 5-year loan with Banco Santander Chile for ThUS$15,000, including semi-annual repayments and a rate of Libor 180 days plus 3.3% annually, used to prepay the long-term loan the company has with Banco Santander, Madrid. As of December 31, 2013 and 2012 the non-current balance outstanding amounts to ThUS$10,038 and ThUS$13,333 respectively. As a result, the old financial debt was written down in the books and a new financial obligation was booked in accordance with IFRS. The financial costs of the refinancing form part of the transaction cost and are taken into account in the determination of the effective rate in the statement of results.

b. On April 9, 2009, the indirect subsidiary Cintac S.A.I.C. refinanced short-term bank loans at long term for the dollar equivalent of ThCh$ 18,000,000 through loans obtained from Banco de Crédito e Inversiones for ThCh$ 9,000,000 and Banco Estado for ThCh$ 9,000,000. Both loans have a term of 5 years with 2 years grace and semi-annual repayments, with an annual interest rate of nominal TAB plus 1.65%. In December 2012, the company prepaid these loans and signed new 5-year loans with Banco BCI for ThU$15,000 and Banco Estado for US$15,000 with semi-annual repayments and a rate of LIBOR 180 days plus 3.3%, both to prepay the obligations with those banks in Chilean pesos. As of December 31, 2013 and 2012, the non-current balance outstanding amounts to ThUS$20,074 and ThUS$26,667 respectively. As a result of this, the old financial debt was written down in the books and a new financial obligation was booked in accordance with IFRS. The financial costs of the refinancing form part of the transaction cost and are taken into account in the determination of the effective rate in the statement of results.

c. In May 2006, Cintac S.A. carried out a with-recourse factoring transaction with BCI Factoring for ThCh$ 15,931,877 (historic) against invoiced receivables from customers for the same amount. The proceeds were used to finance the investment in Imsatec Chile S.A. and Latin American Enterprises S.A. (Cintac S.A.I.C). On January 5, 2013, this was repaid by a loan granted by Banco Itau at a rate of LIBOR 180 days plus a spread of 1.30% for a 5-year term with semi-annual repayments. As of December 31, 2012 the balance outstanding was ThUS$14,462 and was repaid on January 5, 2013.

As of December 31, 2013 and 2012, the short-term portion is also included of the long-term loans mentioned in (a) and (b) above, for ThUS$10,050 and ThUS$5,014 respectively.

Obligations under bond issues

On September 18, 2006, the Company placed a bond issue on the international market for US$ 200 million, at a placement rate of 99.761% and maturing in 2036. In September 15, 2011 the advance payment of this bond issue was offered, managing to liquidate only 67%.

On May 15, 2008, the Company placed bonds on the domestic market: Series E for UF 2,000,000, a term of 5 years and a placement yield of 3.75%. On May 16, 2011, the Company partially redeemed these bonds in advance, with the payment of principal of UF 1,964,000, leaving a balance of UF 36,000 of this issue outstanding. Later, on October 25, 2011, it made a further partial redemption of UF29, 000, and the balance of the Series E of UF 7,000 was redeemed on June 14, 2012.

On May 15, 2008, the Company placed on the market its Series F bonds for US$ 171,480,000, with a term of 10 years and an interest rate of 180-day Libor + 2.25%. An interest-rate swap contract was signed for this issue to fix the Libor stipulated for these bonds at 4.58%.

Between July 17 and September 12, 2013, the Company has made partial redemptions in advance of the international bonds, with the payment of principal amounting to ThUS$ 2,805.

19. Financial instruments

19.1 Financial instruments by category, Financial Assets

The accounting policies relating to financial instruments have been applied to the following categories:

As of December 31, 2013	Held to maturity ThUS$	Loans and receivables ThUS$	Assets at fair value through profit or loss ThUS$	Hedge derivatives ThUS$ (1)	Total ThUS$
Derivative financial instruments	-	-	-	3,781	3,781
Trade debtors & accounts receivable	-	469,252	-	-	469,252
Accounts receivable related entities	-	4,032	-	-	4,032
Cash and cash equivalents	111,193	-	-	-	111,193
Other financial assets	228,654	582	2,165	-	231,401
Total financial assets	**339,847**	**473,866**	**2,165**	**3,781**	**819,659**

As of December 31, 2012	Held to maturity ThUS$	Loans and receivables ThUS$	Assets at fair value through profit or loss ThUS$	Hedge derivatives ThUS$ (1)	Total ThUS$
Derivative financial instruments	-	-	-	12,190	12,190
Trade debtors & accounts receivable	-	457,850	-	-	457,850
Accounts receivable related entities	-	6,509	-	-	6,509
Cash and cash equivalents	295,297	-	-	-	295,297
Other financial assets	403,846	1,567	-		405,413
Total financial assets	**699,143**	**465,926**	**-**	**12,190**	**1,177,259**

(1) As of December 31, 2013 and 2012, derivative instrument assets are shown net of liabilities for the same concept.

19.2 Financial instruments by category, financial debt

The accounting policies relating to financial instruments have been applied to the following categories:

As of December 31,2013	Loans and accounts payable ThUS$	Hedge derivatives ThUS$ (1)	Total ThUS$
Interest-bearing loans	726,699	-	726,699
Trade creditors and payable	586,467	-	586,467
Accounts payable related entities	76,774	-	76,774
Liabilities Coverage	-	33,088	33,088
Other financial liabilities	171,744	-	171,744
Total financial liabilities	**1,561,684**	**33,088**	**1,594,772**

As of December 31, 2012	Loans and accounts payable ThUS$	Hedge derivatives ThUS$ (1)	Total ThUS$
Interest-bearing loans	658,398	-	658,398
Trade creditors and payable	485,405	-	485,405
Accounts payable related entities	116,587	-	116,587
Liabilities Coverage	-	40,687	40,687
Other financial liabilities	19,600	-	19,600
Total financial liabilities	**1,279,990**	**40,687**	**1,320,677**

1) As of December 31, 2013 and 2012, derivative instrument liabilities are shown net of assets for the same concept

19.3 Fair value of the assets and liabilities of the Group measured at fair value recurrently

Some of the Group's financial assets and liabilities are measured at fair value at the close of each reporting period. The following table provides information on how these fair values of financial assets and liabilities are determined (in particular the valuation technique(s) and inputs used).

Financial Asset/ Financial Liabilities	Fair Value to:		Fair Value hierarchy	Technique valuation's and input(s) key	Input(s) significant unobservable	Relation of unobservable input with fair value
	12/31/2013	12/31/2012				
1) Forward Contracts foreign currency (to see note 10)	Liabilities MUS$ 8.849	Assets - ThUS$12.190; and liabilities for ThUS$ 3.996	Category2	Discounted Cash Flow. The future cash flows are estimated based on future exchange rates (from types of observable rate at the end of the reporting period) forward contracts and exchange rate, discounted at a rate that reflects the credit risk of counterparties.	Not applicable	Not applicable
2) Interest rate swaps (to see note 10)	Assets MUS$ 3.781- Liabilities (designated for hedge) - ThUS$24.239	Liabilities - ThUS$ 36.691	Category 2	Discounted cash flows. The future cash flows are estimated based on future interest rates (from rate curves observable at the end of each reporting period) and interest rate contracts, discounted at a rate that reflects the credit risk of counterparties.	Not applicable	Not applicable

IFRS 13 Measurement of fair value

The Group has applied IFRS 13 for the first time in the present year. IFRS 13 establishes a sole guide source for measurements of fair value and disclosures of measurement of fair value. The scope of IFRS 13 is broad. The requirements of measurement of fair value of IFRS 13 apply both to the items of financial and non-financial instruments, for which other IFRS require or permit measurements of fair value and disclosures about the measurement of fair value.

IFRS 13 defines fair value as the price that would be received by selling and asset or paying for the transfer of a liability in an orderly transaction in the principal (or most advantageous) market on the date of measurement under prevailing market conditions. Fair value according to IFRS 13 is an exit price, regardless of whether that price is directly observable or estimated using other valuation technique.

19.4 Interest-rate and exchange risks, assets

The exposure of the Company's financial assets to interest-rate and exchange risks is as follows:

As of December 31,2013

	Financial assets		
	Total ThUS$	**Fixed rate ThUS$**	**Interest free ThUS$**
Dollar	569,990	172,089	397,901
Peruvian soles	232	-	232
Argentine pesos	15,130	-	15,130
Chilean pesos	233,722	21,461	212,261
Other currencies	585	-	585
Total financial assets	**819,659**	**193,550**	**626,109**

As of December 31, 2012

	Financial assets		
	Total ThUS$	**Fixed rate ThUS$**	**Interest free ThUS$**
Dollar	735,899	87,568	648,331
Peruvian soles	315	-	315
Argentine pesos	11,961		11,961
Chilean pesos	428,485	41,862	386,623
other currencies	599	-	599
Total financial assets	**1,177,259**	**129,430**	**1,047,829**

19.5 Interest-rate and exchange risks, Liabilities

The exposure of the Company's financial liabilities to interest-rate and exchange risks is as follows:

As of December 31,2013

	Financial liabilities				Rate financial liabilities	
	Total ThUS$	Floating rate ThUS$	Fixed rate ThUS$	Interest free ThUS$	Average rate %	Average term years
Dollar	1,401,523	359,661	560,080	481,782	2.45%	12
UF	7,823	-	6,558	1,265	5.35%	5
Peruvian soles	668	-	-	668	0.00%	2
Argentine pesos	13,647	-	10,382	3,265	16.89%	1
Chilean pesos	171,056	-	-	171,056	7.52%	5
Other currencies	55	-	-	55	0.00%	1
Total financial liabilities	**1,594,772**	**359,661**	**577,020**	**658,091**		

As of December 31, 2012

	Financial liabilities				Rate financial liabilities	
	Total ThUS$	Floating rate ThUS$	Fixed rate ThUS$	Interest free ThUS$	Average rate %	Average term years
Dollar	1,085,631	188,150	501,612	395,869	3.06%	12
UF	13,174	-	1,774	-	5.35%	5
Peruvian soles	1,541	-	-	1,541	0.00%	2
Argentine pesos	16,252	-	12,736	3,516	16.89%	1
Chilean pesos	192,886	-	14,413	178,473	7.52%	5
Other currencies	11,193	-	-	11,193	0.00%	1
Total financial liabilities	**1,320,677**	**188,150**	**530,535**	**590,592**		

20. Trade creditors and other accounts payable

The detail of trade creditors, sundry creditors and other accounts payable as of December 31, 2013 and 2012 is as follows:

	Current	
	31.12.2013 ThUS$	31.12.2012 ThUS$
Trade creditors	399,583	375,882
Sundry creditors	15,552	5,825
Advance payment for sale of minerals	65,455	11,509
Dividends payable	28,396	57,650
Withholdings	5,569	6,617
Notes payable	71,912	27,922
Total	**586,467**	**485,405**

- Trade creditors mainly include operating accounts payable and obligations related to the Group's investment projects. The average payment term is 30 days so fair value does not differ significantly from book value. These accounts payable accrue no interest and there is no ownership relationship with the creditors.

The following shows the principal creditors and their percentage of total trade creditors.

