



Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	© VALUE LINE PUB. LLC	14-16
Price	1.57	1.69	1.31	1.22	1.48	1.37	1.38	1.66	3.58	4.66	6.18	6.89	5.67	4.39	6.06	8.55	9.90	Sales per sh	12.75	
Gain	.46	.48	.26	.22	.36	.26	.29	.40	1.39	1.90	2.62	2.88	2.03	1.47	2.21	3.55	4.20	"Cash Flow" per sh	5.00	
Return	.38	.39	.13	.06	.19	.10	.14	.25	1.24	1.59	2.31	2.51	1.60	1.09	1.83	3.15	3.75	Earnings per sh ^A	4.50	
Div's	.25	.21	.09	.03	.06	.06	.06	.09	.40	.97	1.71	2.27	1.94	.44	1.68	1.82	1.86	Div's Decl'd per sh ^B	2.15	
Cap'l Spndg	.25	.38	.54	.52	.27	.34	.16	.10	.36	.53	.52	.36	.60	.49	.48	1.65	2.00	Cap'l Spending per sh	.75	
Book Value	2.11	2.28	2.31	2.35	2.48	2.52	2.59	2.74	3.59	3.77	4.15	4.36	3.96	4.56	4.58	5.30	6.55	Book Value per sh	11.40	
Common Shs	481.11	481.39	479.10	480.12	480.01	480.02	480.05	480.08	478.86	883.37	883.38	883.40	854.90	850.00	850.00	850.00	845.00	Common Shs Outst'g ^C	825.00	
P/E Ratio	7.0	7.5	16.4	35.9	11.5	20.4	15.9	14.2	5.5	5.5	6.6	12.5	17.2	22.0	18.6	15.0	15.0	Avg Ann'l P/E Ratio	15.0	
Relative P/E	.44	.43	.85	2.05	.75	1.05	.87	.81	.29	.29	.36	.66	1.04	1.47	1.19	1.19	1.19	Relative P/E Ratio	1.00	
Div Yield	9.3%	7.3%	4.0%	1.1%	2.6%	2.9%	2.6%	2.6%	5.8%	11.0%	11.2%	7.2%	7.1%	1.8%	4.9%	4.9%	4.9%	Avg Ann'l Div'd Yield	3.2%	

Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	© VALUE LINE PUB. LLC	14-16
Total Debt	657.5	664.7	798.4	1715.9	4112.6	5460.2	6085.7	4850.8	3734.3	5149.5	7275	8350	Sales (\$mill)	10500						
LT Debt	25.2%	28.1%	36.4%	58.1%	57.7%	61.0%	62.9%	52.9%	49.1%	57.5%	65.0%	66.5%	Operating Margin	61.0%						
LT Interest	76.3	67.8	73.6	69.6	277.2	275.1	327.9	327.3	322.6	323.2	335	350	Depreciation (\$mill)	380						
Leases	48.7	69.1	120.8	596.8	1400.1	2037.6	2216.4	1406.6	929.4	1554.1	2685	3185	Net Profit (\$mill)	3730						
Annual Rentals	30.9%	36.4%	41.1%	34.4%	29.5%	31.9%	34.7%	32.4%	33.5%	35.7%	35.5%	35.5%	Income Tax Rate	35.0%						
Pension Assets	7.4%	10.4%	15.1%	34.8%	34.0%	37.3%	36.4%	29.0%	24.9%	30.2%	36.9%	38.1%	Net Profit Margin	35.5%						
Capital Expenditures	205.7	210.1	288.8	552.1	918.8	1583.3	1708.3	816.2	1175.7	2564.0	2725	2750	Working Cap'l (\$mill)	5225						
Capital Structure	273.1	299.0	289.0	256.7	1162.1	1518.1	1289.8	1280.0	1270.3	2750.4	2850	2900	Long-Term Debt (\$mill)	2975						
Common Stock	1209.5	1241.4	1315.4	1720.9	3326.1	3666.6	3848.1	3381.3	3875.6	3890.4	4525	5550	Share Equity (\$mill)	9375						
Return on Total Cap'l	4.9%	5.1%	8.1%	30.6%	32.4%	40.4%	44.3%	31.3%	19.0%	24.7%	38.0%	39.0%	Return on Total Cap'l	31.0%						
Return on Shr. Equity	4.0%	5.6%	9.2%	34.7%	42.1%	55.6%	57.6%	41.6%	24.0%	39.9%	59.0%	57.0%	Return on Shr. Equity	40.0%						
Retained to Com Eq	1.6%	3.8%	5.7%	23.6%	16.4%	14.4%	5.6%	NMF	14.3%	3.2%	25.0%	29.0%	Retained to Com Eq	21.0%						
All Div'ds to Net Prof	59%	31%	38%	32%	61%	74%	90%	122%	40%	92%	58%	50%	All Div'ds to Net Prof	48%						

