

Sector: Materials
Sub-Industry: Diversified Metals & Mining
Peer Group: Copper Mining

Summary: This integrated producer of copper operates mining, smelting and refining facilities in southern Peru, Mexico, and Chile.

Quantitative Evaluations

S&P Quality Ranking : B



S&P Fair Value Rank: 1



Fair Value Calc: \$19.50 (Overvalued)

S&P Investability Quotient Percentile

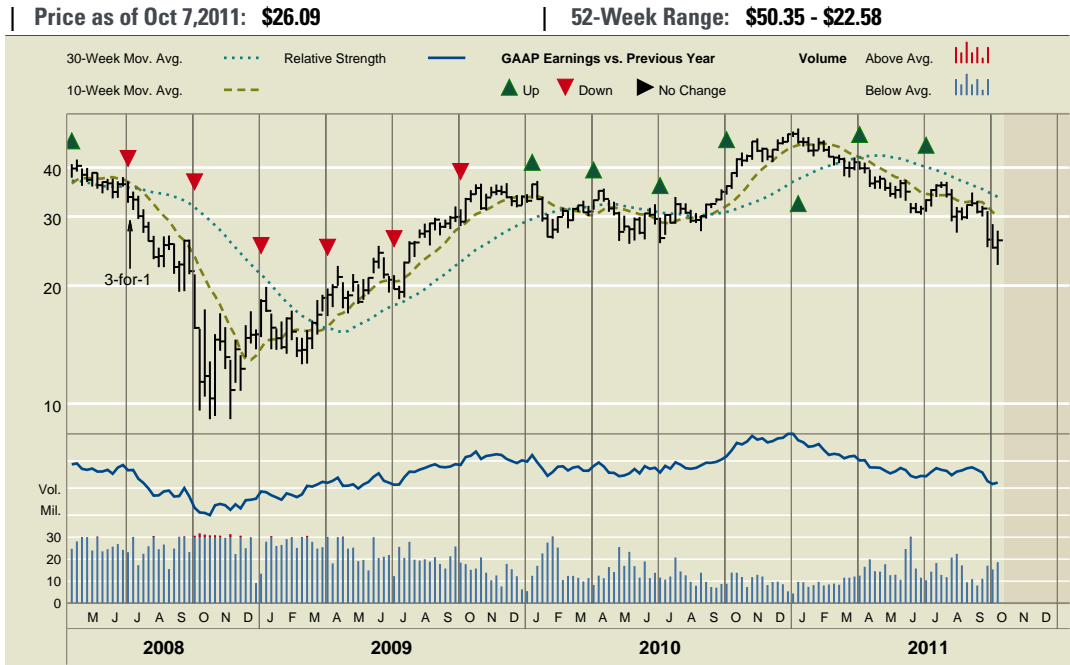


SCCO scored higher than 83% of all companies for which an S&P Report is available.

Volatility: NA

Technical Evaluation: NA

Relative Strength Rank: Weak



Investment Strategy

Key financial variables to consider in assessing the investment merits of an industrial company are the following:

Sales: What is the trend? Is future sales growth expected to be greater than the past 5-year and 9-year growth average? Accelerating sales growth ultimately provides the fuel behind earnings growth.

Net Margin: As a key measure of company profitability, a rising net margin assesses management capability to wring out more net income from incremental sales.

% LT Debt to Capitalization: A rising percentage implies greater financial risk, all else being equal. Rising debt leverage without a concomitant rise in Return on Equity should raise warning signals of potential cash flow problems. Percentages above 40%-50% should also be considered a warning.

% Return on Equity: A key performance measurement of capital efficiency assesses what investment returns management can earn on a company's existing capital base. A sustained percentage above 20% is considered above average.

Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Year	5 Year	9 Year
Sales	37.90	-7.34	-0.69	30.33
Net Income	68.14	-13.61	-6.25	49.18

Ratio Analysis (Average)

Net Margin	30.35	28.08	31.59	28.03
%LT Debt to Capitalization	41.13	30.75	28.94	24.04
% Return on Equity	40.27	34.96	44.43	35.80

Revenues/Earnings Data Fiscal year ending Dec. 31

Revenues (Million \$)	2011	2010	2009	2008	2007	2006
1Q	1,602	1,219	622.0	1,499	1,358	1,121
2Q	1,802	1,173	824.5	1,462	1,826	1,277
3Q	--	1,258	1,152	1,440	1,606	1,412
4Q	--	1,499	1,136	449.7	1,294	1,650
Year	--	5,150	3,734	4,851	6,086	5,460
Earnings per Share (\$)	2011	2010	2009	2008	2007	2006
1Q	0.56	0.45	0.09	0.64	0.62	0.48
2Q	0.78	0.37	0.21	0.62	0.82	0.50
3Q	--	0.43	0.37	0.47	0.71	0.59
4Q	--	0.58	0.43	-0.14	0.35	0.74
Year	--	1.83	1.09	1.60	2.51	2.31

Next earnings report expected: Early November

Historical GAAP earnings are as reported.

Key Stock Statistics

Average Daily Volume	3,106 mil.	Beta	1.52
Market Capitalization	\$22,057 Bil.	Trailing 12 Month EPS	\$2.35
Institutional Holdings (%)	12	12 Month P/E	11.1
Shareholders of Record	1,154	Current Yield (%)	7.44

Value of \$10,000 Invested five yrs Ago : **\$22,844**

Please read the required disclosures and Reg. AC certification on the last page of this report.

This report was prepared by Standard & Poor's Quantitative Services.

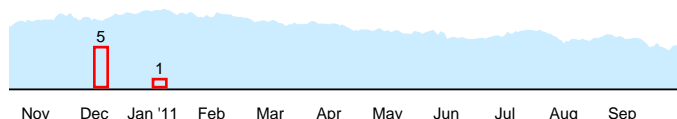
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Wall Street Opinions/Average (Mean) Opinion: Hold

	No. of Ratings	% of Total	1 Mo. Prior	3 Mo. Prior
Buy	2	12	0	1
Buy/Hold	6	35	0	3
Hold	7	41	0	9
Weak Hold	1	6	0	3
Sell	0	0	0	0
No Opinion	1	6	0	1
Total	17	100	0	17

Insider Moves

Insider Buys Insider Sells Price History



Dividend Data Dividend have been paid since 1996

Amount(\$)	Date Decl.	Ex. Div. Date	Stock of Record	Payment Date
0.430	Oct.27	Nov.12	Nov.16	Nov.30 '10
0.580	Jan.27	Feb.11	Feb.15	Mar.01 '11
0.560	Apr.13	May.2	May.4	May.18 '11
0.620	Jul.28	Aug.15	Aug.17	Aug.31 '11

Company Financials Fiscal year ending Dec. 31

Per Share Data & Valuation Ratios (\$)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Tangible Book Value	4.41	4.43	3.82	4.22	4.02	3.63	3.36	2.51	2.07	2.52
Cash Flow	2.22	1.47	1.97	2.88	2.62	1.90	1.41	0.40	0.29	0.26
Earnings	1.83	1.09	1.60	2.51	2.31	1.59	1.24	0.25	0.14	0.10
Dividends	1.68	0.44	NA	NA	1.71	1.06	0.40	0.08	0.06	0.06
Payout Ratio	92%	41%	NA	NA	74%	67%	32%	32%	42%	59%
Prices:High	49.43	36.50	NA	NA	19.46	11.85	9.30	8.28	2.60	2.52
Prices:Low	25.56	12.60	NA	NA	11.04	6.89	4.35	2.39	1.74	1.40
P/E Ratio:High	27	33	NA	NA	8	7	7	33	18	25
P/E Ratio:Low	14	12	NA	NA	5	4	3	9	12	14

Income Statement Analysis (Million \$)

Revenue	5,150	3,734	4,851	6,086	5,460	4,113	1,716	798	665	658
Operating Income	2,927	1,808	2,529	3,825	3,329	2,372	1,005	290	187	166
Depreciation	323	323	327	328	275	277	77.8	73.6	67.8	76.3
Interest Expense	161	97.6	106	108	85.5	86.4	10.4	13.2	13.4	39.3
Pretax Income	2,431	1,404	2,094	3,412	3,006	2,002	917	207	110	71.5
Effective Tax Rate	NA	33%	32%	35%	32%	29%	34%	41%	36%	31%
Net Income	1,563	929	1,407	2,216	2,038	1,400	597	121	69.1	48.7