Creditors	Tax No. Creditor	Debtor	31.12.2013 %
Abengoa Chile S.A.	96.521.440-2	Cleanairtech	12.44%
Acciona Cerro Negro S.A.	76.181.135-5	Cleanairtech	8.28%
Snc Lavalin Chile S.A.	79.563.120-8	CMP	4.72%
Araya Hnos.S.A.	78.567.810-9	CMP	1.79%
Servicios Mineros y Remotos Ltda.	76.117.696-k	CMP	1.75%
AIG Chile Cía. Seguros Generales S.A.	99.288.000-7	CMP	1.66%
Echeverría, Izquierdo, Montajes	96.870.780-9	CMP	1.63%
Acciona Agua S.A.U. Agencia en Chile	59.061.500-5	Cleanairtech	1.62%
Empresa De Montajes Industriales	96684600-3	CMP	1.46%
Amec International Ingeniería	76.938.030-2	CMP	1.15%
Empresa Nacional de Electricidad S.A.	91.081.000-6	CSH	1.01%
Other creditors less than 1%		Group CAP	62.49%
Total			100.00%

Creditors	Tax No. Creditor	Debtor	31.12.2012 %
Acciona Cerro Negro S.A.	76.181.135-5	Cleanairtech-CMP	6.72%
Araya Hnos.S.A.	78.567.810-9	CMP	6.51%
Abengoa Chile S.A.	96.521.440-2	Tecnocap-Cleanairtech	5.93%
Tesorería (Iva Importaciones y Otros)	60.805.000-0	CMP	3.95%
Amec International Ingeniería	76.938.030-2	CMP	2.77%
Echeverría, Izquierdo, Montajes	96.870.780-9	CMP	2.61%
Ingeniería Civil Vicente S.A.	93.546.000-k	CMP	1.94%
Transportes Tamarugal Limitada	79.610.470-8	CMP	1.92%
Acciona Agua S.A.U. Agencia en Chile	59.061.500-5	Cleanairtech	1.73%
Techint Chile S.A.	91.426.000-0	CMP	1.52%
DSD construcciones y montajes S.A.	96.687.370-1	CMP	1.36%
Metalurgica FAT Ltda.	84.361.600-3	CMP	1.26%
Other creditors less than 1%		Group CAP	61.78%
Total			100.00%

- Mineral sale advances relate to customer pre-payments, the principal creditors being detailed in Note 22.

- Dividends payable to non-related shareholders relate mainly to the company's dividend policy.

- Notes payable relate mainly to foreign suppliers of the subsidiaries Compañía Siderúrgica Huachipato S.A. and Cintac S.A.I.C. The following shows a detail of the principal creditors:

Actual period
31.012.2013

Creditors	Country	31.12.2013 ThUS$
Teck Coal Limited	Canadá	12,114
Deacero S.A. de C.V.	Mexico	25,639
Siderar	Argentina	1,577
Duferco	China	19,533
Sansung	Korea	10,489
Daewoo	China	728
Others		1,831
Total		**71,911**

Previous period
31.12.2012

Creditors	Country	31.12.2012 ThUS$
Teck Coal Limited	Canadá	6,778
Coquecol S.A.C.I.	Colombia	9,767
Deacero S.A. de C.V.	Mexico	9,308
Others		2,069
Totales		**27,922**

21. Provisions

21.1 The detail of current and non-current provisions is as follows:

	Current		Non-Current	
	31.12.2013 ThUS$	31.12.2012 ThUS$	31.12.2013 ThUS$	31.12.2012 ThUS$
Provision for lawsuits	2,365	251	-	-
Provision for restoration	-	-	14,343	13,280
Provision for results participation	3,182	2,779	-	-
Volume discounts	1,916	3,720	-	-
Other provisions	13,892	14,808	944	640
Total other provisions	21,355	21,558	15,287	13,920

21.2 The movement in provisions is as follows:

Year 2013

Current	Provision for lawsuits ThUS$	Provision for results participation ThUS$	Volume Discounts ThUS$	Other provisions ThUS$
Initial balance at January 1, 2013	251	2,779	3,720	14,808
Additional provisions	82	68	-	1,125
Provisions used	(139)	(2,930)	(12,797)	(2,714)
Transfer to short term	-	-	-	1
Increase (decrease) in foreign exchange	(6)	-	4	(121)
Other increases (decreases)	2,177	3,265	10,989	793
Closing balance at December 31, 2013	2,365	3,182	1,916	13,892

Non-Current	Provision for restoration ThUS$	Other Provisions ThUS$
Initial balance at January 1, 2013	13,280	640
Additional provisions	416	3,596
Other increases (decreases)	647	(3,292)
Closing balance at December 31, 2013	14,343	944

Year 2012

Current	Provision for lawsuits ThUS$	Provision for results participation ThUS$	Volume Discounts ThUS$	Other provisions ThUS$
Initial balance at January 1, 2012	213	11,290	4,518	8,139
Additional provisions	184	81	18,021	8,864
Provisions used	(131)	(7,970)	(33,406)	(341)
Increase (decrease) in foreign exchange	(15)	378	649	335
Other increases (decreases)	-	(1,000)	13,938	(2,189)
Closing balance at December 31, 2012	251	2,779	3,720	14,808

Non-Current	Provision prepaid bons ThUS$	Provision for restoration ThUS$	Other Provisions ThUS$
Initial balance at January 1, 2012	12,283	5,814	1,303
Additional provisions	-	7,466	-
Provisions used	(12,283)	-	(663)
Closing balance at December 31, 2012	-	13,280	640

(*) During 2012, the management of CAP S.A. decided not to continue with its bond-repurchase program, but prepaid ThUS$ 2,600 approximately.

22. Other non-financial liabilities

The detail of other liabilities as of December 31, 2013 and 2012 is as follows:

	Current		Non-Current	
	31.12.2013 ThUS$	31.12.2012 ThUS$	31.12.2013 ThUS$	31.12.2012 ThUS$
Income for sales in advance	-	998	-	-
Advance sales Mineral Glencore AG. (*)	-	-	53,621	-
Advance sales Mineral Deutsche Bank (*)	-	-	5,107	65,984
Mineral sale advance Pioneer Metals (*)	-	-	68,100	5,107
Advance sale mineral Prosperity Steel (*)	-	-	-	25,000
Advance sale mineral Cargil Internacional (*)	-	-	141,735	-
Others	4,315	4,775	1,424	4
Total	4,315	5,773	301,600	96,095

(*) These relate to mineral sales advances. The short-term portion booked in this respect amounts to ThUS$ 65,455 (ThUS$11,509 as of December 31, 2012), and is shown in Trade creditors and other accounts payable (Note 20).

23. Employee benefits and expenses, current and non-current

The Group has made a provision to cover severance payments and long-service awards to be paid to personnel under collective agreements.

The detail of the main concepts included in the employee benefits provision as of December 31, 2013 and 2012 is the following:

Provisions for employee benefits

	Current		Non-Current	
Concept	31.12.2013 ThUS$	31.12.2012 ThUS$	31.12.2013 ThUS$	31.12.2012 ThUS$
Holiday Provision	9.512	13.375	9.461	10.728
Compensation for years of service	1.748	4.026	72.221	95.751
Seniority bonus provision	5.948	10.825	32.018	51.836
Other personnel provisions	20.833	18.158	1.512	485
Profit Sharing	119	253	-	-
Total personnel provisions	38.160	46.637	115.212	158.800

The provisions for severance payments and long-service awards are determined based on an actuarial calculation.

The principal assumptions used for the actuarial calculation are:

Actuarial bases used	31.12.2013	31.12.2012
Discount rate	6.00%	6.00%
Expected rate of wage increases	1,00%-1,75%	1,00%-1,75%
Rotation Index	1,00% a 2,00%	1,00% a 1,70%
Rotation Index - retirement due to business needs	1,00% a 2,00%	1.00%
Age of retirement		
Men	65 years	65 years
Women	60 years	60 years
Mortality table	RV-2009	RV-2009

The actuarial study was prepared by the independent actuary, Raúl Benavente, based on the assumptions provided by the management.

The movement in employee-benefit provisions is as follows:

Year 2013

Current	Holiday provision ThUS$	Compensation for years of service ThUS$	Seniority bonus ThUS$	Other personnel provisions ThUS$	Profit sharing ThUS$
Initial balance at January 1, 2013	13.375	4.026	10.825	18.158	253
Additional provisions	7.418	490	2.644	18.729	651
Provisions used	(10.601)	(33.889)	(10.407)	(17.505)	(774)
Clasification to short term	227	31.506	3.802	-	-
Increase (decrease) in foreign exchange rate	(851)	(323)	(916)	(1.806)	(25)
Other increases (decreases)	(56)	(62)	-	3.257	14
Closing balance at December 31, 2013	9.512	1.748	5.948	20.833	119

Non-current	Holiday provision ThUS$	Compensation for years of service ThUS$	Seniority bonus ThUS$	Other personnel provisions ThUS$	Profit sharing ThUS$
Initial balance at January 1, 2013	10.728	95.751	51.836	485	-
Additional provisions	795	18.493	6.203	1.045	-
Provisions used	(2)	(1.431)	(491)	-	-
Clasification to short term	(227)	(31.506)	(3.802)	(18)	-
Reversal provision	-	(6)	-	-	-
Increase (decrease) in foreign exchange rate	(966)	(7.500)	(4.350)	-	-
Other increases (decreases)	(867)	(1.580)	(17.378)	-	-
Closing balance at December 31, 2013	9.461	72.221	32.018	1.512	-

The transfer from long-term of part of the severance payments originates from an anticipated retirement plan promoted by Company. On July 18, 2013, the Company's management agreed with the Nos. 1 and 2 workers' unions to offer personnel a voluntary retirement plan on certain conditions. In addition, on July 26, 2013, the resignations were received of some executives within the organizational restructuring. Later, in December, a second period for voluntary resignations was opened, with a reduced impact on the workforce compered with the previous processes.

Year 2012

Current	Holiday provision ThUS$	Compensation for years of service ThUS$	Seniority bonus ThUS$	Other personnel provisions ThUS$	Profit sharing ThUS$
Initial balance at January 1, 2012	10.420	2.348	8.983	20.006	261
Additional provisions	5.766	436	2.155	4.954	498
Provisions used	(7.907)	(8.191)	(11.159)	(10.238)	(635)
Clasification to short term	397	9.266	10.110	-	-
Reversal provision	-	-	-	(350)	-
Increase (decrease) in foreign exchange rate	602	167	736	248	85
Other increases (decreases)	4.097	-	-	3.538	44
Closing balance at december 31, 2012	13.375	4.026	10.825	18.158	253

Non-current	Holiday provision ThUS$	Compensation for years of service ThUS$	Seniority bonus ThUS$	Other personnel provisions ThUS$	Profit sharing ThUS$
Initial balance at January 1, 2012	6.597	81.304	55.045	448	-
Additional provisions	4.016	18.144	2.193	-	-
Provisions used	(28)	(2.335)	(878)	-	-
Clasification to short term	(397)	(9.266)	(10.110)	-	-
Increase (decrease) in foreign exchange rate	540	7.923	5.586	37	-
Other increases (decreases)	-	(19)	-	-	-
Closing balance at december 31, 2012	10.728	95.751	51.836	485	-

The following presents a reconciliatgion of balance of post-employment benefits:

	Consolidated	
	1/1/2013 12/31/2013	
Movements	Compensation for years of accountant services ThUS$	Seniority Award ThUS$
Opening Balance	**99,777**	**62,661**
Cost of service	4,939	7,386
Interest expense	4,770	4,470
Paid contributions	(38,009)	(11,163)
Actuarial variation	4,270	(3,648)
Other operating costs	10,543	(15,605)
Subtotal	**86,290**	**44,101**
(Gains) Losses exchange difference	(12,321)	(6,135)
Final Balance	**73,969**	**37,966**

The following shows the effect on the provision for severance payments as of December 31, 2013, of a one-percent variation in the discount rate, together with the same variation in the rate of inflation directly related to that discount rate:

