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COMP/M.4240 – TECK COMINCO/ INCO

SECTION 1.2

Description of the concentration

On 23 May 2006, Teck Cominco Limited (“Teck”) made a cash and share offer to acquire all of the issued and outstanding common shares of Inco Limited (“Inco”) (the “Offer”), having announced its intention to do so on 8 May 2006. The Offer is conditional on appropriate competition and regulatory clearances being obtained, including clearance by Canadian and American authorities and the European Commission.

The Offer by Teck follows the joint announcement on 11 October 2005 by Inco and Falconbridge Limited (“Falconbridge”) that they have entered into a support agreement with respect to the acquisition by Inco of all of the outstanding common shares of Falconbridge by way of a takeover bid. The Offer is conditional upon, *inter alia*, Inco’s takeover bid for Falconbridge having been withdrawn or terminated without any shares of Falconbridge having been purchased by Inco pursuant to such take-over bid, and the support agreement between Inco and Falconbridge dated 10 October 2005, as amended, being lawfully terminated in accordance with its terms.

Teck does not produce or sell any nickel and Inco does not produce or sell any zinc or coal. Therefore, there is no overlap in terms of the primary products mined by the parties to the proposed concentration. Whilst there are a number of products that are produced by both Teck and Inco, very few of these are sold in Europe and, in any event, market shares are small.