



Press Release

Indefinite Extension of the Closure of the Gómez Palacio ferroalloy plant

January 6, 2016

In July 2015, Autlán temporarily suspended operations at its Gómez Palacio Ferroalloy Plant in order to carry out programmed maintenance to ensure that the facility's productivity and safety remain at an optimum level. However, the suspension was continued throughout the third and fourth quarters of 2015 due to the difficult conditions in the global steel market and, more particularly, the unfair trade practices that Autlán has had to face in the domestic market over the past year from diverse ferroalloy supplier countries, mainly in Asia.

Despite the fact that several months ago the company began legal proceedings to counteract the dumping practices that have severely affected the ferroalloy market, these proceedings are in progress and unfortunately market conditions have not yet been corrected. As a result, the company is advising that it has been obliged to extend the closure of the operations at the Gómez Palacio Plant indefinitely. This measure will reduce operating costs.

The Gómez Palacio Plant specialises in silicomanganese production and has an annual capacity of 33,000 tons, which represents 20% of the company's total capacity to produce this ferroalloy.

It is difficult for Autlán to take steps such as these because they affect the company's workers, who over many decades have demonstrated their abilities and commitment to providing world-class products for the company's clients. Unfortunately, these measures are necessary in face of the slowdown in the global steel market and the unfair competition in Mexico.

Autlán trusts that the authorities will issue a resolution on this matter in the near future, introducing initiatives to eliminate the detrimental effects of dumping on the domestic production of ferroalloys. Then, Autlán will be in a better position to consider reopening its Gómez Palacio Plant.

Despite this decision, Autlán wishes to confirm that it has the capacity to satisfy the needs of its domestic and foreign clients by adapting its production at the Teziutlán and Tamós Plants.

Autlán is a Mexican company focused on fulfilling the manganese needs from the steel industry as well as the specialized manganese requirements from the dry battery, ceramic and micro nutrient producers. Autlán is fully committed to Mexico with the development of three significant business areas: ENERGY / MINING / FERRO-ALLOYS. The company was founded in 1953 and has been recognized as a reliable supplier because of its high quality products and commercial service.

San Pedro Garza García, N.L.
January 6, 2016
ir@autlan.com.mx