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## Vale concludes important steps of the fertilizer assets acquisition

Vale announces that it concluded the acquisition, through its subsidiary Mineração Naque S.A., of a direct and indirect stake of 58.6% in the equity capital of Fertilizers Fosfatados S.A. - Fosfertil (Fosfertil) - a company listed on the BM&F Bovespa and the largest Brazilian producer of fertilizer nutrients - and the Brazilian fertilizer assets of Bunge Participações e Investimentos S.A. (BPI) for a total of US\$ 4.7 billion.

Vale acquired for US\$ 3.0 billion the direct and indirect stake of 58.6% in the equity capital of Fosfertil, which corresponds to 72.6% of the common shares and 51.4% of the preferred shares, from Bunge Fertilizers S.A., Bunge Brasil Holdings B.V., Yara Brasil Fertilizers S.A. (Yara), Fertilizers Heringer S.A. (Heringer) and Fertilizers do Paraná Ltda. (Fertipar) - equivalent to a price per share of US\$12.0185. The remaining US\$ 1.7 billion is attributable to the acquisition of a portfolio of Brazilian fertilizer assets owned by BPI, which includes phosphate rock mines and phosphates producing units and does not include retail/distribution operations.

Pursuant to Brazilian corporate law and capital markets regulations, Vale will launch a mandatory offer - to be filed with CVM, the Brazilian Securities Commission, in the short-term - to buy the 0.19% of the common shares held by the minority shareholders of Fosfertil for US\$ 12.0185 per share, the same price paid to the other common shareholders of Fosfertil, as previously disclosed.

As announced on February 10, 2010, as part of the acquisition of Fosfertil, Vale holds an option contract with The Mosaic Company (Mosaic), which gives us the option to acquire Mosaic's direct and indirect stakes in Fosfertil, corresponding to 27.27% of the common shares and 16.65% of the preferred shares and to 20.27% of the equity capital of Fosfertil, for US\$ 1,029,811,129.77, at a price per share of US\$ 12.0185. This transaction is expected to be concluded in the near future.

The acquisition is in line with our strategy to become a leading global player in the fertilizer business. The build-up of a large world-class value creation platform is being pursued through a combination of acquisitions and organic growth.

Accommodating continuous demand expansion for minerals, metals and fertilizers will require substantial new capacity build-up. Geological and institutional constraints tend to contribute to a slow market adjustment and to generate the need to invest in higher-cost and lower-quality sources of supply. Vale is best positioned to benefit from the strong long-term market fundamentals, given its world-class, long-life and low-cost assets and multiple growth options supplied by a high-quality project pipeline.

Given the quality of the assets being acquired and the strength of long-term market fundamentals, we expect this transaction to generate returns above our weighted average cost of capital, creating significant shareholder value.

More information 



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