

Press Release

12 May 2000

Union Minière Invests in Padaeng Industry Public Company Limited

Union Minière, one of the world's largest zinc producers, has signed an agreement to subscribe to an increase in equity representing a 33% stake in Padaeng Industry Public Company Limited of Thailand, the sole zinc producer in South East Asia. The stake is worth approximately THB 1 billion (approx. USD 26.7 million). Union Minière will be the largest shareholder in Padaeng. The completion of this transaction remains subject to the approval by the regulatory authorities.

The strategic investment will be highly beneficial to both companies. Union Minière will cooperate with Padaeng for operations in the region to distribute and produce its zinc products through Padaeng. Padaeng and UM will use their respective strengths to position the Thai company as a key player in Asia.

The strategic partners will support their customers with tailor-made products, solutions and services. The strength of the alliance stems from the unique combination of Padaeng's "upstream" mining/smelting activities and its location in the Asian market with Union Minière's expertise in primary and secondary zinc smelting and its experience of value-added "downstream" zinc products.

Padaeng Industry was established in 1981 and was awarded a 25-year zinc ore mining concession by the Thai government in 1982. Its silicate mine is located in central western Thailand, close to the city of Mae Sod, Tak province. On 1 January 2000, Padaeng reported that the Mae Sod mine contains 4.7 million tonnes of proven and probable reserves at 11.3% zinc. An independent report prepared in February 2000 by a worldly renowned consultant confirmed the good potential to increase resources in the current pit and to define extensions to the current resources. The company has a capacity to smelt 100,000 tonnes per year of SHG zinc at its refinery at Tak. The Tak plant is partially fed by the Padaeng's roaster in Rayong with a capacity of 135,000 tonnes of calcine per year. With all of these operations, Padaeng is the largest zinc player in Southeast Asia. After the difficult years linked to the Asian crisis, Padaeng could report earnings of THB 152 million (approx. USD 4 million) in financial year 1999, in comparison to a net loss of THB 314 millions (approx. USD 8 million) in 1998.

n.v. Union Minière s.a

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Union Minière, through its Zinc business group, is one of the world's largest zinc players with a total sales volume of around 550,000 tonnes per year. Union Minière is committed to international development with a strong emphasis on recycling of end-of-life products, excellence in technology and operations and presence in all downstream applications where zinc adds value and where Union Minière can make a difference.

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PROFILE

Union Minière (UM) is an international metals and materials group, which strives to obtain leadership positions in selected markets. Its activities are centred on 3 main business groups: Copper & Precious Metals, Zinc and Advanced Materials. To ensure a rapid response to market openings, each business group is divided into several business units.

The UM Group has industrial operations in Europe, North America, Asia and Africa and serves a global customer base through an international sales network with offices in more than 25 countries.

The underlying principles of UM's strategy across the various business groups are a commitment to technological innovation, operational excellence, recycling and environmental responsibility.

The Group generated a turnover of EUR 3.2 billion in 1999. UM currently employs some 8,000 people.

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