Variation effect discount rate and inflation rate	+1 percentage point ThUS$	-1 percentage point ThUS$
Accountant balance al 31/12/2013	73,969	73,969
Actuarial variation	5,198	(3,260)
Accountant balance before of actuarial variation	**79,167**	**70,709**

The following shows the effect on the provision for long-service benefits as of December 31, 2013, of a one-percent variation in the discount rate, together with the same variation in the rate of inflation directly related to that discount rate:

Variation effect discount rate and inflation rate	+1 percentage point ThUS$	-1 percentage point ThUS$
Accountant balance to the 31.12.2013	37,966	37,966
Actuarial variation	(1,797)	(6,593)
Accountant balance before of actuarial variation	**36,169**	**31,373**

Classes of personnel expenses

Personnel expenses for the years ended December 31, 2013 and 2012 are as follows:

	Accumulated	
	01.01.2013 31.12.2013 ThUS$	01.01.2012 31.12.2012 ThUS$
Wages and salaries	169,021	159,507
Short term benefits to employees	40,161	48,420
Compensation for years of service	20,790	20,556
Seniority award	1,952	4,964
Other staff costs	58,283	51,292
Total	**290,207**	**284,739**

24. Equity

24.1 Subscribed and paid capital and number of shares:

The Company's capital as of December 31, 2013 is made up as follows:

Number of shares

Series	Amount of shares subscribed	Amount of paid-in shares	Amount of shares with voting rights
Single	149,448,112	149,448,112	149,448,112

Capital

Series	Subscribed capital ThUS$	Paid-in capital ThUS$
Single	379,444	379,444

24.2 Dividend policy and reserve for proposed dividends.

Under current legislation, at least 30% of the earnings for the year should be distributed as cash dividends unless unanimously agreed otherwise by all shareholders at a shareholders' meeting.

The ordinary shareholders' meeting held on April 18, 2013 agreed the following dividend policy:

1. To continue with the policy of distributing 50% of distributable earnings as the final dividend.

2. The board was also authorized to agree the distribution of interim dividends against the year 2013 provided earnings are generated during that year and there are no accumulated losses.

3. The board was also authorized to distribute eventual dividends against accumulated earnings if considered convenient.

In accordance with the dividend policy agreed by the shareholders' meeting, the Company has made a reserve of ThUS$ 97,843 for proposed dividends as of December 31, 2013 and ThUS$ 126,363 as of December 31, 2012, equivalent to 50% of distributable earnings.

The dividends declared during the periods 2013 and 2012 were the following:

Dividend Type	Number	Amount ThUS$	Payment Date	
Interim	108	43,176	1/11/2012	
Final	109	46,001	4/20/2012	
Eventual final	110	44,670	7/24/2012	
Eventual final	111	32,375	10/26/2012	
Interim	112	15,063	10/26/2012	
Interim	113	46,706	1/15/2013	
Final	114	47,102	4/26/2013	
Final	115	17,227	7/25/2013	
Interim	116	12,427	7/25/2013	
Interim	117	30,292	10/24/2013	
Interim	118	21,365	1/16/2014	(*)

(*) Amount provided as of December 31, 2013

24.3 Other reserves

The detail of other reserves for each period is as follows:

	31.12.2013 ThUS$	31.12.2012 ThUS$
Hedge reserves	(20,799)	(19,092)
Reserves of gains and losses on defined benefit plans	(477)	(3,893)
Conversion reserve	2,929	3,898
Others	491	342
Total	**(17,856)**	**(18,745)**

24.4 Distributable earnings

As required by SVS Circular 1983 of July 30, 2010, the board on August 30, 2010, established as policy to exclude the following concepts from the result for the year for the purpose of calculating its distributable earnings:

1. The results of the fair value of assets and liabilities corresponding to CAP S.A. arising from its subsidiary CMP's 50% prior shareholding in Compañía Minera Huasco S.A., that are not realized as a result of the merger with that company. These results will be reintegrated in earnings in the year in which they are realized.

The detail of distributable earnings is as follows:

	31.12.2013 ThUS$	**31.12.2012** ThUS$
Total Gain	183,526	230,781 (*)
Adjustment as per policy:		
Embodiment of utility from the business combination with CMP Cia Minera Huasco S.A. conducted during the year	12,160	21,943
Distributable net income	**195,686**	**252,724**

(*) Before the accounting change adjustment of ThUS$ 2,918

As mentioned above, the amount arising from the combination of businesses of the subsidiary CMP and CIA. Minera Huasco S.A. pending realization is as follows:

	31.12.2012	**31.12.2013**	
Calculation of non-distributable income of subsidiary CMP	**Effects of CMP-CMH merge ThUS$**	**Non-distribuitable earnings realized in the ThUS$**	**Non-distributable earnings for realized ThUS$**
Gain on combination of businesses	419,716		419,716
Realization of fair value (*)	(52,151)	(21,618)	(73,769)
Deferred taxes	(30,898)	5,404	(25,494)
Non-distributable net income CMP subsidiary	336,667	(16,214)	320,453
Share non distributable net income of CAP S.A. (74,999%)	252,497	(12,160)	240,336

(*) The gain in fair value from the combination of businesses (merger) of CMP and Cia. Minera Huasco S.A. is realized by the amortization of the mining claims and the depreciation of the fixed assets revalued at fair value by CMP. In 2012 it includes the realization of ThUS$ 13,798 for the increased expense due to the rise in deferred liabilities following the increase from 17% to 20% in the Chilean income tax rate that originated the revaluation of these assets at fair value..

24.5 IFRS first-adoption adjustments

The Group has adopted the policy of controlling IFRS first-adoption adjustments separately from the rest of the retained results and maintaining the balance in the account Accumulated earnings (losses) in equity, controlling the part of the accumulated gain coming from first-adoption adjustments that are realized.

The following table shows the portion of the principal IFRS first-adoption adjustments that have been considered as unrealized and the evaluation of their realization as of December 31, 2013 and 2012:

	First-adoption adjustments at 01-01-2009 ThUS$	31.12.2012 Amount realized in year ThUS$	31.12.2012 Balance to be realized ThUS$	31.12.2013 Amount realized in year ThUS$	31.12.2013 Balance to be realized ThUS$
Appraisal as attributed cost of land	305,572	(91)	305,481	-	305,481
Property, plant & equipment at revalued cost	19,949	(3,106)	16,843	(1,228)	15,615
Negative goodwill	16,445	-	16,445	-	16,445
Remeasurement of fixed assets due to change in functional currency and other IFRS adjustments	11,669	(7,818)	3,851	-	3,851
Deferred taxes	(60,118)	1,857	(58,261)	209	(58,052)
Total	**293,517**	**(9,158)**	**284,359**	**(1,019)**	**283,340**

24.6 Capital management

Capital management refers to the management of the Company's equity. The Group's capital management policies have the following objectives:

- To ensure the normal functioning of its operations and long-term continuity of the business.
- To ensure the financing of new investments in order to maintain sustained growth over time.
- To maintain a suitable capital structure in line with the economic cycles that affect the business and the nature of the industry.
- To maximize the value of the Company, providing an adequate return for its shareholders.

The capital requirements are incorporated based on the Company's financing needs, taking care to maintain an adequate level of liquidity and complying with the financial covenants included in current loan agreements. The Company manages its capital structure by adjusting it to the predominant economic conditions in order to mitigate the risks associated with adverse market conditions and take advantage of opportunities that might present themselves for improving the Company's liquidity.

25. Non-controller participations

The detail by company of the effects of the participation by third parties in the equity and results of subsidiary companies in each of the years is as follows:

Company	Non-controller share 31.12.2013 %	Non-controller share 31.12.2012 %	Noncontrolling interest on equity 31.12.2013 ThUS$	Noncontrolling interest on equity 31.12.2012 ThUS$	Share in results Accumulated 01.01.2013 31.12.2013 ThUS$	Share in results Accumulated 01.01.2012 31.12.2012 ThUS$
Manganeso Atacama S.A.	0.48000	1.09000	40	100	(3)	(3)
Cìa. Siderúrgica Huachipato S.A.	0.0001	0.0002	1	1	-	-
Cìa. Minera del Pacífico S.A.	25.0001	25.0005	1,117,687	1,097,829	100,583	88,829
Novacero S.A.	47.3200	47.3200	45,506	45,337	273	3,291
Cintac S.A.	38.0360	38.0360	67,782	67,495	453	5,636
Grupo Intasa S.A	11.6496	38.0360	2,029	2,024	(6)	(226)
Puerto Las Losas S.A.	49.0000	49.0000	22,494	23,896	(1,402)	(749)
Cleanairtech S.A.	49.0000	49.0000	59,735	33,915	(706)	274
Total			1,315,274	1,270,597	99,192	97,052

26. Ordinary revenue, other revenue, expenses by function and other gains

26.1 Ordinary revenue

The detail of ordinary revenue for the periods ended December 31, 2013 and 2012 is as follows:

	Accumulated	
	01.01.2013 31.12.2013 ThUS$	01.01.2012 31.12.2012 ThUS$
Proceeds from sale of Mineral	**1,430,557**	**1,405,931**
Proceeds from sale of mineral	1,063,524	1,043,162
Proceeds from sale of pellets	328,315	343,223
Other mineral products	38,718	19,546
Proceeds from sale of Steel	**756,407**	**920,178**
Proceeds from sales of processed steel	733,663	911,331
Sales of services	22,744	8,843
Ingresos por venta de Procesamiento de Acero	**363,470**	**466,852**
Proceeds from resale	355,235	461,319
Proceeds from services	3,781	1,662
Revenue from resale	4,454	3,871
Products and other	**4,284**	**2,804**
(Elimination intercompany transactions)	(258,156)	(325,762)
Total	2,296,562	2,470,003

26.2 Other revenue

The detail of other revenue by function for the periods ended December 31, 2013 and 2012 is as follows:

	Accumulated	
	01.01.2013 31.12.2013 ThUS$	01.01.2012 31.12.2012 ThUS$
Sale of limestone	2,970	1,385
Customer delayed payments	145	440
Sale of services	4,450	3,886
Other income and adjustments	10,519	10,041
Sale of scrap and by-products	695	921
Total	18,779	16,673

26.3 Other expenses by function

The detail of other expenses by function for the periods ended December 31, 2013 and 2012 is as follows:

	Accumulated	
	01.01.2013 31.12.2013 ThUS$	01.01.2012 31.12.2012 ThUS$
Drilling and exploration	15,105	26,407
Management non-operating expenses	24,421	33,298
Freight for steel sales	4,453	6,556
Impairment of property, plant & equipment (*)	23,000	-
Write-off Stoppage lines (*)	49,685	-
Others	18,214	11,967
Totales	134,878	78,228

(*) As stated in Note 16.3, the subsidiary Compañía Siderúrgica Huachipato adopted a policy of focusing on the production of long products for mining and construction. As a result, the operation was suspended in September of one of the blast furnaces and the production of hot-rolled sheets was terminated, plus also the stoppage of the cold-rolled sheets, tin plate and zinc alum production lines.

This decision implied a write-off as of December 31, 2013 of US$ 39.7 million net of taxes for the units it is not intended to operate, in accordance with the five-year business plan. A provision net of taxes was also made for impairment of US$ 18.4 million to reflect the financial impact of the production restructuring established in that plan. All the above implies a total charge of US$ 58.1 million in the financial results as of December 31, 2013, including US$ 13.6 million net of taxes already provisioned at June 30, 2013.