Balance Sheet & Other Financial Data (Million \$)

Cash	2,269	795	779	1,527	1,303	876	591	295	148	213
Current Assets	3,689	1,778	1,554	2,636	2,443	1,714	1,014	476	311	427
Total Assets	8,199	6,063	5,730	6,581	6,376	5,688	2,597	1,931	1,752	1,821
Current Liabilities	1,099	602	737	927	860	796	461	187	101	221
Long Term Debt	2,750	1,270	1,280	1,290	1,518	1,162	257	289	299	273
Common Equity	3,886	3,843	3,385	3,848	3,667	3,326	1,721	1,315	1,241	1,209
Total Capital	6,687	5,141	4,845	5,315	5,393	4,760	2,105	1,722	1,637	1,585
Capital Expenditures	409	415	517	316	456	471	172	49.8	76.9	161
Cash Flow	1,886	1,252	1,734	2,544	2,313	1,677	675	194	137	125
Current Ratio	3.4	3.0	2.1	2.8	2.8	2.2	2.2	2.5	3.1	1.9
% Long Term Debt of Capitalization	41.1	24.7	26.4	24.3	28.1	24.4	12.2	16.8	18.3	17.2
% Net Income of Revenue	30.4	24.9	29.0	36.4	37.3	34.0	34.8	15.1	10.4	7.4
% Return on Assets	21.9	15.7	22.9	34.2	33.8	25.4	26.4	6.6	3.9	2.7
% Return on Equity	40.3	25.7	38.9	59.0	58.3	45.6	39.3	9.4	5.6	4.1

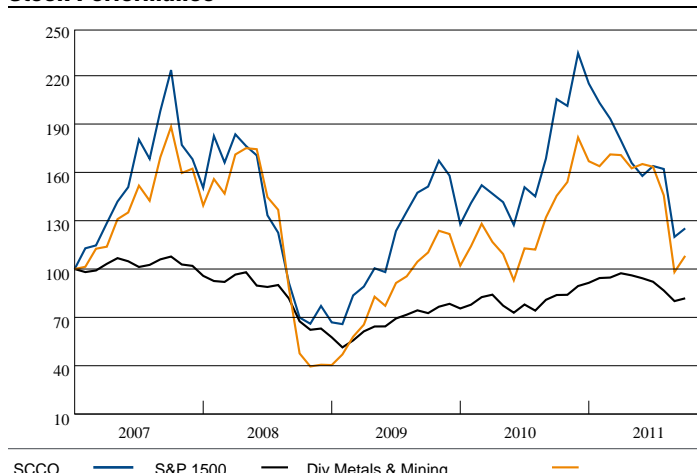
Data as orig. reptd; bef. results of disc opers/spec. items. Per share data adj. for stk. divs. as of ex-div date. NA-Not Available. NM-Not Meaningful. NR-Not Ranked.

Office: 1440 East Missouri Avenue, Suite C-175, Phoenix, AZ, 85014
Tel: 602-264-1375
Website: <http://www.southerncoppercorp.com>
Chrmn: G. L. Mota-Velasco
Pres & CEO: O. Gonzalez Rocha

Dirs: L. M. Bonilla, E. Carrillo Gamboa, M. L. Castelazo, G. P. Cifuentes, O. Gonzalez Rocha, E. C. Mejorada, L. C. Morales, G. L. Mota Velasco, G. L. Mota-Velasco, A. C. Perez, D. M. Quintanilla, J. Rebolledo Gout, C. Ruiz, X. G. de Quevedo Topete, A. de la Parra Zavala

CFD: G. G. Mercado
COO: X. G. de Quevedo Topete
Secy: A. F. Gomez
Founded: 1952
Domicile: Delaware
Employees: 11,126

Stock Performance



	Company(%)	Industry(%)	S&P 1500(%)
YTD Return	-43.8	-40.5	-8.6
One Year Return	-27.8	-23.0	-0.2
Three Year Return (% Annualized)	33.4	21.5	5.5
Five Year Return (% Annualized)	18.0	7.7	-2.7
Value of \$10,000 Invested 5 Years Ago	\$22,844	\$14,492	\$8,739

Sub-Industry Outlook

Our fundamental outlook for the diversified metals & mining sub-industry (in which copper companies dominate) for the next 12 months is positive, as we believe sales and earnings will increase again in 2012 following 2011's expected gains.

