



Type what you want to search

Search

12/19/2013



Vale restructures its investments in power generation

The company signed agreements with Cemig to sell 49% of its 9% stake in Norte Energia and the creation of a joint venture called Aliança Geração de Energia

Vale announces that it signed agreements with CEMIG Geração e Transmissão S.A. (CEMIG GT) to sell 49% of its 9% stake in Norte Energia S.A. (Norte Energia), the company responsible for the implementation, operation and exploration of the Belo Monte hydroelectric plant (Belo Monte), and the creation of a joint venture consisting of power generation assets.

Two distinct companies were created to hold projects and power generation assets. In the first company, Aliança Norte Energia Participações S/A (Aliança Norte Energia), Vale will hold a 51% stake, resulting from the transfer of its current 9% stake of the total capital of Norte Energia to Aliança Norte Energia and the subsequent sale of 49% of the capital of this company – equivalent to 4.41% of the total capital of Norte Energia – to CEMIG GT for approximately R\$ 206 million. As a result, Vale will no longer have to guarantee part of the debt associated with the financing structure of the Belo Monte project.

The second company, Aliança Geração de Energia S/A, will be comprised of Vale's and CEMIG GT's stakes in the following hydroelectric power plants: Porto Estrela, Igarapava, Funil, Capim Branco I e II, Aimorés and Candonga. These plants have 1,158 MW of attributable installed capacity and assured energy of 652 average MW. Vale and CEMIG GT will hold 55% and 45%, respectively, of the total capital of this new company. Energy supply to Vale's operations will be secured by long-term contract.

The transaction is subject to regulatory approvals and other customary precedent conditions in deals with similar characteristics. The final amounts of these transactions are subject to certain adjustments, in accordance with the terms and conditions established in the investment agreements.

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

More information 



Mônica Ferreira

monica.ferreira@vale.com

Fatima Cristina

fatima.cristina@vale.com

Rio de Janeiro

+55 (21) 3845-3636

Rio de Janeiro

+55 (21) 3485-3621