26.4 Other gains (losses)

The detail of other gains (losses) for the periods ended December 31, 2013 and 2012 is as follows:

	Accumulated	
	01.01.2013 31.12.2013 ThUS$	01.01.2012 31.12.2012 ThUS$
International Bond Reevalución rescue (*)	-	12,283
Lower cost estimate contingent liabilities	-	3,294
Others	(789)	(402)
Totales	(789)	15,175

(*) As stated in Note 21, the management of CAP S.A. in 2012 decided not to continue with its bond re-purchase program, as authorized by the board on July 7, 2011, proceeding to reverse the prepayment costs provisioned as of December 31, 2011 for the eventual prepayment of the foreign bond issue.

27. Auditors' Fee

	01.01.2013 31.12.2013 ThUS$	01.01.2012 31.12.2012 ThUS$
Auditor Remuneration´s for audit services (*)	1,351	1,365
Auditor Remuneration´s for tax services	103	191
Auditor Remuneration´s for other services	69	31
Total Auditor's Fee	1,523	1,587

(*) Includes the parent and Chilean and foreign subsidiaries.

28. Financial income

The detail of financial income for the years ended December 31, 2013 and 2012 is as follows:

	Accumulated	
	01.01.2013 31.12.2013 ThUS$	01.01.2012 31.12.2012 ThUS$
Investments held to maturity	7,889	18,967
Hedge contracts	5,555	32,879
Total	13,444	51,846

Financial income from financial assets, by category, is as follows:

	Accumulated	
	01.01.2013 31.12.2013 ThUS$	01.01.2012 31.12.2012 ThUS$
Investments in time deposits and mutual funds	6,857	17,860
Investments in mutual funds	1,032	1,107
Interest on hedging contracts	5,555	32,879
Total	13,444	51,846

29. Financial costs

The detail of financial costs for the years ended December 31, 2013 and 2012 is as follows:

	Accumulated	
	01.01.2013 31.12.2013 ThUS$	01.01.2012 31.12.2012 ThUS$
Interest expense, bank loans	11,204	12,456
Foreign suppliers expense	965	2,357
Interest expense, bonds	9,670	10,162
Expense/income of net financial derivatives valuation	8,308	16,521
Amortization expense activated	2,443	4,438
Interest on leasing	1,085	635
Other financial expenses	6,885	2,960
Total	**40,560**	**49,529**

30. Depreciation and amortization

The detail for the periods ended December 31, 2013 and 2012 is as follows:

	Accumulated	
	01.01.2013 31.12.2013 ThUS$	01.01.2012 31.12.2012 ThUS$
Depreciation	108,849	163,286
Amortization of Intangibles	42,116	41,016
Other amortization	113	113
Total	151,078	204,415

31. Operative segments

The following analysis of business and geographic segments is required by IFRS 8 - Financial information by segments, to be shown by entities whose capital or debt instruments are traded publicly, or which are in the process of placing shares or debt instruments on the securities market. If an entity whose securities are not publicly traded decides to disclose segment information voluntarily in the financial statements complying with IFRS, the entity should comply fully with the requirements of IFRS 8.

Segments by business

For management purposes, the Group is organized into four large operative divisions - CAP Mining, CAP Steel, CAP Steel Processing and CAP Holding Company. These divisions form the basis on which the Group reports its primary information segments. The principal products and services of each of its divisions are the following:

CAP Mining - the extraction of minerals and their subsequent processing and domestic and external sale.

CAP Steel - the production of finished steel from a production of liquid steel by reduction of iron ore in blast furnaces.

CAP Steel Processing - the processing of steel through the subsidiaries Cintac S.A. and Intasa S.A. whose objects are the creation of solutions in steel mainly for the construction, industrial and infrastructure sectors in Chile and abroad.

CAP Holding Company: Corresponds to the corporate management headquarters.

Results by Segments

	Acumulated											
	01.01.2013 31.12.2013						01.01.2012 31.12.2012					
	Mining ThUS$	Steel ThUS$	Steel processing ThUS$	Others (1) ThUS$	Eliminations (1) ThUS$	Total ThUS$	Mining ThUS$	Steel ThUS$	Steel processing ThUS$	Others (1) ThUS$	Eliminations (1) ThUS$	Total ThUS$
Operating Income	1,430,557	657,521	460,741	5,899	(258,156)	2,296,562	1,405,931	920,178	466,852	2,804	(325,762)	2,470,003
Cost of sales	(787,654)	(667,663)	(389,099)	(6,773)	256,932	(1,594,257)	(770,619)	(922,023)	(392,519)	(4,287)	327,154	(1,762,294)
Gross margin	**642,903**	**(10,142)**	**71,642**	**(874)**	**(1,224)**	**702,305**	**635,312**	**(1,845)**	**74,333**	**(1,483)**	**1,392**	**707,709**
Other revenues, by function	8,326	11,166	-	35,230	(35,943)	18,779	8,128	8,973	340	38,981	(39,749)	16,673
Distribution costs	-	-	(28,680)	-	-	(28,680)	-	-	(24,935)	-	-	(24,935)
Administrative expenses	(58,209)	(46,115)	(23,985)	(23,737)	35,710	(116,336)	(61,378)	(54,792)	(24,814)	(21,359)	42,839	(119,504)
Other expenses, by function	(54,305)	(80,459)	-	(114)	-	(134,878)	(67,368)	(10,844)	-	(16)	-	(78,228)
Other gains (losses)	-	-	(342)	(447)	-	(789)	-	-	(438)	15,613	-	15,175
Profit (loss) from operating activities	**538,715**	**(125,550)**	**18,635**	**10,058**	**(1,457)**	**440,401**	**514,694**	**(58,508)**	**24,486**	**31,736**	**4,482**	**516,890**
Financial income	2,102	-	687	18,948	(8,293)	13,444	18,395	-	572	38,090	(5,211)	51,846
Financial costs, net	(5,320)	(10,087)	(7,871)	(25,808)	8,526	(40,560)	(1,673)	(9,200)	(8,231)	(36,602)	6,177	(49,529)
Share in profit of associates accounted for using the method of participation	(31)	95	(15)	180,264	(181,383)	(1,070)	(10)	63	(1)	207,252	(207,655)	(351)
Exchange differences	5,133	273	(8,118)	(4,507)	(86)	(7,305)	(4,431)	4,221	1,426	(2,346)	2	(1,128)
Result by readjustment unit	-	118	187	220	-	525	-	87	225	21	-	333
Income (loss) before tax	**540,599**	**(135,151)**	**3,505**	**179,175**	**(182,693)**	**405,435**	**526,975**	**(63,337)**	**18,477**	**238,151**	**(202,205)**	**518,061**
(Expense) income for income tax	(138,270)	17,472	(2,392)	473	-	(122,717)	(172,481)	(1,092)	(5,022)	(8,715)	-	(187,310)
Income (loss) after tax	**402,329**	**(117,679)**	**1,162**	**179,648**	**(182,693)**	**282,718**	**354,494**	**(64,429)**	**13,455**	**229,436**	**(202,205)**	**330,751**

(1) These columns include the elimination adjustments on consolidation and the results generated by CAP S.A. and other Group companies

Assets and Liabilities by Segments

	31.12.2013					
	Mininga	**Steel**	**Steel processing**	**Others (1)**	**Eliminations (1)**	**Total**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Current assets	442,035	356,376	260,703	772,085	(475,486)	1,355,713
Non-current assets	3,022,035	719,571	158,753	2,948,796	(2,512,901)	4,336,254
Total Assets	**3,464,070**	**1,075,947**	**419,456**	**3,720,881**	**(2,988,387)**	**5,691,967**
Current liabilities	516,983	450,534	167,034	208,948	(469,511)	873,988
Non-current liabilities	776,476	140,693	51,395	721,012	(111,256)	1,578,320
Total Liabilities	**1,293,459**	**591,227**	**218,429**	**929,960**	**(580,767)**	**2,452,308**

	31.12.2012					
	Mininga	Steel	Steel processing	Others (1)	Eliminations (1)	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Current assets	665,872	365,686	272,864	692,285	(290,797)	1,705,910
Non-current assets	2,283,598	816,837	154,213	2,669,354	(2,467,069)	3,456,933
Total Assets	**2,949,470**	**1,182,523**	**427,077**	**3,361,639**	**(2,757,866)**	**5,162,843**
Current liabilities	424,868	386,402	186,372	234,971	(375,333)	857,280
Non-current liabilities	433,364	198,524	52,673	540,543	(27,951)	1,197,153
Total Liabilities	**858,232**	**584,926**	**239,045**	**775,514**	**(403,284)**	**2,054,433**

(1) These columns include the elimination adjustments on consolidation and the results generated by CAP S.A. and other Group companies

Cash Flows by Segments

	Acumulated											
	01.01.2013 31.12.2013						01.01.2012 31.12.2012					
	Mininga	Steel	Steel processing	Others (1)	Eliminations (1)	Total	Mininga	Steel	Steel processing	Others (1)	Eliminations (1)	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Cash flows from (used in) operating activities	789,982	383,363	58,963	230,337	(685,854)	776,791	700,710	661,222	2,136	355,188	(740,265)	978,991
Cash flows from (used in) investing activities	(654,886)	(28,471)	(10,419)	(54,221)	(62,141)	(810,138)	(281,149)	(20,320)	(19,334)	(186,633)	52,967	(454,469)
Cash flows from (used in) financing activities	(294,473)	(356,510)	(40,098)	(208,256)	747,995	(151,342)	(220,681)	(638,569)	5,567	(197,404)	687,298	(363,789)
	(159,377)	**(1,618)**	**8,446**	**(30,265)**	**-**	**(184,689)**	**198,880**	**2,333**	**(11,631)**	**(28,849)**	**-**	**160,733**

(1) These columns include the elimination adjustments on consolidation and the results generated by CAP S.A. and other Group companies

Other information by segment

Geographic segments

The four divisions of CAP S.A. operate in 3 principal geographic areas, the North, Center and South of Chile. The composition of each geographic segment is as follows:

North – Through CAP Mining, the Group operates iron-ore mines in the north of Chile (Huasco Valley, Elqui Valley and Copiapó Valley).

Center – Through CAP Holding Company and CAP Steel Processing, the group has operations in the center of Chile (Metropolitan Region).

South – Through CAP Steel, the Group operates its steel-making plant in the southern part of Chile (Talcahuano, 8th Region).