Our expectation reflects our view that aluminum, copper, nickel, zinc, iron ore and coking coal prices will rise again in 2012, due mostly to a continued increase in demand and less abundant supply. Based on the Global Insight forecast for 3.2% global GDP growth in 2012, versus estimated global growth of 2.8% in 2011, we believe that worldwide demand for base metals will rise from 2011's levels. For example, we think global copper demand in 2012 will increase 5%, versus a projected gain of 7% in 2011. In our view, demand from the U.S. (the world's second largest consumer) will advance again in 2012 on a projected increase of 41% in housing starts, versus an estimated rise of 1.7% in 2011. Also, we believe that mine production will rise less rapidly than demand in 2012, and we expect that metal exchange inventories will decline. For 2012, we look for an average copper price of \$4.30 a pound, versus 2011's estimated average price of \$4.10 a pound. Additionally, we continue to expect strong demand for iron ore, coking coal and nickel on a projected rise in global steel output in 2012. For 2011, we look for an average copper price of \$4.10 a pound, versus 2010's average price of \$3.43 a pound.

Longer term, we believe that secular demand for copper and other base metals will increase. In our view, the industrialization of China and India will lead to greater demand. At the same time, we believe production of copper and other base metals will increase less rapidly than demand, as output at

existing mines is exhausted and fewer new mines come into production. Consequently, we think that the copper price at the next trough will be higher than the \$0.71 of 2002, and that the next market peak will result in copper prices reaching a higher average level than the average price seen in 2007. Also, we believe mining industry consolidation will help lift prices.

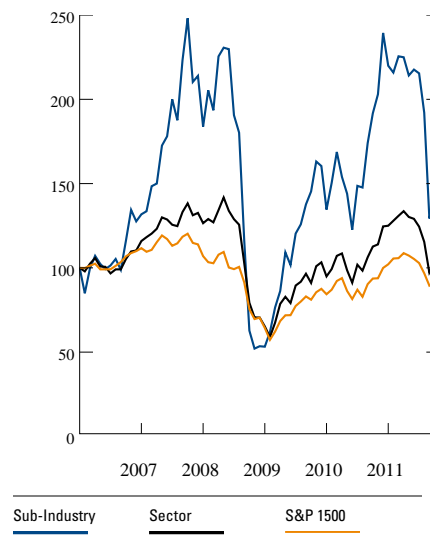
Year to date to September 9, the S&P Diversified Metals & Mining Index declined 28.3%, versus an 8.4% drop in the S&P 1500 Composite Index and a 12.8% decrease in the S&P Materials Index. In 2010, the sub-industry index rose 49.2%, while the S&P 1500 increased 14.2% and the S&P Materials Index advanced 20.6%.

--Leo Larkin

Stock Performance

GICS Sector: Materials
Sub-Industry: Diversified Metals & Mining

Based on S&P 1500 Indexes
Month-end Price Performance as of 09/30/11



NOTE: All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

Sub-Industry : Diversified Metals & Mining Peer Group*: Copper Mining

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price(\$)	52 Week High/Low(\$)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.(\$)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
Southern Copper	SCCO	22,057	26.09	50.35/22.58	1.52	7.4	11	19.50	B	83	30.4	41.1
Freeport McMoRan Copper&Gold'B'	FCX	32,237	34.01	61.35/28.85	1.78	2.9	6	44.20	B-	89	22.8	24.1
Rio Tinto plc ADS	RIO	93,686	48.61	76.67/40.50	1.52	2.4	6	59.30	NR	66	27.0	15.3

NA-Not Available NM-Not Meaningful NR-Not Rated. *For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