CAPITAL STRUCTURE as of 3/31/11
 Total Debt \$2755.3 mill. Due in 5 Yrs \$230.0 mill.
 LT Debt \$2745.3 mill. LT Interest \$205.0 mill.
 (Total interest coverage: 18.7x) (41% of Cap'l)
 Leases, Uncapitalized Annual rentals \$17.0 mill.
 Pension Assets-12/10 \$62.9 mill. Oblig. \$25.2 mill.
 Pfd Stock None
 Common Stock 850,000,000 shs.

MARKET CAP: \$27.8 billion (Large Cap)

Item	2009	2010	3/31/11
Cash Assets	772.3	2192.7	1973.3
Receivables	408.0	671.7	673.7
Inventory (LIFO)	456.1	504.9	591.9
Other	141.7	333.7	392.9
Current Assets	1778.1	3703.0	3631.8
Accts Payable	283.7	558.7	591.1
Debt Due	10.0	10.0	10.0
Other	308.7	570.3	463.9
Current Liab.	602.4	1139.0	1065.0

Shares of Southern Copper are down considerably since our April report. The drop most likely reflects concern over the recent presidential election in Peru. Southern Copper controls over 170,000 hectares in mineral rights there and is the country's largest metal producer. The issue is whether the new administration will attempt to establish greater state control of the country's economy, particularly as it pertains to mining royalties and taxes. **Meanwhile, one of the company's major expansion projects has been put on hold.** Due to recent disruptions by activists alleging the use of agricultural water and potential pollution from mining, the government of Peru has suspended SCCO's Tia Maria project. The site (earmarked for \$1 billion in investment) has projected annual production of 120,000 tons of copper cathodes. For its part, management maintains that the project will use desalinated sea water, and that it complies with environmental requirements. **Otherwise, the company appears headed for a record earnings year.** Our outlook is based on higher metal prices as well as stepped-up output from

the recently restarted Buenavista mine in Mexico. Specifically, copper prices averaged \$4.38 a pound in the first quarter, up 34% year over year. Meanwhile, total copper mined increased 14%, to 124,200 tons, mainly due to 27,600 tons coming from Buenavista. Once at full capacity, the site can produce 180,000 tons annually. After dipping in May and June, copper prices have firmed up of late, trading about where they started the year, at just under \$4.30 a pound. Combined with the production ramp-up, these prices should support a substantial increase in share net. **These shares retain their appeal for more-speculative accounts.** While it remains to be seen what policy changes will take effect in Peru (and to what extent), the uncertainty will likely suppress the stock's price over the near term, adding an undeterminable element of risk. Overall, Southern Copper's stock is down 35% from its high earlier in the year. Based on our projections for solid annual earnings growth over the 3- to 5-year span, the decline presents a more compelling entry point for intrepid investors.

Year	2008	2009	2010	2011	2012
Quarterly Sales (\$mill.)	1499	1462	1440	450	4851
Mar.31	622	824	1152	1136	3734
Jun.30	1220	1173	1258	1499	5150
Sep.30	1602	1850	1900	1923	7275
Dec.31	2000	2050	2100	2200	8350
Earnings per Share ^A	.64	.62	.47	d.14	1.60
Mar.31	.09	.21	.37	.43	1.09
Jun.30	.45	.37	.43	.58	1.83
Sep.30	.56	.85	.85	.89	3.15
Dec.31	.90	.90	.95	1.00	3.75
Quarterly Dividends Paid ^B	.567	.500	.533	.667	2.27
Mar.31	.467	.567	.57	.340	1.94
Jun.30	.117	.045	.10	.18	.44
Sep.30	.43	.45	.37	.43	1.68
Dec.31	.58	.56			

Acqd. Minera Mexico, 4/05. The company is an indirect subsidiary of Grupo Mexico, which, through its wholly owned Americas Mining Corporation, owns about 80.0% of the capital stock. Has about 11,125 empl. Chrmn: German Larrea Mota-Velasco. Inc. DE. Addr.: 11811 North Tatum Blvd., Suite 2500, Phoenix, AZ 85028. Tel.: (602) 494-5328. Internet: www.southerncoppercorp.com.

Mario Ferro
 July 15, 2011

(A) Diluted earnings. Next earnings report due late October. Earnings may not sum due to rounding. (B) Dividends historically paid early March, June, September, and December. (C) In millions, adjusted for splits.

Company's Financial Strength	A+
Stock's Price Stability	25
Price Growth Persistence	100
Earnings Predictability	45