Principal customers and degree of dependence

The following is information with respect to CAP Group customers representing over 10% of the revenues of their respective segments:

As of 31.12.2013

Customer	Tax ID	Segment	% Income segment	% Income Group CAP
Moly - Cop Chile S.A.	92.244.000-K	Acero	28.72%	8.22%
Sodimac S.A.	96.792.430-K	Proc. Acero	8.28%	1.66%

As of 31.12.2012

Customer	Tax ID	Segment	% Income segment	% Income Group CAP
Moly - Cop Chile S.A.	92.244.000-K	Acero	21.70%	8.08%
Sodimac S.A.	96.792.430-K	Proc. Acero	7.54%	1.43%

In the Mining segment, sales to the related company Compañía Siderúrgica Huachipato S.A. were 16% of its total revenue as of December 31, 2013 and 2012. There are no other customers which represent over 10% of the revenues of this segment:

Distribution of customers by geographic area

The following is information with respect to the destination of the CAP Group sales, by geographic area of their customers:

As of 31.12.2013

Local Market	% Income
Chile	44.70%

Foreign Market	% Income
China	37.42%
Japan	6.11%
Bahrain	5.71%
Indonesia	3.07%
Others	2.99%

As of 31.12.2012

Local Market	% Income
Chile	50.60%

Foreign Market	% Income
China	34.65%
Japan	5.55%
Bahrain	4.21%
Indonesia	1.97%
Otros	3.02%

32. Guarantees to third parties

32.1 Direct guarantees

	Debtor		Committed assets			Outstanding balance		Release of security	
Creditor	Name	Relationship	Type of security	Currency	Book value ThUS$	31.12.2013 ThUS$	31.12.2012 ThUS$	2014 ThUS$	2015 onward ThUS$
BCI factoring	Cintac S.A.	Customer	Bank Guarantee	UF	-	-	14,413	-	-
Corporación Nacional del Cobre	Cintac SAIC	Customer	Bank Guarantee	USD	10	10	10	-	10
Corporación Nacional del Cobre	Cintac SAIC	Customer	Bank Guarantee	USD	10	10	10	-	10
Bateman Chile S.A.	Instapanel S.A.	Customer	Bank Guarantee	PESOS	24	24	24	-	24
Andriz Chile limitada	Cintac SAIC	Customer	Bank Guarantee	PESOS	31	31	31	-	31
Minera Escondida Ltda	Instapanel S.A.	Customer	Bank Guarantee	US$	22	22	-	22	-
Tecnofastatco S.A.	Instapanel S.A.	Customer	Bank Guarantee	PESOS	2	2	-	2	-
Tecnofastatco S.A.	Instapanel S.A.	Customer	Bank Guarantee	PESOS	2	2	-	2	-
Tecnofastatco S.A.	Instapanel S.A.	Customer	Bank Guarantee	PESOS	2	2	-	2	-
Servicio Nacional de Aduanas	Cintac S.A.I.C.	Customer	Bank Guarantee	US$	6	6	-	6	-
Directemar	Puerto Las Losas S.A.	Supplier	Bank Guarantee	UF	195	195	201	-	195
Directemar	Puerto Las Losas S.A.	Supplier	Bank Guarantee	UF	126	126	132	-	126
Directemar	Puerto Las Losas S.A.	Supplier	Bank Guarantee	UF	192	192	204	-	192
Directemar	Puerto Las Losas S.A.	Supplier	Bank Guarantee	UF	1	1	1	1	-
Directemar	Puerto Las Losas S.A.	Supplier	Bank Guarantee	UF	519	519	540	519	-
Acciona Agua S.A.	Cleanairtech Sudamerica S.A.	Supplier	Bank Guarantee	USD	-	-	3,000	-	-
Ministerio de Bienes Nacionales	Cleanairtech Sudamerica S.A.	Supplier	Bank Guarantee	UF	80	80	-	-	80
Dirección Regional de Viavilidad Ataca	Cleanairtech Sudamerica S.A.	Supplier	Bank Guarantee	UF	31	31	-	-	31
Soc. Concesionaria Valles del Desierto	Cleanairtech Sudamerica S.A.	Supplier	Bank Guarantee	UF	133	133	-	-	133
Abengoa	Tecnocap S.A.	Supplier	Bank Guarantee	USD	3,930	3,930	7,712	3,930	-
				Total	5,316	5,316	26,278	4,484	832

As mentioned in Note 16.1, the subsidiary Cleanairtech Sudamérica S.A. signed a loan agreement on April 18, 2012 with Crédit Agricole CIB, Corpbanca and Mizuho Corporate Bank, Ltd. for the project financing of the first phase of the seawater desalination plant the company is developing. With the first drawing from the banks under this agreement, all the assets of Cleanairtech Sudamérica S.A. were charged in guarantee. As of December 31, 2013 the amount of assets charged is ThUS$ 168,343.

On September 10, the company signed another loan agreement with Crédit Agricole CIB (agent bank), Mizuho Corporate Bank, Ltd., Banco Itaú Chile and Banco de Crédito e Inversiones S.A., Miami Branch for the project financing of the second phase of the seawater desalination plant the company is developing. As with the first phase, with the first drawing from the banks under this agreement, all the assets of Phase II of Cleanairtech Sudamérica S.A. were charged in guarantee. As of December 31, 2013 the amount of assets charged is ThUS$ 118,933.

32.2 Indirect guarantees

	Debtor		Committed Assets			Outstanding balance		Release of security	
Creditor	Name	Relationship	Type of security	Currency	Book value ThUS$	31.12.2013 ThUS$	31.12.2012 ThUS$	2014 ThUS$	2015 onward ThUS$
International bond in US$	CAP S.A.	Parent	Solidarity	US$	65,224	65,224	68,104	1,399	63,825
					65,224	65,224	68,104	1,399	63,825

- Compañía Siderúrgica Huachipato S.A. and Compañía Minera del Pacífico S.A. granted their joint and several guarantees for the obligations of CAP S.A. with respect to the issue and placement on the domestic market of bonds in Unidades de Fomento Series D for UF 4,000,000 and Series E for UF 2,000,000, and the international bond issue for ThUS$ 200,000. The whole of Series D was prepaid on April 1, 2011 and UF 1,993,000 was prepaid of the Series E, leaving a balance of UF 7,000 which was prepaid on June 14, 2012. On September 15, 2011, the international bond was prepaid although it was only possible to liquidate 66.685%, leaving a balance of ThUS$ 63,825. Both companies are also joint and several guarantors of CAP S.A. for the issue of Series F US

dollar bonds on the domestic market, whose total amount outstanding, including accrued interest, is ThUS$ 172,051 as of December 31, 2013. A bond-holders meeting of the Series E and F bonds held on December 22, 2011 approved the elimination and release of the guarantees of CMP and CSH in favor de CAP for these instruments, and on February 7, 2012, the Superintendency of Securities and Insurance approved these modifications.

- The subsidiary Compañía Siderúrgica Huachipato S.A. signed a leasing agreement with Banco de Crédito e Inversiones to finance the construction of the corporate building for a sum of ThUS$ 14,232, whose first installment was paid in September 2008 and the last is payable in 2016.

- The indirect subsidiaries Cintac S.A.I.C. and Instapanel S.A. (through Cintac S.A.I.C.) are joint and several guarantors of loans contracted by their parent company with Banco de Crédito e Inversiones and Banco Estado.

- On July 1, 2011, the board of the Company agreed to authorize the granting of the guarantee of CAP S.A. to cover contracts signed with customers of CAP Mining for the future production of the Cerro Negro Norte project and increased production from Los Colorados Mine and Pellets Plant in Huasco Valley, which could include in certain cases, the advance payment of US$75 per ton annually of purchase commitments, plus other conditions, for up to 10 years. As of December 31, 2013, the amounts guaranteed and received for this concept are ThUS$ 108,277.

32.3 Collateral received from third parties

As of December 31, 2013, insurance policies contracted and guarantees received are as follows:

The Company and its subsidiaries have insurance policies covering their fixed assets and civil liability for a total amount of approximately ThUS$ 3,575,567 and other business risks for the projects of the subsidiary Cía. Minera del Pacífico like Cerro Negro Norte, and the salination plant, amounting to a total of ThUS$1,177,276. The maximum annual claim varies according to the policy and company affected by the claim.

The following are the guarantees received from third parties:

	Accumulated 31.12.2013 ThUS$	Accumulated 31.12.2012 ThUS$
Securities & notes received from suppliers & contractors to guarantee work & advances	341,504	219,154
Worker's mortgage guarantees for mortgage loans and others	1,227	2,259
Values in guarantee for sales	11,185	26,776
Collateral received for contracts (bank ballots and other)	19,558	18,314
Total	**373,474**	**266,503**

The indirect subsidiary Instapanel S.A. has received performance bonds, guarantees, pledges and mortgages from customers for ThUS$ 1,032.

The indirect subsidiary Cintac S.A.I.C. has received mortgages from customers amounting to ThUS$ 513.

32.4 Commitments

Direct commitments

	Accumulated	
	31.12.2013 ThUS$	31.12.2012 ThUS$
Commitments to one year	1,177,342	1,403,865
Commitments over a year	5,102,294	4,952,660
Total	**6,279,636**	**6,356,525**

These commitments refer mainly to iron-ore sales under contracts with domestic and foreign customers, valued at the sales prices prevailing at the end of each period. These prices are agreed on FOB or CIF terms and are negotiated annually. The average contract term is three years and there are no fines for default as the contracts provide options regarding the volumes actually delivered each year.

Other commitments

1) Purchase orders and consignments

	Accumulated	
	Accumulated 31.12.2013 ThUS$	Accumulated 31.12.2012 ThUS$
Purchase orders placed	652,704	1,287,486
Consignment stock	2,094	2,089
Total	**654,798**	**1,289,575**

2) Others

The subsidiary Tubos Argentinos S.A. has granted a floating pledge over its inventories in favor of Siderar S.A.I.C. to guarantee commercial operations up to a total of thUS $2.150.

Association agreement

On September 5, 2005, the subsidiary Compañía Minera del Pacífico S.A. (CMP) signed a tailings purchase agreement with Compañía Contractual Minera Candelaria (CCMC) relating to the Candelaria copper mine located in the district of Tierra Amarilla in Chile's 3rd Region. Under this agreement, CCMC commits to sell to CMP fresh tailings sufficient to reach an estimated annual production of 3,000,000 tons of iron concentrates. The agreement runs until December 31, 2022.

This contract was amended on March 9, 2011 to authorize CMP to process iron-ore fines at the Magnetite Plant.

Minera Hierro Antofagasta Project
Under a share subscription agreement signed in February 4, 2010, the subsidiary CMP subscribed for shares representing a 37.5% holding in Minera Hierro Antofagasta S.A., the remaining 62.5% belonging to SBX.

Payments for the shares subscribed were to be made on the following dates and in the following amounts:

a) Within 10 days of the date of the share subscription agreement, CMP would pay the sum of ThUS$ 5,000, corresponding to 212,766 shares equivalent to 17.54% of the capital.
b) Within 30 days from the date on which CMP decides, at its discretion, to continue the exploration of its stage 2, CMP would pay the sum of ThUS$ 2,500, corresponding to 100,000 shares. Should CMP decide not to continue such exploration, it will not be obliged to make the above payment, without any further liability.
c) Within 30 days from the date on which CMP decides, at its discretion, to continue the exploration of its stage 3, CMP would pay the sum of ThUS$ 7,511.2 corresponding to 287,234 shares. Should CMP decide not to continue such exploration, it will not be obliged to make the above payment, without any further liability.

On May 3, 2011 CMP announced its decision not to continue with that company's mine exploration stages 2 and 3, thus being released from payment of the share subscription price mentioned in the above paragraphs.

Purchase option contract for mining rights with Sociedad Minera el Aguila Limitada.

The subsidiary CMP has signed a contract granting Sociedad Minera el Aguila Limitada the option to buy, and offering irrevocably to sell, assign and transfer to the latter, a quota equal to 65% of each of the mining rights detailed in the contract, plus a quota equal to 65% of the manifestations and exploitation concessions detailed in the contract. The detail of the exploitation concessions is the following: Basin A, 1 to 51; Basin B, 1 to 28; Basin C, 1 to 51; Basin D, Basin E; Choapa, 1 to 10; Elqui, 1 to 14; Limarí, 1 to 15; Loa, 1 to 6; Maipo, 1 to 10; Toltén, 1 to 14. The details of the exploration concessions are as follows: Cachiyuyito 1; Cachiyuyito 2 and Cachiyuyito 3. The quota price offered is the equivalent in Chilean pesos of US$ 100,000.

Should Sociedad Minera el Aguila Limitada accept the sale offer, the mining rights plus the manifestations and exploitation concessions will be acquired by a legal mining company in which the subsidiary CMP will hold 35% of the shares and at the same time the subsidiary CMP and Sociedad Minera el Aguila Limitada will be obliged to transform that legal mining company into a mining contractual company.

