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Vale agrees to acquire Sparrows Point

Companhia Vale do Rio Doce (Vale) announces that it is a partner in a joint venture that has entered into an agreement to acquire substantially all assets of the ArcelorMittal USA wholly-owned Sparrows Point (Sparrows Point) steel mill.

The transaction is subject to customary conditions, including approval by the United States Department of Justice.

Vale's partners in the joint venture are Industrial Union of Donbass, a Ukrainian steel company, Esmark Inc., a U.S. steel services company, Wheeling-Pittsburgh Corporation, a U.S. steel company, and some U.S.-based institutional investors.

Vale is committed to invest up to US\$ 270 million to assure a minority stake in the joint venture when the transaction is approved.

The Sparrows Point steel mill has state-of-the art facilities, full ocean access for import and export, and the potential to become a player in the seaborne market. It is an integrated steel mill, located in Sparrows Point, Maryland, on the east coast of the United States. Sparrows Point has a nominal capacity to produce 3.9 million metric tones of crude steel per year and it is an important supplier of flat and galvanized steel, tin mill and semi-finished steel to the North American market.

The acquisition of Sparrows Point is consistent with Vale's strategy of investing in minority stakes in steel assets in order to foster iron ore sales growth.

More information



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