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02/10/2010



Vale consolidates the acquisition of Fosfertil

Vale informs that it has entered through its subsidiary Mineração Naque S.A. into an option contract with The Mosaic Company (Mosaic), a company listed on the New York Stock Exchange (NYSE), giving it the right to buy shares of Fertifos Administração e Participações S. A. (Fertifos) and Fertilizers Fosfatados S.A. - Fosfertil (Fosfertil), a company listed on the BM&F Bovespa, owned by Mosaic. This contract is part of the process of acquiring 100% of the equity capital of Bunge Participações e Investimentos S.A. (BPI), publicly announced by Vale on January 27, 2010.

The exercise of the option is subject to certain conditions, among which, the effective acquisition of the fertilizer assets of Bunge Group in Brazil. The option gives our subsidiary the right to acquire a direct and indirect stake of 20.27% in the equity capital of Fosfertil, comprised of 27.27% of common shares and 16.65% of preferred shares.

The strike price of the option contract is US\$ 1,029,811,129.77, which was based on the same price per share, US\$ 12.0185, agreed with BPI, Fertilizers Heringer S.A. (Heringer), Fertilizers do Paraná Ltda. (Fertipar) and Yara Brasil Fertilizers S.A. (Yara) for the acquisition of their direct and indirect stakes in Fosfertil.

After concluding the acquisition of the direct and indirect stakes of BPI, Heringer, Fertipar, Yara and Mosaic, Vale will hold 78.90% of the equity capital of Fosfertil, corresponding to 99.81% of common shares and 68.24% of preferred shares. The total price to be paid for the acquisition of 78.90% of the equity capital of Fosfertil is US\$ 4,006,876,600.55.

Pursuant to Brazilian corporate law and capital markets regulations and once concluded the acquisition of the above mentioned stakes, Vale will launch a mandatory offer to buy the remaining 0.19% of the common shares held by the minority shareholders of Fosfertil for the same price per share agreed with BPI, Heringer, Fertipar, Yara and Mosaic.

In addition to the acquisition of Fosfertil shares Vale has also agreed to acquire from Mosaic a processing plant located in Cubatão, state of São Paulo, Brazil, for US\$ 50 million. The plant has a nominal capacity to produce 300,000 metric tons per year of single superphosphate (SSP), which is the phosphates nutrient mostly consumed in Brazil.

More information



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