

CAP S.A. AND SUBSIDIARIES

MATERIAL INFORMATION TO DECEMBER 31, 2013

CAP S.A. and subsidiaries reported the following material information to the SVS during the year 2013:

15.01.2013

Interim dividend No.113 for Ch\$ 150 per share was paid as a charge to earnings of 2012, as agreed at the board meeting of December 20, 2012.

18.04.2013

The ordinary shareholders' meeting of CAP approved the annual report and financial statements for 2012, the dividend policy and distribution, the appointment of Deloitte as the external auditors, the remuneration of the board, the annual report on the actions of the Directors' Committee, the remuneration of its members and the Committee's expense budget, the appointment of credit-rating agencies, and report on transactions with related parties.

According to the approved dividend policy, of the distributable earnings for 2012 amounting to US\$252,724,021.21, a final dividend is distributed of 50% of these, i.e. US\$126,362,010.61 from which US\$61,769,129.88 is deducted, being the amount of interim dividends Nos.112 and 113 for 2012 paid in October 2012 and January 2013 against the earnings for 2012, thus leaving a balance of US\$64,592,880.73. This amount was paid as final dividend No.114 of Ch\$150 per share on April 26 and an additional dividend will be paid in July 2013 for the remainder of the distributable earnings.

26.04.2013

Final dividend No.114 for Ch\$ 150 per share was paid as a charge to earnings of 2012, as agreed at the ordinary shareholders' meeting held on April 18, 2013.

28.06.2013

It was reported to the Superintendencia de Valores y Seguros, to be a "material information" as follows:

- a) The board at its meetings held on June 7 and June 27, 2013 analyzed the situation faced by Compañía Siderúrgica Huachipato S.A. (CSH) as a consequence of the over-production of steel that has affected the global steel market in recent years, from which CSH has had to suffer successive losses since 2009.

After analyzing different alternatives, it was agreed that the subsidiary should focus its activities on the production of long products, i.e. bars for mining and construction, which are the segments of greatest potential in the market given the characteristics of domestic demand for steel.

This decision is the unavoidable consequence of the conditions in which the steel business must be carried out and compete in Chile, which has facilitated a strong increase in imports of flat products without restriction, at prices that make their local production increasingly less profitable.

Complementing the above, the CAP Group will continue to strengthen its steel-processing activities, mainly through Cintac S.A., in Chile and abroad.

- b) The resignation was noted of the general manager of CSH, Ivan Flores Klesse, effective from August 1, 2013, and
- c) The appointment was approved of Ernesto Escobar Elissetche, the present manager of corporate affairs of CAP S.A., as the new general manager of CSH, who will have to implement the new strategic definition and the necessary policies and adjustments resulting from this.

In addition, on June 26, 2013, Sven von Appen B. presented his resignation as a director of CAP S.A. and as a member of the Directors' Committee. The board on June 28, 2013 accepted the resignation and expressed its thanks and recognized his always important contribution in this position over 18 years. The appointment of his replacement was postponed.

25.07.2013

Final dividend No.115 was paid for a sum of Ch\$58.46 per share, against the earnings for 2012, as was agreed at the ordinary shareholders' meeting of April 18, 2013. In addition, interim dividend No.116 was paid against the earnings for 2013, for Ch\$ 41.54 per share, as agreed by the board on June 27, 2013.

06.09.2013

The board appointed Rodolfo Krause Lubascher as a director of the Company in replacement of Sven von Appen Behrmann.

The director Rodolfo Krause Lubascher was also appointed to be the third member of the Directors' Committee of CAP S.A.

01.10.2013

On October 1, ordinary letter No.21878 of the SVS was received referring to the financial statements as of June 30, 2013. It requested the Company to include additional information in certain notes of the financial statements and provide more information with respect to a press communication of August 7, 2013 relating to the voluntary retirement plan implemented by the subsidiary Compañía Siderúrgica Huachipato S.A.

CAP S.A. responded on October 3 with the sending of a material information report to the SVS indicating the situation of the voluntary retirement plan of Compañía Siderúrgica Huachipato S.A., at the time of the press communication and as of September 30, 2013.

