



NEWS RELEASE

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German Larrea Elaborates on Grupo Dividend, Shares Issuance Objectives

MEXICO City, April 18, 2000 -- German Larrea, chairman of the board and chief executive officer of Grupo Mexico, S.A. de C.V., today elaborated on the company's announcement last week that Grupo shareholders would be asked to approve a dividend and authorize issuance of 70,000,000 new shares of common stock at a stockholders' meeting April 28th in Mexico City.

Mr. Larrea said the capital increase, through the issuance of the 70,000,000 new shares of Series B common stock, will help develop the Group through new acquisitions, associations or strategic mergers. It will also, he said, improve Grupo's financial structure, through debt reductions.

"This capital increase," Mr. Larrea said, "reinforces Grupo's strategy to issue shares in the international markets of the mining division in the near future with an improved capital structure and seamlessly consolidated mining operations."

The dividend payment of 283,500,000 pesos, or 0.45 pesos per share, according to Mr. Larrea, demonstrates continuation of dividend payments for the benefit of shareholders.

Grupo Mexico is a diversified mining company that ranks as the world's third largest copper producer, fourth largest producer of silver and fifth largest of zinc. The Company's mining operations include significant mining, smelting and refining assets in Mexico, the United States and in Peru through its subsidiary, Southern Peru Copper Corporation (NYSE:PCU). Grupo Mexico also ranks as the world's second largest company in terms of copper reserves. In addition, Grupo Mexico owns 74% and operates in partnership with Union Pacific (26%) the largest and most profitable railroad in Mexico.

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