

## **Cerro Verde Provided US\$741 Million In Direct Benefits To The Government Of Peru In 2011**

**Arequipa, xx, 2012** – Sociedad Minera Cerro Verde (Cerro Verde) is pleased to announce that in 2011 Cerro Verde paid US\$754 million, or approximately S/. 2,000 million at the current exchange rate, in financial obligations to the national and regional governments of Peru, comprising US\$627 million in Corporate Income Tax; US\$95 million in Employee Income Tax, Value Added Tax and other levies; and US\$32 million in excess profit sharing payments. Additionally, Cerro Verde made US\$41 million in voluntary contributions to the Cerro Verde Association for social investment projects in the Arequipa Region.

In addition to Cerro Verde's voluntary contributions to the Cerro Verde Association, Cerro Verde directly invested approximately US\$65 million in social projects in the Arequipa Region, primarily for the construction of a water treatment plant that will produce potable water for residents of Arequipa.

According to a study conducted by Apoyo Consultoria, Cerro Verde's operations and investments contributed approximately US\$2.5 billion to the GDP of Peru in 2010, including US\$2.2 billion to the GDP of Arequipa, or 1.6% and 25.9% of Peru's and Arequipa's GDP, respectively. Over the 2005-2010 period, Cerro Verde's operations and investments contributed approximately \$8.0 billion to the GDP of Arequipa, or 18% of the region's total and 1.2% of the Peruvian GDP.

As of year-end 2011, employees of Cerro Verde and contractor companies numbered approximately 5,000.

Cerro Verde is planning to triple its extraction and processing of sulfide ore, an estimated US\$4.0 billion project, with a projected increase in annual production of approximately 600 million pounds of copper in concentrate and 15 million pounds of molybdenum. Once completed, the new concentrating facilities at Cerro Verde will be one of the world's largest concentrating complexes. The expanded Cerro Verde operation will produce approximately 1.0 billion pounds of copper and 25 million pounds of molybdenum per year, which would place Cerro Verde near the top five copper producers in the world.

The construction of the expansion project is estimated to add, directly and indirectly, approximately US\$5.4 billion to the Peru economy, including US\$3.4 billion to the economy of Arequipa. At peak levels, approximately 5,000 people will be employed for the construction. Over the current expected life of the the Cerro Verde mine, payments to the national and regional governments of Peru are estimated to approximate US\$13 billion.

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