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## Vale restructures its investments in power generation

*Vale concluded the transaction with Cemig Geração e Transmissão S.A (Cemig GT) to create the joint venture Aliança Geração de Energia S/A*

Vale announces that it concluded the transaction with Cemig Geração e Transmissão S.A (Cemig GT) to create the joint venture Aliança Geração de Energia S/A (Aliança Geração). This transaction is related to the agreement signed with Cemig GT announced in December 19, 2013.

After receiving all regulatory approvals and other customary precedent conditions related to the transaction, Vale and Cemig GT increased capital in Aliança Geração by the incorporation of energy generation assets, leading to a participation on the total capital of this new company of 55% and 45%, respectively. The completion of the transaction does not involve any cash disbursements and has been executed by the transfer of assets.

Consequently, Aliança Geração will own the participations previously held by Vale and Cemig GT in the following energy generation assets: Igarapava, Porto Estrela, Funil, Aimorés, Capim Branco I e II, and Candonga. These plants have 1,158 MW of attributable installed capacity and 652 average MW of energy assured. The supply of energy for Vale operations will be assured through long term contracts.

At the same time, the transaction with Cemig GT includes the sale of 49% of the participation of Vale in Aliança Norte Energia Participações S/A (Aliança Norte), which holds the participation of Vale in 9% of the total capital of Norte Energia S.A., company responsible for the construction, operation and exploration of the Belo Monte hydroelectric plant. The closure of the Aliança Norte transaction is expected to happen in the short term.

The transaction is consistent with Vale's strategy of maximizing value for shareholders as it reduces capital expenditures requirements on non-core assets and increases flexibility for managing these assets in the future.

### More information

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