



## FERRIER HODGSON

### MEDIA RELEASE

30 August 2002

### PASMINCO RESTRUCTURE APPROVED BY CREDITORS

The Administrators of major zinc producer Pasminco, Messrs. John Spark and Peter McCluskey of Ferrier Hodgson, announced that a proposal for Pasminco to proceed with a restructure pursuant to Deeds of Company Arrangement was approved at a Creditors' Meeting this morning.

The Deeds of Company Arrangement are required to be signed by the end of September, paving the way for the Pasminco restructuring process to take effect.

"Today's result marks the most significant step forward to date in the process that will see Pasminco successfully emerge from Administration. The Equity and Float Option approved today allows for the float process to begin and leaves Pasminco with a viable future," Mr Spark said.

"Going forward the restructured Pasminco will be well positioned to take advantage of improved market conditions including any upturn in zinc prices. It will have a conservative balance sheet, an integrated world class asset base underpinned by the Century zinc mine and a management team focussed on driving continued operational improvements."

The historical audited accounts for the year ended 30 June 2001 and the half year to 31 December 2001 have been lodged with ASIC today.

Mr Spark said that since January 2002, the company had achieved a break-even operational cash flow result, despite the continuing weakness in zinc prices and the uncertainty for the company, its employees and customers ahead of this approval on the restructuring.

"A number of Pasminco operations are recording very positive performances, with some sites achieving record production figures for the year ended June 30, 2002," Mr Spark said.

The restructure proposal – the Equity and Float option – involves an issue of shares in lieu of debt to creditors and financiers owed approximately \$2.8 billion. It is proposed this equity would subsequently be partially sold down via a public float.

#### **For information, please contact:**

Felicity Allen (03) 9654 6555/0413 946 701  
Paula Hannaford (02) 9552 4499/0413 940 180  
Gavin Anderson & Company

**FERRIER HODGSON (VIC)**  
LEVEL 25 140 WILLIAM STREET  
MELBOURNE VIC 3000  
TELEPHONE 03 9600 4922  
FACSIMILE 03 9642 5887  
EMAIL fhmelb@melb.fh.com.au  
PO BOX 290 COLLINS STREET WEST  
MELBOURNE VIC 8007  
DX 125 MELBOURNE

**PARTNERS**  
JOHN SPARK  
PETER VINCE  
PETER McCLUSKEY  
GREG MEREDITH  
JAMES STEWART  
ROD SUTTON  
GEORGE GEORGES  
JOHN LINDHOLM

**DIRECTORS**  
SIMON NELSON  
ROSS BLAKELEY  
CRAIG HUNTER  
SIMON JENNINGS  
**ADRIAN BROWN**  
**CONSULTANTS**  
TONY HODGSON  
ANDREW CORNELL

**GROUP OFFICES**  
ADELAIDE MELBOURNE  
BRISBANE PERTH  
CANBERRA SYDNEY  
DANDENONG  
website: [www.fh.com.au](http://www.fh.com.au)

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