CAP S.A. also re-issued its financial statements as of June 30, 2013, which were approved by the board on October 11 and sent to the SVS on October 14, 2013.

15.10.2013

An extraordinary board meeting of CAP took note of the resignation of the president of the Company, Jaime Charles Coddou, for health reasons. The board therefore proceeded to appoint Fernando Reitich Sloer, until then a director of the Company, to be the new president of the Company.

16.10.2013

On October 16, ordinary letter No.23178 of the SVS was received requesting the Company to clarify the accounts used under IFRS for calculating its covenants as of June 30, 2013. It is also requested the modification within 10 days of the bond line indenture registered under No.434 and its later registration in the Securities Register, in particular with respect to the mechanism for adapting and adjusting the pertinent restrictions and obligations contained in the 7th clause of the indenture, for the adoption and implementation of IFRS by the Company.

CAP S.A. responded on October 21 by a letter to the SVS stating that there are no differences between the figures (covenants) reported in the financial statements of June 30, 2013 and the letter. CAP S.A. also stated that it had begun the process of modification to the bond-line issuance indenture as a consequence of the adoption and implementation of IFRS by the Company.

On October 23, the Company requested the SVS to grant an extension to the term indicated in its letter, until November 8, 2013, in order to submit the modifications indicated above to the board for its approval.

24.10.2013

Interim dividend No.117 was paid for a sum of Ch\$100 per share, against the earnings for 2013, as was agreed at the extraordinary board meeting of October 1, 2013.

16.01.2014

Interim dividend No.118 was paid for a sum of Ch\$75 per share, as was agreed at the board meeting of December 19, 2013.

The SVS was informed of the progress of the projects being developed by Compañía Minera del Pacífico S.A. (“CMP”) and certain charges and provisions that Compañía Siderúrgica Huachipato S.A. (“CSH”) will have to make in its financial statements as of December 31, 2013:

1.- COMPAÑÍA MINERA DEL PACÍFICO S.A.

a) Project for Increased Producion at Huasco Valley (“APVH”).-

CMP is starting up the operations of its APVH Project which implied the expansion of the Los Colorados Mine and the Pellets Plant, both in the region of Atacama, with an investment of close to US\$442 million. This will mean increasing production at Huasco Valley from this year by 2 million metric tons (MT) annually of high-grade magnetic concentrate.

b) Cerro Negro Norte Project (“CNN”).-

The CNN project, which will contribute 4 million MT of additional capacity annually, will begin its *ramp up* period (operational start-up) in May this year, with a total estimated cost of US\$1,200 million, mainly financed from resources generated by its own mining business.

The annual sales tonnage of CMP therefore will increase to 15 million MT of iron by the end of 2014 and to 18 million MT in 2015.

The solid demand for and growth of CMP’s high-grade magnetic iron, especially from customers in Asia and the Middle East has enabled the company to place all the increased tonnage from the new projects under long-term contracts in a price environment that, both in 2013 and to date, continues to be better than projected.

2.- COMPAÑÍA SIDERÚRGICA HUACHIPATO S.A.

Given the complex moment faced by the global steel industry, CSH carried out in 2013 an organizational restructuring and a change of business focus. It decided to give priority to the production of long products for the mining and construction industries. In September last year, CSH suspended the operation of one of its blast furnaces and stopped producing hot-rolled products, in addition to the stoppage of the cold rolled, tin plate and zinc alum production lines.

As a result, CSH will have to include in its financial statements as of December 31, 2013, a net charge of US\$39.7 million for its fixed assets due to the write-off of those units that are not expected to operate in its current five-year business plan. In addition, a net provision for impairment of assets will be made for US\$18.4 million, in order to reflect the new market situation in its results. The value of the other fixed assets is thus adjusted to the updated cash flows in the business plan. These charges, totaling US\$58.1 million, include the net provision of US\$13.6 million reported last August. These figures were revised by the external auditors Deloitte.

The board of CAP was informed of all the above at its extraordinary meeting held this day, when it was agreed to inform the SVS in these terms.