The rights and obligations of the shareholders in the mining contractual company referred to will be governed by a shareholders' agreement, legalized as an appendix to the mining rights quota option contract. The company has committed not to sell, encumbrance, dispose, commit to sell, mortgage, grant options or commit acts or sign contracts of any kind over the mining rights, or over the minerals contained therein while the term for Minera el Aguila Limitada to exercise the option remains open.

Projects in progress in the subsidiary Cía. Minera del Pacífico S.A.

- In August 2010, the company's board approved the Cerro Negro Norte project, consisting of the exploitation of the Cerro Negro Norte mine located in the district of Copiapó, in Chile's 3rd Region. The project has its environmental approval, dated October 7, 2009. In January 2014, the company informed the SVS that start-up will be in May 2014, with a rtotal estimated cost of ThUS$ 1,200,000. This project will supply 4 million tone of pellet feed annually.

- In August 2010, the company's board approved the Huasco Valley increased production project which consists of increasing the annual production capacity at the Huasco Pellets Plant by 2,000,000 tons of pellet feed annuallyt. The project began its normal operation in December 2013, with an estimated total investment of ThUS$ 442,000.

Sales Advances

The following long-term sales contracts were signed by the subsidiary CMP during 2011 which include sales advances:

- Contract signed in 2011 with Prosperity Steel United Singapore Pte. Ltd., Singapore, for the sale of 500,000 tons annually of pellets feed, for a 10-year term from April 1, 2013. The buyer commits to pay CMP an amount of ThUS$ 37,500 as an advance against sales. As of June 30, 2013 the whole advance has been paid, of which ThUS$ 12,500 was received in 2013 and the rest in previous years.

- In September 2012, a contract was signed with Deutsche Bank AG, Germany, for the sale of 560,000 tons of pellets feed during 2013 and 960,000 tons of pellet feed annually between 2014 and 2017 inclusive. The buyer commits to pay the company the sum of ThUS$ 75,000 as an advance, which was received in full on September 21, 2012.

- In November 2012 a contract was signed with Glencore A.G.., Switzerland, for the sale of 1,000,000 tons of pellets feed annually between 2013 and 2019 inclusive. The buyer commits to pay the company the sum of ThUS$ 75,000 as an advance, which was received in full on February 27, 2013.

- In February 2013, a contract was signed with Prosperity Steel United Singapore Pte. Ltd., Singapore, for the sale of 500,000 tons of pellets feed annually over 10 years from April 1, 2014. The buyer commits to pay the company the sum of ThUS$ 37,500 as an advance, which was received in full on June 10, 2013.

- In June 2013, a contract was signed with Deutsche Bank AG, Germany, for the sale of 500,000 tons of pellets feed annually between 2013 and 2018 inclusive. The buyer commits to pay the company the sum of ThUS$ 37,500 as an advance, which was received in full on June 24, 2013.

- In October 2013, a contract was signed with Deutsche Bank AG, Germany, for the sale of 1,000,000 tons of pellets feed annually between 2014 and 2018 inclusive. The buyer commits to pay the company the sum of ThUS$ 75,000 as an advance, which was received in full on October 10, 2013.

- In October 2013, a contract was signed with Cargill International Trading PTE Ltd., Singapore, for the sale of 500,000 tons of pellets feed annually for 5 years from October 21, 2013. The buyer commits to pay the company the sum of ThUS$ 37,500 as an advance, which was received in full on November 4, 2013.

Mineral transportation contract from Los Colorados to the Pellets Plant

In October 2011, the subsidiary CMP formalized the renewal of its contract with Empresa de Transportes Ferroviario S.A. for the transportation of minerals from Los Colorados mines to the Pellets Plant. The term of the contract is from July 1, 2011 to December 31, 2029. The provider of the service commits to sell to the company the transport equipment and other assets relating to the provision of the service should the contract be terminated before December 2028 for any reason imputable to this supplier.

Port services contracts

- In April 2011, the subsidiary CMP signed a services contract with the company Santa Fe Mining by which CMP receives, warehouses or stockpiles temporarily, handles and ships iron ore produced by Santa Fe Mining from its own deposits or over which it has exploitation rights, to be shipped from the Punta Totoralillo mechanized port owned by CMP.

- In March 2012, the subsidiary CMP signed a services contract with the company Hierro Taltal S.C.M. by which CMP receives, warehouses or stockpiles temporarily, handles and ships iron ore produced by Hierro Taltal S.C.M. from its own deposits or over which it has exploitation rights, to be shipped from the Punta Totoralillo mechanized port owned by CMP.

- In April 2013, the subsidiary CMP signed a services contract with the company Compañía Minera Don Daniel S.C.M. by which CMP receives, warehouses or stockpiles temporarily, handles and ships iron ore produced by Compañía Minera Don Daniel S.C.M. from its own deposits or over which it has exploitation rights, to be shipped from the Punta Totoralillo mechanized port owned by CMP.

Equipment leasing agreement for El Romeral mines

- In November 2012, the subsidiary CMP signed a leasing agreement with Banco del Estado de Chile for equipment for the continuation of El Romeral mines project, which began to operate in 2014. The estimated total cost of the equipment is ThUS$130,000.

Equipment leasing contract for Los Colorados Mine

- In September 2013, the subsidiary CMP signed a leasing agreement with Banco Bilbao Viscaya Argentaria for the renewal of trucks at Los Colorados Mine. The equipment will be operating in 2014. The estimated total cost of the equipment is ThUS$ 30,000.

Electricity supply contract with Guacolda S.A.

- In September 2012, the subsidiary CMP signed an electricity supply contract with Guacolda S.A. whereby the latter supplies the subsidiary with the electricity it needs at its mining-industrial installations and related services located primarily in the regions of Atacama and Coquimbo. Supplies will be made from January 1, 2016 to December 31, 2027.

Electricity supply contract with Endesa

- In February 2009, CAP S.A. signed a contract for the sale to Endesa S.A. of various studies of the technical, environmental and economic viability of a thermal-electric project in Huasco, region of Atacama, on land owned by the Group. Endesa intends to develop a thermal-generation project on this land which initially contemplates a gross 370 MW, expandable with other generating units in the future. In June 2013, Endesa paid to CAP the sum of US$ 4,800,000 for having obtained a favorable environmental qualification of the studies for the installation of the project. Future payments are subject to the capacity to be installed in the following phases, being USS45,000 for each gross MW of the initial installed phase and ThCh$ 25,000 for each additional gross MW in the additional phases of the project.

Desalination plant contracts

On March 3, 2011, the subsidiary Cleanairtech Sudamerica S.A. signed an engineering, supply and construction contract with Acciona Agua S.A.U. Agency in Chile, which includes the design, supply and construction of the project called “Copiapó Valley seawater desalination plant”. The base project price is ThUS$ 81,949 and the term for execution is 24 months.

On the same date, the subsidiary Cleanairtech Sudamerica S.A. signed a contract with Acciona Agua S.A.U. Agency in Chile, for the operation and maintenance of the desalination plant for a period of 20 years. The contract price is a fixed monthly charge based on the base guaranteed minimum capacity of the plant.

In October 2012, the subsidiary CMP signed a desalinated water sale contract with the subsidiary of CAP, Cleanairtech Sudamérica S.A., whereby the latter is obliged to produce, sell and deliver to the Cerro Negro Norte project a maximum volume of 200 liters per second of desalinated water. The term of the contract is 20 years from the start-up of the service, although this term may be extended according to the needs of both parties. This contract becomes effective in 2013.

On October 4, 2012, a transmission service contract (Cerro Negro Norte Mine and Punta Totoralillo Desalination Plant Electricity Transmission Line) was signed between Cleanairtech Sudamérica S.A., CAP S.A., Cía.Minera del Pacífico S.A. and Tecnocap S.A. The purpose of the contract is:

- The provision of transmission services by Tecnocap to Cleanairtech S.A. from the Cardones substation to the Totoralillo substation;
- The operation, maintenance and administration of the transmission line by Tecnocap.
- Payment for the services by Cleanairtech to Tecnocap.

On January 4, 2013 a contract was signed between Cleanairtech Sudamérica S.A. and SCM Minera Lumina Copper Chile, whereby Cleanairtech is committed to meet the needs of the mine called Proyecto Minero Caserones, and other projects of third parties.

The customer has the right to a maximum of 170 liters per second of desalinated water in accordance with a weekly program of daily deliveries. Of this volume, 50 liters are for delivery in Caldera and 120 liters in Canal Mal Paso.

The company will use of its best efforts to begin the supply of water to the customer by January 1, 2014. From the start-up date, the company should be in a position to supply up to 100% of the customer's requirements according to a weeklu program; otherwise fines will be applied for non-compliance.

The customer will pay monthly in US dollars for cost of the production and delivery of desalinated water.
On January 25, 2013 a contract was signed between Cleanairtech Sudamérica S.A. and Acciona Agua S.A.U. Agency in Chile, for the expansion of the desalination plant from 200 liters per second to an effective production of 400 liters per second.

Aqueduct-Concentrates Duct contracts

On March 14, 2012, Cleanairtech Sudamérica S.A. signed an engineering, supply and construction contract with Acciona Cerro Negro S.A., which includes the design, supply and construction of the project called "Cerro Negro Norte-Totoralillo Plant Aqueduct". The base project's price is ThUS$ 80,740 and the term for execution is 16 months.

On March 14, 2012, the subsidiary CMP signed a contract with Acciona Cerro Negro Norte S.A. for the construction of a CNN-Planta Totoralillo concentrates duct between the Cerro Negro Norte mine and the desalination plant located in the coastal sector of Totoralillo port. The construction contract began to operate on November 30, 2012.

On January 4, 2013, the Tierra Amarilla aqueduct and branch to Caldera contract was signed between Cleanairtech Sudamerica S.A. and Abengoa Chile S.A. to take desalinated water from the desalination plant, located in the Totoralillo Port sector to the north of Caldera, to a distribution site in the Cardones sector, near the district of Tierra Amarilla. It also includes the design and construction of a branch approximately 4 km long to connect with the principal line at kilometer 28.7.

Tierra Amarilla and Caldera branch aqueduct contract

The plant has a maximum production capacity of 600 liters per second. The first stage of the project has an initial capacity of 200 liters per second, and the second stage intends to increase this to 400 liters per second.

On September 2, 2013, the Tierra Amarilla – Branches to Canal Mal Paso and Magnetite Plant aqueduct contract was signed between Cleanairtech Sudamerica S.A. and Abengoa Chile S., to produce and carry desalinated water in the region of Atacama. It contemplates the construction of a branch of approximately 18 km to Canal Mal Paso in Tierra Amarilla and a branch of approximately 5 km to the Magnetite plant of CMP.

Electricity Transmission Line Contract

The subsidiary Tecnocap S.A. signed a contract with Abengoa Chile for the execution of the electricity transmission line project at Punta Totoralillo. According to the administrative bases to the contract, Abengoa Chile has provided performance bonds which total ThUS$ 3,930 as of December 31, 2013.

The construction of the electricity transmission line ended during the second half of 2013 and is operating as of the date of these consolidated financial statements. This electricity transmission line will provide electricity for the desalination plant, Punta Totoralillo Port and Cerro Negro Norte (CMP).

Electricity sale and NCRE credits contracts with the companies Amanecer Solar SPA and Sunedison Chile Construction Limitada.

On January 28, 2013, the subsidiary CMP signed a 20-year contract with the companies Amanecer Solar SPA and Sunedison Chile Construction Limitada for the purchase of photovoltaic-sourced electricity. The energy will be generated at a plant with a capacity of 100 MW annually. This will permit compliance with the law which requires the subsidiary CMP from the year 2016 to accredit the use of a percentage of non-conventional renewable energies (NCRE). This energy will be used for the operations of Cerro Negro Norte from 2015.

