

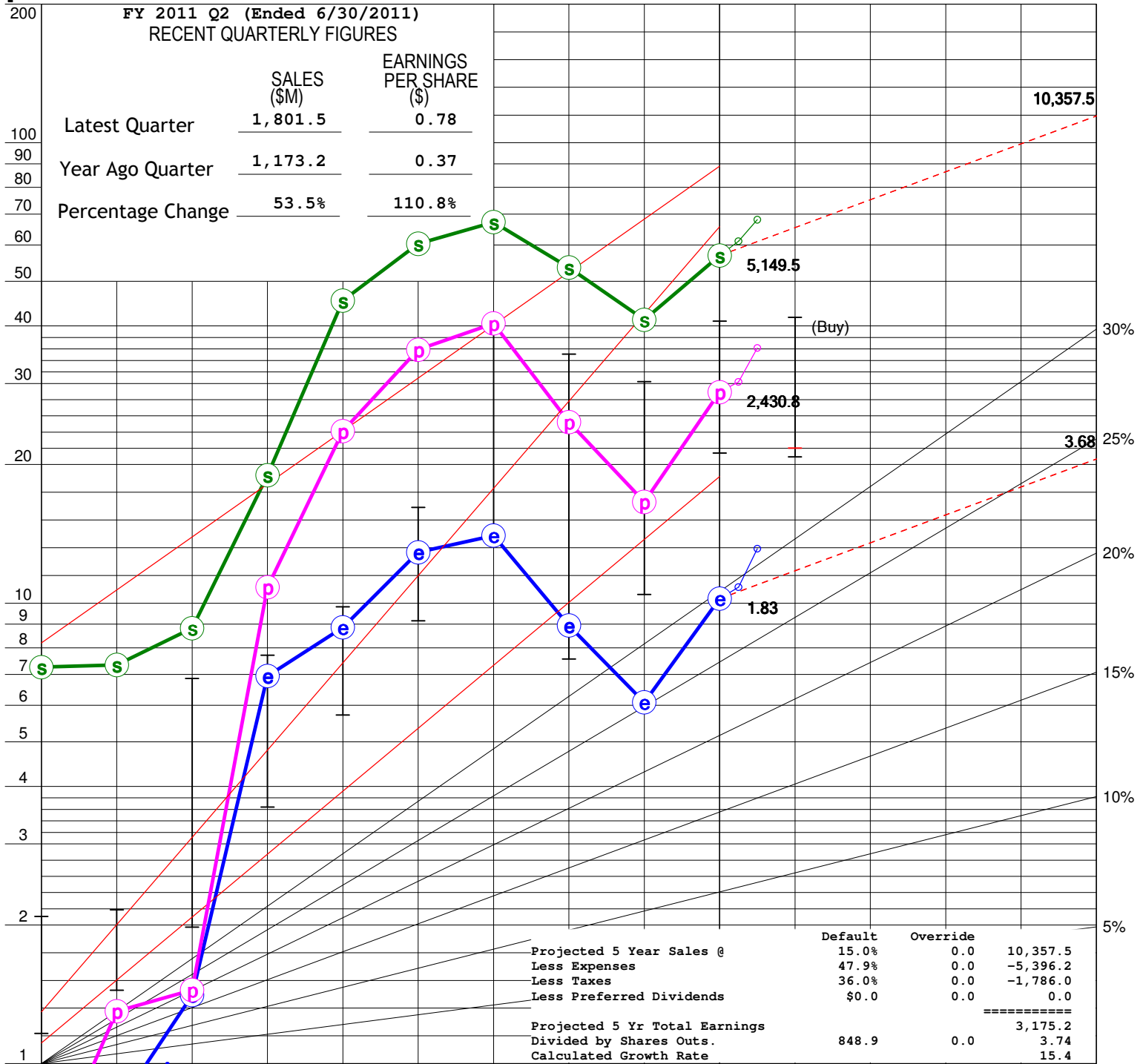


Stock Study

Company	Southern Copper	Price Date	09/23/11
Study by	S Patterson	Data Date	09/23/11
Sector	Basic Materials	Data Source	BI
Industry	Copper	Reference	Morningstar
Preferred(\$M)	0.0		
Common(M Shares)	848.9	% Insiders	0.0
Debt(\$M)	2,750.4	% Institutions	14.1
% Debt to Tot.Cap.	41.4	Quality	