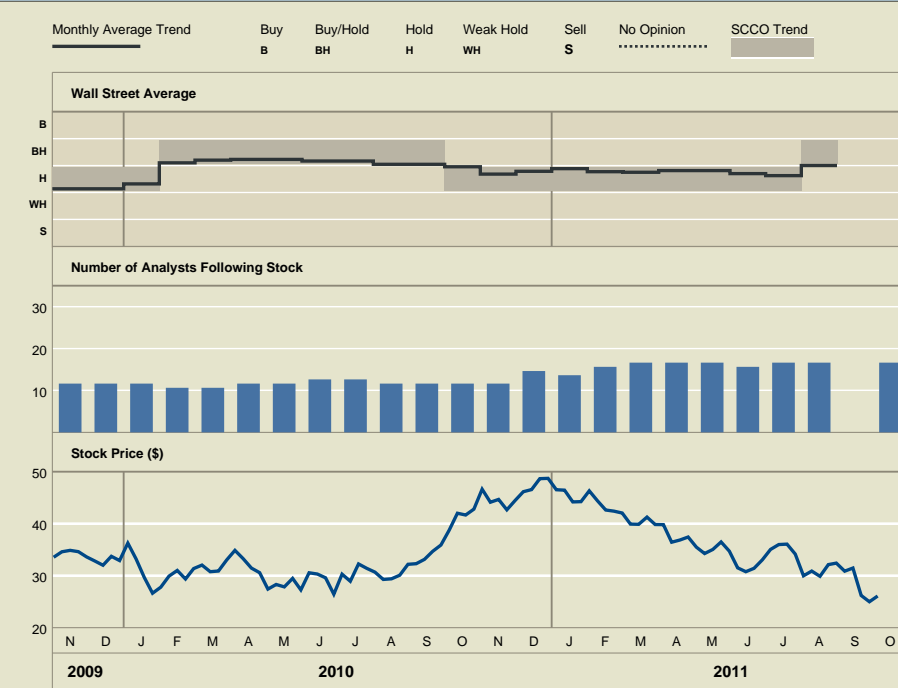
S&P Analyst Research Notes and other Company News**September 20, 2011**

Southern Copper Corp. announced that Mr. Jose N. Chirinos, the Comptroller, Principal Accounting Officer and Named Executive Officer of the company, retired on September 18, 2011. Mr. Chirinos served as Comptroller since April 2005.

April 19, 2011

Southern Copper Corp. reported unaudited consolidated earnings results for the first quarter ended March 31, 2011. The company reported net sales of \$1,602.0 million for the first quarter of 2011 compared to \$1,219.4 million in the first quarter of 2010. The first quarter of 2011 increase is attributable to an 11.5% increase in copper sales volume and to higher sales prices. EBITDA was \$842.4 million compared to \$691.5 million in the first quarter of 2010, an increase of \$150.9 million or 21.8%. Operating income was \$762.7 million compared to \$608.8 million a year ago. Income before income tax was \$718.3 million compared to \$588.4 million a year ago. Net Income attributable to the company was \$478.4 million, compared to \$383.2 million in the first quarter of 2010. Basic and diluted income per share was \$0.56, which is 24.8% higher than the \$0.45 in the first quarter of 2010. Capital expenditures were \$73.0 million compared to \$75.4 million a year ago. Exploration was \$7.2 million compared to \$8.5 million a year ago. Net cash used for operating activities was \$513.7 million compared to \$307.2 million for the same period a year ago. The company provided capital expenditure guidance for the second quarter of 2011 and full years of 2011 and 2012. For the second quarter of 2011, the company has CapEx budget about \$121 million. For the year 2011, the company's total CapEx budget is \$808 million for the Peruvian operations and \$867 million for the Mexican operations. For the year 2012, the company has a CapEx budget of \$324 million for Tia Maria, that budget will probably change since the company is expecting some delay on the project at this point.