32.5 Contingencies that could result in losses for the Group

(i) There are nine tax assessments brought by the Internal Revenue Service, all regarding stamp taxes, of which one is subject to appeals to the Appeals Court and eight awaiting appeal to the Supreme Court. There are also five tax claims, again with respect to stamp taxes, pending resolution, and two still in the tax tribunals of first instance. As of December 31, 2013, this contingency is approximately ThUS$ 2,453 plus indexation and any fines that might be applied.

No provision has been made in view of the opinions of the Company's legal and taxation advisers that it is reasonable to believe that no contingency is likely to result.

(ii) The subsidiary CMP is sued by Gladys Barraza Galleguillos, before the Freirina civil court, for the payment of damages totaling Ch$4,290,000,000 for non-contractual civil liability for the occupation of land for the water catchment, storage and pumping installations to supply the Huasco Pellets Plant, the same as referred to previously. Sentence has been given in the first instance partially accepting the demand, ordering the subsidiary to pay the sum of Ch$80,000,000. Appeals have been made by both parties and the case has been submitted to the Copiapó Court of Appeal. Due to the judgment in the first instance and as a mine-occupation easement has already been legally constituted over the land, no losses for the company are expected from these proceedings.

(iii) The subsidiary CMP is being sued by Agrícola Konavle Ltda. before the Freirina civil court in order to annul the settlement signed by the company with third parties which allegedly would alter the western border of the Estancia Higuera de Las Minillas property, superposing on an area of approximately 9,470 hectares of another property of the plaintiff, land which it therefore requests be returned. The proceedings are still in the discussion stage, but no losses are expected to result.

(iv) The former indirect subsidiary Varco Pruden S.A. (now merged with Instapanel) has a civil lawsuit for ThUS$ 26 approximately. The legal advisers of the company state that they cannot yet determine the result of this litigation.

(v) As of December 31, 2013, Compañía Siderúrgica Huachipato S.A. has received lawsuits against it relating to civil causes. In the opinion of its legal advisers, it is believed that these could affect the company's results by ThUS$ 2,492.

32.6 Liens of any kind that could affect the Group's assets.

As mentioned in Note 16.1, on April 18, 2012, the subsidiary Cleanairtech Sudamérica S.A. signed a loan agreement with Crédit Agricole CIB, Corpbanca and Mizuho Corporate Bank Ltd. for the project financing of the first phase of the seawater desalination plant that the company is developing. On the first drawing from the banks under this agreement, all the assets of Cleanairtech Sudamérica S.A. were charged in favor of the bank creditors. As of September 30, 2013 the amount of the assets charged is ThUS$ 168,343.

On September 10, the company signed another loan agreement with Crédit Agricole CIB (agent bank), Mizuho Corporate Bank, Ltd., Banco Itaú Chile and Banco de Crédito e Inversiones S.A., Miami Branch for the project financing of the second phase of the seawater desalination plant the company is developing. As with the first phase, with the first drawing from the banks under this agreement, all the assets of Phase II of Cleanairtech Sudamérica S.A. were charged in guarantee. As of December 31, 2013 the amount of assets charged is ThUS$ 118,933.

32.7 Management restrictions and financial covenants

The two loan agreements signed between the subsidiary CMP and Deutsche Bank AG for the sale of pellet feed, which involved advances of ThUS$ 75,000 and ThUS$ 37,500, which were paid in September 2012 and June 2013 respectively, require the subsidiary to meet the following consolidated financial covenants, calculated on the basis of rolling twelve-month periods:

i) Financial expense coverage - The ratio of EBITDA to net financial expenses should be at least 2.5:1. EBITDA is defined as the gross margin less administrative and distribution expenses and plus the charge for depreciation and amortization.

ii) Equity – The minimum level should be ThUS$ 550,000.

iii) Leverage Ratio – net financial debt to EBITDA should be no higher than 4.0:1. Net financial debt is the total of financial obligations less cash balances, time deposits and marketable securities for an amount exceeding ThUS$ 5,000.

The company has fully complied with all the limitations, restrictions and obligations imposed by the above agreement.

The loan agreements signed between CAP S.A. with local and foreign banks and for the bond issues placed on the domestic market, require the Company to meet the following consolidated financial covenants, calculated on the basis of rolling twelve-month periods:

i) Financial expense coverage – The ratio of EBITDA to net financial expenses should be at least 2.5:1.
ii) EBITDA is defined as the gross margin less administrative and distribution expenses and plus the charge for depreciation and amortization.
iii) Net Financial Debt to Equity - The net financial debt (NFD) to equity ratio must not exceed 1.2:1. NFD refers to all consolidated financial debt less cash balances, time deposits and marketable securities.
iv) Equity – The minimum level of equity must be ThUS$ 550,000.
v) Leverage Ratio – Since January 2011, net financial debt to EBITDA should be no higher than 4.0:1.

Net financial debt is the total of financial obligations less cash balances, time deposits and marketable securities for an amount exceeding ThUS$ 5,000. The following shows the accounts under IFRS and the methodology used for determining the CAP Group's net financial debt as at the closing of these consolidated financial statements:

Concept / Account NIIF	Note	Values 31.12.2013 ThUS$	31.12.2012 ThUS$
Assets			
Cash and banks	(6.1)	17,530	24,383
Deposits	(6.1)	28,766	188,145
mutual Funds	(6.1)	55,887	82,769
Deposits of more than 90 days	(6.3)	135,759	352,035
Financial investments more than 90 days	(6.3)	-	42,166
Other investments	(6.1)	9,010	
Hedging Assets	(10)	3,781	12,190
Other financial assets	(6.3)	58,292	9,645
Corporate bonds	(6.3)	20,887	
Liebilities Current			
Loans from financial institutions	(18.1)	(97,939)	(133,196)
Bonds payable (Notes)	(18.1)	(1,970)	(2,083)
Overdrafts	(18.1)	(7,602)	(8,872)
Finance Leasing	(18.1)	(20,796)	(7,381)
Capitalized expenses related to loans	(18.2)	2,484	2,499
Hedging Liabilities	(10)	(10,325)	(7,447)
Liebilities Non Current			
Loans from financial institutions	(18.1)	(407,155)	(289,191)
Bonds payable (Notes)	(18.1)	(235,305)	(238,110)
Finance Leasing	(18.1)	(151,140)	(12,362)
Capitalized expenses related to loans	(18.2)	20,980	10,698
Hedging Liabilities	(10)	(22,763)	(33,240)
Total net Financial Debt		**(601,619)**	**(7,352)**

The above ratios were the following as at the closing of these consolidated financial statements:

Indicator	Description	Unit	Límit	Values 31.12.2013	31.12.2012
Net Interest Expense Coverage	EBITDA last 12 months / (expense last 12 months - Financial revenue last 12 months)	Times (*)	Greater than or equal 2,5 times	22.54	573.24
Net Financial Debt to Equity	Net financial debt / Equity	Times	Less or equal 1,2 times	0.19	-
EBITDA (Leverage Ratio)	Net financial debt / EBITDA last 12 months	Times	Less or equal 4,0 times	0.85	0.01
Equity	Equity Total	THUS$	Greater than THUS$ 550.000	3,239,659	3,108,410

(*) As of December 31, 2012, CAP shows a positive net financial result.

The following shows the calculation methodology and figures used in determining the ratios indicated above:

Ebitda last 12 months	Values 31.12.2013 ThUS$	31.12.2012 ThUS$
Gross Profit	702,305	707,709
Administrative expenses	(116,336)	(119,504)
Distribution costs	(28,680)	(24,935)
Depreciation	108,849	163,286
Amortization	42,116	41,016
Ebitda last 12 months	**708,254**	**767,572**

Net financial expense coverage		Values	
		31.12.2013	31.12.2012
Ebitda		**ThUS$**	**ThUS$**
Ebitda last 12 months	(a)	**708,254**	**767,572**
Administrative expenses net			
(-)Financial expenses last 12 months		(40,560)	(49,529)
(-)Capitalized financial interests		(4,302)	(978)
(+)Financial income last 12 months		13,444	51,846
(=) Earnings (loss) financial net	(b)	**(31,418)**	**1,339**
Net financial expenses coverage	(a / b)	**22.54** (**)	**573.24**

(**) Figures are presented in absolute value

Net Financial Liabilities to Equity		Values	
		31.12.2013	31.12.2012
		ThUS$	**ThUS$**
Total net debt	(c)	(601,619)	(7,352)
Equity	(d)	3,239,659	3,108,410
Net Financial Liabilities to Equity	(c / d)	0.19 (**)	0.00

Net Financial debt to EBITDA		Values	
		31.12.2013	31.12.2012
		ThUS$	**ThUS$**
Net financial debt	(e)	(601,619)	(7,352)
Ebitda last 12 months	(f)	708,254	767,572
Net debt to EBITDA	(e / f)	0.85 (**)	0.01 (**)

(**) These ratios are shown as an absolute value.

CAP S.A. is also subject to the following other restrictions and limits:

a) Limitations on being able to dispose of or sell all or a substantial part of its assets.

b) Limitations on granting collateral over assets. For the bonds Series F, CAP S.A. has agreed to maintain assets free of encumbrances, guarantees, charges, restrictions or any kind of privilege (called negative covenants) to an amount equivalent to at least 0.5 times the amount of its total liabilities, as of the closing of its interim consolidated financial statements. This indicator is currently as follows:

				Values	
Indicator	Description	Unit	Límit	31.12.2013	31.12.2012
Liens restricted	(Assets at book value - assets with liens) / current liabilities	Times (*)	Greater than 0,5 times	2.13	2.42

The following shows the calculation methodology and figures used in determining the ratios indicated above:

Restricted encumbrances		**Values**	
		31.12.2013	**31.12.2012**
(+)Total assets		5,691,967	5,162,843
(-)Assets with liens (Cleanairtech)		(287,276)	(69,699)
(-) Advances sale with CAP guarantee		(108,277)	(25,000)
(-)Direct guarantees		(5,316)	(26,278)
(-)Indirect guarantees		(65,224)	(68,104)
(=)Net Assets (unrestricted)	(g)	5,225,874	4,973,762
Liabilities Exigible (Total liabilities)	(h)	2,452,308	2,054,433
Indicator	(g / h)	**2.13**	**2.42**

c) Obligation to provide quarterly financial information

d) Obligation to remain current under its commitments with third parties.

The indirect subsidiary Cintac S.A., under loan agreements signed during 2012 and 2013, has to comply with certan obligations, mainly referring to providing periodic financial information and compliance with financial ratios such as net financial debt to equity, financial expense coverage, net financial debt to EBITDA and minimum equity.

These agreements state that these financial covenants have to be met as from the financial statements at December 31, 2013. The following explains these covenants:

- Net Financial Debt / Ebitda – Should not exeed 3.5:1 as from December 31, 2013. Net financial debt is understood to be the sum of bank short and long-term obligations plus short and long-term obligations with the public, less cash and marketable securities. EBITDA is the operating result plus depreciation and amortization for the year.

- Financial Expenses / EBITDA Coverage – The ratio of EBITDA to net financial expenses should be no less tan 3.5:1 fromDecember 31, 2013.

- Net Financial Debt / Equity: The ratio of net financial debt to equity should not exceed 1.2:1 from December 31, 2013.

- Minimum Equity – Minimum equity should be no less than 1,800,000 Unidades de Fomento (UF) from December 31, 2013. Equity is understood to be the total equity of the debtor.

