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**FOR IMMEDIATE RELEASE**

**ASARCO PAYS \$50 MILLION MATURITY OF PUBLIC BONDS;  
SEEKS TO ADJUST CREDIT TERMS IN DISCUSSIONS WITH BANKS**

**PHOENIX – Dec. 3, 2001** – Asarco, Inc., a subsidiary of Grupo Mexico S.A. de C.V., announced the payment of \$50 million plus interest on its public bond issue, which matures today. Under the bond program issued by Asarco, the next payment is due in 2003 followed by a payment in 2013.

In the coming days, Asarco also will hold meetings with a group of creditors, headed by Chase Manhattan Bank, on its \$450 million revolving credit agreement, which was granted in 1999 in order to pay previously acquired debt with said banks. The credit agreement matures in November 2002. Asarco has paid on time 100 percent of the credit interests associated with this agreement.

In the meetings, Asarco will negotiate adjustment of terms and conditions of the revolving credit agreement since the company failed to comply with some financial ratios, as previously announced Nov. 6. These failures derived from the steep drop in the copper price, which reached 60 cents per pound in early November, the lowest in current terms since 1987, and to the fall of the market price of shares of the company's mining subsidiaries. These facts, along with the restructuring of operations and the liquidation of non-core assets and companies, resulted in the reduction of Asarco's inventories and receivables, thus negatively affecting the "borrowing base" provided for in such credit.

Grupo México expects that these negotiations will be satisfactory, helping to reestablish the positive commercial relationship between Asarco and its banks. They also should

allow Asarco to reach a favorable operating position and meet required conditions and financial ratios.

Asarco is a major producer of copper, gold, silver, nickel and various specialty metals. The 102-year old company is a subsidiary of Americas Mining Corporation (AMC), established last year as Grupo Mexico's mining division. AMC is among the world's largest integrated mining and refining companies and the third-largest producer of copper. It includes Grupo Mexico's interests in Asarco, Inc. (100 percent), Minera Mexico (98.8 percent) and Southern Peru Copper Corp. (54.2 percent). Minera Mexico, based in Mexico City, is the largest mining company in Mexico and among the world's lowest-cost producers of copper, zinc and silver. Southern Peru Copper Corp., based in Lima, also is among the world's lowest-cost copper producers.

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