

April 23, 2008

## *Timminco's convoluted dealings and "furious" insider selling comes to light.*

Timminco Limited (TSX: TIM \$18.23) insiders' creation and use of a new company called AMG Advanced Metallurgical Group N.V (AMS: AMG 44.92E) to sell approximately US\$400 million of stock in their interest in Timminco is the subject of an article in today's Canadian press. The stock sales were executed in Amsterdam. Before providing details of the transactions the article states that the "Fact is the people who control the company (Timminco) are highly conflicted and have been liquidating their position furiously."

The article attempts to unravel the relationship between Safeguard International Fund LP, Timminco, AMG and Heinz Schimmelbusch. The article notes that "it's clear that Mr. Schimmelbusch, a shrewd financial engineer if nothing else, wasn't sure enough of the outcome to hang in fully, having effectively sold Timminco shares well below where they are today (although he still has some interest in the company). If he felt it was worth starting to sell at much lower prices, investors should know about it."

The article in today's Globe and Mail finds that "Over the years, Safeguard gradually increased its interest in Timminco by lending the struggling company money. The debt, however, could be converted into stock on the cheap - about 40 cents a share for the most part."

Not included in the report is an analysis of the timing of the Timminco insider stock purchases and a series of then undisclosed material actions made throughout 2006, which led to the current situation. The actions, which included comparably brief experimentation followed quickly by the building of a pilot plant, were not fully publicly disclosed until after these \$0.40 insider purchases were executed.

The article notes that "it seems that Mr. Schimmelbusch et al. were not quite as convinced about Timminco's promise." That article points out that these insiders have their largest stake in Safeguard, followed by AMG, and finally Timminco through their AMG position. According to the article, the insiders' AMG liquidation materially reduced Safeguard's AMG "ownership to 40 per cent from 92 per cent. Further sales of AMG shares, post-offering, cut Safeguard's ownership to 26 per cent."

The Globe and Mail article was authored by a chartered financial analyst.

[Click here](http://www.asensio.com/data/press/306.pdf) to read "Timminco saga has its problems" published in the Globe and Mail on April 23, 2008.