As of the close of these consolidated financial statememnts, the financial ratios mentioned above of the subsidiary Cintac S.A. are at the following levels:

Indicator	Description	Unit	**Values 31.12.2013**
Net Financial Debt/ EBITDA	(Financial Obligations, less Cash and Cash Equivalents) / EBITDA	Times	4.7
Net Interest Expense Coverage	EBITDA / Net Interest Expense	Times	5.2
Net Financial Debt/ Equity	Finacial Debt/ Equity	Times	0.7
Equity	Equity Total	UF	4,010,760

As of December 31, 2013, the Net financial debt to EBITDA ratio is not within the limits established in the contracts.

The management in December 2013 held talks with the banks to obtain a waiver of this covenant requirement. This was granted until the next measurement date, i.e. December 31, 2014

Novacero S.A. was also committed to maintain at least a 51% shareholding in Cintac S.A.

The bank loan granted in 2008 to the indirect subsidiary Puerto Las Losas S.A. by Banco de Crédito e Inversiones requires this subsidiary to meet certain obligations, mainly referring to the provision of periodic financial information, not agreeing to capital reductions without the bank's prior consent, not distributing earnings if it is not current with the payment of its obligations, and not modifying or changing its business, except for extensions of it that might be agreed without the written consent of the bank.

The Company and its subsidiaries have complied and are fully in compliance with all the limitations, restrictions and obligations imposed by the loan agreements and bond issue indentures mentioned above.

33. The environment

The detail of disbursements related to the environment in the periods ended December 31, 2013 and 2012 is as follows:

	Accumulated	
Concept	**01.01.2013 31.12.2013 ThUS$**	**01.01.2012 31.12.2012 ThUS$**
Monitoring of air quality	4	15
Monitoring and analysis	544	1,415
Advising and improvement projects	12,567	9,944
Waste Management	42	59
Wastewater treatment	150	152
Others	118	207
Total	**13,425**	**11,792**

The detail of funds to be disbursed after December 31, 2013 is as follows:

Expenses to be made

Concept	**31.12.2013 ThUS$**
EOR Plant Redesign	64
Monitoring and analysis	30
Advising and improvement projects	12,405
Waste management	27
Others	874
Total	**13,400**

34. Assets and liabilities by currency

Assets

IFRS Heading	Currency	31.12.2013 ThUS$	31.12.2012 ThUS$
Cash and cash equivalents	Non-indexed Arg $	781	15
	Non-indexed Ch$	45,502	101,977
	US$	64,733	193,026
	Peruvian soles	112	253
	Others	65	26
Other financial assets current	$ Arg no reajustable	2,165	-
	Non-indexed Ch$	1,085	97,431
	US$	194,582	318,605
Other non-financial assets, current	Non-indexed Arg $	43	36
	Non-indexed Ch$	17,145	23,225
	US$	11,137	15,520
	UF	2,423	-
	Others	-	4,250
Trade and other receivables, net, current	Non-indexed Arg $	12,164	11,928
	Non-indexed Ch$	179,479	222,726
	US$	270,919	215,318
	Peruvian soles	120	62
	Others	520	573
Accounts receivable from related entities, current	Non-indexed Ch$	2,173	-
	US$	1,859	6,509
Inventories	US$	418,499	416,162
Current tax assets	Non-indexed Arg $	620	2,043
	Non-indexed Ch$	119,350	72,598
	US$	8,903	2,910
	Peruvian soles	1,251	551
	Others	83	166
Other financial assets, non-current	Non-indexed Ch$	582	647
	US$	36,768	920
Other non-financial assets, non-current	Non-indexed Ch$	18,135	4,817
	US$	7,512	2,249
Rights receivable, non-current	Non-indexed Arg $	20	18
	Non-indexed Ch$	4,901	5,704
	US$	1,129	1,521
Investments accounted for using the equity method	US$	11,183	11,401
Intangible assets other than goodwill	US$	813,266	855,005
Property, plant and equipment, net	US$	3,426,843	2,560,258
Capital gain	US$	1,767	1,767
Deferred tax assets	Non-indexed Arg $	475	212
	Non-indexed Ch$	1,842	6,354
	US$	11,768	6,060
	UF	63	-
Total		**5,691,967**	**5,162,843**

Liabilities, as of December 31, 2013

Liabilities

IFRS Heading	Currency	Up to 90 days	90 days to 1 year	1 to 3 years	3 to 5 years	5 to 10 years	Over 10 years
Other financial liabilities, current	Non-indexed Arg $	10,382	-	-	-	-	-
	Non-indexed Ch$	37	-	-	-	-	-
	US$	54,263	69,209	-	-	-	-
	UF	551	1,706	-	-	-	-
Trade accounts payable and other payables	Non-indexed Arg $	3,265	-	-	-	-	-
	Non-indexed Ch$	79,450	91,153	-	-	-	-
	US$	217,452	193,159	-	-	-	-
	UF	1,265	-	-	-	-	-
	Peruvian soles	668	-	-	-	-	-
	Others	55	-	-	-	-	-
Accounts payable to related entities, current	Non-indexed Ch$	60	356	-	-	-	-
	US$	61,379	14,979	-	-	-	-
Other short-term provisions	Non-indexed Arg $	201	-	-	-	-	-
	Non-indexed Ch$	3,491	3,610	-	-	-	-
	US$	10,935	3,095	-	-	-	-
	Peruvian soles	23	-	-	-	-	-
Current tax liabilities	Non-indexed Arg $	725	-	-	-	-	-
	Non-indexed Ch$	4,918	554	-	-	-	-
	US$	4,567	-	-	-	-	-
	Otras	5	-	-	-	-	-
Current provisions for employee benefits	Non-indexed Arg $	371	-	-	-	-	-
	Non-indexed Ch$	10,151	26,672	-	-	-	-
	US$	165	-	-	-	-	-
	Peruvian soles	293	499	-	-	-	-
	Others	9	-	-	-	-	-
Other current non-financial liabilities	Non-indexed Ch$	2,950		-	-	-	-
	US$	1,365	-	-	-	-	-
Other financial liabilities	US$	-	-	310,130	83,800	270,384	126,768
	UF	-	-	4,301	-	-	-
Other Long Term Provisions	US$	-	-	4,019	2,050	5,125	4,093
Deferred tax liabilities	Non-indexed Ch$	-	-	-	-	-	3,092
	US$	196	-	61,854	44,322	112,501	128,873
Non-current provisions for employee benefits	Non-indexed Ch$	-	-	34,098	17,053	39,550	24,511
Other non-financial liabilities,non-current	Non-indexed Ch$	-	-	712	-	-	-
	US$	-	-	196,113	76,225	28,550	-
Total		**469,192**	**404,992**	**611,227**	**223,450**	**456,110**	**287,337**

Liabilities, as of December 31, 2012

IFRS Heading	Currency	Up to 90 days	90 days to 1 year	1 to 3 years	3 to 5 years	5 to 10 years	Over 10 years
Other financial liabilities, current	Non-indexed Arg $	12,736	-	-	-	-	-
	Non-indexed Ch$	14,591	533	-	-	-	-
	US$	101,769	22,803	-	-	-	-
	UF	1,774	-	-	-	-	-
	Others	556	1,718	-	-	-	-
Trade accounts payable and other payables	Non-indexed Arg $	3,516	-	-	-	-	-
	Non-indexed Ch$	87,625	77,459	-	-	-	-
	US$	153,239	160,130	-	-	-	-
	Peruvian soles	1,541	-	-	-	-	-
	Others	1,895	-	-	-	-	-
Accounts payable to related entities, current	Non-indexed Ch$	12,678	-	-	-	-	-
	US$	103,909	-	-	-	-	-
Other short-term provisions	Non-indexed Arg $	251	-	-	-	-	-
	Non-indexed Ch$	3,227	2,572	-	-	-	-
	US$	9,206	5,949	-	-	-	-
	Peruvian soles	341	-	-	-	-	-
	Others	12	-	-	-	-	-
Current tax liabilities	$ Arg no reajustable	296	-	-	-	-	-
	Non-indexed $	3,152	464	-	-	-	-
	US$	3,987	16,941	-	-	-	-
Current provisions for employee benefits	Non-indexed Arg $	358	-	-	-	-	-
	Non-indexed Ch$	14,231	30,974	-	-	-	-
	US$	-	139	-	-	-	-
	Peruvian soles	913	-	-	-	-	-
	Others	22	-	-	-	-	-
Other current non-financial liabilities	Non-indexed Ch$	4,399	-	-	-	-	-
	US$	1,174	200	-	-	-	-
Other non-current financial liabilities	US$	-	-	223,600	69,524	197,041	65,016
	Others	-	-	7,024	-	-	-
Other Long Term Provisions	US$	-	-	2,089	966	2,415	8,450
Deferred tax liabilities	Non-indexed $	-	-	-	-	-	6,218
	US$	-	-	64,507	45,594	116,119	133,695
Non-current provisions for employee benefits	Non-indexed $	-	-	45,180	25,653	55,869	32,098
Other non-financial liabilities, non-current	Non-indexed Ch$	-	-	4	-	-	-
	US$	-	-	60,159	35,932	-	-
Total		**537,398**	**319,882**	**402,563**	**177,669**	**371,444**	**245,477**

35. Exchange differences and indexation adjustments

The following details the effects of exchange differences and indexation adjustments booked in the results for the period:

35.1 Exchange differences

Heading	Currency	Accumulated 01.01.2013 31.12.2013 ThUS$	Accumulated 01.01.2012 31.12.2012 ThUS$
Current Assets	Non-indexed Arg $	(5,029)	(1,850)
	Non-indexed $	(107,713)	95,519
	Others	(98)	(29)
Non-Current Assets	Non-indexed Arg $	(157)	(33)
	Non-indexed $	(7,591)	11,349
Total Assets		**(120,588)**	**104,956**
Current Liabilities	Non-indexed Arg $	4,869	1,177
	Non-indexed $	85,968	(82,249)
	Others	8	6
Non-Current Liabilities	Non-indexed $	22,438	(25,018)
Total Liabilities		**113,283**	**(106,084)**
Total Exchange differences		**(7,305)**	**(1,128)**

Note 34 provides a detail of the assets and liabilities that generate the exchange differences shown above.

35.2 Indexation adjustments

Heading	Currency	Accumulated 01.01.2013 31.12.2013 ThUS$	Accumulated 01.01.2012 31.12.2012 ThUS$
Current Assets	Chilean pesos	145	659
Non-Current Assets	Chilean pesos	405	12
Total Assets		**550**	**671**
Current Liabilities	Chilean pesos	(15)	(11)
	Others	(31)	(47)
Non-Current Liabilities	Argentine pesos	200	-
	Chilean pesos	(76)	(102)
	Others	(103)	(178)
Total Liabilities		**(25)**	**(338)**
Total Exchange differences		**525**	**333**

Note 34 provides a detail of the assets and liabilities that generate the indexation adjustments shown above.

36. Subsequent events

On January 16, 2014, interim dividend No.118 was paid for the sum of Ch$75 per share, against the earnings for 2013, as agreed at the board meeting held on December 19, 2013.

On January 16, 2014, CAP S.A. informed the SVS about the progress of the projects being developed by CMP and certain charges and provisions to be made by CSH in its financial statements as of December 31, 2013 (see Note 16.3).

During January 2014, the subsidiary CSH advised its personnel that it was prepared to buy the benefits included in their individual contracts. This process should be conlcuded in the first days of March 2014 and should have no major impact on the results as they are benefits already provided for.

No other significant events have occurred between January 1 and January 31, 2014, the date of issue of these consolidated financial statements that might affect them.

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