

Company Fresnillo PLC
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9 May 2008

Fresnillo plc announces offer price of 555 pence per share

Fresnillo plc ("Fresnillo" or the "Company"), the world's largest primary silver producer, today announces that an offer price of 555 pence per ordinary share (the "Offer Price") has been set in respect of its initial public offering (the "Global Offer") of new and existing ordinary shares (the "Ordinary Shares") to institutional investors in the United Kingdom and elsewhere. Conditional trading in the Ordinary Shares will commence on the London Stock Exchange's main market today.

Summary of the Global Offer

- The Global Offer comprises 82,890,159 new Ordinary Shares issued by Fresnillo and 80,120,345 existing Ordinary Shares sold by Industrias Penoles, S.A.B. de C.V. ("Penoles") (excluding any exercise of the over-allotment option), which represents in aggregate approximately 22.7 per cent of the Company's enlarged issued ordinary share capital and a total offer size of approximately US\$1,770 million (£905 million).
- The number of Ordinary Shares in issue at Admission is expected to be 717,160,159.
- Based on the Offer Price, the market capitalisation of the Company is expected to be approximately US\$7,787 million (£3,980 million).
- The gross proceeds of the Global Offer to be received by Fresnillo from the issue of the new Ordinary Shares are approximately US\$900 million (approximately £460 million). Fresnillo intends to use the proceeds to re-pay existing debt and to help achieve growth through the delivery of its projects pipeline and expansion of its existing operations.

- In addition, an over-allotment option (not forming part of the Global Offer), exercisable for a period up to 30 days, has been granted to JPMorgan Cazenove Limited ("JPMorgan Cazenove") by Penoles in connection with the Global Offer, which may result in the disposal by Penoles of up to a further 16,279,536 existing Ordinary Shares at the Offer Price. If the over-allotment option is exercised in full, Penoles will own 75% of Fresnillo following the Global Offer.
- It is expected that Fresnillo will be considered for inclusion in the FTSE UK Index Series following completion of the Global Offer.
- Conditional dealings are expected to commence on the London Stock Exchange at 8.00am today under the ticker symbol FRES, with Admission to the Official List of the Financial Services Authority and commencement of unconditional dealings expected to take place at 8.00am on 14 May 2008. Admission of Ordinary Shares to trading on the Mexican Stock Exchange is also expected to take place on 14 May 2008.
- JPMorgan Cazenove is acting as sole sponsor and financial adviser to Fresnillo and sole global co-ordinator, bookrunner and broker in relation to the Global Offer. Canaccord Adams Limited, Citigroup Global Markets U.K. Equity Limited, J.P. Morgan Securities Ltd. and UBS Limited are acting as co-lead managers.

Commenting on today's announcement, Jaime Lomelin, Chief Executive Officer of Fresnillo, said:

"Today marks a key milestone for the next stage of growth for Fresnillo. The Board and the Management team are delighted by the level and quality of investor demand in the current market environment. We view this as a sign of confidence in Fresnillo's exciting future."

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The contents of this announcement, which have been prepared by and are the sole responsibility of Fresnillo, have been approved solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000 ("FSMA") by JPMorgan Cazenove Limited of 20 Moorgate, London, EC2R 6DA United Kingdom.

The information contained in this announcement is restricted and is not for release, publication or distribution in or into, the United States, Canada, Australia or Japan. This announcement does not contain or constitute an offer to sell or the solicitation of an offer to buy securities in the United States, Canada, Australia, Japan or in any other jurisdiction.

The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States absent registration under the Securities Act or an exemption from registration. Accordingly, any offer or sale of the securities referred to herein will be made (1) in the United States to "qualified institutional buyers" (as defined in Rule 144A under the

Securities Act), or (2) outside the United States in accordance with Regulation S under the Securities Act. There will be no public offer of the securities referred to herein in the United States.

This document is an advertisement and not a prospectus and investors should not subscribe for any transferable securities referred to in this document except on the basis of information in the prospectus to be published by Fresnillo in due course in connection with the admission of the Ordinary Shares to the Official List of the Financial Services Authority. Copies of the prospectus will, following publication, be available from Fresnillo's registered office.

Fresnillo accepts responsibility for the completeness, verification and accuracy of the information contained in this document. To the best of the knowledge and belief of Fresnillo and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is accurate and complete in all material respects and no material facts, the omission of which would make misleading any statements of fact or opinion herein, have been omitted.