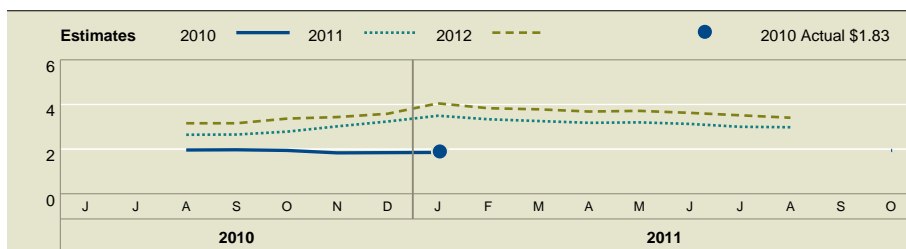
Analysts' Recommendations



Of the total 19 companies following SCCO, 17 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	2	12	0	1
Buy/Hold	6	35	0	3
Hold	7	41	0	9
Weak Hold	1	6	0	3
Sell	0	0	0	0
No Opinion	1	6	0	1
Total	17	100	0	17

Wall Street Consensus Estimates



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2012	3.16	4.00	2.26	16	8.3
2011	2.90	3.25	2.51	16	9.0
2012 vs. 2011	▲ 9%	▲ 23%	▼ -10%	0%	▼ -8%
Q3'12	0.98	1.21	0.74	2	26.6
Q3'11	0.84	0.93	0.75	7	31.1
Q3'12 vs. Q3'11	▲ 17%	▲ 30%	▼ -1%	▼ -71%	▼ -14%

A company's earnings outlook plays a major part in any investment decision. Standard & Poor's organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years. This graph shows the trend in analyst estimates over the past 15 months.

Wall Street Consensus Opinion

BUY/HOLD

Companies Offering Coverage

- BMO Capital Markets-canada
- Barclays Capital
- Bbva Bancomer S.a.
- Bofa Merrill Lynch
- Citi
- Credit Suisse - North America
- Dahlman Rose & Co.
- Deutsche Bank North America
- Goldman Sachs & Co.
- Inteligo SAB
- Itau Corretora
- Jpmorgan
- Larrain Vial
- Morgan Stanley
- Morningstar, Inc.
- Santander
- Scotia Capital
- Societe Generale
- UBS (us)

Wall Street Consensus vs. Performance

For fiscal year 2011, analysts estimate that SCCO will earn \$2.90. For the 2nd quarter of fiscal year 2011, SCCO announced earnings per share of \$0.78, representing 27% of the total annual estimate. For fiscal year 2012, analysts estimate that SCCO's earnings per share will grow by 9% to \$3.16.

Glossary

S&P Quality Ranking - Growth and stability of earnings and dividends are deemed key elements in establishing S&P's quality ranking for common stocks, which are designed to capsule the nature of this record in a single symbol. It should be noted that, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+	Highest	B	Lower
A	High	B-	Below Average
A-	Above Average	C	Lowest
B+	Average	D	In Reorganization
NR	Not Ranked		

S&P Fair Value Rank - Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stock with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; 4-Stock is moderately undervalued; 3-Stock is fairly valued; 2-Stock is modestly overvalued; 1-Stock is significantly overvalued.

Funds From Operations (FFO) - FFO is Funds from Operations and equal to a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

Fair Value Calculation - The current price at which a stock should sell today as calculated by S&P's computers using our quantitative model based on the company's earnings, growth potential, return on equity relative to the S&P 500 and its industry group, price to book ratio history, current yield relative to the S&P 500, and other factors.

Investability Quotient (IQ) - The IQ is a measure of investment desirability. It serves as an indicator of potential medium-to-long-term return and as a caution against downside risk. The measure takes into account variables such as technical indicators, earnings estimates, liquidity, financial ratios and selected S&P proprietary measures.

Standard & Poor's IQ Rationale:

Southern Copper

	Raw Score	Max Value
Proprietary S&P Measures	23	115
Technical Indicators	21	40
Liquidity/Volatility Measures	14	20
Quantitative Measures	47	75
IQ Total	105	250

Volatility - Rates the volatility of the stock's price over the past year.

Technical Evaluation - In researching the past market history of prices and trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

Relative Strength Rank - Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

Global Industry Classification Standard (GICS) - An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 67 Industries, and 147 Sub-Industries.

Dividends on American Depositary Receipts (ADRs) and American Depositary Shares (ADSs) are net of taxes (paid in the country of origin).

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