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The company of industrial research Phibrand wants to take the Ranking of Providers of the Mining Industry in Chile to the best level of accuracy.

The history of Phibrand has been marked by the development of many private and public studies, many of them related to the relationship between client and salesperson, specifically between mining company and provider. In all of these analyzes it has been concluded that the variables "brand" and "performance" appear again and again.

Brand and performance are part of the same equation. They are the two sides of the same coin. It is not known exactly what their relationship is, but we do know both are directly involved in the field of trade relations and do not proceed in the same way. To understand this better, it is necessary to take the place of a provider that faces the market with only two missions: to attract new clients and keeping the existing clients.

To attract clients the most effective variable is the brand, and to maintain the clients it's the performance. Does this mean that the performance is not good for capturing clients? The answer is that it does work, but only through the language of the brand, for example, the language of reputation.

On the other hand, can the brand help to maintain the clients? The answer is also yes, but through the language of performance, for example, the language of the support.

Starting from this analysis, Phibrand set out to transform the Ranking of Providers of the Mining Industry in Chile in a more profound and accurate evaluation and not only of the brands, as in previous versions, but also about performance.

Therefore, this study seeks to provide added value to the industry, to contribute so that the mining companies buy better and the providers to sell better, and contribute to improving competitiveness.



GENERAL RESULTS

In-depth analysis of the mining market

The 3rd Ranking of Providers of the Mining Industry in Chile shows how the clients observe the mining panorama and how they evaluate the companies that provide them with supplies. This instrument, unique in its kind, aims to improve the market competitiveness.

More than 370 representatives of the mining industry clients, including directors, vice presidents, managers, superintendents, managers and supervisors of large mining companies participated in the 3rd Ranking of Providers in the Mining Industry in Chile.

The study, conducted by the industrial research company Phibrand, supported by the Ministry of Mining, the Association of the Main Providers of the Mining Industry (Aprimin), the Association of Consulting Companies of Engineering of Chile (AIC), Expomin 2014, SONAMI and the Editorial Group Editec, consulted about the sector's prospects and the performance of the providers.

The ranking also distinguishes the most representative providing companies with the best and main performance, the most representative of the mining sector and the most successful of 2013.

For Phibrand this survey remains a unique tool in the mining market, which allows an in-depth analysis of the sector and helps to improve their competitive-

ness through the perception measuring of the brand, as for the measurement of performance.

This study for the mining companies is a valuable source of market information for the different purchasing processes, based on the evaluation of their existing providers and also of their competition. Meanwhile for the providers it represents an opportunity to know their position in the market, specifically, its place in the mind of the various mining companies and also their position in comparison to its competitors.

The following are some of the most relevant results of the study.

DATOS SOBRE PROVEEDORES



CREE QUE PUEDE ENCONTRAR UN PROVEEDOR MEJOR QUE EL QUE TIENE



HA PENSADO ÚLTIMAMENTE EN CAMBIAR SU PROVEEDOR ACTUAL

of Providers of the Mining Industry in Chile, had shown less difference between them. In other words, the improvement in the perception of finding a better provider than the actual one with the diminution of the idea of changing the provider would make you think that they conjugate like two alternative paths with

the same objective: lower the costs. Therefore, replacing the providers and negotiating better benefits with current providers today establish that there are two real ways to obtain the target. Years ago, these two variables presumably played more with the idea of “window shopping” with any other intention.



INFORMATION OF THE DOMESTIC PROVIDERS

What are the 3 things that the domestic providers should improve?

I

BETTER UNDERSTANDING OF THE NEEDS OF THEIR CLIENTS

II

SUPPORT MORE THE COST REDUCTION IN THE TASKS

III

IMPROVE THE SPECIALIZATION IN THE SERVICES THEY PROVIDE

The domestic providers conform great part of the current total of mining providers, but are those with less visibility and development. Given this fact, and in order to establish the “urgent” variables that they should improve to increase their competitiveness, it was asked in this third version of the Ranking of the Providers of the Mining Industry in Chile: What are the three things that the domestic providers should improve?

of high-value deals with the proper knowledge of the specific needs of the customers, the potential benefit.

It was possible to observe that what was said earlier above regarding the industry information is a general law and cross-wise where the domestic providers, mostly SMEs, potentially have a huge competitive advantage and disadvantage that they must negotiate in order to capitalize. The disadvantage is the little specialization, and the reduction of the costs and generating

Today, the main and cross-value offering domestic providers have to place in the market, is to lower their prices. This way they are impacting directly on the utility function of the mining company, ensuring its continuity. However, this path is the least sustainable and most impoverishing way to generate value. For this reason and in line with the data, higher levels of expertise are in demand, which derive -with high probability- on attractive deals, greater productivity and lower costs.