1 Growth Analysis

NYSE: SCCO



- | | | | | |
|-----------------------------------|--------|--|--------|---------------|
| (1) Historical Sales Growth | 30.3 % | (3) Historical Earnings Per Share Growth | 37.0 % | www.iclub.com |
| (2) Estimated Future Sales Growth | 15.0 % | (4) Estimated Future Earnings Per Share Growth | 15.0 % | |
| (5) Sales Growth R ² | 0.75 | (6) Earnings Per Share Growth R ² | 0.63 | |

2 QUALITY ANALYSIS

Company **Southern Copper** (SCCO)

09/23/11

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	5 YEAR AVG.	TREND UP / DOWN
A % Pre-tax Profit on Sales	7.1	16.5	15.3	53.4	48.7	55.1	56.3	43.2	37.6	47.2	47.9	DOWN
B % ROE (Beginning Yr)	7.1	5.7	9.7	45.4	44.2	61.3	60.5	36.7	28.1	40.1	45.3	DOWN
C % Debt to Equity	22.6	24.1	22.0	14.9	34.9	41.4	33.5	37.5	32.7	70.7	43.2	UP

3 PRICE, PRICE/EARNINGS RATIO and DIVIDEND ANALYSIS

CURRENT PRICE 26.200 52-WEEK HIGH 50.350 52-WEEK LOW 25.060

Fiscal Year	High Price	Low Price	EPS	High P/E	Low P/E	Dividend	% Payout	% High Yield
1 2006	19.5	11.0	2.31	8.5	4.8	1.708	74.0	15.5
2 2007	47.8	16.4	2.51	19.0	6.5	2.267	90.3	13.8
3 2008	41.9	9.1	1.60	26.2	5.7	1.943	121.4	21.4
4 2009	36.5	12.6	1.09	33.5	11.6	0.442	40.6	3.5
5 2010	49.4	25.6	1.83	27.0	14.0	1.680	91.8	6.6
6 AVERAGE		14.9		22.8	8.5		83.6	
AVERAGE P/E RATIO	15.6		PROJECTED P/E RATIO	9.7		TTM EPS	2.35	
CURRENT P/E RATIO	11.1		PEG RATIO	0.6		FTM EPS	2.70	
RELATIVE VALUE	71.5		PROJ. RELATIVE VALUE	62.1		AVG TTM + FTM EPS	2.53	

4 EVALUATING REWARD and RISK over the next 5 years

A FUTURE HIGH PRICE ANALYSIS -- NEXT 5 YEARS

Selected High P/E ~~22.8~~ 20.5 X Estimated High Earnings/Share 3.68 = Forecast High Price \$ 75.4

B FUTURE LOW PRICE ANALYSIS -- NEXT 5 YEARS

(a) Sel. Low P/E ~~8.5~~ 8.6 (as adj.) X Estimated Low Earnings/Share ~~1.83~~ 2.35 = \$ 20.2

(b) Average 5-Year Low Price = 14.9

(c) Recent Severe Low Price = 12.6

(d) Price Dividend Will Support = Present Divd. + High Yield = 2.480 + 0.214 = 11.6

Selected Estimated Low Price = \$ 19.3

C PRICE RANGES

Forecast High Price 75.4 - Estimated Low Price 19.3 = Range 56.1 25% of Range = 14.0

BUY (Lower 25% of Range) = 19.3 to 33.3

MAYBE (Middle 50% of Range) = 33.3 to 61.4

SELL (Upper 25% of Range) = 61.4 to 75.4

Current Price 26.200 is in the Buy Range

D REWARD/RISK ANALYSIS (Potential Gain vs. Risk of Loss)

(Forecast High Price 75.4 - Current Price 26.200) ÷ (Current Price 26.200 - Estimated Low Price 19.3) = 7.1 To 1

5 TOTAL RETURN ANALYSIS

A CURRENT YIELD

Present Full Year's Dividend \$ 2.480 ÷ Current Price of Stock \$ 26.200 = 9.5 % Present Yield or % Returned on Purchase Price

B AVERAGE YIELD - USING FORECAST HIGH P/E

Avg. % Payout 83.6 ÷ Forecast High P/E 20.5 = Avg. Yield 4.1

AVERAGE YIELD - USING FORECAST AVERAGE P/E

Avg. % Payout 83.6 ÷ Forecast Avg P/E 14.6 = Avg. Yield 5.7

C % COMPOUND ANNUAL TOTAL RETURN - USING FORECAST HIGH P/E

Average Yield 4.1 % + Annual Appreciation 23.5 % = Compound Annual Total Return 27.6 %

D % PROJECTED AVERAGE RETURN - USING FORECAST AVERAGE P/E

Average Yield 5.7 % + Annual Appreciation 15.4 % = Projected Average Total Return 21.1 %