

Press Release

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UM Precious Metals to book a significant gain in 2002 on precious metals inventory reduction

Following further improvements in the performance of the Hoboken smelter, UM's management foresees the possibility to reduce significantly its inventories of precious metals at its Hoboken precious metals recycling operation.

The income of this stock reduction has been secured at the presently very attractive levels for the platinum group metals through forward metal sales coming to maturity in 2002. As a result of this operation, UM expects to register a gain of approx. EUR 25 million in 2002, additional to its normal operating results. It will be accounted for in the operating result of UM Precious Metals.

This is the consequence of the confirmed improvement of the operating performance of its state-of-the-art precious metals recycling plant, which makes it possible to progressively reduce the working capital needs in intermediary products.

Following the commissioning of the new copper leaching and electrowinning circuit in Hoboken in 2003, it may prove possible to implement a further inventory reduction at that time.

The continuous improvement of UM Precious Metals' operating performance confirms UM's commitment to reinforce its position as the world's leading refiner and recycler of secondary precious metals-bearing raw materials. The continuing increase in precious metals use, in particularly that of palladium, platinum and rhodium in electronics and in various environmentally friendly technologies (such as car exhaust catalysts and fuel cells), makes effective and efficient recycling a precondition for sustainable development.

For more information, please contact

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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, Australia 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 3.8 billion in 2000. UM currently employs some 7,900 people.