INFORMATION OF THE INDUSTRY



DECLARES THAT THE MINING SECTOR IS A GOOD PLACE TO WORK



THINK THAT THE MINING SECTOR IS NOT ENTERING A DECELERATION PROCESS



THINK THAT THE COST IN THE MINING SECTOR WILL NOT DROP IN THE SHORT TERM

INFORMATION OF THE INDUSTRY

The first fact considers the benefits, projections and guarantees that the mining industry provides to the labor market, which shows at the same time the necessity for productivity that this industry needs and the standards required for it. This point is complemented with the idea that, despite the variability related to the international price of copper, the mining companies are seen as a long-term dynamic sector, which, undoubtedly, should substantially improve the competitiveness through the reduction of the production costs, as noticed by the latest data.

Observing this information as a whole it shows, once again, that the sustainability of this industry over time is directly related to:

1. Productivity through higher levels of innovation and better human capital.
2. Control of the production costs, arising from increased competition in the providers’ section, lower energy costs and human capital.
3. Security and environmental sustainability.



WINNING BRANDS THIRD RANKING

The Ranking of Providers of the Mining Industry in Chile classifies, selects and awards the supplying companies that contribute the most to the development of the sector, the best evaluated on their performance and the ones that show greater success in their management.

The local companies of the mining industry often perform an anonymous work, which contributes substantially to the industry. This contribution distinguishes the recognition “Local Providers of High Performance 2013”.

Meanwhile, for those who manage to position Chile in the large circuits of the mining sector, bears the category “The Most Represented National Providers in the Mining Sector 2013”.

As a new novelty in this third version of the ranking Phibrand included a fair process and cross-evaluation to deliver the prize “ Providers with Best Performance award 2013”.

The ranking also recognizes 5-companies that within their respective segments stand out as “ Most Successful Providers of the year 2013.”

The Chilean mining needs to improve its productivity, and this requires having providers that prioritize achieving higher performance through innovation and better management.

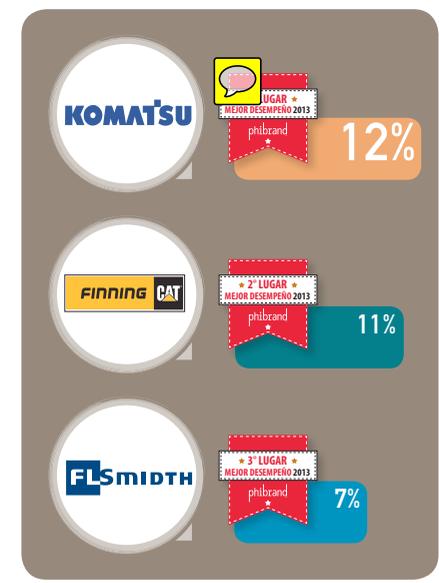
In this context, Phibrand considered transcendental that the clients’ rate their providers and that they recognize those whose merits in their managing stand out from others.

The 3rd Ranking of Providers of the Mining Industry in Chile made in this new version a deep and accurate assessment not only of the brands but also of the performance of companies.

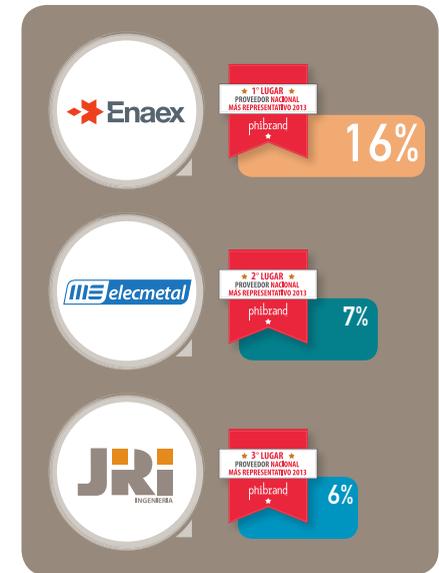
Greater accuracy, which includes measuring the brand and performance demands to be more inclusive regarding market segments considered, the companies that are evaluated and the variables by which they are measured.

That said, Phibrand undertakes to keep adding elements of analysis that improve even more this exposure of the mining sector, only one of its kind.

COMPANIES with BEST PERFORMANCE in 2013 (Spontaneous Mention)



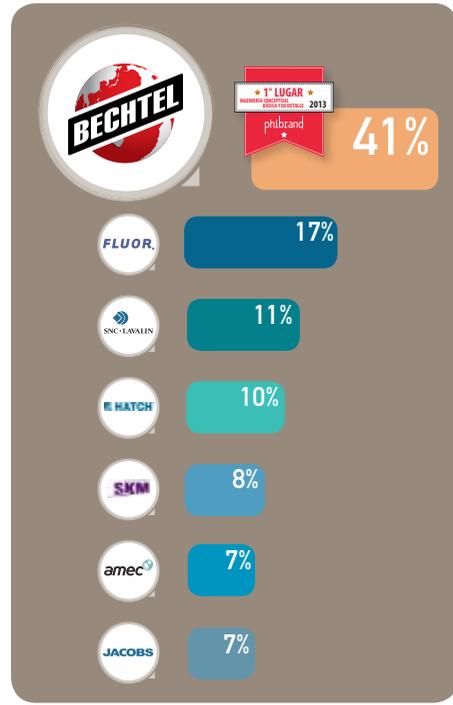
THE MOST REPRESENTATIVE NATIONAL PROVIDERS of the MINING SECTOR (Spontaneous Mention)



