



Doe Run Peru Will Move La Oroya Forward

Viable Company Stands Ready to Advance Social, Environmental, Economic Progress

Doe Run Peru is committed to the community of La Oroya. Over the past 13 years, the company has invested over US\$300 million in local environmental improvement projects at its La Oroya Metallurgical Complex (LOMC), and has committed US\$180 million more in the years ahead. This figure is *four times* what the company was advised by the government was needed to complete the environmental work when it purchased the facility in 1997.

The company has a strong track record of promoting economic, environmental and social progress throughout La Oroya and the surrounding region. Examples include:

- **Employment:** Doe Run Peru is La Oroya's largest employer, with a workforce of 3,500 dedicated individuals performing in safe working conditions. 85% of company employees are enrolled in the payroll system, receiving over US\$80 million in annual wages, salaries and benefits. Over the past 13 years, the company has generated over US\$400 million in tax revenue for Peru.
- **Environmental Improvements:** Doe Run Peru has been a responsible environmental partner of Peru. The company has completed eight of nine required environmental improvement initiatives that have substantially reduced emissions from the facility, and has a plan to complete the final remaining project over the next twenty months. Further, the company has reinvested 100% of its profits into environmental projects at LOMC, improving the local environment while powering Central Peru's regional economy.
- **Social Programs:** Doe Run Peru has been a financial supporter of local soup kitchens, health programs, water treatment initiatives, as well as farming, agricultural and ecological preservation projects. These efforts alone have totaled approximately US\$50 million in company contributions, and illustrate the company's continued commitment to supporting the needs of the La Oroya community.

Doe Run Peru is a strong, viable company that seeks to be a long-term partner of Peru for years to come. With annual sales of US\$1,500 million, the company generates US\$500 million in added value from concentrates processing alone. But Doe Run Peru isn't just a local company; as Peru's sixth-highest exporter, the company's global presence extends far beyond the country's borders. In fact, ninety percent of sales are distributed across five continents, including South America, North America, North Africa, Europe and Asia.

At its Cobriza mine, Doe Run Peru today produces approximately 85,000 tonnes of concentrate per year. In addition, the Cobriza mine has 19 million tonnes of ore reserves to be mined in the future. With a forecast to produce more than 100,000 tonnes per annum in the near term, the long-term outlook for expansive production at this facility is exceptionally bright.

As these facts clearly show, Doe Run Peru is a viable company. Operations at Cobriza continue, and despite LOMC's temporary shutdown, the company is contributing to the regional and national economy by paying its taxes and employee salaries in a timely manner. In fact, the company has paid its non-working LOMC employees approximately US\$120 million during the period in which the facility has been off-line and unproductive, two years to date – further evidence of the company's commitment to doing what's right for the local community.

Doe Run Peru's financial strength renders the prospect of liquidation proceedings in Indecopi both irresponsible and unnecessary. These proceedings will substantially jeopardize the company's ability to resume operations and return needed economic development to the people of La Oroya. Liquidation will result in the closure of the La Oroya smelter, and force all Peruvian miners to export their concentrates,

resulting in an annual revenue loss of US\$500 million for the Peruvian economy. Doe Run Peru is a sustainable company, one that can be profitable for all stakeholders, provided that the Government of Peru honors its contractual obligations, conducts itself properly and in accordance with international law and its treaty obligations.

Doe Run Peru remains willing to engage in a constructive dialogue with Peruvian officials. The company seeks to discuss the details of Doe Run Peru's capacity to implement a viable restructuring plan with the strategic support of its partner, Glencore. The plan allows for the completion of the company's last remaining environmental improvement project within twenty months, with payments to mining suppliers covering one hundred percent of their debt paid over four years.

Doe Run Peru must resume its LOMC operations, and do so quickly. The Complex has been shutdown for two years, and people want to get back to work. The need for government support for investment and employment for the central region of Peru is undeniable. It's time Peruvian officials come to the table and work with Doe Run Peru to develop a constructive path forward for the future of La Oroya.

The people of Peru are counting on it.