



Type what you want to search

Search



09/29/2016



Vale informs on the evolution of the coal deal

Under the new terms, Mitsui agreed to contribute up to US\$ 450 million, being: (i) an aggregate of US\$ 255 million for a 15% of Vale's stake in the Moatize coal mine

Vale informs the approval of new terms related to its transaction with Mitsui & Co., Ltd. (Mitsui) associated with the divestment of part interest in the Moatize coal mine and the Nacala Logistics Corridor (NLC).

Under the new terms, Mitsui agreed to contribute up to US\$ 450 million, being: (i) an aggregate of US\$ 255 million for a 15% of Vale's stake in the Moatize coal mine (Vale currently holds 95% of the equity interest of the Moatize coal mine); and (ii) an additional contribution of up to US\$ 195 million based on meeting certain conditions, including mine performance.

Mitsui will also contribute US\$ 348 million for a 50% stake in the equity and quasi-equity instruments of the NLC and extend a long-term facility of US\$ 165 million to the NLC.

Vale expects to receive US\$ 768 million after the completion of the equity transaction with Mitsui, and up to US\$ 2.7 billion upon closing the Project Financing. The completion of the equity transaction continues to relate to the successful completion of the Project Financing.

"This is a very important project not only for Vale, but for Brazil and Japan, countries that are represented in Mozambique at this time, when the coal is recovering its significant power in terms of price," said Murilo Ferreira, Vale's CEO.



Watch the comments on the agreement by Murilo Ferreira

All figures above pertaining to the valuation of the Moatize Mine assume the mine will pay logistics service tariffs to the NLC to economically support the repayment of the US\$ 2.7 billion Project Finance package.

The agreement demonstrates Vale's and Mitsui's commitment to the transaction and reinforces their focus on completing the project financing for the NLC.

Vale reaffirms the strategic importance of the partnership with Mitsui and its confidence on completing both the equity transaction and the project financing shortly.

More information



Mônica Ferreira

monica.ferreira@vale.com

Rio de Janeiro

+55 (21) 3845-3636

Fatima Cristina

fatima.cristina@vale.com

Rio de Janeiro

+55 (21) 3485-3621