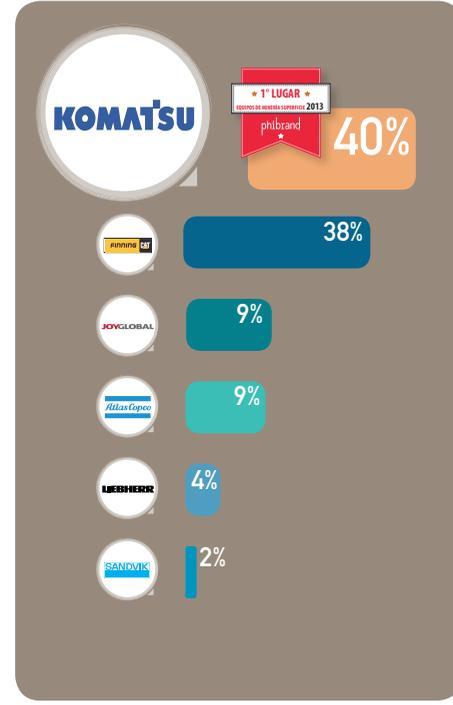
OUTSTANDING LOCAL COMPANIES (Spontaneous Mention)



MOST SUCCESSFUL BRAND in 2013 Conceptual Engineering-Basic and Detail



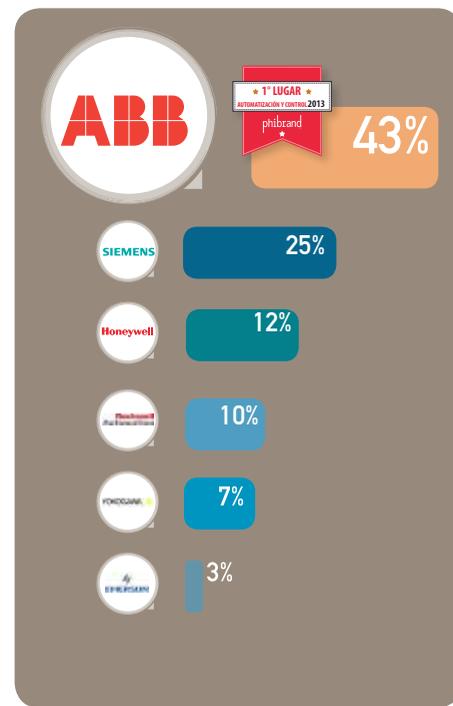
MOST SUCCESSFUL BRAND in 2013 Surface Mining Equipment



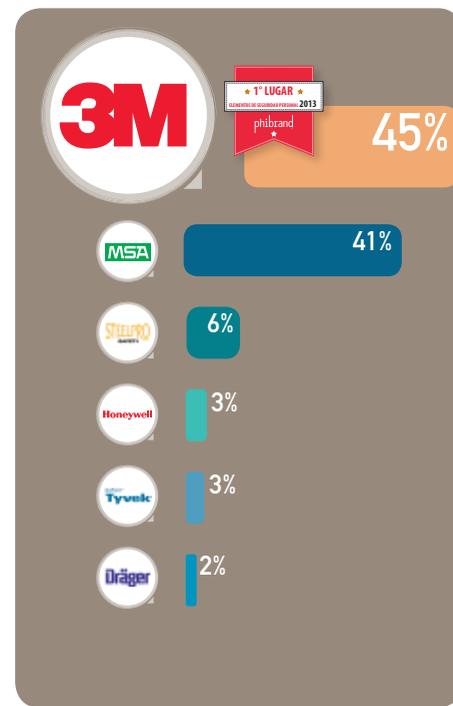
MOST SUCCESSFUL BRAND in 2013 Crushing and Grinding



MOST SUCCESSFUL BRAND in 2013 Automation and Control



MOST SUCCESSFUL BRAND in 2013 Elements of Personal Safety





The Ranking of Providers in the Mining Industry in Chile, realized by Phibrand, allows one to clearly identify the most important providers in each segment of the value chain in the domestic mining industries. In this manner, this instrument allows us to know the valuation and brand positioning for the market and their competition.

In addition, this valuation attribute of the brand image enables the businesses to enhance their relationships with the industry; positively affecting their business ties with its clients.

The companies chosen by the spontaneous vote of executives, professionals and technicians of the mining industry should feel especially proud, given the high number of providers working in the country. Furthermore, the level of the industry of the mining providers in Chile is one of the best and most competitive in the world and, therefore, competing in the country is doubly meritorious.

Given the importance that this ranking has taken -which is now in its third version-, today companies are increasingly more interested in continuing to do major efforts to improve their products, quality services and market positioning. Taken together, these actions contribute to improving the competitiveness and sustainability of the industry.

But this task could be enhanced even more. This ranking could also consider other variables that serve as tools to improve the providers' performance. For example, consider or profounding other indicators of value, such as recognizing those brands more innovative and with the highest standards in quality of services and safety. Additionally show the results of this ranking beyond the mining industry and hopefully to other industries and ideally nationwide.

Juan Carlos Olivares
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