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Vale announces a proposal for a public offer to buy shares of Vale Fertilizers

Rio de Janeiro, June 22, 2011 – Vale S.A. (Vale) announces that, as a result of the studies to choose the best option of corporate structure for its fertilizer assets, the Executive Board has decided to submit to the Board of Directors a proposal for a public offer to acquire up to 100% of the free float of its subsidiary Vale Fertilizers S.A. (Vale Fertilizers), a company listed on the BM&FBovespa. The next step will be to take Vale Fertilizers private. Therefore, Vale is not considering an eventual listing of a subsidiary holding its fertilizer assets.

The free float of Vale Fertilizers represents 15.66% of its total capital, with the common shares owned by minority shareholders representing 0.09% of total common shares while the preferred shares account for 31.77% of total preferred shares issued by Vale Fertilizers.

The public offer to acquire shares involves a cash price of R\$ 25.00 per share, for both the common and preferred shares, amounting to a total disbursement by Vale of up to R\$ 2.22 billion (equivalent to US\$ 1.39 billion at the BRL/USD exchange rate of 1.5910 for June 21, 2011). The price of R\$ 25.00 per share implies a 41% premium over the average price of preferred shares traded in the last 20 trading days on the BM&FBovespa.

The proposal will be submitted to the Board of Directors in its meeting of Thursday, June 30, 2011. If it is approved, Vale will request the filing of the public offer with the Comissão de Valores Mobiliários (CVM), Brazil's securities commission.

The proposal is a good opportunity for the minority shareholders of Vale Fertilizers to monetize their shares. At the same time, it is aligned with Vale's strategy to maximize shareholder value by consolidating the fertilizer assets in order to capture the existing synergies within Vale's asset portfolio and ensuring the same high standards of corporate governance followed by Vale for all its assets and subsidiaries.

More information



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