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Vale to acquire fertilizer assets

Vale announces that it has entered, through its subsidiary Mineração Naque S.A., into a purchase agreement with Bunge Fertilizers S.A. and Bunge Brasil Holdings B.V. to acquire 100% of the outstanding shares of Bunge Participações e Investimentos S.A. (BPI), a company with assets and investments in the fertilizer business in Brazil and controlled by Bunge Ltd. (Bunge), a company listed on the New York Stock Exchange (NYSE).

The transaction

In an all-cash transaction, Vale has agreed to pay US\$3.8 billion for the acquisition of 100% of BPI, which owns a portfolio of Brazilian fertilizer assets composed by: (a) phosphate rock mines and phosphates assets; (b) a direct and indirect stake of 42.3% in the equity capital of Fertilizers Fosfatados S.A. - Fosfertil (Fosfertil) - a company listed on the BM&F Bovespa - which corresponds to 53.8% of the common shares and 36.4% of the preferred shares of such firm. The transaction does not involve any retail and/or distribution business.

According to the transaction, US\$1.65 billion has been attributed to BPI's phosphate rock and phosphates assets, and the remaining US\$2.15 billion for the shares of Fosfertil held directly and indirectly by BPI.

The transaction is still subject to the customary conditions precedent such as some approvals of governmental regulatory agencies. Upon the satisfaction of such conditions and closing of the transaction, Vale will launch a mandatory offer to buy out the common shares held by the minority shareholders of Fosfertil for 100% of the price per share attributed to Fosfertil shares.

Vale will conduct studies and analyses involving the combination of the acquired assets and companies, as well other fertilizer assets already owned by Vale in the world. At this stage, there is no indication as to whether or not such analyses will lead to a corporate reorganization. As soon as the studies are finished and a decision is made, we will promote its public disclosure.

Our CEO Roger Agnelli has commented: "This transaction is instrumental to the consolidation of Vale's strategy on focusing on Brazil as the main market for its production of phosphates, given the potential of the acquired mines as well as the growth associated to our projects around the world, such as Bayovar, which is coming on stream this year, and Evate, in the future.

We are very happy because the acquisition of these assets combined with our potash projects based on world-class deposits, contributes to enhance the execution of Vale's growth and value creation strategy, making feasible the emergence of a new global leader in the fertilizer industry."

[Click on the link below to read the full release](#)

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