



BANKRUPTCY COURT JUDGE RECOMMENDS CONFIRMATION OF GRUPO MEXICO REORGANIZATION PLAN FOR ASARCO

MEXICO CITY -- AUGUST 31, 2009 -- GRUPO MÉXICO, S.A.B. DE C.V. ("GRUPO MÉXICO" – BMV: GMÉXICOB) GRUPO MÉXICO, S.A.B. DE C.V. (GMEXICO) TODAY SAID THAT U.S. BANKRUPTCY COURT JUDGE RICHARD SCHMIDT HAS RECOMMENDED CONFIRMATION OF ITS FULL PAYMENT REORGANIZATION PLAN FOR ASARCO LLC. THIS RULING WILL RETURN CONTROL OF ASARCO RETURNED TO GMEXICO'S SUBSIDIARY AMERICAS MINING CORP. (AMC). IN REACHING HIS DECISION, JUDGE SCHMIDT DETERMINED THAT GMEXICO'S PLAN, VALUED AT \$3.6 BILLION, WAS SUPERIOR TO A COMPETING PLAN SUBMITTED BY STERLITE INDUSTRIES, A SUBSIDIARY OF VEDANTA RESOURCES. THE MATTER IS NOW REFERRED TO U.S. DISTRICT COURT JUDGE ANDREW S. HANEN, SITTING IN BROWNSVILLE, TEXAS, FOR FINAL DECISION.

"WE ARE EXTREMELY PLEASED WITH TODAY'S RECOMMENDATION BY JUDGE SCHMIDT," SAID JORGE LAZALDE, LEGAL VICE-PRESIDENT AND LEAD COUNSEL FOR ASARCO INC. "ASSUMING JUDGE HANEN ACCEPTS THE RECOMMENDATION, RETURNING ASARCO TO THE GRUPO MÉXICO FAMILY WILL NOT ONLY PERMIT THE COMPANY'S CREDITORS TO BE FULLY PAID ON THEIR CLAIMS, PLUS INTEREST, BUT WILL ALSO ALLOW ASARCO TO EMERGE FROM BANKRUPTCY CONSIDERABLY STRONGER AS PART OF A GLOBAL MINING CONGLOMERATE THAT WILL STAND AMONG THE WORLD'S LEADERS. WE LOOK FORWARD TO HELPING ASARCO GET BACK TO THE BUSINESS OF BEING A LEADING U.S. COPPER PRODUCER AND PUTTING THE PROLONGED BANKRUPTCY PROCESS BEHIND IT," SAID ALBERTO DE LA PARRA, LEAD COUNSEL FOR GRUPO MÉXICO.

THE COURT-RECOMMENDED PLAN CALLS FOR GMEXICO, AMONG OTHER THINGS, TO MAKE A \$2.2 BILLION CASH CONTRIBUTION, DISBURSE AN ESTIMATED \$1.4 BILLION IN CASH ON HAND FROM ASARCO'S BALANCE SHEET, ISSUE A ONE-YEAR PROMISSORY NOTE FOR \$280 MILLION PAYABLE TO THE ASBESTOS CREDITORS, FORGIVE \$191 MILLION WORTH OF ASARCO TAX OBLIGATIONS AND RELEASE ITS CLAIM TO A \$60 MILLION TAX REFUND WHICH INSTEAD WILL GO TO CREDITORS.

TO FINANCE THE PLAN, AMC RECEIVED A FIRM COMMITMENT FROM FOUR INTERNATIONALLY RECOGNIZED FINANCIAL INSTITUTIONS TO DELIVER UP TO \$1.3 BILLION, WHICH IN ADDITION TO GMEXICO'S COMMITMENT TO CONTRIBUTE \$900 MILLION, AMOUNTS TO \$2.2 BILLION IN CASH ON THE CLOSING DATE. FURTHERMORE, AMC AND GMEXICO HAVE INCREASED THE ESCROW THAT CURRENTLY HOLDS \$2.2 BILLION IN SOUTHERN COPPER CORPORATION STOCK AS SURETY FOR THE PLAN BY AN ADDITIONAL \$500 MILLION IN CASH TO SECURE AMC'S OBLIGATION TO FUND THE PLAN.

AMC WILL CONTINUE TO HONOR THE COMPANY'S UNION CONTRACTS AND RECOGNIZES THE IMPORTANCE OF HAVING THE FULL SUPPORT OF COMPANY PERSONNEL TO MAKE ASARCO A PROFITABLE AND COMPETITIVE COMPANY. TO EASE ANY CONCERN ASARCO EMPLOYEES MAY HAVE, AMC WILL EXTEND THE COLLECTIVE BARGAINING AGREEMENT TO JUNE 2011 UNDER THE SAME TERMS AND CONDITIONS AS THE CURRENT CONTRACT, APPROVED BY JUDGE SCHMIDT IN 2007.

ASARCO IS EXPECTED TO EMERGE OFFICIALLY FROM BANKRUPTCY BY THE END OF 2009, SHOULD JUDGE HANEN ACCEPT THE BANKRUPTCY COURT'S RECOMMENDATION. GMEXICO EXPECTS TO OPERATE ASARCO'S AMARILLO, HAYDEN, RAY, SILVER BELL AND MISSION FACILITIES. THESE OPERATIONS WILL CONTRIBUTE 200,000 TONS PER YEAR INTO ITS COPPER PRODUCTION, RESULTING IN GLOBAL PRODUCTION CAPACITY OF 870,000 TONS PER ANNUM AND 78 MILLION TONS OF COPPER ORE RESERVES. THIS WILL RANK GMEXICO AS THE WORLD'S LEADING COMPANY IN COPPER ORE RESERVES AND THE NO. 3 OVERALL PRODUCER OF COPPER. WITH AN AVERAGE PRODUCTION COST OF 72 CENTS PER POUND OF COPPER, GMEXICO WILL RANK AMONG THE WORLD'S MOST COMPETITIVE AND LOW-COST COPPER MINING COMPANIES. GMEXICO ALSO ANTICIPATES ACHIEVING OVERALL SYNERGIES OF \$200 MILLION THROUGH THE INTEGRATION OF ASARCO.

WHEN THE PLAN IS CONFIRMED BY JUDGE HANEN AND BECOMES EFFECTIVE, AMC WILL SIMULTANEOUSLY BE RELEASED FROM ANY LIABILITY OR CONTINGENCY RELATED TO THE BROWNSVILLE LITIGATION, THUS ALLOWING FOR THE SIMULTANEOUS RELEASE OF ANY SECURITY AMC PROVIDED FOR THE APPEAL. AMC WILL ALSO RECEIVE TAX BENEFITS OF APPROXIMATELY \$800 MILLION. FINALLY, AS PART OF THE PLAN, ASARCO WILL MAINTAIN THE RIGHT TO SUE STERLITE FOR DAMAGES ARISING FROM ITS BREACH OF A 2008 \$2.6 BILLION CONTRACT TO PURCHASE THE ASSETS OF ASARCO.

This report contains certain forward-looking statements that are subject to risks and uncertainties to actual results that may be significantly different from those expressed. Many of these risks and uncertainties are related to risk factors that Grupo Mexico can not control or estimate precisely, such as future market conditions, metal prices, behavior of other market participants and actions of government regulators, also described in detail in the annual report of the Company. Grupo Mexico does not assume any obligation to publish a review of this forward-looking information to reflect events or circumstances that occur after the date of this report.