

PRESS RELEASE



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GRUPO MEXICO ANNOUNCES EQUITY DERIVATIVE TRANSACTION

Mexico City, December 20, 2000 – Grupo Mexico (IPC:NGMEXICB), the world's third largest copper producer, today announced the closing of a derivative transaction in which Dresdner Kleinwort Benson subscribed US\$65 million of NGMEXICB shares and granted Grupo Mexico an option in the same amount on the shares held in treasury. The money received through this transaction will be used to repay an existing, more expensive facility, resulting in improved debt to capitalization as well as a lower cost of debt.

Germán Larrea, Chairman and CEO of the company, today said, "We are very pleased with this transaction. The innovative structure devised by Dresdner Kleinwort Benson will allow us to refinance part of our existing debt at a lower rate. This demonstrates our continued willingness to deliver shareholder value, while optimizing Grupo Mexico's balance sheet"

Grupo Mexico is a diversified mining company that ranks as the world's third largest copper producer, fourth largest silver producer and fifth largest zinc producer. The Company's mining operations include mining, smelting and refining in Mexico, the United States and Peru. The Company has one of the largest copper ore reserve positions in the industry. Grupo Mexico also owns 74% and operates in partnership with Union Pacific (26%), the largest railroad in Mexico.

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