



NEWS

ASARCO Incorporated
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ASARCO ANNOUNCES PLANS TO SUSPEND EAST HELENA SMELTER OPERATIONS

TUCSON, AZ, February 2, 2001 -- ASARCO Incorporated announced today that it plans to indefinitely suspend operations at its East Helena, Montana lead smelter on or about April 4th. Asarco has been unable to obtain appropriate feed materials that permit continued economic operation of the smelter.

Asarco informed employees and union officials of the suspension decision earlier today at the plant and began distributing 60-day layoff notices to all smelter employees. Xavier Garcia de Quevedo, Asarco's president and chief operating officer, said that Asarco would continue to employ the staff necessary to provide care and maintenance during the suspension. Asarco will make every effort to assist its employees during this transition period.

Garcia de Quevedo said that Asarco appreciates the efforts of plant employees to keep the smelter operating during difficult economic times. Asarco and its parent company, Grupo Mexico, have considered various operating alternatives in an attempt to keep the smelter running, but the lack of raw materials and the negative impact of market conditions for lead concentrates forced this temporary closure.

The smelter was constructed in 1888 to process materials from mines located in the Northwest United States. With the decline of these mines over time and the closure of domestic refining capacity, the smelter has been forced to rely on a higher percentage of imported concentrate feed and to export its lead bullion for refining, both of which have increased production costs.

Throughout its 112 year history, the East Helena smelter has been expanded and upgraded with additions of environmental equipment. The smelter had annually produced more than 70,000 tons of lead bullion. Plant products include lead bullion with high content of silver and gold, copper by-products and sulfuric acid.

Since 1990 Asarco made significant investments to ensure compliance with environmental standards and will continue to comply with all statutory and regulatory obligations.

The smelter will reopen when market conditions and supply of lead concentrates and other raw materials improve to the point where it becomes economically feasible.

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