Any allocations under the Global Offer will be conditional on Admission. All dealings on the London Stock Exchange between commencement of conditional dealings and the commencement of unconditional dealings will be on a 'when issued' basis. If the Global Offer does not become unconditional, all such dealings will be of no effect and any such dealings will be at the sole risk of the parties concerned.

JPMorgan Cazenove Limited, Canaccord Adams Limited, Citigroup Global Markets U.K. Equity Limited and J.P. Morgan Securities Ltd. are each authorised and regulated in the United Kingdom by the Financial Services Authority, are acting exclusively for Fresnillo and no-one else in connection with the Global Offer and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Global Offer and will not be responsible to anyone other than Fresnillo for providing the protections afforded to their respective clients nor for giving advice in relation to the Global Offer or any transaction or arrangements referred to in this document.

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Information contained in this announcement may include 'forward-looking statements'. All statements other than statements of historical facts included

herein, including, without limitation, those regarding the Fresnillo Group's intentions, beliefs or current expectations concerning, amongst other things, the Fresnillo Group's results of operations, financial position, liquidity, prospects, growth, strategies and the silver and gold industries are forward-looking statements. Such forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of the Fresnillo Group's operations, financial position and liquidity, and the development of the markets and the industry in which the Fresnillo Group operates, may differ materially from those described in, or suggested by, the forward-looking statements contained in this document. In addition, even if the results of operations, financial position and liquidity, and the development of the markets and the industry in which the Fresnillo Group operates are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. A number of factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, commodity prices, changes in regulation, currency fluctuations (including the US dollar and Mexican Peso exchanges rates), the Fresnillo Group's ability to recover its reserves or develop new reserves, including its ability to convert its resources into reserves and its mineral potential into resources or reserves, changes in its business strategy and political and economic uncertainty.

Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this document speak only as of the date of this document, reflect the Fresnillo Group's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Fresnillo Group's operations, results of operations, growth strategy and liquidity. Investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision. Subject to the requirements of the Prospectus Rules, the Disclosure and Transparency Rules and the Listing Rules or applicable law, the Fresnillo Group explicitly disclaims any obligation or undertaking publicly to release the result of any revisions to any forward-looking statements in this document that may occur due to any change in the Company's expectations or to reflect events or circumstances after the date of this document.

NOTES TO EDITORS

About Fresnillo

Fresnillo and its subsidiaries (the "Fresnillo Group") contains the precious metals assets of Penoles and its subsidiaries (the "Penoles Group"), having been reorganised into a separate corporate group pursuant to a reorganisation of the Penoles Group.

Fresnillo is the world's largest primary silver producer and Mexico's second largest gold producer, having produced approximately 34.4 million attributable ounces of silver and approximately 280,000 attributable ounces of gold in 2007. In the year ended 31 December 2007, Fresnillo generated revenues of US\$647.9 million. Fresnillo has a low cost of production, being in the lowest quartile of the cost curve for both silver and gold.

Fresnillo has three producing mines - Fresnillo, Cienega, Herradura; two development projects - Fresnillo II, Soledad & Dipolos; and three exploration prospects - San Juan, San Julian, Orysivo, as well as a number of other long term exploration prospects and, in total, has mining concessions covering

approximately 1.3 million hectares in Mexico.

Fresnillo has a strong tradition of mining and a long-term approach to investment in its operational assets, portfolio of development projects and advanced exploration prospects. Underpinned by this approach, the Fresnillo Group has a proven track record of mine development and reserves replacement.

Fresnillo intends to maintain its position as the world's largest primary silver producer with the aim of approximately doubling production, on a silver equivalent ounce basis, within the next ten years and increasing its gold production, thus further diversifying its precious metals asset base.

About Penoles

Founded in 1887, the Penoles Group is a vertically-integrated mining group with operations in the smelting and refining of non-ferrous metals and the manufacture of chemical products. Penoles is currently the world's largest primary silver producer and a leading producer of metallic bismuth and sodium sulfate producer, and one of the largest primary gold, lead and zinc producers in Latin America. Penoles' shares have been listed on the Mexican Stock Exchange since 1968 under the PE&OLES ticker. Generally, Penoles' business is divided into three segments: (i) Metals; (ii) Mines, which includes its base metals and precious metals businesses and its exploration operations; and (iii) Chemicals.

This information is provided by RNS
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